



MIAMI SPRINGS TOWN CENTER

1 Curtiss Parkway
Miami Springs, Florida 33166

APPRAISAL REPORT

Date of Report: June 10, 2024
Colliers File #: MIA240232



PREPARED FOR
Ileana Pardina
AVP/Appraisal Administrator
U.S. Century Bank
2301 N.W. 87th Avenue
2nd Floor
Doral, Florida 33172

PREPARED BY
COLLIERS INTERNATIONAL
VALUATION & ADVISORY SERVICES

LETTER OF TRANSMITTAL

COLLIERS INTERNATIONAL
VALUATION & ADVISORY SERVICES



801 Brickell Avenue, Suite 943
Miami, FL 33131 USA
MAIN 305 359 3690
FAX 786 735 3178
WEB www.colliers.com/valuationadvisory

June 10, 2024

Ileana Pardina
AVP/Appraisal Administrator
U.S. Century Bank
2301 N.W. 87th Avenue
2nd Floor
Doral, Florida 33172

RE: Miami Springs Town Center
1 Curtiss Parkway
Miami Springs, Florida 33166

Colliers File #: MIA240232

Mrs. Pardina:

Pursuant with our engagement, the above captioned property was appraised utilizing best practice appraisal principles for this property type. This appraisal report satisfies the scope of work and requirements agreed upon by U.S. Century Bank and Colliers International Valuation & Advisory Services.

The date of this report is June 10, 2024. At the request of the client, this appraisal is presented in an Appraisal Report format as defined by *USPAP* Standards Rule 2-2(a). Our appraisal format provides a detailed description of the appraisal process, subject and market data and valuation analyses.

The subject is a Mixed Use Multifamily - Retail (Mid/High-Rise Housing) property totaling 55 units and 23,605 square feet of retail space located on a 1.11-acre site at 1 Curtiss Parkway in Miami Springs, Florida. The improvements were built in 2022, are in good/excellent condition and have a remaining economic life of 53 years based on our estimate.

The purpose of this appraisal is to develop opinions of the As-Is Market Value and Prospective Value Upon Stabilization of the subject property's leased fee interest. At the request of the client we have also completed an Insurable Replacement Cost Estimate.

The following table conveys the final opinions of market value of the subject property that are developed within this appraisal report:

VALUE TYPE	INTEREST APPRAISED	DATE OF VALUE	VALUE
Market Value As-Is	Leased Fee	June 1, 2024	\$37,000,000
Prospective Value Upon Stabilization	Leased Fee	June 1, 2025	\$38,500,000
OTHER CONCLUSIONS			AS OF JUNE 1, 2024
Insurable Replacement Cost			\$25,920,000

The subject property has a current occupancy of 25.5%, which is below the stabilized occupancy estimate of 96.5% that was developed in this appraisal.

The analyses, opinions and conclusions communicated within this appraisal report were developed based upon the requirements and guidelines of the current Uniform Standards of Professional Appraisal Practice (USPAP), the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute. The report is intended to conform to the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA) standards.

The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter. *USPAP* defines an Extraordinary Assumption as, “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”. *USPAP* defines a Hypothetical Condition as, “that 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”.

The Extraordinary Assumptions and/or Hypothetical Conditions that were made during the appraisal process to arrive at our opinions of value are fully discussed below. We advise the client to consider these issues carefully given the intended use of this appraisal, as their use might have affected the assignment results.

EXTRAORDINARY ASSUMPTIONS

- We have not been provided with a recent title report for the subject and have assumed that the subject is not encumbered by any detrimental easements and/or encroachments. We reserve the right to revisit our conclusions with a current Title Report.
- We relied upon public records and offering memorandum for items such as real estate tax information, zoning information and in some cases, site and building size information. We assume this information is accurate. However, should other information be provided that have a material impact on our conclusion, then we would reserve the right to readdress our conclusion(s).
- The Client has requested prospective values based on an anticipated stabilization date. We make the extraordinary assumption that market conditions do not significantly change between the future dates of value and the effective date of this report.
- We relied upon offering memorandum, rent roll as well as a ground floor plan for gross rentable areas of the buildings. We assume this information is accurate. However, should different information be provided that has a material impact on our conclusion, then we would reserve the right to readdress our conclusion(s).
- We make the extraordinary assumption that the subject has a competent pre-leasing and marketing campaign in place prior to completion of the development.

HYPOTHETICAL CONDITIONS

No Hypothetical Conditions were made for this assignment.

RELIANCE LANGUAGE

The Appraisal is for the sole use of the Client; however, Client may provide only complete, final copies of the Appraisal report in its entirety (but not component parts) to third parties who shall review such reports in connection with loan underwriting or securitization efforts. Colliers International Valuation & Advisory Services is not required to explain or testify as to appraisal results other than to respond to the Client for routine and customary questions. Please note that our consent to allow the Appraisal prepared by Colliers International Valuation & Advisory Services or portions of such Appraisal, to become part of or be referenced in any public offering, the granting of such consent will be at our sole and absolute discretion and, if given, will be on condition that Colliers International Valuation & Advisory Services will be provided with an Indemnification Agreement and/or Non-Reliance letter, in a form and content satisfactory to Colliers International Valuation & Advisory Services, by a party satisfactory to Colliers International Valuation & Advisory Services. Colliers International Valuation & Advisory Services does consent to your submission of the reports to rating agencies, loan participants or your auditors in its entirety (but not component parts) without the need to provide Colliers International Valuation & Advisory Services with an Indemnification Agreement and/or Non-Reliance letter.

Colliers International Valuation & Advisory Services hereby expressly grants to Client the right to copy the Appraisal and distribute it to other parties in the transaction for which the Appraisal has been prepared, including employees of Client, other lenders in the transaction, and the borrower, if any.

Our opinion of value reflects current conditions and the likely actions of market participants as of the date of value. It is based on the available information gathered and provided to us, as presented in this report, and does not predict future performance. Changing market or property conditions can and likely will have an effect on the subject's value.

The signatures below indicate our assurance to the client that the development process and extent of analysis for this assignment adhere to the scope requirements and intended use of the appraisal. If you have any specific questions or concerns regarding the attached appraisal report, or if Colliers International Valuation & Advisory Services can be of additional assistance, please contact the individuals listed below.

Sincerely,

**COLLIERS INTERNATIONAL
VALUATION & ADVISORY SERVICES**



Ralph Peña, III, MAI
Managing Director | Miami
State Certified General Real Estate Appraiser
License #RZ2724
+1 786 517 4855
ralph.pena@colliers.com



P.J. Cusmano, MAI, MRICS
Executive Vice President | Eastern US
State Certified General Real Estate Appraiser
License #RZ2436
+1 813 229 1599
pj.cusmano@colliers.com

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CERTIFICATION

ASSUMPTIONS & LIMITING CONDITIONS

ADDENDA

Insurable Replacement Cost

Engagement Letter

Valuation Glossary

Qualifications of Appraisers

Qualifications of Colliers International Valuation & Advisory Services

GENERAL INFORMATION

Property Name	Miami Springs Town Center
Property Type	Mixed Use Multifamily - Retail - Mid/High-Rise Housing
Address	1 Curtiss Parkway
City	Miami Springs
State	Florida
Zip Code	33166
County	Miami-Dade
Core Based Statistical Area (CBSA)	Miami-Fort Lauderdale-West Palm Beach, FL
Market	Miami-Miami Beach-Kendall, FL
Submarket	Hialeah/Miami Lakes
Longitude	-80.280769
Latitude	25.821775
Number Of Parcels	2
Assessor Parcels	05-3119-013-0010 and 05-3119-013-0030
Total Taxable Value	\$1,654,323
Census Tract Number	47.03

SITE INFORMATION

Land Area	Acres	Square Feet
Usable	1.11	48,377
Unusable	0.00	0
Excess	0.00	0
<u>Surplus</u>	<u>0.00</u>	<u>0</u>
Total	1.11	48,377
Topography	Level at street grade	
Shape	Irregular	
Access	Average/Good	
Exposure	Average	
Appeal	Good	
Current Zoning	Central Business District (CBD)	
Flood Zone	Zone AH	
Seismic Zone	No Risk	

IMPROVEMENT INFORMATION

Number Of Units	55
Average Unit Size	1,013 SF
Net Rentable Area SF (NRA)	75,285 SF
Gross Building Area SF (GBA)	124,221 SF
Development Density	49.5 Units/Acre (55 Units / 1.11 Acres)
Number Of Apartment Buildings	1
Number Of Non-Residential Buildings	<u>2</u>
Total Number Of Buildings	3
Number Of Stories	3
Year Built	2022
Quality	Good/Excellent
Condition	Good/Excellent
Marketability	Good
Type Of Construction	Concrete block
Parking Type	Surface And Garage
Number Of Parking Spaces	111
Parking Spaces/Unit	2.0
Property Amenities	The subject's common amenities include: business center, fitness center.

HIGHEST & BEST USE

As Vacant	Development of a residential property as market conditions warrant
As Improved	Continued use as a residential property

EXPOSURE TIME & MARKETING PERIOD

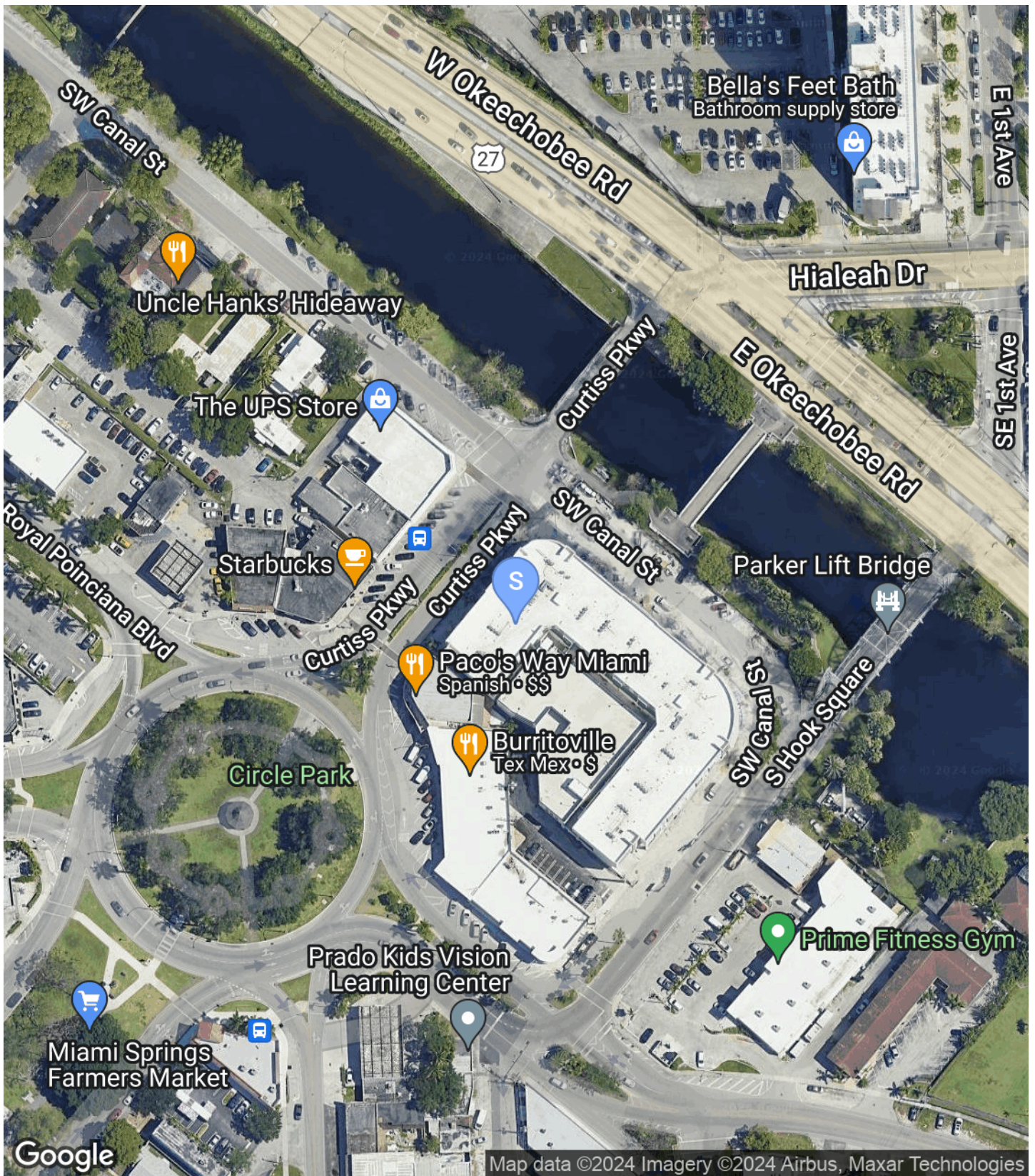
Exposure Time	Six to Nine Months
Marketing Period	Six Months or Less

VALUATION SUMMARY

Current Occupancy	25.5%
Stabilized Occupancy	96.5%
Estimated Lease-Up Period	9 Months
Current Average Rent/Unit	\$2,115/Unit
Concluded Average Rent/Unit	\$3,070/Unit
Potential Gross Income	\$3,200,572
Vacancy, Concessions & Credit Loss	3.5%
Effective Gross Income	\$3,085,193
Total Expenses	\$1,043,689
Net Operating Income	\$2,041,504
Capitalization Rate (OAR)	5.25%

VALUATION SUMMARY

VALUATION INDICES	MARKET VALUE AS-IS	PROSPECTIVE VALUE UPON STABILIZATION
INTEREST APPRAISED	LEASED FEE	LEASED FEE
DATE OF VALUE	JUNE 1, 2024	JUNE 1, 2025
INCOME CAPITALIZATION APPROACH		
Direct Capitalization	\$37,560,000	\$38,890,000
Direct Capitalization \$/Unit	\$682,909/Unit	\$707,091/Unit
Direct Capitalization \$/SF (NRA)	\$498.91/SF	\$516.57/SF
Net Operating Income	-	\$2,041,504
NOI \$/Unit	-	\$37,118/Unit
Capitalization Rate	-	5.25%
INCOME CONCLUSION	\$37,560,000	\$38,890,000
Income Conclusion \$/Unit	\$682,909/Unit	\$707,091/Unit
Income Conclusion \$/Bed	\$37,560,000/Bed	\$38,890,000/Bed
Income Conclusion \$/SF (NRA)	\$498.91/SF	\$516.57/SF
SALES COMPARISON APPROACH		
SALES CONCLUSION	\$36,720,000	\$38,050,000
Sales Conclusion \$/Unit	\$667,636/Unit	\$691,818/Unit
Sales Conclusion \$/SF	\$487.75/SF	\$505.42/SF
COST APPROACH		
COST CONCLUSION	\$34,240,000	\$35,570,000
Cost Conclusion \$/Unit	\$622,545/Unit	\$646,727/Unit
Cost Conclusion \$/SF (GBA)	\$275.64/SF	\$286.35/SF
FINAL VALUE CONCLUSION		
FINAL VALUE	\$37,000,000	\$38,500,000
Final \$/Unit	\$672,727/Unit	\$700,000/Unit
Final \$/SF (NRA)	\$491.47/SF	\$511.39/SF
Implied Capitalization Rate	-	5.30%
LAND VALUATION		
LAND VALUE	\$6,660,000	-
Value/Acre	\$6,000,000.00	-
OTHER CONCLUSIONS		
Insurable Replacement Cost	\$25,920,000	
Insurable Replacement Cost/Unit	\$471,273/Unit	
Insurable Replacement Cost/SF (GBA)	\$208.66/SF	





EXTERIOR VIEW



EXTERIOR VIEW



EXTERIOR VIEW



EXTERIOR VIEW



EXTERIOR VIEW



EXTERIOR VIEW



TYPICAL LIVING ROOM



TYPICAL KITCHEN



TYPICAL BEDROOM



TYPICAL LIVING ROOM



TYPICAL BATHROOM



TYPICAL BATHROOM



GYM



PARKING GARAGE



TYPICAL RETAIL BAY



TYPICAL RETAIL BAY



STREET VIEW



STREET VIEW

PROPERTY IDENTIFICATION

The subject is a Mixed Use Multifamily - Retail (Mid/High-Rise Housing) property totaling 55 units and 23,605 square feet of retail space located on a 1.11-acre site at 1 Curtiss Parkway in Miami Springs, Florida.

The assessor's parcel numbers are: 05-3119-013-0010 and 05-3119-013-0030.

The legal description of the subject property is as follows:

LEGAL DESCRIPTION:
THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF MIAMI-DADE, STATE OF FLORIDA, AND IS DESCRIBED AS FOLLOWS:
TRACTS A IN BLOCK 85 OF REVISED PLAT OF PORTION OF SECTION 2 OF COUNTRY CLUB ESTATES, ACCORDING TO THE PLAT THEREOF, AS RECORDED IN PLAT BOOK 34, AT PAGE 40, OF THE PUBLIC RECORDS OF MIAMI-DADE COUNTY, FLORIDA; FORMERLY KNOWN AS LOT SIXTEEN (16), BLOCK 85, OF A SUBDIVISION OF BLOCK 85 OF SECTION 2 OF COUNTRY CLUB ESTATES, ACCORDING TO THE PLAT THEREOF RECORDED IN PLAT BOOK 30, PAGE 17, OF THE PUBLIC RECORDS OF MIAMI-DADE COUNTY, FLORIDA.

AND TRACTS C IN BLOCK 85 OF REVISED PLAT OF PORTION OF SECTION 2 OF COUNTRY CLUB ESTATES, ACCORDING TO THE PLAT THEREOF, AS RECORDED IN PLAT BOOK 34, AT PAGE 40, OF THE PUBLIC RECORDS OF MIAMI-DADE COUNTY, FLORIDA; FORMERLY KNOWN AS LOTS TEN (10) TO FIFTEEN (15), BOTH INCLUSIVE, BLOCK 85, OF A SUBDIVISION OF BLOCK 85 OF SECTION 2 OF COUNTRY CLUB ESTATES, ACCORDING TO THE PLAT THEREOF RECORDED IN PLAT BOOK 30, PAGE 17, OF THE PUBLIC RECORDS OF MIAMI-DADE COUNTY, FLORIDA.

TOGETHER WITH:
A STRIP OF LAND 52 FEET IN WIDTH, LYING BETWEEN AND ADJACENT TO TRACTS A AND C IN BLOCK 85 OF "REVISED PLAT OF PORTION OF SECTION 2 OF COUNTRY CLUB ESTATES," ACCORDING TO THE PLAT THEREOF AS RECORDED IN PLAT BOOK 43 AT PAGE 40, OF THE PUBLIC RECORDS OF MIAMI-DADE COUNTY, FLORIDA; MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTH CORNER OF TRACT C, THENCE RUN NORTHWESTERLY A DISTANCE OF 140 FEET TO THE POINT OF CURVATURE OF A CIRCULAR CURVE CONCAVE TO THE SOUTHWEST, THENCE RUN ALONG THE ARC OF SAID CURVE, HAVING A RADIUS OF 15 FEET THROUGH A CENTRAL ANGLE OF 90 DEGREES, AN ARC DISTANCE OF 23.56 FEET TO THE POINT OF INTERCEPTION WITH THE NORTHEASTERLY LINE OF TRACT C, SAID LINE BEING THE SOUTHERLY RIGHT OF WAY LINE OF CANAL STREET, A DISTANCE OF 5 FEET TO THE POINT OF CURVATURE OF A CIRCULAR CURVE CONCAVE TO THE SOUTHEAST, THENCE RUN ALONG THE ARC OF SAID CURVE, HAVING A RADIUS OF 51 FEET THROUGH A CENTRAL ANGLE OF 90 DEGREES, AN ARC DISTANCE OF 23.56 FEET TO THE POINT OF TANGENCY; THENCE RUN SOUTHWESTERLY ALONG THE NORTHWESTERLY LINE OF TRACT A, A DISTANCE OF 135.30 FEET TO THE NORTHWEST CORNER OF TRACT A; THENCE RUN A DISTANCE OF 25.44 FEET TO THE POINT OF BEGINNING, AND AS VACATED PER RESOLUTION RECORDED IN O.R. BOOK 20277, PAGE 1640.

CONTAINING: 48,377.00 SQUARE FEET, MORE OR LESS, BY CALCULATIONS.

CLIENT IDENTIFICATION

The client of this specific assignment is U.S. Century Bank.

PURPOSE

The purpose of this appraisal is to develop opinions of the As-Is Market Value and Prospective Value Upon Stabilization of the subject property's leased fee interest. At the request of the client we have also completed an Insurable Replacement Cost Estimate.

INTENDED USE

The intended use of this appraisal is to assist the client with a potential loan that would be collateralized by this asset.

INTENDED USERS

U.S. Century Bank is the only intended user of this report. Use of this report by third parties and other unintended users is not permitted. This report must be used in its entirety. Reliance on any portion of the report independent of others, may lead the reader to erroneous conclusions regarding the property values. Unless approval is provided by the authors no portion of the report stands alone.

ASSIGNMENT DATES

Date of Report	June 10, 2024
Date of Inspection	June 4, 2024
Valuation Date - As-Is	June 1, 2024
Valuation Date - Prospective At Stabilization	June 1, 2025

PERSONAL INTANGIBLE PROPERTY

No personal property or intangible items are included in this valuation.

PROPERTY AND SALES HISTORY

Current Owner

The subject title is currently recorded in the name of Springs Town Center LLC who acquired title to the property on October 15, 2018 as improved for \$4,650,000, as recorded in (Book 31184/Page 0753) of the Miami-Dade County Deed Records.

Three-Year Sales History

Research of the applicable public records, private data services and an interview of the current owner and/or broker revealed that the subject property has not transferred during the past three years of the effective date of value stated in this report.

Subject Sale Status

The subject property is under contract to sell for \$36,500,000. Based on conversation with the property owner, the property was listed for sale at \$41,000,000 approximately 4 month prior to the contract. The contract provided to the appraiser contains no atypical terms or conditions. There are no reported seller concessions. This appears to be an arm's-length transaction. Our concluded market value is in line with the purchase price.

DEFINITIONS

This section summarizes the definitions of value, property rights appraised, and value scenarios that are applicable for this appraisal assignment. All other applicable definitions for this assignment are located in the Valuation Glossary section of the Addenda.

DEFINITIONS OF VALUE

Given the scope and intended use of this assignment, the following definition of value is applicable:

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 is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

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

¹ Interagency Appraisal and Evaluation Guidelines, December 10, 2010, Federal Register, Volume 75 Number 237, Page 77472

PROPERTY RIGHTS APPRAISED

The property rights appraised constitute the leased fee interest.

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.²

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.³

VALUE SCENARIOS

As-Is Value

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date.⁴

Prospective 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.⁵

² The Dictionary of Real Estate Appraisal, Seventh Edition, Appraisal Institute, Chicago, Illinois, 2022

³ The Dictionary of Real Estate Appraisal, Seventh Edition, Appraisal Institute, Chicago, Illinois, 2022

⁴ The Dictionary of Real Estate Appraisal, Seventh Edition, Appraisal Institute, Chicago, Illinois, 2022

⁵ The Dictionary of Real Estate Appraisal, Seventh Edition, Appraisal Institute, Chicago, Illinois, 2022

INTRODUCTION

The appraisal development and reporting processes requires gathering and analyzing information about those assignment elements necessary to properly identify the appraisal problem to be solved. The scope of work decision must include the research and analyses that are necessary to develop credible assignment results given the intended use of the appraisal. Sufficient information includes disclosure of research and analyses performed and might also include disclosure of research and analyses not performed. The scope of work for this appraisal assignment is outlined below:

- › The appraisers analyzed the regional and local area economic profiles including employment, population, household income, and real estate trends. The local area was further studied to assess the general quality and condition, and emerging development trends for the real estate market. The immediate market area was inspected and examined to consider external influences on the subject.
- › The appraisers confirmed and analyzed legal and physical features of the subject property including sizes of the site and improvements, flood plain data, seismic zone, zoning, easements and encumbrances, access and exposure of the site, and construction materials and condition of the improvements. This process also included estimating the remaining economic life of the improvements, analysis of the subject's site coverage and parking ratios compared to market standards, a process to identify deferred maintenance and a conclusion of the subject's overall functional utility.
- › The appraisers completed an apartment market analysis that included market and sub-market overviews. The Miami-Miami Beach-Kendall, FL market and Hialeah/Miami Lakes sub-market overviews analyzed supply/demand conditions using vacancy, absorption, supply change and rent change statistics. Conclusions were drawn regarding the subject property's competitive position given its physical and locational characteristics, the prevailing economic conditions and external influences.
- › The appraisers conducted a Highest and Best Use analysis, determining the highest and best use of the subject property As-Vacant and As-Improved. The analysis considered legal, locational, physical and financial feasibility characteristics of the subject property. Development of the Highest and Best Use As-Improved explored potential alternative treatments of the property including demolition, expansion, renovation, conversion, and continued use "as-is."
- › The appraisers confirmed and analyzed financial features of the subject property including historical and budgeted income/expense data, rent roll, lease abstracts, lease documents, and tax and assessment records. This information as well as trends established by confirmed market indicators was used to forecast performance of the subject property.
- › Selection of the valuation methods was based on the identifications required in USPAP relating to the intended use, intended users, definition and date of value, relevant property characteristics and assignment conditions. As a result, this appraisal developed the Income (Direct Capitalization), Sales Comparison and Cost approaches to value. The resulting value indicators were reconciled within the Analysis of Value Conclusions section. The appraisal develops opinions of the As-Is Market Value and Prospective Value Upon Stabilization of the subject property's leased fee interest. At the request of the client we have also completed an Insurable Replacement Cost Estimate. The reasoning for including or excluding traditional approaches to value is developed within the Valuation Methodology section.
- › Reporting of this appraisal is in an Appraisal Report format as required in USPAP Standard 2. The appraiser's analysis and conclusions are fully described within this document.
- › We understand the Competency Rule of USPAP and the authors of this report meet the standards.
- › No one provided significant real property appraisal assistance to appraisers signing this certification.

SOURCES OF INFORMATION

The following sources were contacted to obtain relevant information:

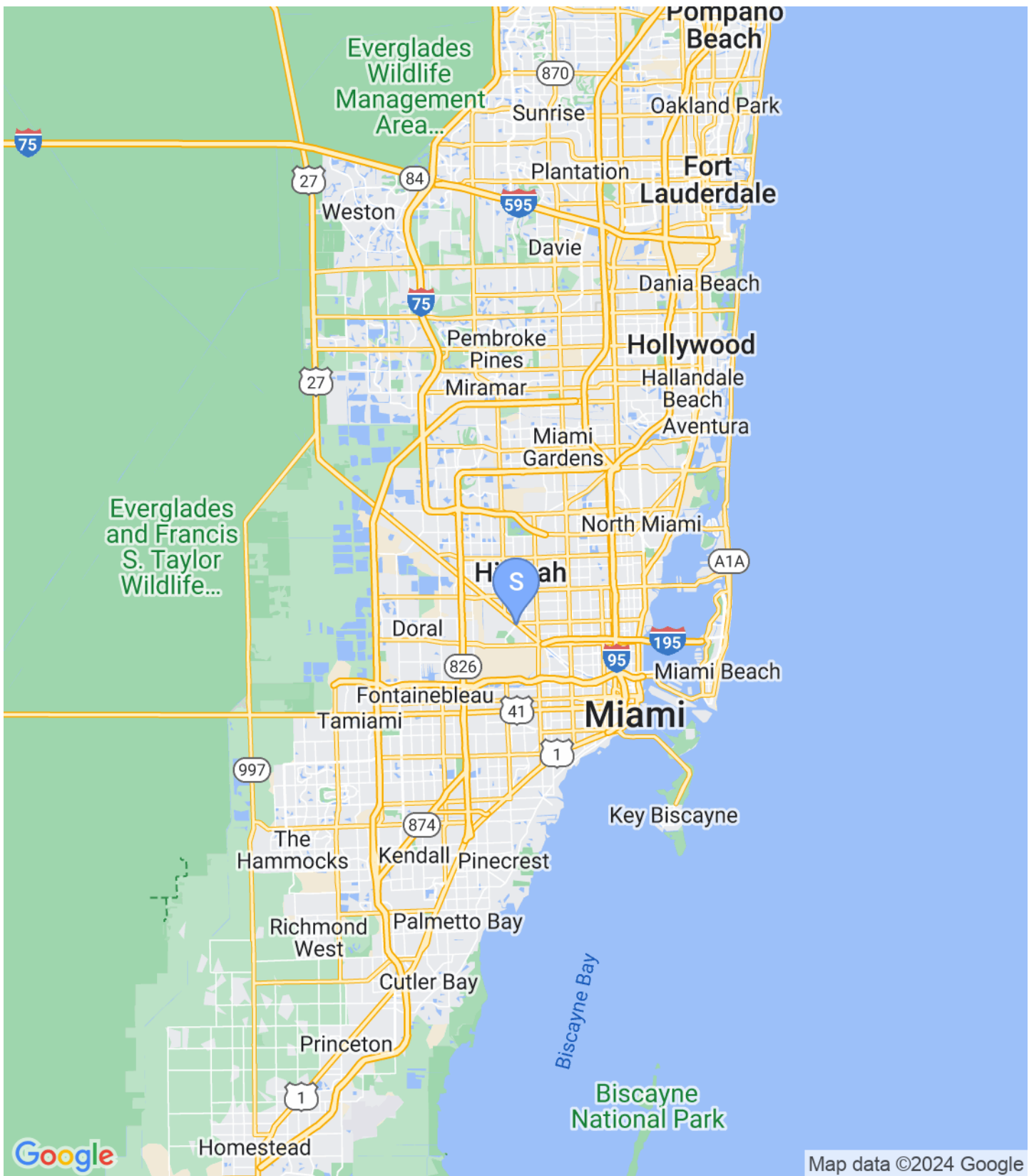
SOURCES OF INFORMATION	
ITEM	SOURCE
Tax Information	Miami-Dade County Tax Assessor
Zoning Information	City of Miami Springs Zoning Code
Site Size Information	Miami-Dade County Tax Assessor
Building Size Information	Miami-Dade County Tax Assessor
New Construction	City of Miami Springs / Miami-Dade County
Flood Map	InterFlood
Demographics	Pitney Bowes/Gadberry Group - GroundView®
Comparable Information	See Comparable Datasheets for details
Legal Description	Grant Deed from RealQuest
Other Property Data	Miami-Dade County Property Records
Rent Roll (Dated May 29, 2024)	Angie Silva CIP Realty
Income/Expense Statements (Budget)	Angie Silva CIP Realty

SUBJECT PROPERTY INSPECTION

The following table illustrates the Colliers International professionals involved with this appraisal report and their status related to the property inspection.

SUBJECT PROPERTY INSPECTION			
APPRAISER	INSPECTED	EXTENT	DATE OF INSPECTION
Ralph Peña, III, MAI	Yes	Interior/Exterior	June 4, 2024
P.J. Cusmano, MAI, MRICS	No	-	-

Colliers Valuation inspected the building exteriors, project/common amenities, and some unit interiors of the subject property. It was conveyed to us that the units inspected are a good example of typical finishes, condition, and marketability of all of the subject's units. Because only a limited number of units were inspected, this analysis makes the extraordinary assumption that the non-inspected unit interiors are similar to the units inspected, consistent with the description provided to us by the subject's management, and are not down for repair or contain significant deferred maintenance. Any changes to this assumption may impact the assignment results.



INTRODUCTION

The Miami-Fort Lauderdale-West Palm Beach, FL MSA is in the southeast portion of the state. The MSA is comprised of Florida's three most populous counties: Broward, Palm Beach and Miami-Dade. The MSA's principal cities include Miami, Fort Lauderdale, Pompano Beach, West Palm Beach, and Boca Raton. The tri-county region is referred to as South Florida.

Florida certainly has a winning formula for business attraction. In particular, Florida is becoming a hotspot for banking and financial services, while Miami is emerging as "one of the hottest new tech hubs in North America today. Florida has also remained largely open during the pandemic compared to other states. Florida ranked number 1 in the top 10 Inbound States for state migration, based on the recent U.S. Census data.

Inflation 2023

The Congressional Budget Office (CBO) has projected that the US economy will grow by a real rate of 3.1% in 2023. However, the result of the quicker than expected recovery has stimulated inflationary pressures on a national level. The Consumer Price Index (CPI) as of August 2023 increased on an annual basis of 3.7%. Core inflation, which excludes food and energy, has increased at an annualized rate of 4.3%. Capital is becoming less available through typical channels.

Business Friendliness

Locating in Miami-Dade is a great financial decision. There is no state or local personal income tax, corporate income tax is low, and businesses can rely on a favorable regulatory climate.

The state is encouraging companies to create new jobs for local workers alongside relocating their existing workforce. West Palm Beach has offered financial incentives to companies moving to the city based on the number of jobs they create, including expedited permit reviews and tax exemptions. And it's not just finance and tech workers who are benefitting from Florida's growing economy. The state current minimum wage is \$11 per hour and plans on also increasing the minimum wage to \$15 per hour by 2026.

Florida doesn't have a personal income tax, and this is one of the major motivators for migration. Many people moving to the state come from high-tax states that don't have such a pro-business environment, like Connecticut and New Jersey, as well as New York, which recently announced plans to bump up its income-tax rates for its wealthiest residents.

Financial firms such as hedge fund Citadel, investments firms Goldman Sachs and Elliott Management and real estate investors and money manager Black Rock all set up operations in South Florida during 2022.

2022 was a record-breaking year for corporate relocations to South Florida. Miami-Dade County's economic development arm said 57 companies either relocated or expanded into the county this year, and another 150 companies are in the pipeline for 2023.

In April 2023, Miami was recently named the top city in the nation for Gen Z techies by online form builder Jotform. The study examined the 150 largest U.S. cities and scored them on Gen Z friendliness, tech friendliness, internet connectivity and affordability. Miami was cited for its percentage of Gen Z residents, 22.7%, average tech salary of \$105,790 and overall internet connectivity.



“Florida’s biggest city is attracting more tech giants than ever,” the Jotform report said. “It gained a reputation for poaching tech workers in 2021 when the mayor, Francis Suarez, put up a billboard with his Twitter account, asking Bay Area techies ‘DM me.’ It seems like many of them did.”

Compared to other major gateway cities, Miami-Dade County is still relatively affordable, and this has attracted businesses and people looking for the highly urbanized and cultural lifestyle that Miami-Dade County offers. As of June 2023, the single-family median sales price was \$622,500, much lower than the list prices in Los Angeles County (\$1.1 M), San Francisco County (\$1.3 M), or New York County (\$1.6 M).[4] The median asking rent on a 0-to-2-bedroom unit on Realtor.com (\$2,462) is still lower compared to New York (\$2,899), San Francisco (\$2,960), or Los Angeles (\$2,791).

Florida’s Live Local Act is intended to address the statewide erosion in affordability by providing low interest rate loans for the development of affordable housing, property tax exemption for new or rehabilitated 0- to 5-unit multifamily housing, and down payment/closing assistance for eligible workforce first-time homebuyers (e.g., teachers, police, firemen), among others.

Gateway To The World

Miami is the perfect pivot point to manage operations in both North and Latin America. The South Florida area is home to over 1,400 multinational businesses staffed by skilled and energetic residents speaking 128 languages. There are over 5,200 financial services firms, and legal and accounting firms comprehensively covering transaction requirements. Miami-Dade is also home to the USA’s third largest number of consular corps, foreign trade offices, and binational chambers of commerce.

Seamless Connectivity

Miami-Dade is easily accessible to all areas of the globe, with the region’s three international airports handling more than 2,000 daily flights. PortMiami –boasting the only Panamax-ready port south of Virginia –plays a leading role in global commerce and is the driving force behind \$43 billion in economic activity. Port Miami is also known as the ‘cruise capital’ of the world. Which is home to some of the world’s largest cruise lines, including Carnival Corporation, Disney Cruise Line, MSC Cruises, Norwegian Cruise Line and Royal Caribbean Cruises Ltd. Its popularity could be down its south-east Florida location, which is ideal for cruise ships wanting to sail the Caribbean within a matter of hours.

Highly Skilled And Diverse Talent

South Florida residents are a part of Miami-Dade County - Best Region for Investment the “tri-county” market of 6.1 million 2022 local residents and a combined workforce of over 3 million people. They are highly educated: Miami is top in the USA for percentage growth of adults with graduate degrees, and second in the nation for foreign-born residents with advanced degrees. There are more than 250,000 college students and 335,000 K-12 students being trained at award-winning institutions. Miami proper draws young professionals with a multitude of trade and banking careers, while Miami Beach still has a party-hard atmosphere.

According to the Economic Sourcebook & Market Profile for 2023, a study was conducted to measure the level of education of the population that is 25 years old or older in Broward County. The conclusion is that the general public is pursuing a high form of education with 62.3% of the population having achieved a higher level of education. The breakdown goes as follows from the largest group to the smallest: some college or associate degree 29.2%, high school graduate 27.0%, bachelor’s degree 20.6%, advanced degree 12.5%, no high school diploma 10.6%.

A Global Cultural Capital

Living the dream is a reality in Miami with endless opportunities for world-class shopping, dining, and entertainment. For adventure and outdoor activities, Miami-Dade offers world famous beaches and 250 days of sunshine annually. For sports fans, Greater Miami is globally unique, it is the only metropolis with professional basketball, football, baseball, hockey, soccer and Formula1 teams. Greater Miami is a capital for international art and culture, there are also many world-class museums, performing arts and music events, and celebrity chefs crafting haute cuisine. Miami also has an artistic side, which can be experienced at the Art Basel Miami Beach art fair, as well as in Wynwood and the Design District. These neighborhoods also encompass antiques stores, craft breweries and vintage sports car dealers.

DEMOGRAPHIC ANALYSIS

The following is a demographic study of the region sourced by *Pitney Bowes/Gadberry Group - GroundView®*, an on-line resource center that provides information used to analyze and compare the past, present, and future trends of geographical areas. Demographic changes are often highly correlated to changes in the underlying economic climate. Periods of economic uncertainty necessarily make demographic projections somewhat less reliable than projections in more stable periods. These projections are used as a starting point, but we also consider current and localized market knowledge in interpreting them within this analysis. Please note that our demographics provider sets forth income projections in constant dollars which, by definition, reflect projections after adjustment for inflation. We are aware of other prominent demographic data providers that project income in current dollars, which do not account for inflation. A simple comparison of projections for a similar market area made under the constant and current dollar methodologies can and likely will produce data points that vary, in some cases, widely. Further, all forecasts, regardless of demographer methodology(ies), are subjective in the sense that the reliability of the forecast is subject to modeling and definitional assumptions and procedures.

Population

According to Pitney Bowes/Gadberry Group - GroundView®, a Geographic Information System (GIS) Company, Miami-Dade County had a 2023 total population of 2,663,005 and experienced an annual growth rate of -0.4%, which was lower than the Florida annual growth rate of 1.5%. The county accounted for 11.8% of the total Florida population (22,572,932). Within the county the population density was 1,314 people per square mile compared to the lower Florida population density of 384 people per square mile and the lower United States population density of 93 people per square mile.

POPULATION			
YEAR	US	FL	COUNTY
2020 Total Population	331,511,481	21,589,602	2,695,501
2023 Total Population	334,487,687	22,572,932	2,663,005
2028 Total Population	342,734,214	24,158,326	2,688,758
2020 - 2023 CAGR	0.3%	1.5%	(0.4%)
2023 - 2028 CAGR	0.5%	1.4%	0.2%

Source: Pitney Bow es/Gadberry Group - GroundView®

POPULATION DENSITY			
YEAR	US	FL	COUNTY
2023 Per Square Mile	93	384	1,314
2028 Per Square Mile	95	411	1,327

Source: Pitney Bow es/Gadberry Group - GroundView®

The 2023 median age for the county was 41.13, which was 5.62% older than the United States median age of 38.82 for 2023. The median age in the county is anticipated to grow by 0.39% annually, increasing the median age to 41.94 by 2028.

MEDIAN AGE			
YEAR	US	FL	COUNTY
2023	38.82	43.24	41.13
2028	39.66	44.35	41.94
CAGR	0.43%	0.51%	0.39%

Source: Pitney Bowes/Gadberry Group - GroundView®

Education

In Florida, each county has its own school district. The school districts within the MSA include the Miami-Dade County School District, the Palm Beach County School District, and Broward County Public School District. The largest universities and colleges in the regional area include Broward College, Florida Atlantic University, Florida International University, Miami Dade College, and Palm Beach State University.

Household Trends

The 2023 number of households in the county was 994,633. The number of households in the county is projected to grow by 0.8% annually, increasing the number of households to 1,033,914 by 2028. The 2023 average household size for the county was 2.64, which was 4.84% larger than the United States average household size of 2.51 for 2023. The average household size in the county is anticipated to retract by 0.58% annually, reducing the average household size to 2.56 by 2028.

NUMBER OF HOUSEHOLDS			
YEAR	US	FL	COUNTY
2023	129,837,191	8,892,200	994,633
2028	134,514,493	9,383,946	1,033,914
CAGR	0.7%	1.1%	0.8%

Source: Pitney Bowes/Gadberry Group - GroundView®

AVERAGE HOUSEHOLD SIZE			
YEAR	US	FL	COUNTY
2023	2.51	2.48	2.64
2028	2.49	2.52	2.56
CAGR	(0.21%)	0.31%	(0.58%)

Source: Pitney Bowes/Gadberry Group - GroundView®

Miami-Dade County had 49.67% renter occupied units, compared to the lower 34.92% in Florida and the lower 36.99% in the United States.

HOUSING UNITS			
	US	FL	COUNTY
Owner Occupied	63.01%	65.08%	50.33%
Renter Occupied	36.99%	34.92%	49.67%

Source: Pitney Bowes/Gadberry Group - GroundView®

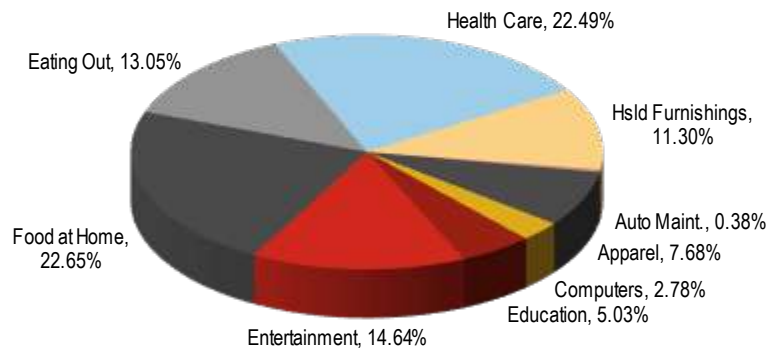
The 2023 median household income for the county was \$63,718, which was -14.2% lower than the United States median household income of \$74,269. The median household income for the county is projected to grow by 4.6% annually, increasing the median household income to \$79,744 by 2028.

According to the American Chamber of Commerce Researchers Association (ACCRA) Cost of Living Index, the Miami-Fort Lauderdale-West Palm Beach, FL MSA's cost of living is 118.8 compared to the national average score of 100. The ACCRA Cost of Living Index compares groceries, housing, utilities, transportation, health care and miscellaneous goods and services for over 300 urban areas.

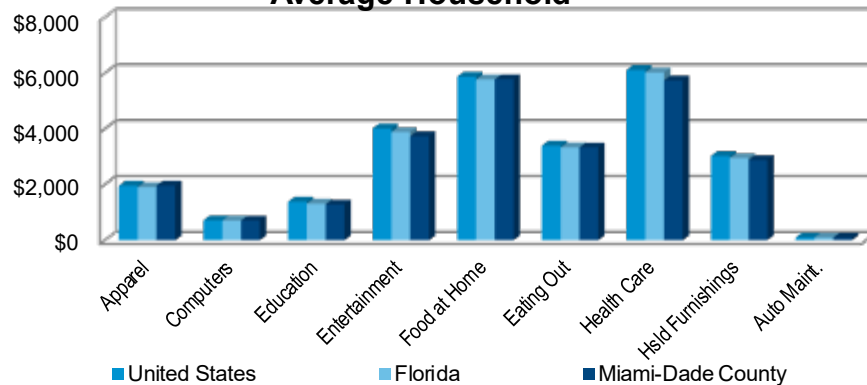
MEDIAN HOUSEHOLD INCOME			
YEAR	US	FL	COUNTY
2023	\$74,269	\$66,537	\$63,718
2028	\$91,864	\$82,490	\$79,744
CAGR	4.3%	4.4%	4.6%

Source: Pitney Bowes/Gadberry Group - GroundView®

Consumer Spending Miami-Dade County



Consumer Spending Comparison Average Household

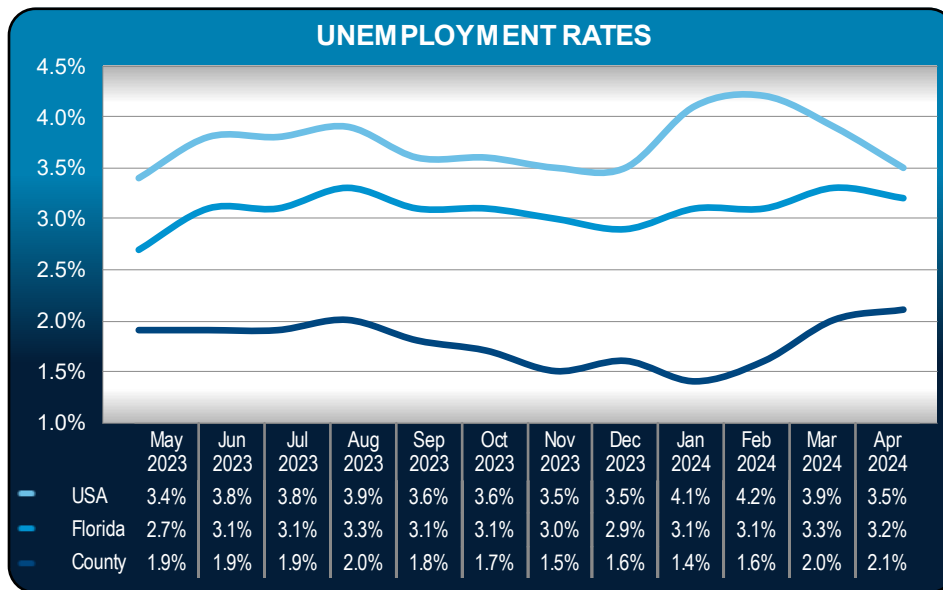


EMPLOYMENT

Total employment has increased annually over the past decade in the state of Florida by 2.0% and increased annually by 1.2% in the county. From 2022 to 2023 unemployment decreased in Florida by 0.1% and decreased by 0.8% in the county. In the state of Florida unemployment has decreased over the previous month by 0.1% and increased by 0.1% in the county.

EMPLOYMENT & UNEMPLOYMENT STATISTICS 2014 - 2023								
TOTAL EMPLOYMENT					UNEMPLOYMENT RATE			
Year	Florida		Miami-Dade County, FL		United States*	Florida	Miami-Dade County, FL	
	Total	% Δ Yr Ago	Total	% Δ Yr Ago				
2014	8,931,440	2.6%	1,210,346	2.9%	6.2%	6.4%	6.8%	
2015	9,106,772	2.0%	1,215,857	0.5%	5.3%	5.5%	6.1%	
2016	9,360,237	2.8%	1,233,029	1.4%	4.9%	4.9%	5.5%	
2017	9,544,892	2.0%	1,284,543	4.2%	4.4%	4.3%	4.8%	
2018	9,749,598	2.1%	1,304,116	1.5%	3.9%	3.6%	3.7%	
2019	9,922,941	1.8%	1,337,581	2.6%	3.7%	3.3%	2.9%	
2020	9,257,738	(6.7%)	1,170,373	(12.5%)	8.1%	8.1%	8.2%	
2021	9,838,506	6.3%	1,242,688	6.2%	5.3%	4.7%	5.5%	
2022	10,370,751	5.4%	1,320,709	6.3%	3.6%	3.0%	2.6%	
2023	10,668,886	2.9%	1,352,500	2.4%	3.6%	2.9%	1.8%	
CAGR	2.0%	-	1.2%	-	-	-	-	-

Source: U.S. Bureau of Labor Statistics *Unadjusted Non-Seasonal Rate



The preceding chart depicts unemployment trends in the region, Florida, and the U.S. Overall levels of unemployment in the region experienced minor fluctuations throughout the past three months. By the end of April 2024, unemployment in the region was 1.1% lower than Florida’s and 1.4% lower than the national average..

TOP EMPLOYERS		
EMPLOYER NAME	EMPLOYEES	INDUSTRY
Publix Super Market	39,232	Retail
Baptist Health South Florida	23,241	Healthcare
University of Miami	16,479	Education
Memorial Healthcare System	14,330	Healthcare
Jackson Health System	12,865	Healthcare
American Airlines	12,000	Transportation
Florida International University	9,973	Education
Brow ard Health	8,200	Healthcare
Comcast Cable Communications	8,000	Communications
Nova Southeastern University	6,582	Education

Source: South Florida Business Journal

The preceding chart depicts the top employers in Miami-Dade County. Principal employers in the region are spread throughout diverse sectors, including education and public administration. The largest employer is Miami-Dade County Public School District. It is the largest school district in Florida and the fourth largest in the United States, with an enrollment of approximately 350,000 students. The second largest employer is Miami-Dade County, with 27,862 employees. The University of Miami is the third largest employer. The private institution offers more than 180 academic programs and majors and operates two colleges and seven schools with approximately 17,000 students.

The most common occupations in the MSA include management, professional, and related occupations which account for 32% of the employment. Sales and office occupations make up 30%, service occupations were 18%, and 11% were in construction, extraction, maintenance and repair occupations. The largest industries in the Miami area are mainly comprised of educational, healthcare and social assistance, waste management services, professional and scientific management and administrative services. Apart from the large government employers, American Airlines is one of the largest private employers in the regional area. They have an international hub at the Miami International Airport. Baptist Health and Jackson Health System are two of the largest healthcare providers in the region.

TRANSPORTATION

The South Florida metropolitan area has a well-developed transportation system. Miami is the primary transportation hub of the United States to the Caribbean Islands and Latin America. It has three international airports supported by numerous municipal airports in close proximity, four seaports as well as a considerable number of highways, U.S. routes and state roads as well as several public transportation systems.

Roadway

The South Florida metropolitan area is served by five interstate highways operated by the Florida Department of Transportation in conjunction with local agencies. I-95 runs north to south along the coast, ending just south of Downtown Miami. I-75 runs east to west, turning south in western Broward County; it connects suburban North Miami-Dade to Naples on the west coast via Alligator Alley, which transverses the Florida Everglades before turning north. I-595 connects the Broward coast and downtown Fort Lauderdale to I-75 and Alligator Alley. I-195 and I-395 both connect the main I-95 route to Biscayne Boulevard and Miami Beach, which is across Biscayne Bay. I-195 and I-395 also connect (at their interchanges with I-95) to the Airport Expressway (State Road 112) and the Dolphin Expressway (State Road 836), respectively, both of which run west to Miami International Airport; the Dolphin Expressway also connects to Florida's Turnpike and the western suburbs of Miami-Dade County.

AIRPORT

The South Florida area is served by three major airports: Miami International Airport (MIA), Fort-Lauderdale-Hollywood International Airport (FLL), and Palm Beach International Airport (PBI). The three airports combine to make the fourth largest domestic origin and destination market in the United States, after New York City, Los Angeles, and Chicago. The top 5 Air Carriers in South Florida ranked by domestic departing passengers from South Florida include American Airlines, Delta Air Lines, Southwest Airlines, JetBlue Airways and US Airways. Miami International Airport is the largest gateway between the United States and Latin America and is one of the largest airline hubs in the United States, owing to its proximity to tourist attractions, local economic growth, large local Latin American and European populations, and strategic location to handle connecting traffic between North America, Latin America, and Europe. Miami's airport ranks third, behind Chicago and Memphis, in the US for cargo volumes with 1.8 million tons which fuels the demand for warehousing space. Miami International Airport is the primary airport serving the South Florida area and is the main connecting point for cargo between Latin America and the world. Miami International Airport handles 83% of all imports and exports to and from Latin America and the Caribbean. In 2015, the International Air Transport Association (IATA) certified Miami International Airport as a pharmaceuticals freight hub, the first U.S. and second global airport designated. MIA is home to 101 carriers which is the most of any U.S. airport

The following chart summarizes the local airport statistics.

MIAMI INTERNATIONAL AIRPORT (MIA)		
YEAR	ENPLANED PASSENGERS	% CHG
2012	18,987,488	-
2013	19,420,089	2.3%
2014	19,468,523	0.2%
2015	20,986,341	7.8%
2016	20,875,813	(0.5%)
2017	20,709,225	(0.8%)
2018	21,021,640	1.5%
2019	21,421,031	1.9%
2020	8,786,007	(59.0%)
2021	17,500,096	99.2%
2022	23,949,892	36.9%

Source: U.S. Department of Transportation

Rail

In Miami, Miami-Dade Transit operates Metrorail, Florida's only rapid transit metro with 22 stations on a 22.4-mile (36.0 km) track, the Downtown Miami people mover, (Metromover) with 21 stations and 3 lines on 4.4-mile (7.1 km) track, as well as Metrobus. Miami-Dade commissioners announced a plan to build six new mass transit lines, "Strategic Miami Area Rapid Transit", this will hopefully boost Miami's often-criticized public transportation system, despite its 11th ranking nationally. In Broward County, Broward County Transit runs public buses as does Palm Tran in Palm Beach County. Additionally, the South Florida Regional Transportation Authority operates Tri-Rail, a commuter rail train that connects the three of the primary cities of South Florida (Miami, Fort Lauderdale, and West Palm Beach), and most intermediate points.



The Florida East Coast Industries (FECI) train line is home to the newly opened Brightline train system. The privately operated higher-speed train opened in 2018 with its main hub, MiamiCentral, being just less than one mile west of Little Havana. There are major stations in Downtown Fort Lauderdale and Downtown West Palm Beach. Smaller stations located in Aventura and Boca Raton stations opened in December 2022. In June 2020, Brightline announced the future addition of five Miami-Dade stations, one of which is proposed for Wynwood/Midtown at NE 27th Street between North Miami Avenue and Northeast 2nd Avenue. Though the exact location has not been finalized or made public, Tri-Rail previously expressed interest

for a Wynwood/Midtown train station along the same tracks located at either 36th Street or 29th Street. The most recent addition was the Orlando International Airport Station opened in September 2023. There are 16 daily round trips with hourly departures between Miami and Orlando. One-way from Orlando to their station in Miami on their non-stop train takes about three hours.

Ports

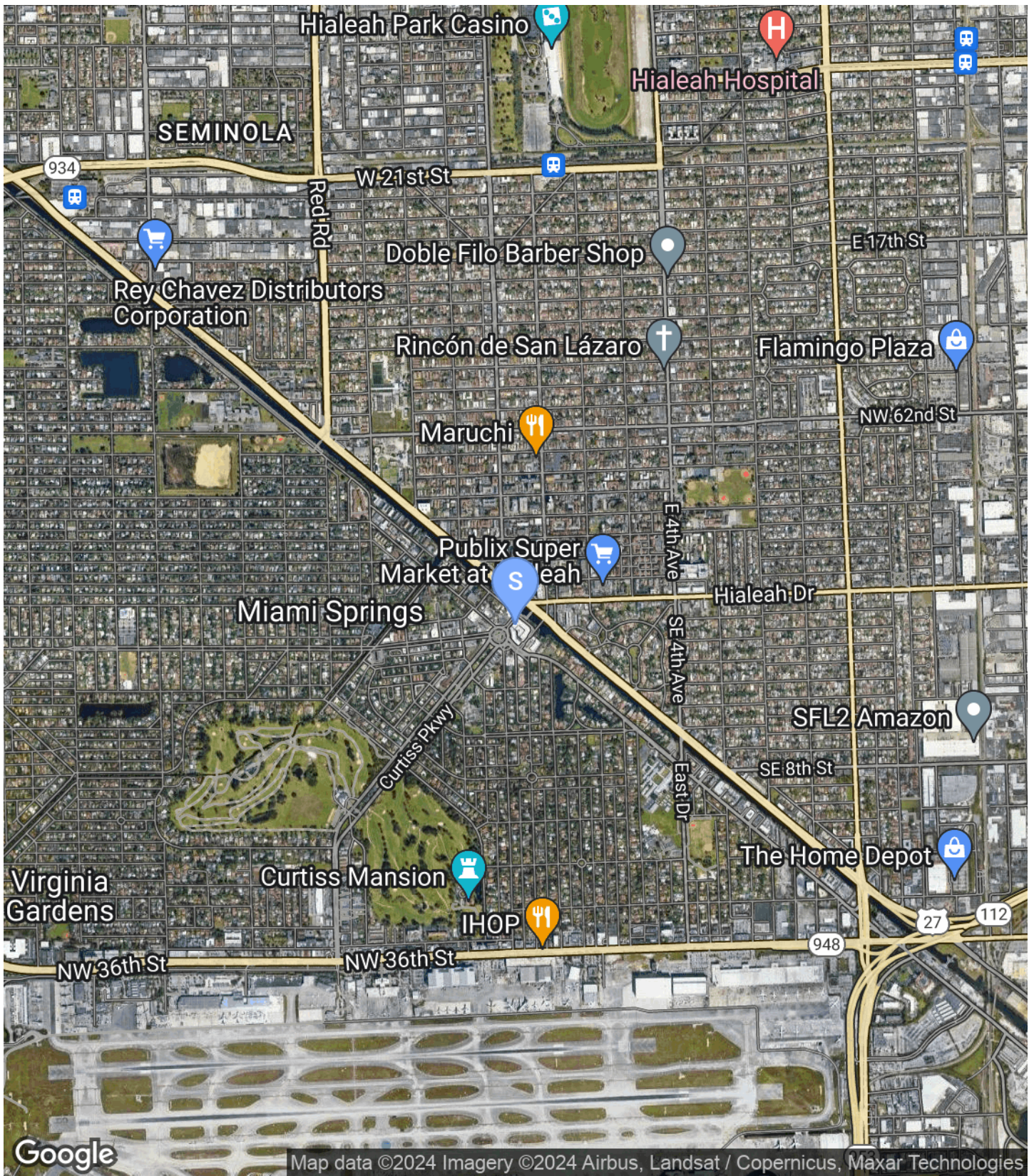
The metropolis also has four seaports, the largest and most important being the Port of Miami. The Port of Miami is an important contributor to the local south Florida and state economies and caters to both cruise ships and containerized cargo. The Port of Miami has been dredged to 50 feet to allow the bigger post-Panamatic ships to come through. Miami is the first port on the U.S. Eastern Seaboard prepared for the Panama Canal Expansion.

The Port of Miami infrastructure improvement tunnel (costing about \$1.5B) has been completed and allows trucks and containers to travel on I-95 from the port all the way to NY without a stoplight. In addition, the port received a TIGER grant from the federal government to repair a damaged bridge and increase the capacity of the existing

by increasing the capacity of the on-dock rail connection already in place which will move cargo off the docks quicker. These improvements allow the port to triple its capacity from one million TEUs to three million TEUs. The port also serves more than four million cruise line passengers each year. Others in the area include Port Everglades, Port of Palm Beach and the Miami River Port.

SUMMARY

Given its relative central position—the city is equidistant from New York City and Mexico City, Boston and Caracas, and from London and Buenos Aires—Miami is an international trading nexus and one of the prime centers of commerce in the global economy. Miami's location and cultural diversity offer an appealing quality of life with an abundance of cultural and recreational activities. The Miami metropolitan area encompasses Miami-Dade County at the southeastern tip of the Florida peninsula and covers over 2,000 square miles. The Miami area is the “anchor” of the South Florida megalopolis of 6.2 million people that also includes metropolitan Ft. Lauderdale-Hollywood, and West Palm Beach-Boca Raton. The region's recent rapid population growth is the result of several factors including quality of life, expanding international economic base, diversified economy, and the “globalization” of Latin America with the United States. Equally alluring as the tropical setting is the city's stable economy, its prime location for conducting business and its convenient air transportation to major international gateways. Approximately 2.6 million residents call Miami home, and the city hosts over 13 million tourists per year from around the globe. Today, Miami is considered a thriving business hub of Latin America, attracting not only U.S. and Latin American corporations, but increasingly companies from Canada, Europe, and Asia.



INTRODUCTION

In this section of the report, we provide details about the local area and describe the influences that bear on the real estate market as well as the subject property. A map of the local area is presented on the prior page. Below are insights into the local area based on fieldwork, interviews, demographic data and experience working in this market.

LOCAL AREA PROFILE

The subject property is in Miami, Florida, within Miami-Dade County. Miami had a population of 442,241 according to the 2020 U.S. Census Bureau. It is also the county seat of Miami-Dade County and a leader in finance, commerce, media, entertainment, and international trade. According to a report from Foreign Policy, Miami ranked 33rd in the global cities index and is also classified as an Alpha-World City.

The subject property is located in Miami Springs, Florida, within Miami-Dade County. Miami Springs is considered to be one of the smaller cities located in the state of Florida. With only a population of 13,859 people and three major neighborhoods Miami Springs is the 163rd largest community in Florida. Miami Springs is bordered by Miami International Airport, City of Hialeah, the Village of Virginia Gardens and the Town of Medley.

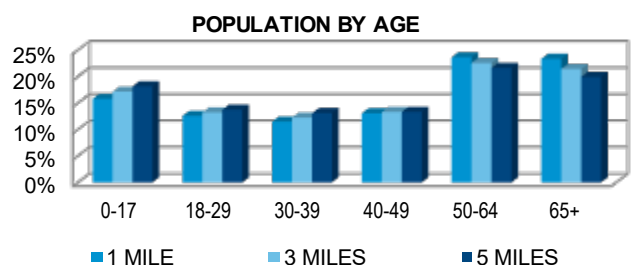
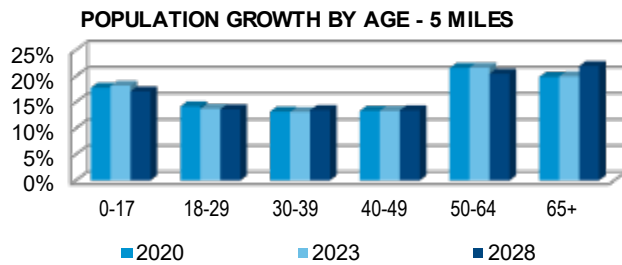
DEMOGRAPHIC PROFILE

Below is a demographic study of the area, sourced by *Pitney Bowes/Gadberry Group - GroundView®*, an online resource center that provides information used to analyze and compare the past, present, and future trends of properties and geographical areas. Please note that our demographics provider sets forth income projections in constant dollars which, by definition, reflect projections after adjustment for inflation. We are aware of other prominent demographic data providers that project income in current dollars, which do not account for inflation. A simple comparison of projections for a similar market area made under the constant and current dollar methodologies can and likely will produce data points that vary, in some cases, widely. Further, all forecasts, regardless of demographer methodology(ies), are subjective in the sense that the reliability of the forecast is subject to modeling and definitional assumptions and procedures.

LOCAL AREA DEMOGRAPHICS

DESCRIPTION	1 MILE	3 MILES	5 MILES	DESCRIPTION	1 MILE	3 MILES	5 MILES
POPULATION				AVERAGE HOUSEHOLD INCOME			
2010 Population	30,600	152,023	523,828	2023	\$71,498	\$67,234	\$66,084
2020 Population	29,719	149,633	530,463	2028	\$91,453	\$83,528	\$81,719
2023 Population	28,723	144,877	517,253	Change 2023-2028	27.91%	24.23%	23.66%
2028 Population	28,408	143,603	517,965	MEDIAN HOUSEHOLD INCOME			
Change 2010-2020	(2.88%)	(1.57%)	1.27%	2023	\$42,581	\$43,749	\$44,790
Change 2020-2023	(3.35%)	(3.18%)	(2.49%)	2028	\$55,709	\$54,660	\$55,089
Change 2023-2028	(1.10%)	(0.88%)	0.14%	Change 2023-2028	30.83%	24.94%	23.00%
POPULATION 65+				PER CAPITA INCOME			
2020 Population	6,859	31,844	105,393	2023	\$28,216	\$24,941	\$24,924
2023 Population	6,713	31,047	103,252	2028	\$37,037	\$31,774	\$31,641
2028 Population	7,313	33,650	113,658	Change 2023-2028	31.26%	27.40%	26.95%
Change 2020-2023	(2.13%)	(2.50%)	(2.03%)	2023 HOUSEHOLDS BY INCOME			
Change 2023-2028	8.94%	8.38%	10.08%	<\$15,000	17.0%	15.9%	16.8%
NUMBER OF HOUSEHOLDS				\$15,000-\$24,999	11.8%	13.7%	13.0%
2010 Households	10,832	49,734	177,076	\$25,000-\$34,999	12.5%	11.6%	11.0%
2020 Households	11,024	52,333	189,575	\$35,000-\$49,999	13.6%	13.1%	13.7%
2023 Households	11,108	52,632	192,626	\$50,000-\$74,999	14.0%	16.0%	16.7%
2028 Households	11,268	53,486	198,004	\$75,000-\$99,999	8.9%	10.7%	10.6%
Change 2010-2020	1.77%	5.23%	7.06%	\$100,000-\$149,999	12.3%	11.3%	10.7%
Change 2020-2023	0.76%	0.57%	1.61%	\$150,000-\$199,999	4.5%	3.7%	3.6%
Change 2023-2028	1.44%	1.62%	2.79%	\$200,000 or greater	5.4%	4.1%	3.9%
HOUSING UNITS (2023)				MEDIAN HOME VALUE			
Owner Occupied	3,653	20,924	72,802	AVERAGE HOME VALUE	\$339,889	\$291,587	\$285,327
Renter Occupied	7,462	31,777	119,828	HOUSING UNITS BY UNITS IN STRUCTURE			
HOUSING UNITS BY YEAR BUILT				1, detached	4,076	23,081	74,903
Built 2010 or later	445	2,602	10,861	1, attached	760	3,560	19,020
Built 2000 to 2009	750	3,026	11,496	2	129	1,395	5,795
Built 1990 to 1999	768	2,350	12,321	3 or 4	950	2,687	8,440
Built 1980 to 1989	610	4,223	22,584	5 to 9	1,230	3,345	11,302
Built 1970 to 1979	1,367	8,829	34,677	10 to 19	1,289	3,799	14,105
Built 1960 to 1969	2,511	10,684	27,987	20 to 49	1,545	6,133	21,384
Built 1950 to 1959	2,642	13,791	42,530	50 or more	1,051	7,035	34,123
Built 1940 to 1949	1,541	5,311	19,277	Mobile home	74	1,649	3,361
Built 1939 or earlier	474	1,816	10,892	Boat, RV, van, etc.	11	17	197

Source: Pitney Bowes/Gadberry Group - GroundView®



Transportation Routes

Major traffic arteries are shown in the chart below:

MAJOR ROADWAYS & THOROUGHFARES			
HIGHWAY	DIRECTION	FUNCTION	DISTANCE FROM SUBJECT
I-95	north-south	Interstate Highway	This is within 10 miles of the subject property.
I-195	east-west	Interstate Highway	This is within 3 miles of the subject property.
SURFACE STREETS	DIRECTION	FUNCTION	DISTANCE FROM SUBJECT
E Okeechobee Rd	east-west	Primary Arterial	This is within a mile of the subject property.
NW 36th St	east-west	Primary Arterial	This is within a mile of the subject property.
Red Rd	north-south	Primary Arterial	This is within 2 miles of the subject property.
W 21st St	east-west	Primary Arterial	This is within 2 miles of the subject property.
S Royal Poinciana Blvd	north-south	Secondary Arterial	The subject property fronts this street.

Public Transportation is **available | not available** near the subject property. It is located **xxx**

Economic Factors

The economy of Miami Springs employs 7.5 thousand people. The largest industries in Miami Springs are transportation, warehousing, health care, social assistance and construction.

Community Services

Community services and facilities are readily available in the surrounding area. These include public services such as fire stations, hospitals, police stations, and schools (all ages). The subject property is located in the Miami-Dade County School District.

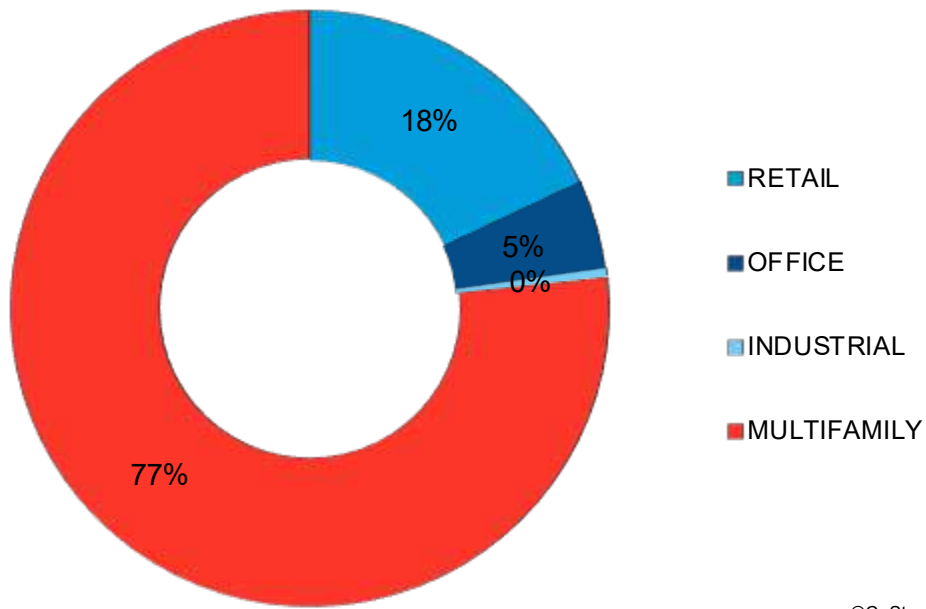
IMMEDIATE AREA PROFILE

This section discusses uses and development trends in the immediate area that directly impact the performance and appeal of the subject property.

Predominant Land Uses

Significant development in the immediate area consists of office, retail, industrial, mixed-use and auto dealership uses along major arterials that are interspersed with multi-family complexes and single-family residential development removed from arterials. The local area has a mix of commercial uses nearby and the composition is shown in the following graph.

COMMERCIAL AREA COMPOSITION



©CoStar

Residential Development

Residential users in the immediate area are primarily single family residential..

Multi-Family Development

The following chart shows a summary of multi-family data by type in the immediate area from CoStar.

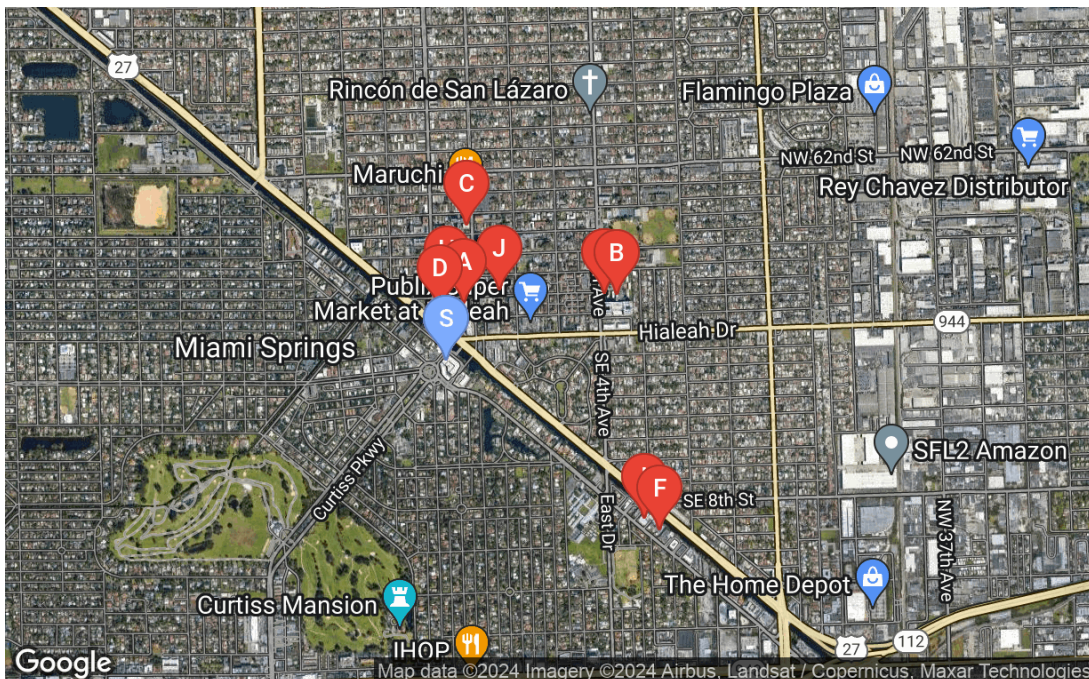
MULTIFAMILY SUMMARY				
CLASS	PROPERTIES	NRA (SF)	AVG YR BLT	
A	0	0	-	
B	37	1,430,077	1987	
C	209	2,471,663	1966	
TOTAL	246	3,901,740	1969	

Source: CoStar

The largest three multi-family properties are at 60 East 3rd Street, 445 Hialeah Drive and 75 East 6th Street with an NRA of 349,882 SF, 300,000 SF and 169,337 SF that were built in 1994, 2022 and 1968, respectively. The closest large multi-family property in proximity to the subject is at 1 Curtiss Parkway with an NRA of 98,000 SF that was built in 2024. The majority of properties were constructed before 2000. The following chart and map show the subject property and its location relative to the 10 largest multi-family properties in the immediate area from CoStar.

LARGEST MULTIFAMILY PROPERTIES							
NAME	DISTANCE	MAP PIN	CLASS	NRA (SF)	STORIES	YEAR BUILT	
Palm Center	0.2 Miles	A	C	349,882	13	1994	
Shoma Village	0.5 Miles	B	B	300,000	8	2022	
Vernon Ashley Plaza	0.4 Miles	C	B	169,337	7	1968	
Villa Alegria	0.2 Miles	D	B	134,725	5	2013	
Essex Gardens Apartments	0.5 Miles	E	C	109,456	2	1949	
Multifamily Building	0.8 Miles	F	C	99,679	3	1969	
Miami Springs Town Center	-	G	B	98,000	2	2024	
Sunshine Condominiums	0.2 Miles	H	B	86,525	5	2001	
Royal Arms North	0.8 Miles	I	B	71,168	4	1969	
South Wind Apartments	0.3 Miles	J	C	66,704	4	1996	

Source: CoStar



Retail Development

The following chart shows a summary of retail data by type in the immediate area from CoStar.

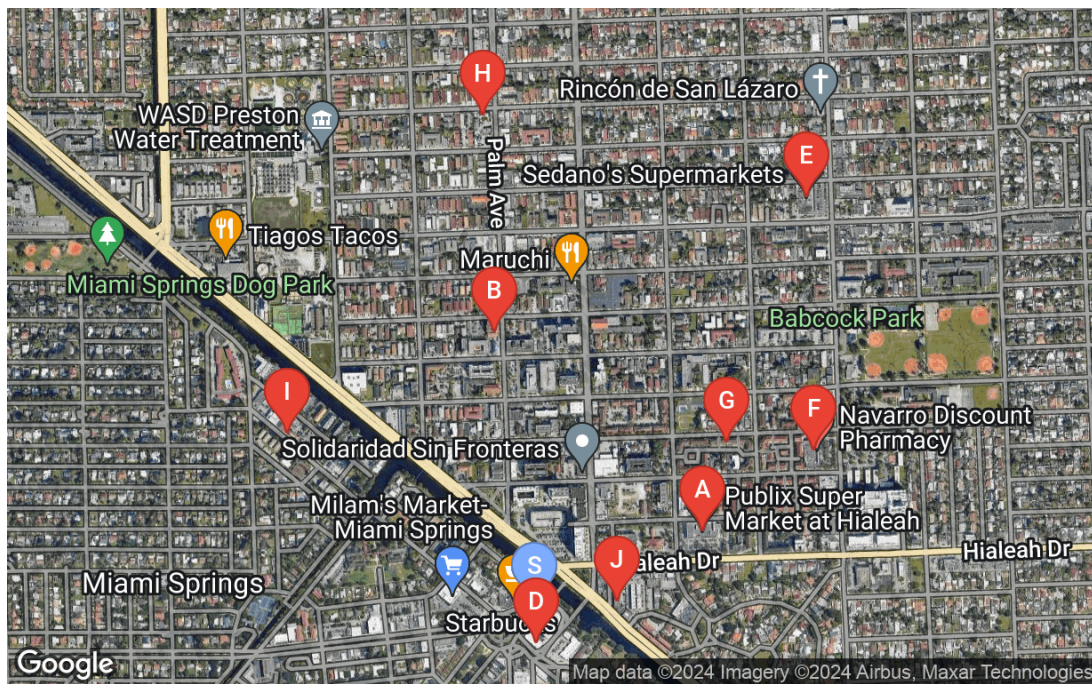
RETAIL SUMMARY					
TYPE	PROPERTIES	NRA (SF)	AVG YR BLT	OCCUPANCY	AVG RENT
General Retail	140	921,672	1963	99.2	\$36.05
TOTAL	140	921,672	1963	99.2	\$36.05

Source: CoStar

The largest three retail properties are at 155 East 2nd Avenue, 650 Palm Avenue and 1 Curtiss Parkway with an NRA of 55,844 SF, 43,387 SF and 28,000 SF that were built in 2004, 2003 and 2023, respectively. The closest large retail property in proximity to the subject is at 1 Curtiss Parkway. The majority of properties were constructed after 2000. The following chart and map show the subject property and its location relative to the 10 largest retail properties in the immediate area from CoStar.

LARGEST SHOPPING CENTERS							
NAME	DISTANCE	MAP PIN	TYPE	NRA (SF)	% LEASED	YEAR BUILT	AVG RENT
Retail Building	0.3 Miles	A	General Retail	55,844	100.0	2004	N/Av
Hialeah Town Center	0.4 Miles	B	General Retail	43,387	100.0	2003	N/Av
Miami Springs Town Center	-	C	General Retail	28,000	85.4	2023	\$35.00
Miami Springs Plaza	0.1 Miles	D	General Retail	26,947	100.0	2015	N/Av
Retail Building	0.7 Miles	E	General Retail	26,883	100.0	1962	N/Av
Arenal Shopping Center	0.5 Miles	F	Neighborhood Center	26,581	100.0	1962	N/Av
Funeraria Memorial Plan San Jos	0.4 Miles	G	General Retail	25,057	100.0	1956	N/Av
Retail Building	0.7 Miles	H	General Retail	23,000	100.0	-	N/Av
Royal Poincianna Village	0.5 Miles	I	General Retail	22,514	100.0	2009	N/Av
Retail Building	0.1 Miles	J	General Retail	22,356	100.0	2011	N/Av

Source: CoStar



Office Development

The following chart shows a summary of office data by class in the immediate area from CoStar.

OFFICE SUMMARY					
CLASS	PROPERTIES	NRA (SF)	AVG YR BLT	OCCUPANCY	AVG RENT
A	0	0	-	-	-
B	10	54,898	1967	100.0	-
C	33	187,639	1959	99.6	\$30.00
TOTAL	43	242,537	1961	99.7	\$30.00

Source: CoStar

The largest three office properties are at 150 East 1st Avenue, 300 East 1st Avenue and 30 Southeast 6th Street with an NRA of 30,000 SF, 14,550 SF and 13,200 SF that were built in 1988, 1951 and 0, respectively. The closest large office property in proximity to the subject is at 11 North Royal Poinciana Boulevard with an NRA of 7,800 SF that was built in 2003. The majority of properties were constructed before 2000. The following chart and map show the subject property and its location relative to the 10 largest office properties in the immediate area from CoStar.

LARGEST OFFICE BUILDINGS							
NAME	DISTANCE	MAP PIN	CLASS	NRA (SF)	% LEASED	YEAR BUILT	AVG RENT
Hialeah Palm Center	0.1 Miles	A	C	30,000	100.0	1988	N/Av
Blanch Moron Neighborhood Ser	0.2 Miles	B	C	14,550	100.0	1951	N/Av
Office Building	6.6 Miles	C	C	13,200	100.0	-	N/Av
Miami Springs Professional Cente	0.2 Miles	D	C	12,342	100.0	1946	N/Av
Office Building	0.3 Miles	E	C	9,549	85.3	1962	\$30.00
Office Building	0.7 Miles	F	B	9,456	100.0	1964	N/Av
Office Building	0.3 Miles	G	B	8,175	100.0	1952	N/Av
Office Building	0.1 Miles	H	B	7,800	100.0	2003	N/Av
Office Building	0.3 Miles	I	B	7,536	100.0	1993	N/Av
Office Building	0.7 Miles	J	C	7,440	100.0	1972	N/Av

Source: CoStar



Industrial Development

The following chart shows a summary of industrial data by type in the immediate area from CoStar.

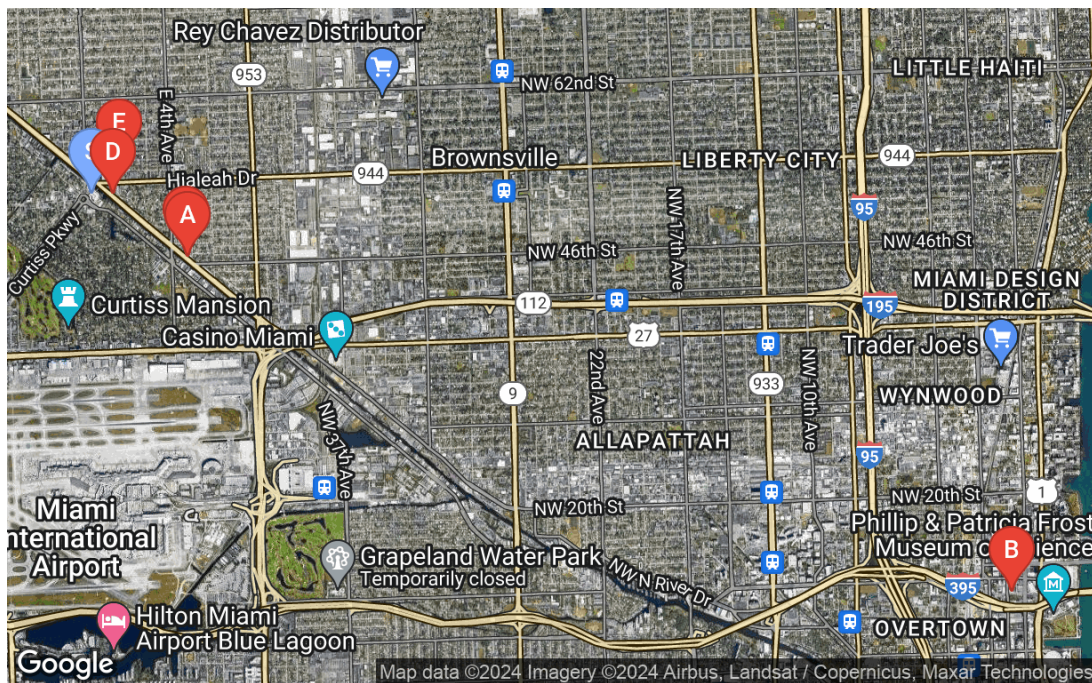
INDUSTRIAL SUMMARY					
TYPE	PROPERTIES	NRA (SF)	AVG YR BLT	OCCUPANCY	AVG RENT
Industrial	5	21,846	1945	100.0	-
Flex	0	0	-	-	-
TOTAL	5	21,846	1945	100.0	\$0.00

Source: CoStar

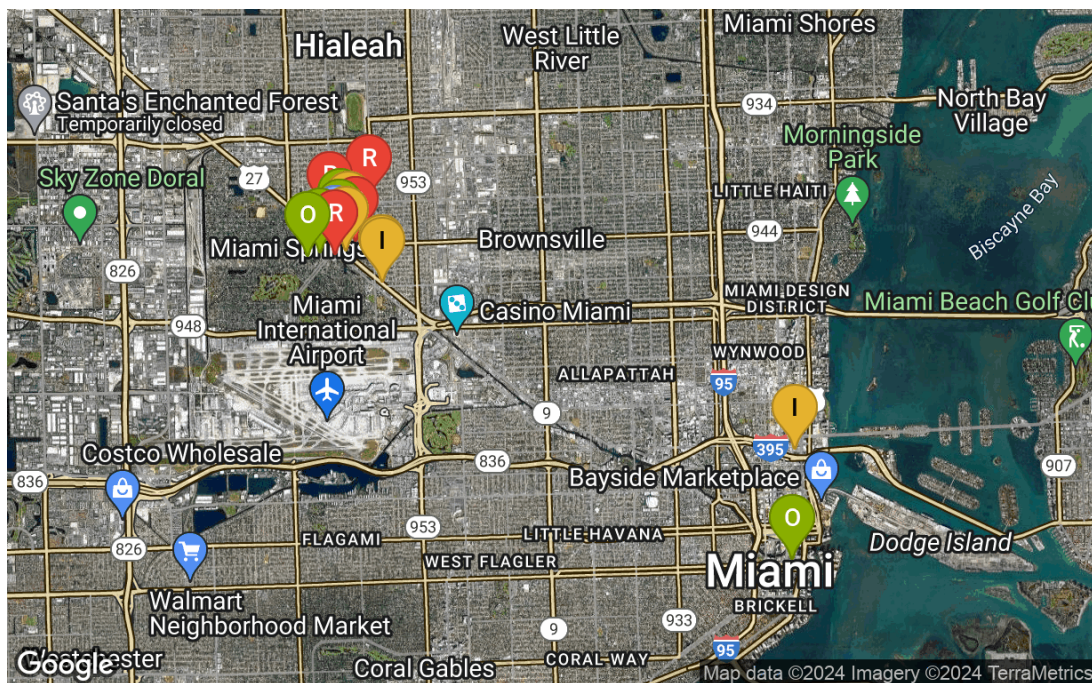
The largest three industrial properties are at 475 East Okeechobee Road, 125 Northeast 13th Street and 449 East Okeechobee Road with an NRA of 6,696 SF, 6,250 SF and 4,400 SF that were built in 1956, 1926 and 1957, respectively. The closest large industrial property in proximity to the subject is at 111 East Okeechobee Road with an NRA of 2,600 SF that was built in 1925. All of the properties were constructed before 2000. The following chart and map show the subject property and its location relative to the 10 largest industrial properties in the immediate area from CoStar.

LARGEST INDUSTRIAL PROPERTIES							
NAME	DISTANCE	MAP PIN	TYPE	NRA (SF)	% LEASED	YEAR BUILT	AVG RENT
Industrial Building	0.7 Miles	A	Industrial	6,696	100.0	1956	N/Av
American Gift Corp.	6.0 Miles	B	Industrial	6,250	100.0	1926	N/Av
Industrial Building	0.7 Miles	C	Industrial	4,400	100.0	1957	N/Av
Industrial Building	0.1 Miles	D	Industrial	2,600	100.0	1925	N/Av
Industrial Building	0.2 Miles	E	Industrial	1,900	100.0	1963	N/Av

Source: CoStar



The following map shows the subject property and the five largest retail, office, and industrial properties in the immediate area from CoStar.



SUBJECT PROPERTY ANALYSIS

The following discussion draws context and analysis on how the subject property is influenced by the local and immediate areas.

Subject Property Analysis

The uses adjacent to the property are noted below:

- › **North** - Multi-Family and Commercial
- › **South** - Residential and Commercial
- › **East** - Residential
- › **West** - Residential and Commercial

Access

The subject site has frontage on two arterials. Based on our field work, the subject's access is rated average/good compared to other properties with which it competes

Visibility

The subject is clearly visible in both directions along the street. The visibility of the property is not hampered by adjacent properties, trees or other obstructions. In comparison to competitive properties, the subject property has good visibility.

Subject Conclusion

Trends in the local and immediate areas, adjacent uses and the property's specific location features indicate an overall typical external influence for the subject, which is concluded to have an average position in context of competing properties.

Summary

The condition and appeal of the market area is generally good. The area is mature and heavily built out along the corridors, new development in the area mostly comes in the form of redevelopment. The area is surrounded by dense residential development which, generally bodes well for retail assets. The city has experienced strong demand in commercial real estate development. As demand continues to rise property values are expected to appreciate in the subject's immediate market area.

General Description The subject site consists of 2 parcels. As noted below, the subject site has 50,130 SF (1.15 AC) of land area. The area is estimated based on the assessor's parcel map. Going forward, our valuation analyses will utilize the usable site area. The following discussion summarizes the subject site size and characteristics.

Assessor Parcels See Multiple Parcel Chart For Breakdown

Number Of Parcels 2

Land Area	Acres	Square Feet
Primary Parcel	1.11	48,377
Unusable Land	0.00	0
Excess Land	0.00	0
<u>Surplus Land</u>	<u>0.00</u>	<u>0</u>
Total Land Area	1.11	48,377

Shape See Multiple Parcel Chart For Breakdown

Topography Level at street grade

Adjacent Use North Multi-Family and Commercial

Adjacent Use South Residential and Commercial

Adjacent Use East Residential

Adjacent Use West Residential and Commercial

Zoning Central Business District (CBD)

Drainage Assumed Adequate

Utilities All available to the site

Street Improvements	Street	Direction	No. Lanes	Street Type	Curbs	Sidewalks	Streetlights	Center Lane	Gutters
Curtiss Parkway	Primary Street	two-way	two-lane	major arterial	✓	✓	✓	✓	
S. Royal Poinciana Blvd	Secondary Street	two-way	two-lane	minor arterial	✓	✓	✓	✓	

Frontage The subject has approximately 140 feet of frontage on Curtiss Parkway.

Accessibility **Average/Good** - The accessibility of the subject is rated as average/good. The subject is accessed from two streets, with the main entrance and primary point of ingress/egress being Curtiss Parkway. is a major transportation arterial within proximity to the subject, providing linkage to the surrounding area.

Exposure **Average** - The subject has average exposure, as it is located along a major arterial. The project's exposure rating takes into account its above average visibility and its average traffic count.

Seismic The subject is in a no risk zone.

Flood Zone

The subject site falls within multiple flood zones: Zone AH and . (Example: The majority of the subject site is in Zone X, while the northeast portion of the site is in Zone Y.) This is referenced by Community Number 120653, Panel Number 12086C0284L, dated September 11, 2009. The flood zones are defined as follows:

Zone AH is a High Risk Special Flood Hazard Area (SFHA). Special Flood Hazard Areas represent the area subject to inundation by 1-percent-annual chance flood. Structures located within the SFHA have a 26-percent chance of flooding during the life of a standard 30-year mortgage. Federal floodplain management regulations and mandatory flood insurance purchase requirements apply in these zones. Areas subject to inundation by 1-percent-annual-chance shallow flooding (usually areas of ponding) where average depths are 1–3 feet. BFEs derived from detailed hydraulic analyses are shown in this zone.

MULTIPLE PARCEL SITE DESCRIPTION GRID

PARCEL	USABLE		TOTAL		SHAPE	ACCESS	EXPOSURE	FLOOD PLAIN
	SF	AC	SF	AC				
05-3119-013-0010	33,461	0.77	33,461	0.77	Irregular	Average/Good	Average	Zone AH
05-3119-013-0030	14,916	0.34	14,916	0.34	Irregular	Average/Good	Average	Zone AH
TOTAL	48,377	1.11	48,377	1.11				

Easements

A preliminary title report was not available for review. During the on-site inspection, no adverse easements or encumbrances were noted. This appraisal assumes that there is no negative value impact on the subject improvements. If questions arise regarding easements, encroachments, or other encumbrances, further research is advised.

Soils

A detailed soils analysis was not available for review. Based on the development of the subject, it appears the soils are stable and suitable for the existing improvements.

Hazardous Waste

We have not conducted an independent investigation to determine the presence or absence of toxins on the subject property. If questions arise, the reader is strongly cautioned to seek qualified professional assistance in this matter. Please see the Assumptions and Limiting Conditions for a full disclaimer.

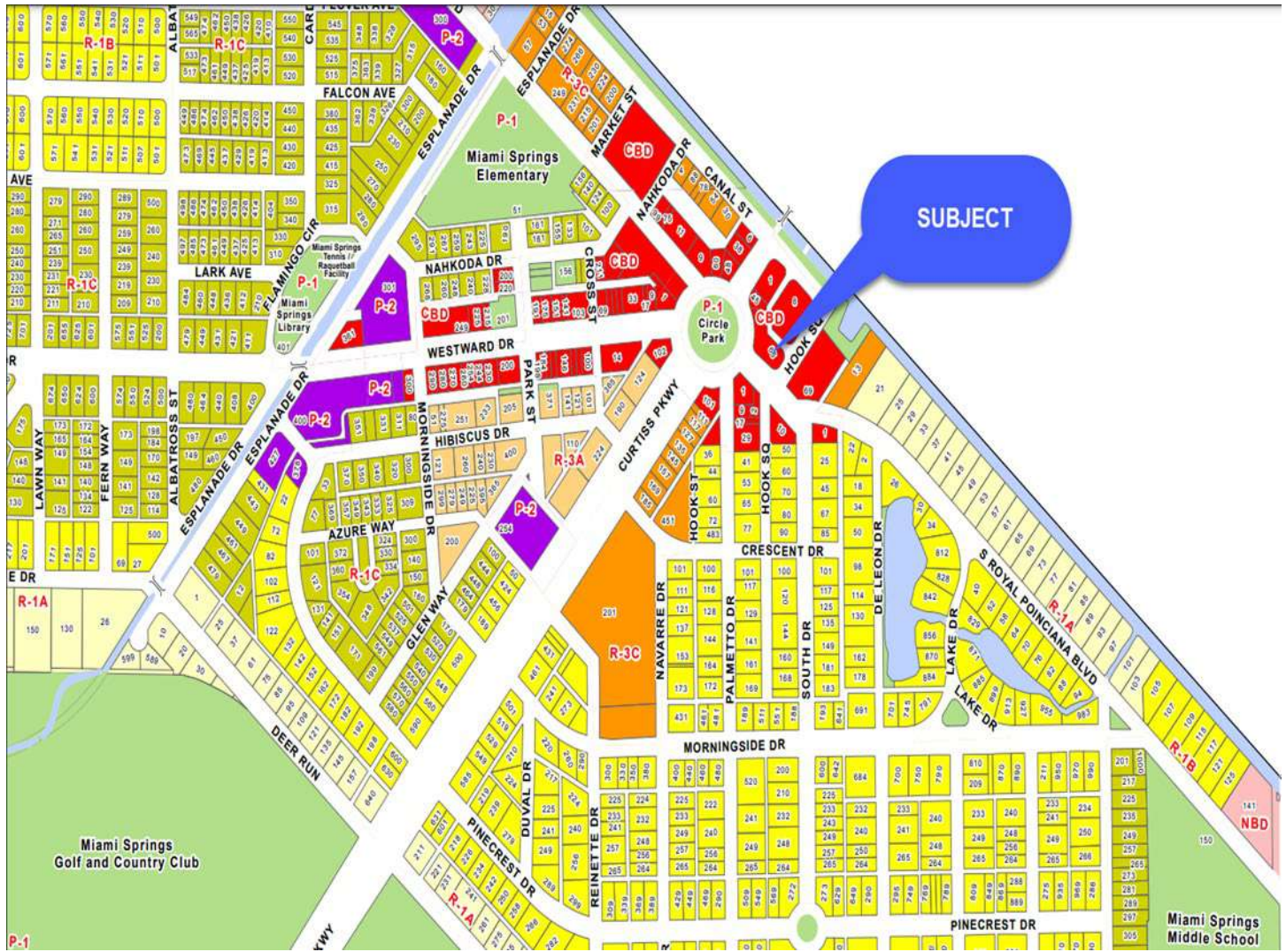
Conclusion

Overall, the subject's location is rated as good. This location rating considers the subject's general market area (Miami-Miami Beach-Kendall, FL), its submarket (Hialeah/Miami Lakes) and the surrounding uses and immediate neighborhood. It also takes into account the subject's exposure and access to employment centers, educational facilities, and shopping centers. All of these characteristics provide supporting uses for the subject site making it desirable for multifamily development. Overall, there are no known factors that would limit the site's development according to its highest and best use.

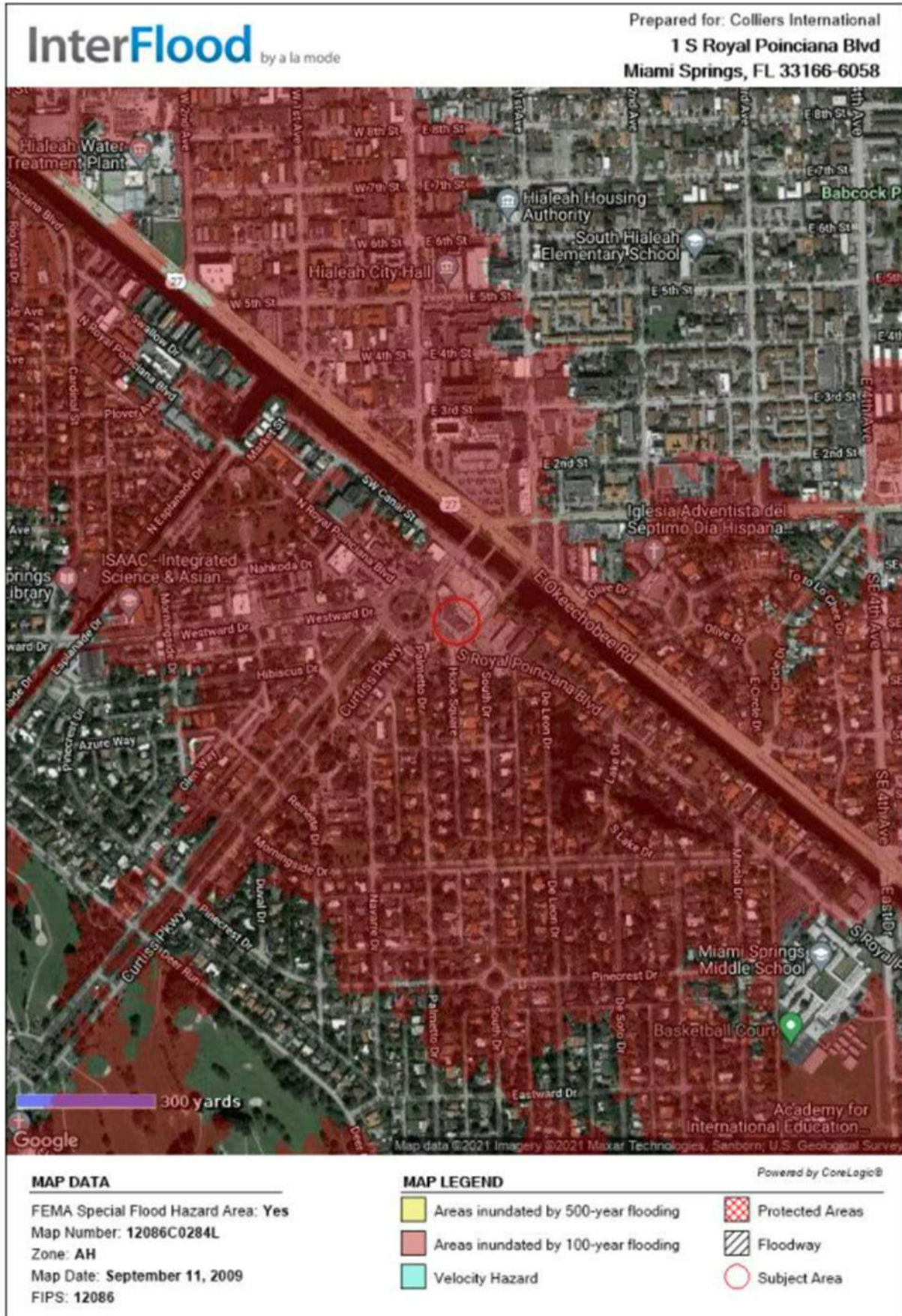
PLAT MAP



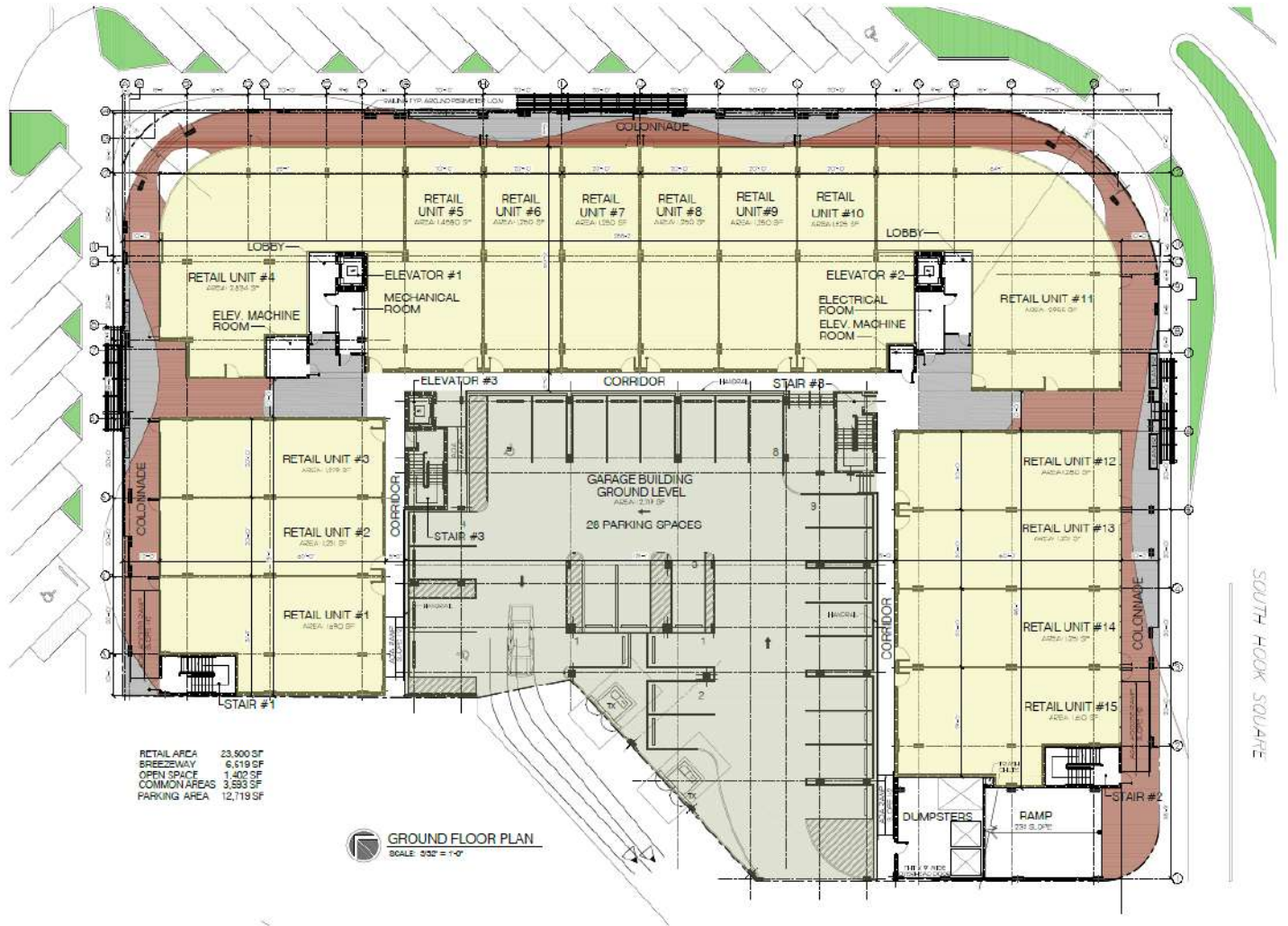
ZONING MAP



FLOOD MAP

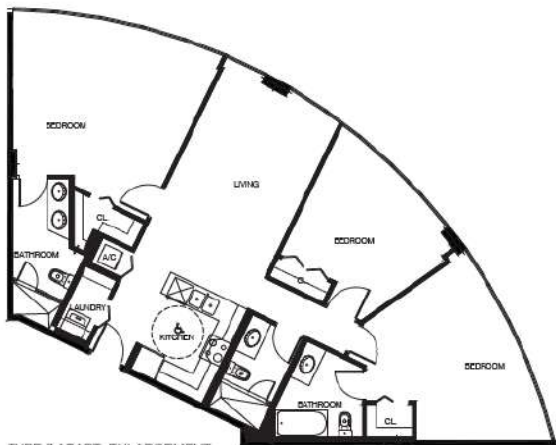


SITE PLAN

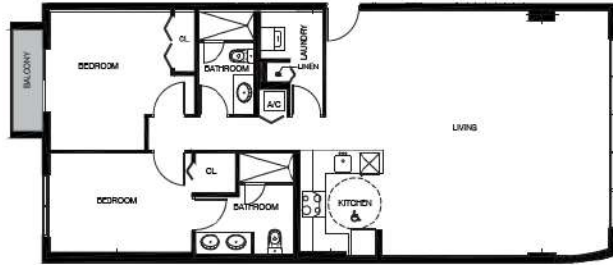


FLOOR PLANS

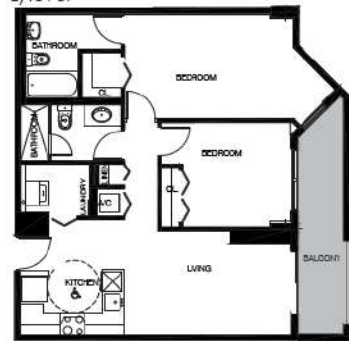




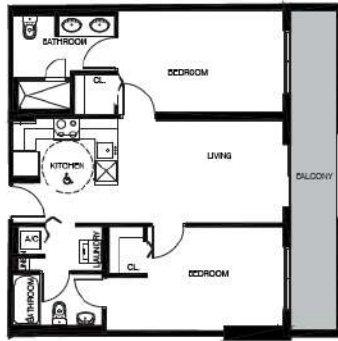
TYPE 7 APART. ENLARGEMENT
 3 Bed 3 Bath
 1,464 SF



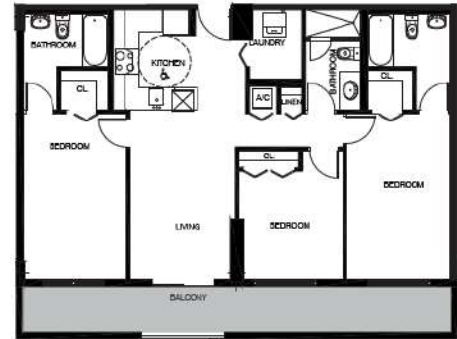
TYPE 8 APART. ENLARGEMENT
 2 Bed 2 Bath
 1,393 SF



TYPE 9 APART. ENLARGEMENT
 2 Bed 2 Bath 900 SF

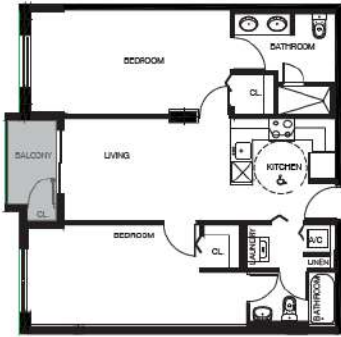


TYPE 10 APART. ENLARGEMENT
 2 Bed 2 Bath 900 SF

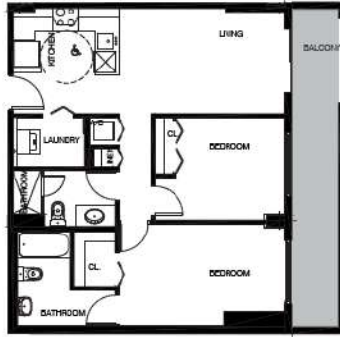


TYPE 11 APART. ENLARGEMENT
 3 Bed 3 Bath
 1,194 SF

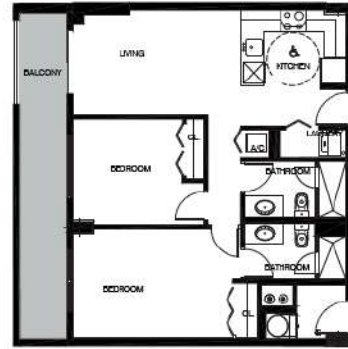
* Square footages are approximate



TYPE 1A APART. ENLARGEMENT
2 Bed 2 Bath
959 SF



TYPE 9A APART. ENLARGEMENT
2 Bed 2 Bath
900 SF



TYPE 9B APART. ENLARGEMENT
2 Bed 2 Bath
900 SF

* Square footages are approximate

Introduction	The information presented below is a basic description of the existing improvements. This information is used in the valuation of the property. Reliance has been placed upon information provided by sources deemed dependable for this analysis. It is assumed that there are no hidden defects, and that all structural components are functional and operational, unless otherwise noted. If questions arise regarding the integrity of the improvements or their operational components, it may be necessary to consult additional professional resources.
Property Type	Mixed Use Multifamily - Retail - Mid/High-Rise Housing
Number of Units	55
Average Unit Size	1,013 SF
Apartment Buildings	1
Common Area Buildings	2
Total Number of Buildings	3
Number of Stories	3
Development Density	49.5 Units/Acre (55 Units / 1.11 Acres)
Net Rentable Area (NRA)	75,285 SF
Gross Building Area (GBA)	124,221 SF
Parking Total	111 (Surface And Garage)
Open Parking Spaces	41
Covered Parking Spaces	-
Detached Garage Spaces	-
Parking Garage Spaces	70
Parking Comment	Parking is adequate and is consistent with the other projects in the market
Parking Spaces/Unit	2.0
Year Built	2022
Age/Life Analysis	
Actual Age	2 Years
Effective Age	2 Years
Economic Life	55 Years
Remaining Life	53 Years
Quality	Good/Excellent
Condition	Good/Excellent
Marketability	Good

UNIT MIX				
UNIT TYPES	NO. UNITS	% OF TOTAL	UNIT SIZE (SF)	NRA (SF)
2 BD / 2 BA	3	5.9%	875	2,625
2 BD / 2 BA	3	5.9%	879	2,636
2 BD / 2 BA	7	13.7%	879	6,150
2 BD / 2 BA	2	3.9%	943	1,885
2 BD / 2 BA	4	7.8%	967	3,868
2 BD / 2 BA	1	2.0%	959	959
2 BD / 2 BA	9	17.6%	970	8,726
2 BD / 2 BA	6	11.8%	975	5,850
2 BD / 2 BA	4	7.8%	967	3,868
2 BD / 2 BA	1	2.0%	1,393	1,393
3 BD / 3 BA	7	13.7%	1,161	8,127
3 BD / 3 BA	2	3.9%	1,337	2,673
3 BD / 3 BA	2	3.9%	1,461	2,921
TOTAL/AVERAGE	51	100%	1,013	51,680
Commercial Retail				23,605
TOTAL NET RENTABLE AREA (NRA)				75,285
Business Center, Gym Lobby and Common Area				10,779
Parking Garage				38,157
TOTAL GROSS BUILDING AREA (GBA)				124,221

The unit sizes were provided by the subject's management and were verified by the appraiser during the on-site inspection.

Basic Construction	Concrete block
Foundation	Poured concrete slab
Framing	Structural steel with masonry and concrete encasement
Exterior Walls	Concrete block
Roof Type	Flat with parapet walls
Roof Cover	Built-up assemblies with tar and gravel cover
Insulation	Exact type unknown, assumed adequate (R-type) and to code for both walls and ceilings.
Plumbing	Each bathroom includes a toilet, sink, and a shower/tub kit with wall-mounted showerhead. Kitchens include a sink, dishwasher, and garbage disposal. There is a laundry closet with washer/dryer.
Air Conditioning	HVAC
Heating	Each unit has wall mount forced air heating throughout.
Hot Water	Each unit includes a hot water heater with a capacity of 30 gallons.
Lighting	Each unit has adequate lighting (Fluorescent lights in the kitchen, incandescent lighting fixtures elsewhere).
Electrical	Each unit is separately metered
Interior Walls	Painted and medium textured finish on gypsum board.

Ceilings	Drywall
Windows	Windows are double pane vinyl sliders with horizontal mini-blinds.
Doors	Exterior doors are typically metal with peepholes. Interior doors are hollow, painted wood.
Flooring	Floor coverings for bath and kitchen areas are vinyl. The floor coverings in living areas are wall to wall carpeting.
Elevators	The building contains 3 passenger elevators.
Project Amenities	The subject's common amenities include: business center, fitness center.
Unit Amenities	Each unit features: air conditioning, balcony/patio, complete appliance package, parking garage, premium flooring, range/stove, refrigerator, washer/dryer in-unit.
Appliances	Each unit is equipped with an electric oven/range combination, garbage disposal, dishwasher, microwave, and refrigerator/freezer. The age and condition of appliances varies from unit to unit.
Laundry	In-unit full washer/dryers.
Countertops	The subject's units include granite countertops.
Cabinets	Typical wood cabinetry
Security	Security patrol is provided at the subject. In addition, each unit has a metal screen door, natural gas detector, fire/smoke detector, and dead bolt.
Fire Protection	The subject has a fire sprinkler system and smoke alarms.
Landscaping	The subject has a typical amount of landscaping. There are mature plantings surrounding the property. Plantings throughout the property include trees, flowers, mowed lawn, shrubs and hedges. There is a sprinkler system.
Deferred Maintenance	Deferred maintenance is measured as the cost of repairing or restoring the item to new or reasonably new condition. Based on our interview with the property manager and the onsite inspection by the field appraiser, no observable deferred maintenance exists.
Commercial Build-out/TIs	The improvements have or will have typical retail finishes that vary based on each tenant concept. The developer provided each space either in shell condition with a tenant improvement (TI) allowances ranging roughly from \$3 to \$5/SF, or in vanilla shell with minimal additional TIs. In lieu of TI the developer is also offering 3 month rent concession.
Property Signage	There is a monument style sign along Curtiss Parkway at the entrance of the subject.
Hazardous Materials	This appraisal assumes that the improvements are constructed free of all hazardous waste and toxic materials, including (but not limited to) asbestos. Please refer to the Assumptions and Limiting Conditions section regarding this issue.

ADA Compliance

This analysis assumes that the subject complies with all ADA requirements. Please refer to the Assumptions and Limiting Conditions section regarding this issue.

Conclusion

The subject improvements are in good/excellent condition for their age and for the surrounding neighborhood. The interiors have Class B+ standard finish, superior to most other properties in the immediate area. The roofs are reportedly in good condition with no roof leaks reported. A few appliances and furnaces have been replaced as needed but are generally in good condition. The property has an attractive design and good curb appeal.

INTRODUCTION

Assessment of real property is established by an assessor that is an appointed or elected official charged with determining the value of each property. The assessment is used to determine the necessary rate of taxation required to support the municipal budget. A property tax is a levy on the value of property that the owner is required to pay to the municipality in which it is situated. Multiple jurisdictions may tax the same property.

ASSESSMENT IN FLORIDA

Real property in Miami-Dade County in the State of Florida is re-assessed every year. Real estate taxes are due March 31st of each year. However, if taxes are paid by November 30th, a property owner can realize a 4% discount in the total liability. The discount is reduced by 1% each month after November 30th until the full liability is due in March. Our analysis assumes a prudent investor would take advantage of this discount.

County Assessor's offices tend to be more conservative in terms of increasing assessments despite ongoing improvements in the multifamily sector. This is attributed to limited staff and cost of defending tax appeals and the change in 2009 from the Assessor having the Presumption of Correctness to the Preponderance of Evidence, requiring the assessor to have a much greater burden to support assessments if contested. Assessment levels are impacted by the following primary factors:

- Re-assessment without a transaction
- Re-assessment following a transaction

Re-Assessment Without Transaction

Although re-assessment occurs annually, in the event that there is not a sale, all taxing authorities with the exception of schools have a 10% cap on assessment increases per year. This can result in a difference between the County estimated *Market Value* (also called *Just Value*) and the actual *Assessed Value* as it applies to the other taxing authorities. As a result, properties that have not been re-assessed following a sale in recent history tend to lag actual market value considerably.

Re-Assessment Following Transaction

The sale of a property can trigger re-assessment for the following year, but the property will not necessarily be re-assessed at the sale price. It is typical for assessment levels to lag actual market values and/or sale prices. In the event of a sale, throughout Florida we are seeing re-assessment rates at 70% - 85% of the purchase price the following January 1. The level of increase depends on the County, asset class and type, as well as the conditions of sale. Further, now that there has been significant market improvement for several years, we are seeing that while there may be a substantial increase in the year following acquisition, there may be a relatively flat assessment the year following the initial increase. In some cases, owners have been successful in appealing the increases which can take a year or more to show up. However, this can vary from county-to-county.

The following chart illustrates the County time-line and process. It also highlights the reason for ongoing lag between current market value and assessment levels.

RE-ASSESSMENT TIMING SCENARIO		
ACTION	DATE	
Purchase	February 1, 2024	Existing Assessment
Taxes Due (Prior Year)	March 30, 2024	2023 Taxes
County Re-Assessment	December 31, 2024	70-90% of Purchase
Taxes Due (Prior Year)	March 30, 2025	2024 Taxes
County Re-Assessment	December 31, 2025	0-10% Increase
Taxes Due (Prior Year)	March 31, 2026	2025 Taxes

Analysis

As a result of the dynamics involved, projecting future real estate tax assessment levels, and thus, liability can be subjective. The primary factors are:

- Variability in how counties are handling re-assessment following a sale
- Lag that occurs based on the timing of re-assessment following a sale
- In an up-market, assessments lagging in the years following a re-set either due to assessments being held flat, or further market improvement as a result of market trends overall, or property improvements completed by new ownership following acquisition.

When all of these factors are considered, a more reasonable range for projected tax assessments over the holding period is wider than the initial re-set would suggest.

As implicit in the definition of Market Value is the consummation of a sale, even in the event of a refinance, the potential real estate tax implication following a sale must be considered. It can be considered via a projected increase in assessment level, loaded capitalization rate, or a combination of both a more moderate increase in the assessment level and a relatively more moderately loaded cap rate.

MARKET PARTICIPANTS

We discussed expectation of increases in the real estate tax assessment, and thus, real estate tax liability, with investors and brokers active in the marketplace. It was reported that they are generally anticipating increases in assessment levels to 70% - 85% of the contract price, depending on the asset and location. Additionally, these increases are typically reflected in the in-place capitalization rates reported by market participants.

MIAMI DADE REASSESSMENTS

The following table summarizes recent reassessments of Class A properties within Miami Dade County.

TAX REASSESSMENTS									
Name	Vintage	Units	Sold YR	Sale Price	\$/Unit	Re-Set YR	Assessed Value	\$/Unit	Re-Set %
RAM Miami River	2019	196	2022	\$31,100,000	\$158,673	2023	\$22,840,000	\$116,531	73%
Blume Coral Gables	2019	100	2022	\$42,500,000	\$425,000	2023	\$33,744,450	\$337,445	79%
Sophia Square	2019	281	2022	\$82,000,000	\$291,815	2023	\$66,906,412	\$238,101	82%
Miro Brickell	2017	372	2022	\$184,500,000	\$495,968	2023	\$149,218,163	\$401,124	81%
First Apartments	2021	194	2022	\$92,000,000	\$474,227	2023	\$78,900,000	\$406,701	86%
Watermarc at Biscayne Bay	2021	296	2022	\$211,000,000	\$712,838	2023	\$167,000,000	\$564,189	79%
275 Fontaine Parc	2020	133	2022	\$50,000,000	\$375,940	2023	\$40,190,000	\$302,180	80%
AHS Oak Enclave	2022	420	2022	\$113,000,000	\$269,048	2023	\$87,205,000	\$207,631	77%
Soleste Grand Central	2021	360	2022	\$181,000,000	\$502,778	2023	\$105,900,000	\$294,167	59%
							MIN	\$116,531	59%
							MAX	\$564,189	86%
							AVG	\$318,674	77%

The assessed value and property tax for the current year are summarized in the following table.

ASSESSMENT & TAXES							
Tax Year	2023			Tax Rate	22.0551		
Tax Rate Area				Taxes Current	Yes		
APN	LAND	IMPV	PERSONAL	TOTAL	EXEMPTIONS	TAXABLE	BASE TAX
05-3119-013-0010	\$750,082	\$0	\$0	\$750,082	\$200,005	\$550,077	\$13,906
05-3119-013-0030	\$1,505,767	\$0	\$0	\$1,505,767	\$401,521	\$1,104,246	\$27,885
Totals	\$2,255,849	\$0	\$0	\$2,255,849	\$601,526	\$1,654,323	\$41,791
Total/Unit	\$41,015	\$0	\$0	\$41,015	\$10,937	\$30,079	\$760
Total/SF (NRA)	\$29.96	\$0.00	\$0.00	\$29.96	\$7.99	\$21.97	\$0.56
Total Base Tax Without Early Payment							\$41,791
Total Base Tax Per Unit Without Early Payment							\$760
Total Base Tax Per SF (NRA) Without Early Payment							\$0.56
Discount For Early Payment		4%					(\$1,672)
Total Base Tax With Early Payment							\$40,119
Total Base Tax Per Unit With Early Payment							\$729
Total Base Tax Per SF (NRA) With Early Payment							\$0.53

Source: Miami-Dade County Assessment & Taxation

SUBJECT PROPERTY ANALYSIS

The total assessment for the subject property as an unimproved site is \$2,255,849 or \$41,015/Uni. The subject property benefits from an exemption in the amount of \$601,526, reducing the taxable assessment to \$1,654,323. Total taxes for the property are \$41,791.

CONCLUSION

In our conclusion, we considered the re-assessment process within the State of Florida as well as investor and market participant expectations. We note that the impact of re-assessment can vary somewhat significantly depending on the timing of acquisition, County re-set of the assessment the following year and future increases in the assessment level over the holding period.

With consideration for the reassessment ratio data as well as investor and lender expectations we based our pro forma on an assessment level equal to about 75% of the market value. This adequately accounts for risk of increase and in our opinion best reflects actions of buyers and sellers in the present market environment.

APPLICABILITY OF CURRENT TAX LIABILITY	
Purchase Price	\$36,500,000
x Adjustment for County RMV	75%
= Estimated Assessed Value	\$27,375,000
x Current Millage Rate (\$1,000)	22.055
= Stabilized Taxes Estimate	\$603,758
- Less Discount Early Payment - 4%	<u>(\$24,150)</u>
= Stabilized Tax Estimate	\$579,608
Stabilized Taxes/SF of NRA	\$7.70

According to the County Assessor's Office, real estate taxes for the subject property are current as of the date of this report. Based on the scope of this assignment, any pending tax liens were not considered in the value conclusion. Any allocations for personal property taxes are later discussed within the income approach.

INTRODUCTION

Zoning requirements typically establish permitted and prohibited uses, building height, lot coverage, setbacks, parking and other factors that control the size and location of improvements on a site. The zoning characteristics for the subject property are summarized below:

ZONING SUMMARY	
Municipality Governing Zoning	City of Miami Springs Planning & Zoning Department
Current Zoning	Central Business District (CBD)
Permitted Uses	Permitted uses within this zoning district primarily include a wide range of residential and commercial uses.
Current Use	Mixed Use - Retail / Multi-Family Apartments
Is Current Use Legally Permitted?	Yes
Zoning Change	Not Likely

ZONING REQUIREMENTS	
Conforming Use	The subject's improvements represent a legal, conforming use.
Minimum Site Area (SF)	2,500 SF
Minimum Yard Setbacks	
Front (Feet)	100% of the property frontage
Rear (Feet)	0
Street Side (Feet)	Not less than 30% fo the lot or building site improved
Maximum Building Height	40 Feet
Maximum Floor Area Ratio (FAR)	1.0 times the lot area

SUBJECT PARKING REQUIREMENT			
FLOOR PLAN	UNITS	REQUIRED SPACES/UNIT	REQUIRED SPACES
2 BD / 2 BA	40		0
3 BD / 3 BA	11		0
Required Parking Spaces			0
Parking Spaces Provided			111

Source: City of Miami Springs Planning & Zoning Department

ZONING CONCLUSIONS

Based on the interpretation of the zoning ordinance, the subject property is an outright permitted use that could be rebuilt if unintentionally destroyed.

Detailed zoning studies are typically performed by a zoning or land use expert, including attorneys, land use planners, or architects. The depth of our analysis correlates directly with the scope of this assignment, and it considers all pertinent issues that have been discovered through our due diligence. Please note that this appraisal is not intended to be a detailed determination of compliance, as that determination is beyond the scope of this real estate appraisal assignment.

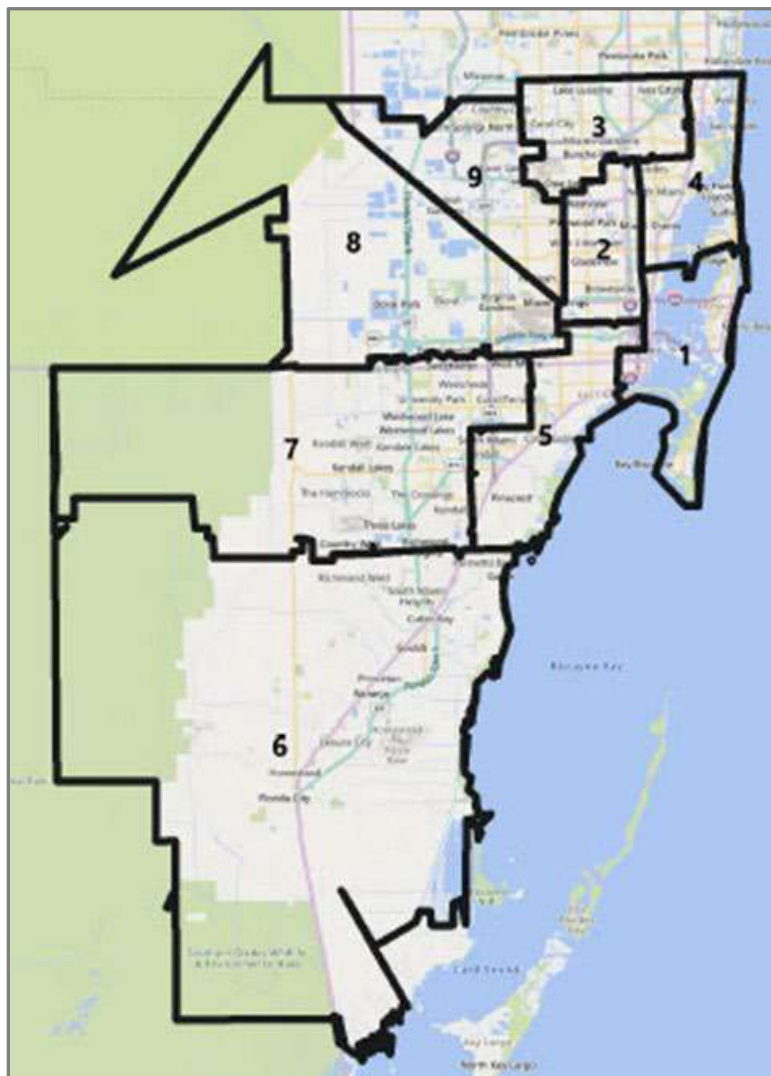
INTRODUCTION

The market analysis section provides a comprehensive study of supply/demand conditions, examines transaction trends, and interprets ground level information conveyed by market participants. Based on these findings and an analysis of the subject property, conclusions are drawn with regard to the subject’s competitive position within the marketplace.

MIAMI-MIAMI BEACH-KENDALL, FL METRO APARTMENT MARKET ANALYSIS

The following is an analysis of supply/demand trends in the Miami-Miami Beach-Kendall, FL Apartment Market using information provided by MPF Research, widely recognized as a market leader in Apartment data and statistics. Through their coverage of the MPF-100, a collection of the 100 largest primary and secondary markets in the US, data is primarily sourced at the floor-plan, transaction level. This is made possible through MPF’s sister company relationship with RealPage, the developers of YieldStar and OneSite revenue and property management software suites, resulting in access to access individual lease transactions for roughly 3.7 million units.

We will first analyze the metro market, followed by the submarket. The following map highlights MPF’s coverage of the Miami-Miami Beach-Kendall, FL Metro Market and the individual submarkets tracked. The subject is located within the Hialeah/Miami Lakes submarket denoted as (5) below.



Current Market Snapshot

The table below presents a current quarter snapshot of key indicators for the Miami-Miami Beach-Kendall, FL Metro Market.

MIAMI-MIAMI BEACH-KENDALL, FL MARKET AT A GLANCE											2024 Q1
	TOTAL UNITS	OCCUP-ANCY (%)	ABSORP. (UNITS)	NEW INV. (UNITS)	REMOVALS (UNITS)	INVENTORY UNITS Δ	INVENTORY % Δ	UNDER CONST.	NEAR-TERM DELIVERIES ¹		
INVENTORY	328,669	95.3%	2,463	2,587	110	2,477	0.8%	21,928	13,012		
CATEGORY	BY VINTAGE							BY STYLE			TOTAL
	2020+	2010s	2000s	1990s	1980s	1970s	PRE-1970s	LOW-RISE	MID-RISE	HIGH-RISE	
Occupancy	94.0%	94.4%	98.0%	96.0%	95.3%	96.8%	97.9%	95.6%	95.5%	94.9%	95.3%
Quarterly Occ. Δ	-0.1%	0.3%	0.2%	-0.4%	0.0%	0.0%	-0.2%	-0.2%	0.6%	0.0%	0.0%
Annual Occ. Δ	0.0%	-0.7%	-0.7%	-0.6%	-1.3%	-1.2%	-0.5%	-1.0%	-0.7%	-0.5%	-0.7%
Rent (\$/mo.)	\$2,918	\$2,759	\$2,671	\$2,413	\$2,097	\$1,948	\$2,189	\$2,204	\$2,479	\$2,960	\$2,582
Rent (\$/sf)	\$3.27	\$2.92	\$2.52	\$2.50	\$2.44	\$2.32	\$2.50	\$2.32	\$2.81	\$3.25	\$2.80
Annual Revenue Δ ²	-1.0%	-0.1%	0.2%	0.8%	2.5%	2.7%	3.0%	0.8%	3.5%	-0.9%	0.2%
% Offering Concessions	29.7%	12.3%	6.9%	4.2%	7.8%	1.7%	4.9%	9.1%	20.9%	14.5%	13.4%
Avg. Concession	6.2%	4.6%	2.2%	4.0%	2.4%	6.9%	2.6%	3.7%	3.1%	7.0%	5.2%
Qtr. Same-Property Rent Δ	0.3%	0.8%	2.8%	1.8%	-0.2%	2.1%	1.8%	1.0%	1.3%	0.8%	1.0%
Ann. Same-Property Rent Δ	-1.0%	0.6%	1.0%	1.3%	3.8%	3.8%	3.5%	1.8%	4.2%	-0.4%	1.0%

Source: MPF Research® ¹ Delivering within next four quarters. ² Annual Revenue Change = Annual Occ. Change + Annual Rent Change

Occupancy

As presented, the Miami-Miami Beach-Kendall, FL market maintains a current inventory of 328,669 units, up approximately 0.80% (2,477 units) from the previous quarter. The current market-wide occupancy rate of 95.3% is indicated through a range extending from 94.0% to 98.0% across all property styles and vintages. When compared to the previous quarter, the market-wide average occupancy rate has increased 0.0%. On a current-quarter annualized basis, occupancy rates have decreased 0.7%.

Rental Rates / Revenue

On a per unit basis, rental rates by vintage range from a low of \$1,948 per month to a high of \$2,918 per month. When analyzed on the basis of style, rental rates range from \$2,204 (low-rise) to \$2,960 (high-rise). In total, the market-wide inventory-weighted average rental rate is \$2,582 per unit per month. On a per square foot basis, rental rates range from a low of \$2.32 to a high of \$3.27 when analyzing property vintage and \$2.32 to \$3.25 when analyzed by property style. In aggregate, the market-wide average rental rate is \$2.80 per square foot. Annual revenue change, defined as annual occupancy change plus annual rent change represents an increase of 0.2% versus the previous same-quarter annual period.

Concessions

Analyzed by vintage, the percentage of properties currently offering concessions range from 1.7% (1970s) to 29.7% (2020+). When singularly analyzing property style, this range shifts to a low of 9.1% (low-rise) to a high of 20.9% (mid-rise). An aggregate, market-wide average of 14.5% is indicated.

The average concession given ranges from 2.2% to 6.9% (vintage) and 3.1% to 7.0% (style) of potential gross income. An inventory-weighted average across all vintages and styles of 5.2% of potential gross income is indicated.

Trailing Metro Performance

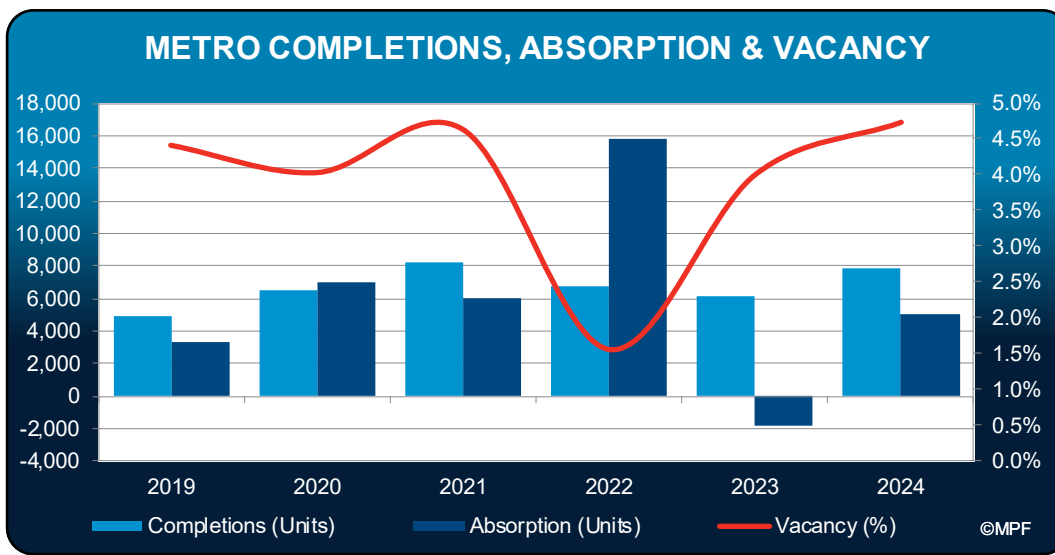
Key supply/demand, occupancy, rental rate, and concession statistics for available trailing annual and quarterly periods are summarized below.

Historical Supply/Demand

The following table highlights the trailing annual and quarterly supply, construction, and absorption metrics.

HISTORICAL SUPPLY/DEMAND ANALYSIS					MIAMI-MIAMI BEACH-KENDALL, FL MARKET				
PERIOD	TOTAL UNITS	OCCUPANCY (%)	ABSORP. (UNITS)	NEW INV. (UNITS)	REMOVALS (UNITS)	INVENTORY UNITS Δ	INVENTORY % Δ	UNDER CONST.	NEAR-TERM DELIVERIES ¹
2019	294,044	95.6%	3,259	4,916	241	4,675	1.6%	15,717	6,522
2020	300,195	96.0%	7,012	6,522	371	6,151	2.1%	15,919	8,058
2021	308,355	95.4%	5,986	8,260	100	8,160	2.7%	14,498	6,567
2022	314,852	98.4%	15,828	6,772	275	6,497	2.1%	16,480	6,144
2023	320,956	96.0%	-1,793	6,144	40	6,104	1.9%	21,595	7,735
2024	328,669	95.3%	5,019	7,823	110	7,713	2.4%	21,928	13,012
2023 Q2	322,368	95.6%	-7	1,412	0	1,412	0.4%	23,035	8,402
2023 Q3	323,992	95.3%	539	1,624	0	1,624	0.5%	24,208	10,445
2023 Q4	326,192	95.2%	2,023	2,200	0	2,200	0.7%	23,720	13,070
2024 Q1	328,669	95.3%	2,463	2,587	110	2,477	0.8%	21,928	13,012

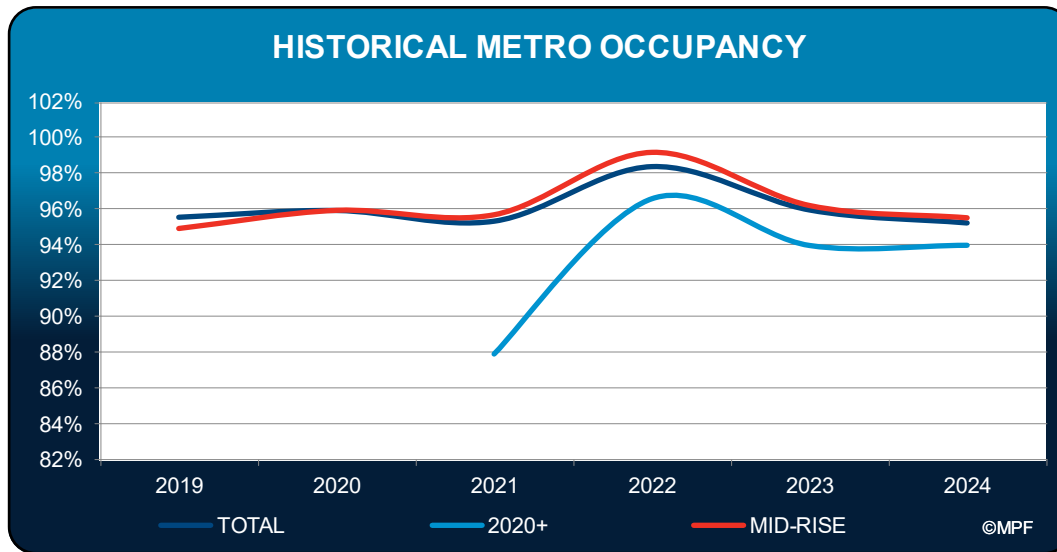
Source: MPF Research® ¹ Delivering w ithin next four quarters.



Metro Occupancy Trends

OCCUPANCY								MIAMI-MIAMI BEACH-KENDALL, FL METRO			
PERIOD	BY VINTAGE							BY STYLE			TOTAL
	2020+	2010s	2000s	1990s	1980s	1970s	PRE-1970s	LOW-RISE	MID-RISE	HIGH-RISE	
2019	n.a.	94.4%	96.3%	95.1%	95.8%	96.9%	97.7%	96.1%	94.9%	95.3%	95.6%
2020	n.a.	94.1%	97.9%	96.3%	96.7%	97.1%	98.0%	96.5%	96.0%	95.3%	96.0%
2021	87.9%	93.5%	98.2%	96.1%	96.1%	96.5%	96.9%	96.0%	95.7%	94.5%	95.4%
2022	96.6%	98.2%	99.6%	98.9%	99.2%	98.4%	99.2%	98.7%	99.2%	97.9%	98.4%
2023	94.0%	95.0%	98.8%	96.5%	96.6%	97.9%	98.4%	96.6%	96.2%	95.3%	96.0%
2024	94.0%	94.4%	98.0%	96.0%	95.3%	96.8%	97.9%	95.6%	95.5%	94.9%	95.3%
2023 Q2	93.8%	94.4%	98.5%	96.5%	96.4%	97.1%	98.6%	96.3%	95.9%	94.8%	95.6%
2023 Q3	93.7%	94.3%	98.1%	96.2%	95.4%	96.7%	98.0%	96.0%	94.7%	94.8%	95.3%
2023 Q4	94.1%	94.1%	97.9%	96.4%	95.3%	96.7%	98.1%	95.8%	95.0%	94.9%	95.2%
2024 Q1	94.0%	94.4%	98.0%	96.0%	95.3%	96.8%	97.9%	95.6%	95.5%	94.9%	95.3%

Source: MPF Research®

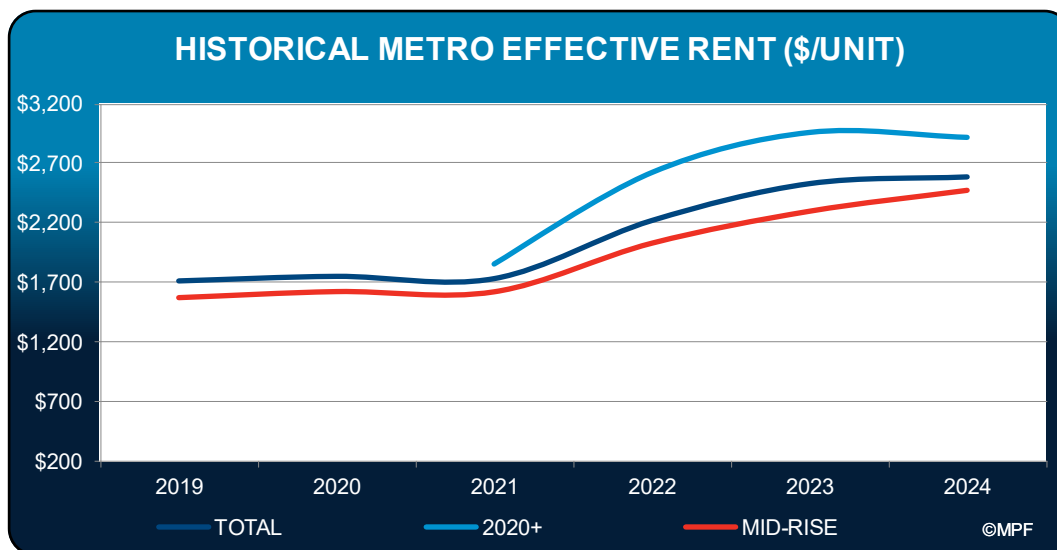


Metro Rental Rate Trends

The following tables and supporting graphs represent the current and historical rental rates on both a \$/Unit (Table 1) and \$/SF (Table 2) basis. Rental rates are reported as effective rates (net of concessions).

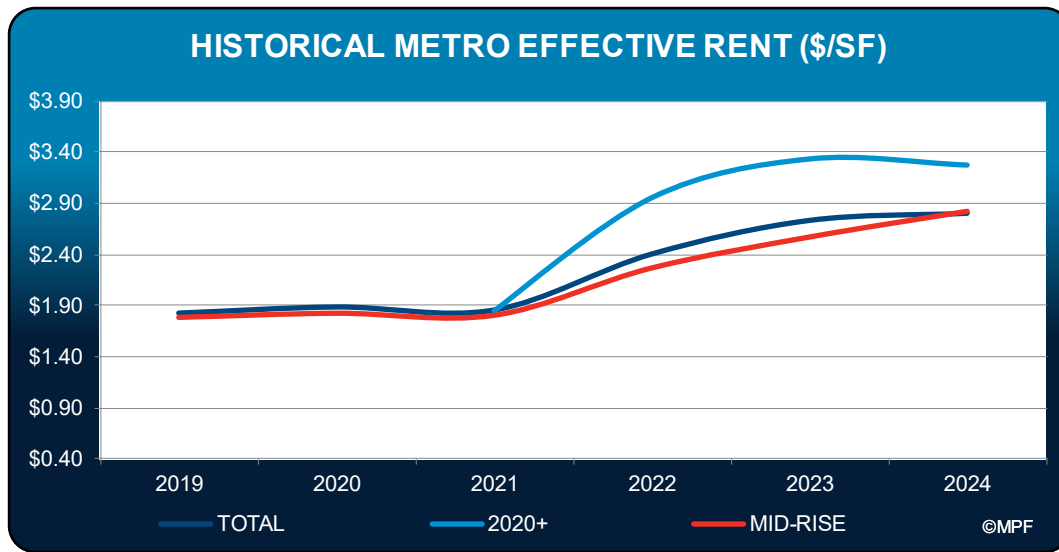
EFFECTIVE RENT (\$/UNIT)								MIAMI-MIAMI BEACH-KENDALL, FL METRO			
PERIOD	BY VINTAGE							BY STYLE			TOTAL
	2020+	2010s	2000s	1990s	1980s	1970s	PRE-1970s	LOW-RISE	MID-RISE	HIGH-RISE	
2019	n.a.	\$1,982	\$1,962	\$1,643	\$1,399	\$1,356	\$1,484	\$1,505	\$1,576	\$2,062	\$1,719
2020	n.a.	\$2,031	\$1,932	\$1,694	\$1,423	\$1,378	\$1,530	\$1,537	\$1,627	\$2,088	\$1,757
2021	\$1,863	\$1,963	\$1,890	\$1,673	\$1,451	\$1,402	\$1,535	\$1,570	\$1,625	\$1,988	\$1,738
2022	\$2,625	\$2,512	\$2,297	\$2,092	\$1,775	\$1,592	\$1,809	\$1,910	\$2,034	\$2,594	\$2,220
2023	\$2,959	\$2,727	\$2,637	\$2,370	\$2,005	\$1,859	\$2,084	\$2,123	\$2,303	\$2,979	\$2,526
2024	\$2,918	\$2,759	\$2,671	\$2,413	\$2,097	\$1,948	\$2,189	\$2,204	\$2,479	\$2,960	\$2,582
2023 Q2	\$2,957	\$2,754	\$2,704	\$2,365	\$2,055	\$1,896	\$2,141	\$2,158	\$2,351	\$2,999	\$2,564
2023 Q3	\$2,939	\$2,766	\$2,689	\$2,376	\$2,112	\$1,916	\$2,106	\$2,169	\$2,415	\$2,981	\$2,575
2023 Q4	\$2,913	\$2,737	\$2,599	\$2,371	\$2,101	\$1,914	\$2,150	\$2,181	\$2,417	\$2,943	\$2,558
2024 Q1	\$2,918	\$2,759	\$2,671	\$2,413	\$2,097	\$1,948	\$2,189	\$2,204	\$2,479	\$2,960	\$2,582

Source: MPF Research®



EFFECTIVE RENT (\$/SF)								MIAMI-MIAMI BEACH-KENDALL, FL METRO			
PERIOD	BY VINTAGE							BY STYLE			
	2020+	2010s	2000s	1990s	1980s	1970s	PRE-1970s	LOW-RISE	MID-RISE	HIGH-RISE	TOTAL
2019	n.a.	\$2.00	\$1.86	\$1.69	\$1.64	\$1.59	\$1.77	\$1.60	\$1.78	\$2.11	\$1.82
2020	n.a.	\$2.09	\$1.81	\$1.75	\$1.68	\$1.64	\$1.83	\$1.65	\$1.82	\$2.17	\$1.88
2021	\$1.84	\$2.03	\$1.77	\$1.72	\$1.70	\$1.69	\$1.83	\$1.68	\$1.80	\$2.09	\$1.85
2022	\$2.95	\$2.63	\$2.18	\$2.16	\$2.08	\$1.93	\$2.11	\$2.05	\$2.26	\$2.79	\$2.40
2023	\$3.33	\$2.87	\$2.51	\$2.45	\$2.33	\$2.21	\$2.39	\$2.26	\$2.56	\$3.23	\$2.73
2024	\$3.27	\$2.92	\$2.52	\$2.50	\$2.44	\$2.32	\$2.50	\$2.32	\$2.81	\$3.25	\$2.80
2023 Q2	\$3.32	\$2.90	\$2.56	\$2.44	\$2.35	\$2.25	\$2.44	\$2.28	\$2.61	\$3.26	\$2.77
2023 Q3	\$3.29	\$2.91	\$2.54	\$2.46	\$2.44	\$2.27	\$2.41	\$2.29	\$2.69	\$3.24	\$2.78
2023 Q4	\$3.26	\$2.90	\$2.46	\$2.46	\$2.45	\$2.27	\$2.45	\$2.30	\$2.72	\$3.23	\$2.77
2024 Q1	\$3.27	\$2.92	\$2.52	\$2.50	\$2.44	\$2.32	\$2.50	\$2.32	\$2.81	\$3.25	\$2.80

Source: MPF Research®



Metro Concession Trends

The following tables represent the percentage of properties offering concessions (Table 1) and the concessions granted as a percentage of potential gross income (Table 2).

PERCENT OF PROPERTIES OFFERING CONCESSIONS								MIAMI-MIAMI BEACH-KENDALL, FL METRO			
PERIOD	BY VINTAGE							BY STYLE			
	2020+	2010s	2000s	1990s	1980s	1970s	PRE-1970s	LOW-RISE	MID-RISE	HIGH-RISE	TOTAL
2019	n.a.	21.0%	13.9%	21.3%	23.3%	16.7%	10.8%	6.3%	29.0%	30.0%	18.9%
2020	n.a.	29.7%	7.7%	13.1%	14.9%	21.1%	8.7%	10.1%	27.7%	26.8%	19.3%
2021	1.3%	32.1%	23.1%	35.2%	16.1%	13.6%	6.5%	12.2%	21.0%	41.2%	24.6%
2022	20.5%	8.2%	1.1%	0.0%	0.0%	4.9%	1.0%	1.4%	3.6%	12.1%	6.3%
2023	15.1%	8.7%	5.6%	1.7%	10.2%	5.6%	3.7%	5.9%	8.7%	10.9%	8.5%
2024	29.7%	12.3%	6.9%	4.2%	7.8%	1.7%	4.9%	9.1%	20.9%	14.5%	13.4%
2023 Q2	17.0%	10.0%	4.6%	2.0%	4.3%	0.7%	0.7%	3.7%	7.1%	12.4%	8.1%
2023 Q3	23.1%	13.3%	4.7%	1.5%	9.9%	0.0%	6.4%	7.8%	9.7%	15.5%	11.6%
2023 Q4	22.3%	12.9%	6.9%	7.3%	7.3%	4.0%	0.3%	6.5%	10.9%	16.9%	11.9%
2024 Q1	29.7%	12.3%	6.9%	4.2%	7.8%	1.7%	4.9%	9.1%	20.9%	14.5%	13.4%

Source: MPF Research®

CONCESSIONS AS PERCENT OF PGI								MIAMI-MIAMI BEACH-KENDALL, FL METRO			
PERIOD	BY VINTAGE							BY STYLE			
	2020+	2010s	2000s	1990s	1980s	1970s	PRE-1970s	LOW-RISE	MID-RISE	HIGH-RISE	TOTAL
2019	n.a.	5.5%	3.6%	3.0%	2.3%	3.8%	2.3%	1.6%	4.5%	4.3%	4.1%
2020	n.a.	5.6%	3.8%	5.2%	3.7%	2.2%	2.4%	3.6%	4.6%	5.4%	4.9%
2021	12.5%	8.5%	7.3%	7.3%	4.7%	5.4%	5.1%	3.9%	7.1%	8.7%	7.6%
2022	8.6%	9.7%	5.6%	n.a.	n.a.	0.3%	7.0%	1.7%	10.1%	9.0%	8.7%
2023	6.7%	5.9%	1.1%	3.3%	1.7%	4.9%	3.6%	3.0%	4.4%	6.3%	5.3%
2024	6.2%	4.6%	2.2%	4.0%	2.4%	6.9%	2.6%	3.7%	3.1%	7.0%	5.2%
2023 Q2	6.7%	4.7%	1.5%	1.0%	2.4%	5.4%	4.1%	1.2%	3.8%	6.3%	5.3%
2023 Q3	5.8%	5.7%	3.5%	2.6%	2.7%	n.a.	2.4%	3.0%	3.9%	6.3%	5.3%
2023 Q4	5.8%	4.8%	3.2%	2.5%	1.3%	4.4%	8.3%	2.4%	3.1%	5.8%	4.9%
2024 Q1	6.2%	4.6%	2.2%	4.0%	2.4%	6.9%	2.6%	3.7%	3.1%	7.0%	5.2%

Source: MPF Research®

Metro Construction Activity

CONSTRUCTION ACTIVITY		MIAMI-MIAMI BEACH-KENDALL, FL	
CATEGORY	UNITS UNDER		UNITS
	CONSTRUCTION		COMPLETED ¹
Conventional (Market)	23,824		6,530
TOTAL	23,824		6,530

Source: MPF Research® ¹Properties completed in the last 4 quarters

Within the Miami-Miami Beach-Kendall, FL Metro area, there are a total of 23,824 conventional units currently under construction highlighted by activity in the Downtown Miami/South Beach, Homestead/South Dade County and Northeast Miami submarkets. There are currently 2,237 units under construction within the subject's submarket and 1,102 units have delivered within the past four quarters.

The following table sets forth the detailed construction activity, by submarket, for conventional properties in the market.

CONVENTIONAL CONSTRUCTION		MIAMI-MIAMI BEACH-KENDALL, FL	
CATEGORY	UNITS UNDER		UNITS
	CONSTRUCTION		COMPLETED ¹
Downtown Miami/South Beach	6,725		1,116
North Central Miami	2,667		716
Miami Gardens	1,329		112
Northeast Miami	3,110		367
Coral Gables/South Miami	1,921		1,265
Homestead/South Dade County	3,563		858
Westchester/Kendall	1,148		84
West Miami/Doral	1,124		910
Hialeah/Miami Lakes	2,237		1,102
TOTAL	23,824		6,530

Source: MPF Research® ¹Properties completed in the last 4 quarters

HIALEAH/MIAMI LAKES APARTMENT SUBMARKET OVERVIEW

The table below presents a current quarter snapshot of the key indicators within the submarket.

HIALEAH/MIAMI LAKES SUBMARKET AT A GLANCE											2024 Q1
	TOTAL	OCCUP-ANCY (%)	ABSORP. (UNITS)	NEW INV. (UNITS)	REMOVALS (UNITS)	INVENTORY UNITS Δ	INVENTORY % Δ	UNDER CONST.	NEAR-TERM DELIVERIES ¹		
INVENTORY	37,266	96.9%	-93	327	0	327	0.9%	1,575	807		
CATEGORY	BY VINTAGE							BY STYLE			TOTAL
	2020+	2010s	2000s	1990s	1980s	1970s	PRE-1970s	LOW-RISE	MID-RISE	HIGH-RISE	
Occupancy	94.3%	97.9%	100.0%	98.1%	95.3%	99.8%	98.9%	97.0%	97.8%	95.5%	96.9%
Quarterly Occ. Δ	-2.6%	-0.9%	0.0%	-0.3%	0.2%	-0.2%	-0.1%	-1.3%	0.0%	-1.3%	-1.1%
Annual Occ. Δ	-2.1%	-1.5%	0.0%	0.3%	-2.7%	-0.2%	0.2%	-1.5%	0.0%	-1.9%	-1.4%
Rent (\$/mo.)	\$2,366	\$2,406	\$1,439	\$1,976	\$2,074	\$1,974	\$2,111	\$2,110	\$2,031	\$2,441	\$2,152
Rent (\$/sf)	\$2.69	\$2.17	\$1.52	\$2.08	\$2.65	\$2.02	\$2.15	\$2.20	\$2.35	\$2.64	\$2.29
Annual Revenue Δ ²	-2.3%	2.4%	5.1%	3.5%	-3.2%	3.6%	14.2%	1.9%	1.2%	-0.9%	1.4%
% Offering Concessions	68.1%	0.0%	0.0%	10.1%	0.0%	0.0%	0.0%	17.0%	25.6%	54.4%	24.1%
Avg. Concession	8.5%	n.a.	n.a.	4.4%	n.a.	n.a.	n.a.	7.7%	3.8%	9.6%	8.0%
Qtr. Same-Property Rent Δ	-3.5%	0.3%	-0.3%	-0.6%	1.1%	0.4%	0.5%	-0.1%	-2.5%	-2.9%	-1.0%
Ann. Same-Property Rent Δ	-0.2%	3.9%	5.1%	3.2%	-0.5%	3.7%	14.0%	3.4%	1.2%	1.1%	2.8%

Source: MPF Research® ¹ Delivering within next four quarters. ² Annual Revenue Change = Annual Occ. Change + Annual Rent Change

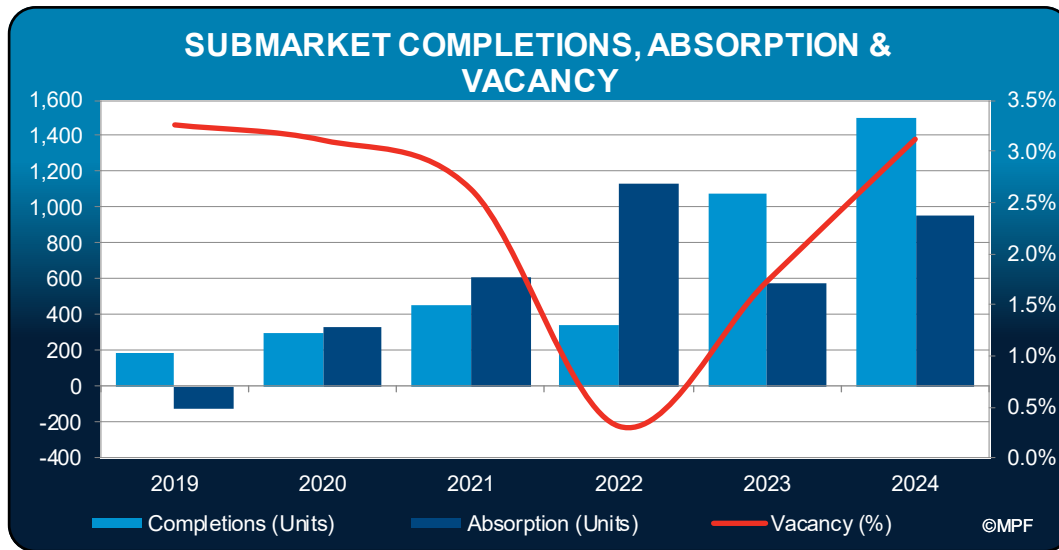
Trailing Submarket Performance

Key supply/demand, occupancy, rental rate, and concession statistics for available trailing annual and quarterly periods are summarized below.

Historical Supply/Demand

HISTORICAL SUPPLY/DEMAND ANALYSIS							HIALEAH/MIAMI LAKES SUBMARKET			
PERIOD	TOTAL UNITS	OCCUP-ANCY (%)	ABSORP. (UNITS)	NEW INV. (UNITS)	REMOVALS (UNITS)	INVENTORY UNITS Δ	INVENTORY % Δ	UNDER CONST.	NEAR-TERM DELIVERIES ¹	
2019	33,593	96.8%	-121	190	0	190	0.6%	607	294	
2020	33,887	96.9%	335	294	0	294	0.9%	770	459	
2021	34,346	97.4%	610	459	0	459	1.4%	1,616	341	
2022	34,687	99.7%	1,136	341	0	341	1.0%	2,019	1,082	
2023	35,769	98.3%	572	1,082	0	1,082	3.1%	1,963	1,497	
2024	37,266	96.9%	952	1,497	0	1,497	4.2%	1,575	807	
2023 Q2	36,180	98.2%	375	411	0	411	1.1%	1,552	1,268	
2023 Q3	36,539	98.2%	342	359	0	359	1.0%	2,093	1,075	
2023 Q4	36,939	98.0%	332	400	0	400	1.1%	1,902	1,134	
2024 Q1	37,266	96.9%	-93	327	0	327	0.9%	1,575	807	

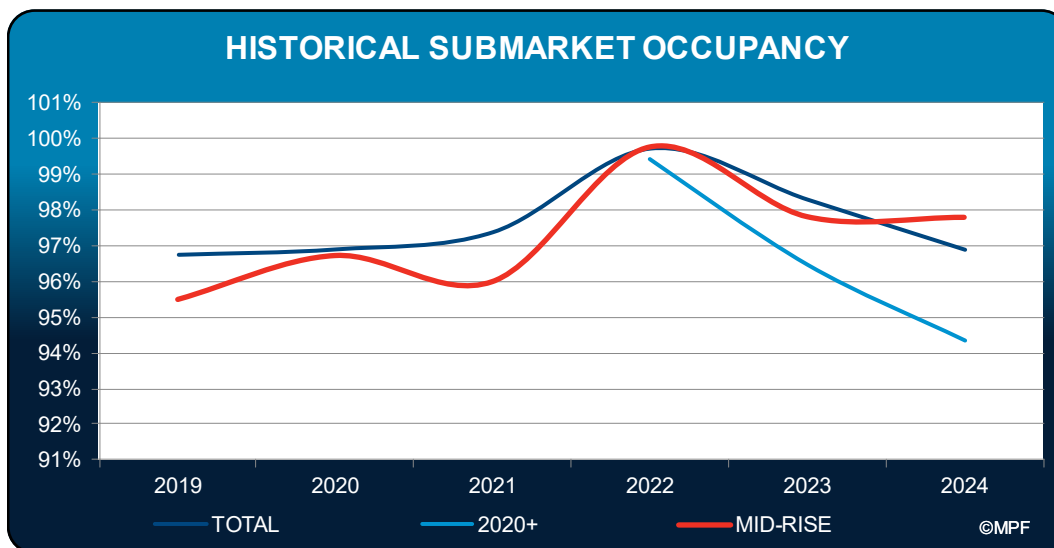
Source: MPF Research® ¹ Delivering within next four quarters



Submarket Occupancy Trends

OCCUPANCY ANALYSIS								HIALEAH/MIAMI LAKES SUBMARKET					
PERIOD	BY VINTAGE							BY STYLE			SUBMARKET TOTAL	METRO TOTAL	VERSUS METRO
	2020+	2010s	2000s	1990s	1980s	1970s	PRE-1970s	LOW-RISE	MID-RISE	HIGH-RISE			
2019	n.a.	99.0%	96.7%	96.9%	95.2%	96.3%	97.8%	97.1%	95.5%	98.4%	96.8%	95.6%	●
2020	n.a.	96.1%	97.4%	97.2%	96.2%	97.6%	97.7%	96.9%	96.7%	98.4%	96.9%	96.0%	●
2021	n.a.	97.9%	97.9%	97.6%	96.6%	97.1%	97.1%	97.7%	96.0%	99.2%	97.4%	95.4%	●
2022	99.4%	99.6%	100.0%	99.6%	99.6%	99.6%	100.0%	99.7%	99.8%	100.0%	99.7%	98.4%	●
2023	96.5%	99.3%	100.0%	97.8%	98.0%	100.0%	98.8%	98.6%	97.8%	97.5%	98.3%	96.0%	●
2024	94.3%	97.9%	100.0%	98.1%	95.3%	99.8%	98.9%	97.0%	97.8%	95.5%	96.9%	95.3%	●
2023 Q2	96.9%	99.3%	100.0%	97.5%	97.8%	100.0%	99.8%	98.4%	98.8%	96.6%	98.2%	95.6%	●
2023 Q3	96.9%	98.4%	100.0%	98.6%	96.3%	100.0%	99.3%	98.5%	97.8%	97.0%	98.2%	95.3%	●
2023 Q4	96.9%	98.7%	100.0%	98.4%	95.2%	100.0%	98.9%	98.3%	97.8%	96.9%	98.0%	95.2%	●
2024 Q1	94.3%	97.9%	100.0%	98.1%	95.3%	99.8%	98.9%	97.0%	97.8%	95.5%	96.9%	95.3%	●

Source: MPF Research® Legend: ● Outperforming ● Underperforming ● Similar

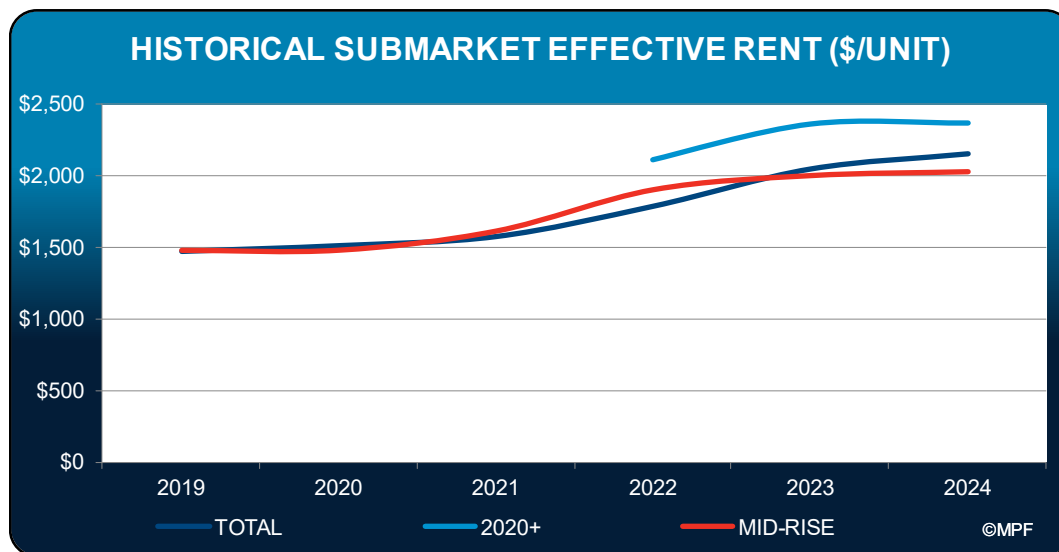


Submarket Rental Rate Trends

The following tables represent the current and historical submarket rental rates on both a \$/Unit (Table 1) and \$/SF (Table 2) basis. Rental rates are reported as effective rates (net of concessions).

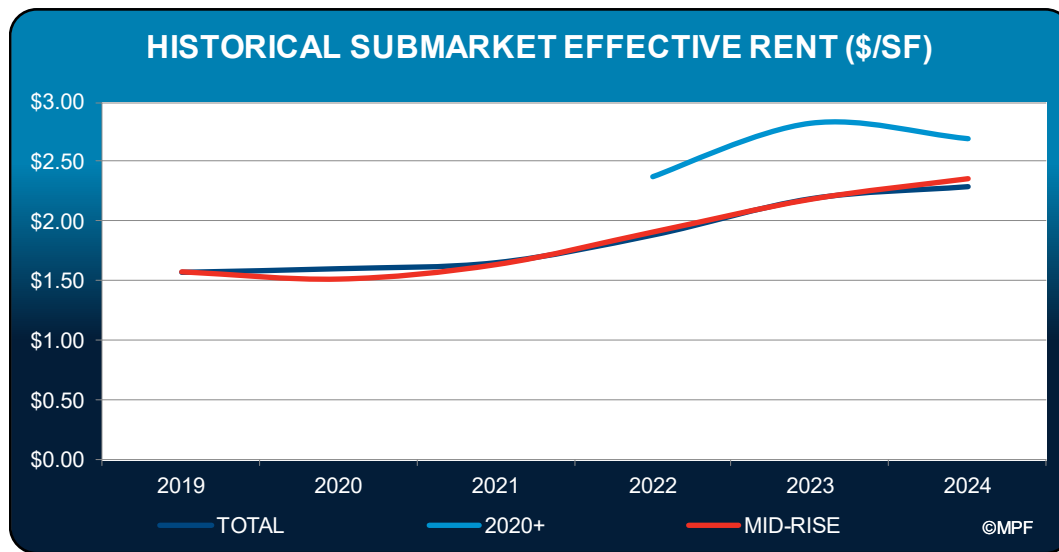
EFFECTIVE RENT (\$/UNIT)								HIALEAH/MIAMI LAKES SUBMARKET					
PERIOD	2020+	2010s	BY VINTAGE					BY STYLE			SUBMARKET TOTAL	METRO TOTAL	VERSUS METRO
			2000s	1990s	1980s	1970s	PRE-1970s	LOW-RISE	MID-RISE	HIGH-RISE			
2019	n.a.	\$1,667	\$1,530	\$1,443	\$1,450	\$1,376	\$1,333	\$1,471	\$1,484	\$1,267	\$1,470	\$1,719	●
2020	n.a.	\$1,716	\$1,579	\$1,492	\$1,437	\$1,388	\$1,384	\$1,521	\$1,485	\$1,290	\$1,510	\$1,757	●
2021	n.a.	\$1,796	\$1,687	\$1,510	\$1,521	\$1,427	\$1,428	\$1,569	\$1,618	\$1,285	\$1,574	\$1,738	●
2022	\$2,117	\$2,040	\$1,790	\$1,696	\$1,787	\$1,510	\$1,623	\$1,759	\$1,906	\$1,440	\$1,786	\$2,220	●
2023	\$2,359	\$2,232	\$1,651	\$1,915	\$2,010	\$1,903	\$1,875	\$1,996	\$2,004	\$2,444	\$2,046	\$2,526	●
2024	\$2,366	\$2,406	\$1,439	\$1,976	\$2,074	\$1,974	\$2,111	\$2,110	\$2,031	\$2,441	\$2,152	\$2,582	●
2023 Q2	\$2,407	\$2,227	\$1,370	\$1,933	\$2,023	\$1,961	\$1,963	\$2,013	\$2,027	\$2,497	\$2,089	\$2,564	●
2023 Q3	\$2,448	\$2,359	\$1,397	\$1,989	\$2,062	\$1,977	\$2,005	\$2,065	\$2,070	\$2,516	\$2,141	\$2,575	●
2023 Q4	\$2,457	\$2,398	\$1,444	\$1,988	\$2,052	\$1,967	\$2,101	\$2,086	\$2,083	\$2,513	\$2,158	\$2,558	●
2024 Q1	\$2,366	\$2,406	\$1,439	\$1,976	\$2,074	\$1,974	\$2,111	\$2,110	\$2,031	\$2,441	\$2,152	\$2,582	●

Source: MFF Research® Legend: ● Outperforming ● Underperforming ● Similar



EFFECTIVE RENT (\$/SF)								HIALEAH/MIAMI LAKES SUBMARKET					
PERIOD	2020+	2010s	BY VINTAGE					BY STYLE			SUBMARKET TOTAL	METRO TOTAL	VERSUS METRO
			2000s	1990s	1980s	1970s	PRE-1970s	LOW-RISE	MID-RISE	HIGH-RISE			
2019	n.a.	\$1.56	\$1.52	\$1.52	\$1.69	\$1.61	\$1.57	\$1.58	\$1.58	\$1.56	\$1.58	\$1.82	●
2020	n.a.	\$1.61	\$1.57	\$1.57	\$1.66	\$1.62	\$1.65	\$1.63	\$1.52	\$1.58	\$1.61	\$1.88	●
2021	n.a.	\$1.68	\$1.66	\$1.59	\$1.70	\$1.67	\$1.71	\$1.67	\$1.64	\$1.58	\$1.66	\$1.85	●
2022	\$2.37	\$1.91	\$1.76	\$1.79	\$2.00	\$1.77	\$1.94	\$1.89	\$1.91	\$1.77	\$1.89	\$2.40	●
2023	\$2.82	\$2.09	\$1.80	\$2.02	\$2.25	\$1.95	\$2.05	\$2.13	\$2.18	\$2.54	\$2.19	\$2.73	●
2024	\$2.69	\$2.17	\$1.52	\$2.08	\$2.65	\$2.02	\$2.15	\$2.20	\$2.35	\$2.64	\$2.29	\$2.80	●
2023 Q2	\$2.88	\$2.08	\$1.45	\$2.04	\$2.26	\$2.01	\$2.15	\$2.15	\$2.19	\$2.70	\$2.24	\$2.77	●
2023 Q3	\$2.89	\$2.13	\$1.48	\$2.10	\$2.63	\$2.03	\$2.19	\$2.18	\$2.39	\$2.72	\$2.30	\$2.78	●
2023 Q4	\$2.90	\$2.17	\$1.53	\$2.10	\$2.62	\$2.02	\$2.14	\$2.19	\$2.41	\$2.72	\$2.31	\$2.77	●
2024 Q1	\$2.69	\$2.17	\$1.52	\$2.08	\$2.65	\$2.02	\$2.15	\$2.20	\$2.35	\$2.64	\$2.29	\$2.80	●

Source: MFF Research® Legend: ● Outperforming ● Underperforming ● Similar



Submarket Concession Trends

The following tables represent the percentage of properties offering concessions (Table 1) and the concessions granted as a percentage of potential gross income (Table 2).

PERCENT OF PROPERTIES OFFERING CONCESSIONS								HIALEAH/MIAMI LAKES SUBMARKET					
PERIOD	2020+	2010s	BY VINTAGE					BY STYLE			SUBMARKET TOTAL	METRO TOTAL	VERSUS METRO
			2000s	1990s	1980s	1970s	PRE-1970s	LOW-RISE	MID-RISE	HIGH-RISE			
2019	n.a.	0.0%	24.4%	8.7%	15.0%	0.0%	21.0%	2.9%	37.1%	0.0%	11.0%	18.9%	●
2020	n.a.	24.2%	24.9%	0.0%	23.4%	0.0%	13.2%	5.7%	50.4%	0.0%	14.3%	19.3%	●
2021	n.a.	4.3%	15.2%	18.2%	0.0%	0.0%	0.0%	6.8%	10.7%	0.0%	7.5%	24.6%	●
2022	0.0%	4.3%	0.0%	0.0%	0.0%	0.0%	0.0%	1.0%	0.0%	0.0%	0.8%	6.3%	●
2023	16.8%	0.0%	0.0%	0.0%	0.0%	0.0%	13.6%	0.0%	3.5%	31.9%	4.3%	8.5%	●
2024	68.1%	0.0%	0.0%	10.1%	0.0%	0.0%	0.0%	17.0%	25.6%	54.4%	24.1%	13.4%	●
2023 Q2	14.6%	0.0%	0.0%	0.0%	0.0%	0.0%	5.8%	0.0%	1.8%	23.9%	4.0%	8.1%	●
2023 Q3	23.5%	0.0%	0.0%	0.0%	0.0%	0.0%	5.8%	0.0%	2.7%	36.4%	6.5%	11.6%	●
2023 Q4	49.4%	0.0%	0.0%	5.4%	0.0%	0.0%	0.0%	2.1%	25.6%	54.4%	14.5%	11.9%	●
2024 Q1	68.1%	0.0%	0.0%	10.1%	0.0%	0.0%	0.0%	17.0%	25.6%	54.4%	24.1%	13.4%	●

Source: MIF Research® Legend: ● Outperforming ● Underperforming ● Similar

CONCESSIONS AS PERCENT OF PGI								HIALEAH/MIAMI LAKES SUBMARKET					
PERIOD	2020+	2010s	BY VINTAGE					BY STYLE			SUBMARKET TOTAL	METRO TOTAL	VERSUS METRO
			2000s	1990s	1980s	1970s	PRE-1970s	LOW-RISE	MID-RISE	HIGH-RISE			
2019	n.a.	n.a.	4.2%	2.0%	2.9%	n.a.	2.6%	2.0%	3.3%	n.a.	3.1%	4.1%	●
2020	n.a.	10.5%	4.9%	n.a.	4.4%	n.a.	0.7%	10.5%	4.1%	n.a.	6.4%	4.9%	●
2021	n.a.	7.2%	3.0%	5.2%	n.a.	n.a.	n.a.	5.6%	3.0%	n.a.	4.9%	7.6%	●
2022	n.a.	7.2%	n.a.	n.a.	n.a.	n.a.	n.a.	7.2%	n.a.	n.a.	7.2%	8.7%	●
2023	5.0%	n.a.	n.a.	n.a.	n.a.	n.a.	0.3%	n.a.	0.3%	5.0%	4.3%	5.3%	●
2024	8.5%	n.a.	n.a.	4.4%	n.a.	n.a.	n.a.	7.7%	3.8%	9.6%	8.0%	5.2%	●
2023 Q2	6.5%	n.a.	n.a.	n.a.	n.a.	n.a.	0.5%	n.a.	0.5%	6.5%	6.1%	5.3%	●
2023 Q3	5.0%	n.a.	n.a.	n.a.	n.a.	n.a.	0.5%	n.a.	0.5%	5.0%	4.8%	5.3%	●
2023 Q4	4.4%	n.a.	n.a.	5.1%	n.a.	n.a.	n.a.	5.1%	1.2%	5.2%	4.5%	4.9%	●
2024 Q1	8.5%	n.a.	n.a.	4.4%	n.a.	n.a.	n.a.	7.7%	3.8%	9.6%	8.0%	5.2%	●

Source: MIF Research® Legend: ● Outperforming ● Underperforming ● Similar

Submarket Construction Activity

The following projects are listed as being currently under construction within the submarket.

CONSTRUCTION ACTIVITY				HIALEAH/MIAMI LAKES SUBMARKET		
PROPERTY NAME	PROPERTY TYPE	NO. OF UNITS	NO. OF STORIES	PROJECT STATUS	START DATE	FINISH DATE
Manor Hialeah	Conventional	642	3	Completion	7/1/21	11/1/23
Natura Gardens	Conventional	460	3	Completion	2/1/21	7/1/23
7450 West 4th Avenue	Conventional	112	3	Under Construction	10/1/22	12/1/24
8155 West 12th Avenue	Conventional	58	3	Under Construction	11/1/23	7/1/25
Elan Solea	Conventional	359	3	Under Construction	8/1/22	4/1/24
Emerald Bay I	Conventional	311	5	Under Construction	7/1/22	9/1/24
Flamingo Village	Conventional	341	3	Under Construction	7/1/23	11/1/24
Metro 1025	Conventional	151	8	Under Construction	12/1/23	8/1/25
Metro Parc	Conventional	559	10	Under Construction	9/1/23	3/1/26
Station 21 Lofts	Conventional	102	4	Under Construction	1/1/22	11/1/24
The Residences of Highland	Conventional	244	5	Under Construction	5/1/22	4/1/24
TOTAL UNITS:		3,339				

WEST MIAMI/DORAL SUBMARKET						
Casero	Conventional	356	4	Completion	3/1/21	4/1/23
Century Town Center	Conventional	326	8	Completion	4/1/22	3/1/24
Palma II	Conventional	228	20	Completion	9/1/21	12/1/23
CentroCity I	Conventional	460	8	Under Construction	4/1/22	2/1/25
Doral City Place 7	Conventional	391	8	Under Construction	11/1/22	12/1/24
Miami Springs Town Center	Conventional	51	3	Under Construction	6/1/21	4/1/24
The Dori	Conventional	222	8	Under Construction	5/1/22	10/1/24
TOTAL UNITS:		2,034				

Source: MPF Research®

General Vacancy Conclusion

As summarized in the table below this market analysis relied on various published data sources and field research for assessing how supply/demand conditions influence the long-term vacancy estimate of the subject property.

GENERAL VACANCY CONCLUSION			
MPF	2024 Q1	LAST YR	AVG LAST 5
National Overview	0.0%	0.0%	0.0%
Miami-Miami Beach-Kendall, FL	4.7%	4.0%	3.7%
Hialeah/Miami Lakes	3.1%	1.7%	2.2%
Competitive Set	50.4%	-	-
Subject	74.5%	-	-
GENERAL VACANCY RATE CONCLUSIONS			3.0%

MIAMI-DADE COUNTY RETAIL MARKET

The following is an analysis of supply/demand trends in the Miami-Dade County Retail market using information provided by CoStar, widely recognized as a credible source for tracking market statistics. The table below presents historical data for key market indicators.

MIAMI-DADE COUNTY HISTORICAL STATISTICS (LAST TEN YEARS)					
PERIOD	SUPPLY	NEW CONSTRUCTION	NET ABSORPTION	VACANCY	ASKING RENT
2014	137,143,212 SF	2,031,879 SF	2,022,346 SF	3.9%	\$26.41/SF
2015	138,142,854 SF	1,381,039 SF	1,117,741 SF	3.6%	\$28.86/SF
2016	139,974,294 SF	2,219,896 SF	1,666,146 SF	3.3%	\$29.56/SF
2017	141,724,036 SF	2,471,042 SF	2,007,418 SF	3.3%	\$31.19/SF
2018	142,681,642 SF	1,468,993 SF	128,342 SF	3.7%	\$33.20/SF
2019	143,871,776 SF	1,837,052 SF	1,343,993 SF	3.7%	\$35.52/SF
2020	145,447,795 SF	1,726,556 SF	1,109,214 SF	3.8%	\$35.68/SF
2021	146,269,591 SF	1,140,235 SF	2,029,842 SF	3.6%	\$37.35/SF
2022	147,356,507 SF	1,364,996 SF	1,334,939 SF	3.0%	\$40.19/SF
2023	148,326,294 SF	1,335,407 SF	1,050,105 SF	2.9%	\$42.41/SF
CAGR	0.8%	-	-	-	4.9%

*Supply numbers based on information which is amended/updated on an on-going basis by Costar.

Source: Costar®

Over the past ten years the Miami-Dade County Retail market was somewhat soft where there was slight imbalance in prevailing Retail supply/demand conditions. Over this time period the market inventory significantly increased by 12.4%. Further there was significant positive absorption (10.1% change), moderate decrease in the vacancy rate (-1.1% change) and considerable increase of the asking average rent (60.6% change).

The following table summarizes the trailing four quarter performance of the Miami-Dade County market.

MIAMI-DADE COUNTY TRAILING FOUR QUARTER PERFORMANCE					
PERIOD	SUPPLY	NEW CONSTRUCTION	NET ABSORPTION	VACANCY	ASKING RENT
2023 Q2	147,736,209 SF	448,935 SF	561,110 SF	2.8%	\$42.03/SF
2023 Q3	148,115,345 SF	379,136 SF	228,757 SF	2.9%	\$42.37/SF
2023 Q4	148,326,294 SF	274,245 SF	248,850 SF	2.9%	\$43.58/SF
2024 Q1	148,546,326 SF	402,529 SF	522,266 SF	2.7%	\$46.55/SF

Source: Costar®

Over the past four quarters the Miami-Dade County retail market has experienced an increase of supply. These key factors have resulted in positive net absorption, decrease of vacancy rates and increase of asking rent in the marketplace.

Key supply/demand statistics for the most recent quarter, last year and historical averages are summarized below.

MIAMI-DADE COUNTY MARKET TREND ANALYSIS			
	Q1 2024	2023	Last 10
Total SF	148,546,326	148,326,294	143,093,800
Vacant SF	3,988,769	4,271,797	4,981,095
Market Vacancy	2.7%	2.9%	3.5%
Construction Growth Rate	0.3%	0.9%	0.8%
Absorption Rate	0.4%	0.7%	0.9%
Average Asking Rent/SF	\$46.55	\$42.41	\$34.04

Source: Costar®

Miami-Dade County Market Conclusion

Based on the preceding analysis, the Miami-Dade County Retail market demonstrates fundamentals. Analysis of supply and demand factors indicate the market is stable. The greatest strength of the market appears to be its . The greatest weakness of the market appears to be its .

MIAMI AIRPORT RETAIL SUBMARKET OVERVIEW

The following is an analysis of supply/demand trends in the Miami Airport Retail submarket using information provided by CoStar. The table below presents historical data for key market indicators.

MIAMI AIRPORT HISTORICAL STATISTICS (LAST TEN YEARS)					
PERIOD	SUPPLY	NEW CONSTRUCTION	NET ABSORPTION	VACANCY	ASKING RENT
2014	12,543,603 SF	668,871 SF	707,661 SF	3.0%	\$24.91/SF
2015	13,005,975 SF	464,450 SF	425,043 SF	2.6%	\$25.95/SF
2016	13,236,800 SF	258,053 SF	305,647 SF	2.4%	\$27.54/SF
2017	13,876,106 SF	645,021 SF	673,199 SF	2.4%	\$26.61/SF
2018	13,945,255 SF	104,018 SF	(17,063) SF	2.7%	\$30.52/SF
2019	13,989,102 SF	69,239 SF	65,602 SF	2.5%	\$33.50/SF
2020	14,067,713 SF	78,611 SF	(94,640) SF	2.8%	\$33.96/SF
2021	14,151,329 SF	202,364 SF	88,894 SF	3.0%	\$37.60/SF
2022	14,312,308 SF	160,979 SF	127,315 SF	3.5%	\$39.58/SF
2023	14,422,705 SF	155,217 SF	203,722 SF	3.2%	\$41.22/SF
CAGR	1.4%	-	-	-	5.2%

*Supply numbers based on information which is amended/updated on an on-going basis by Costar.

Source: Costar®

Over the past ten years the Miami Airport Retail submarket was somewhat soft where there was slight imbalance in prevailing Retail supply/demand conditions. Over this time period the submarket inventory significantly increased by 22.4%. Further there was significant positive absorption (19.8% change), moderate increase in the vacancy rate (0.2% change) and considerable increase of the asking average rent (65.5% change).

The following table summarizes the trailing four quarter performance of the Miami Airport submarket.

MIAMI AIRPORT TRAILING FOUR QUARTER PERFORMANCE					
PERIOD	SUPPLY	NEW CONSTRUCTION	NET ABSORPTION	VACANCY	ASKING RENT
2023 Q2	14,303,808 SF	2,824 SF	75,497 SF	2.9%	\$39.74/SF
2023 Q3	14,428,201 SF	124,393 SF	53,323 SF	3.4%	\$39.44/SF
2023 Q4	14,422,705 SF	28,000 SF	56,521 SF	3.0%	\$45.14/SF
2024 Q1	14,422,705 SF	0 SF	37,247 SF	2.7%	\$44.41/SF

Source: Costar®

Over the past four quarters the Miami Airport retail submarket has experienced an increase of supply. There was also positive net absorption, decrease in vacancy rates and increase of asking rent in the marketplace.

Key supply/demand statistics for the most recent quarter, last year and historical averages are summarized below.

MIAMI AIRPORT MARKET TREND ANALYSIS			
	Q1 2024	2023	Last 10
Total SF	14,422,705	14,422,705	13,755,090
Vacant SF	391,196	458,642	385,143
Market Vacancy	2.7%	3.2%	2.8%
Construction Growth Rate	0.0%	1.1%	1.4%
Absorption Rate	0.3%	1.4%	1.7%
Average Asking Rent/SF	\$44.41	\$41.22	\$32.14

Source: Costar®

Miami Airport Submarket Conclusion

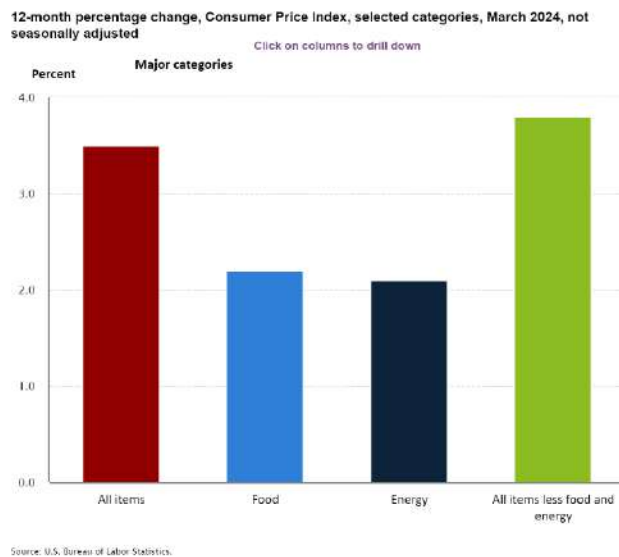
Based on the preceding analysis, the Miami Airport Retail submarket demonstrates fundamentals. Analysis of supply and demand factors indicate the market is stable. The greatest strength of the submarket appears to be its . The greatest weakness of the submarket appears to be its .

INFLATION IMPACT / MACROECONOMIC OVERVIEW

The [Congressional Budget Office \(CBO\)](#) stated that Economic growth is projected to slow in 2024, accompanied by increased unemployment and lower inflation. CBO expects the Federal Reserve to respond to slowing economic activity by reducing interest rates, starting in the middle of the calendar year. Economic growth is expected to rebound in 2025 and then moderate in later years. CBO projects that a surge in the rate of net immigration that began in 2022 will continue through 2026. That rise in the number of people who enter the United States minus the number who leave is projected to expand the labor force and increase economic growth.

In March, the Consumer Price Index for All Urban Consumers increased 0.4 percent, seasonally adjusted, and rose 3.5 percent over the last 12 months, not seasonally adjusted. The index for all items less food and energy increased 0.4 percent in March (SA); up 3.8 percent over the year (NSA) according to *U.S. Labor Department data published on April 10th, 2024.*

The all items index rose 3.5 percent for the 12 months ending March, a larger increase than the 3.2-percent increase for the 12 months ending February which was a larger increase than the 3.1-percent increase for the 12 months ending January. The all items less food and energy index rose 3.8 percent over the last 12 months. The energy index increased 2.1 percent for the 12 months ending March, the first 12-month increase in that index since the period ending February 2023. The food index increased 2.2 percent over the last year.



Annual inflation rate in the US accelerated for a second straight month to 3.5% in March 2024, the highest since September, compared to 3.2% in February and forecasts of 3.4%. Energy costs rose 2.1% (vs -1.9% in February), with gasoline increasing 1.3% (vs -3.9%) while utility gas service (-3.2% vs -8.8%) and fuel oil (-3.7% vs -5.4%) fell less. Also, inflation steadied for food (2.2%) and shelter (5.7%) but rose sharply for transportation (10.7% vs 9.9%) and apparel (0.4% vs 0%). On the other hand, prices declined for new vehicles (-0.1% vs 0.4%) and used cars and trucks (-2.2% vs -1.8%). Compared to the previous month, the CPI rose 0.4%, the same as in February but above forecasts of 0.3%. The index for shelter and gasoline contributed over half of the monthly increase. Meanwhile, annual core inflation was steady at 3.8%, the same as in the previous month, and above forecasts of 3.7%. The monthly rate was also steady at 0.4%, with markets expecting it would slow to 0.3%.

The following charts summarize the current inflation rates in the United States.

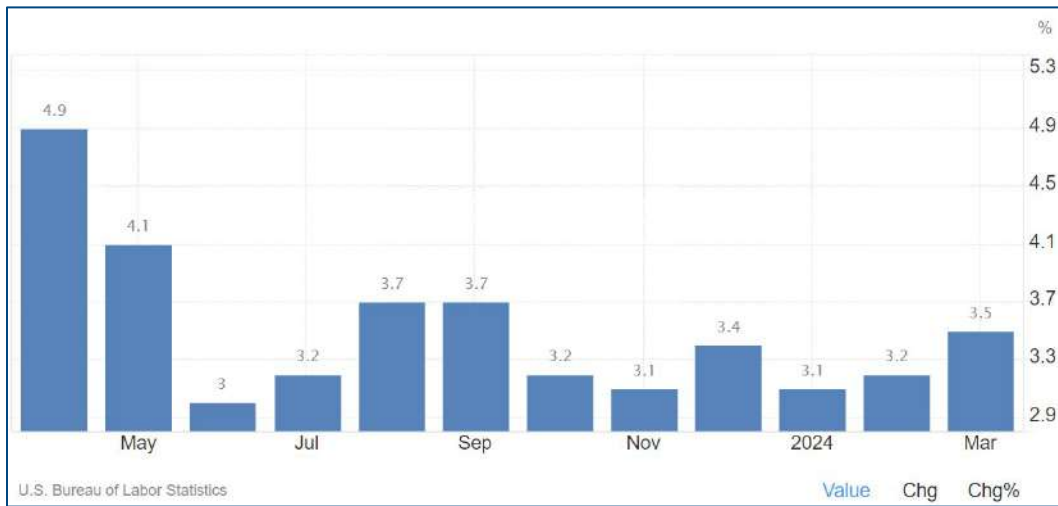
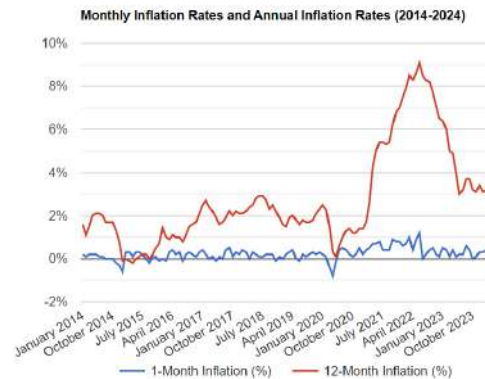
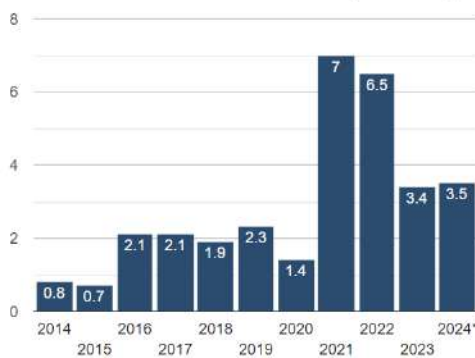
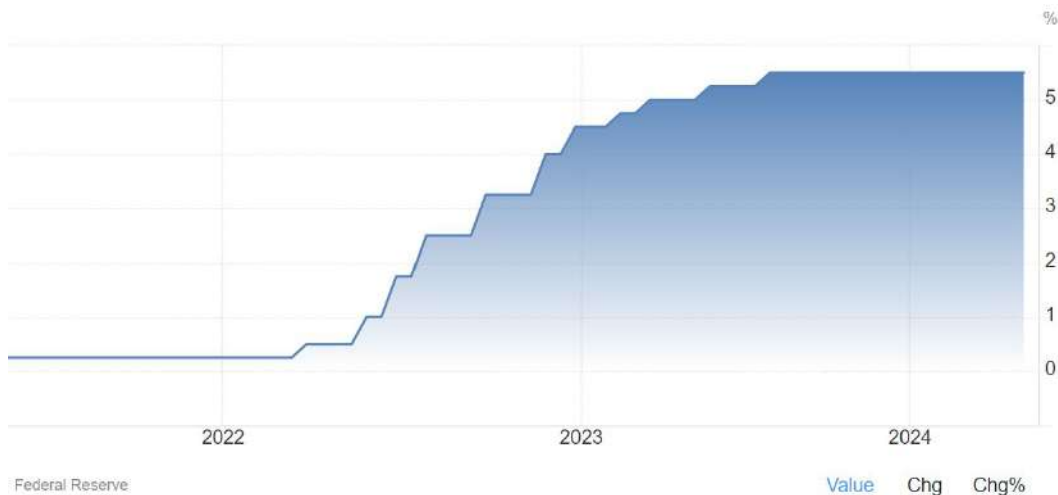


Chart: United States Annual Inflation Rates (2014 to 2024)



In March 2022 the Federal Open Market Committee (FOMC) began its response to the rise of inflation by increasing the federal funds rate by 25 basis points. This was followed by a 50 bps increase in May 2022; followed by subsequent 75 bps increases in June, July, September; and November; then slowing with a 50 bps increase in December; and further slowing to a 25-bps increase in each of February, March, and May of 2023. The Fed paused rate increases at their June 2023 meeting but raised the federal funds rate in July another 25 basis points. The decision boosted the Fed’s benchmark interest rate to a range of 5.25%-5.50%, the highest since 2001.

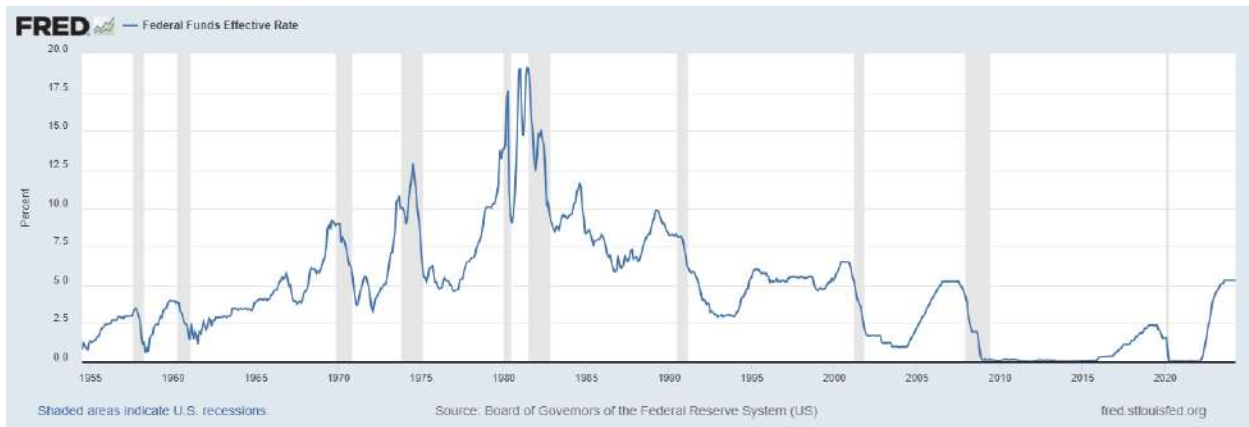


The Federal Reserve kept the target range for the federal funds rate unchanged at 5.25%-5.50% during its May meeting for the sixth consecutive time, as ongoing inflationary pressures and a tight labor market indicate a stall

in progress toward bringing inflation back down to its 2% target this year. Policymakers acknowledged that while inflation has moderated over the past year, it remains elevated, and there has been a notable lack of further progress towards achieving the central bank's goal in recent months. Still, Chair Powell stated that he does not foresee a hike as likely and believes that the current policy is sufficiently restrictive to achieve the 2% inflation target. The Fed has also declared its intention to reduce the speed of its quantitative tightening starting from June 1st, an adjustment that will involve cutting the maximum amount of Treasury securities being removed from the balance sheet by over 50%, down to \$25 billion monthly from the previous \$60 billion. *source: Federal Reserve*

Each of the rate increases and the subsequent target federal funds rates are summarized in the chart below.

FEDERAL RESERVE FUND RATE		
DATE	RATE INCREASE (BASIS POINTS)	FED TARGET RATE
Prior to Mar-2022	-	0.00% to 0.25%
Mar-22	25	0.25% to 0.50%
May-22	50	0.75% to 1.00%
Jun-22	75	1.50% to 1.75%
Jul-22	75	2.25% to 2.50%
Sep-22	75	3.00% to 3.25%
Nov-22	75	3.75% to 4.00%
Dec-22	50	4.25% to 4.50%
Feb-23	25	4.50% to 4.75%
Mar-23	25	4.75% to 5.00%
May-23	25	5.00% to 5.25%
Jun-23	0	5.00% to 5.25%
Jul-23	25	5.25% to 5.50%
Sep-23	0	5.25% to 5.50%
Nov-23	0	5.25% to 5.50%
Dec-23	0	5.25% to 5.50%
Jan-24	0	5.25% to 5.50%
Mar-24	0	5.25% to 5.50%
May-24	0	5.25% to 5.50%

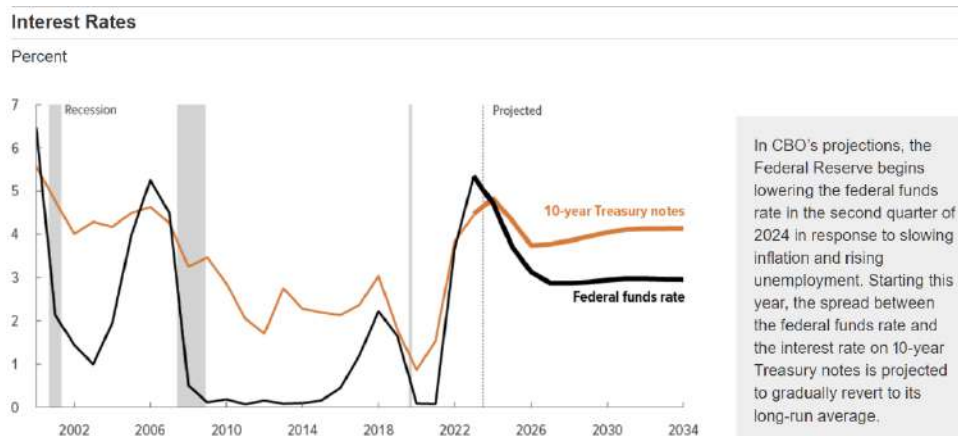


The Fed decided to hold the interest rates steady at their third meeting of 2024. After jumping 425 basis points in 2022, the rate only shifted up 100 basis points in 2023 year. A more consistent rate environment will help commercial real estate buyers and sellers reach a mutually beneficial agreement and lenders to determine valuations more precisely. Capital is available for most property types, but the underwriting has continued to tighten measurably over the last several months while inflation remains high. Even with these challenges, transactions continue moving forward across the major property types of multi-family, office, retail, and industrial.

CBO anticipates that the Federal Reserve will continue holding the federal funds rate between 5.25 percent and 5.50 percent through the first quarter of 2024. That tight monetary policy, reflected in high real interest rates, will

continue to dampen economic activity and reduce inflationary pressures. High real interest rates slow the growth of consumer spending by making it more costly to finance purchases (especially large ones, such as houses and motor vehicles). They also reduce the growth of business investment by making it more expensive for companies to borrow money to expand productive capacity. In addition, high interest rates on mortgages reduce the growth of residential investment.

As inflation begins to rise again and the economy weakens, the Federal Reserve has reduced the expected federal funds rate decreases starting in the remaining quarters of this year. CBO projects that after 2024, the Federal Reserve will continue to lower the federal funds rate as inflation falls toward the central bank's 2 percent long-term goal. The federal funds rate is projected to decline to 2.9 percent in mid-2027, increase slightly to 3.0 percent in 2031, and remain steady thereafter (see Figure 2-6). Interest rates on short-term Treasury securities, such as 3-month Treasury bills, are expected to move largely in concert with changes in the Federal Reserve's target range for the federal funds rate.



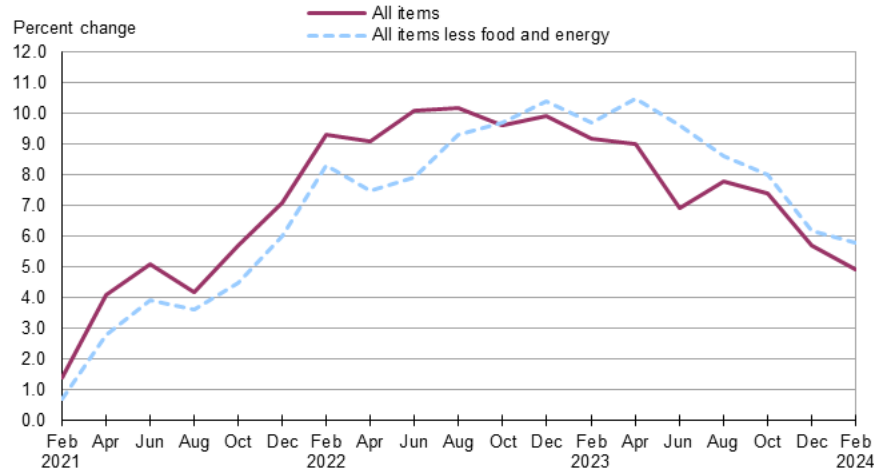
Interest rates on long-term Treasury securities are expected to rise in 2024 and then fall from early 2025 through 2026, before increasing modestly. The interest rate on 10-year Treasury notes, which averaged 4.4 percent in the fourth quarter of 2023, rises to 4.8 percent in the fourth quarter of 2024 in CBO's projections. That increase mainly results from a projected increase in term premiums (the additional returns paid to bondholders for the extra risk associated with holding long-term bonds) because of weakening conditions in the labor market and reductions in the size of the Federal Reserve's balance sheet as a percentage of GDP.⁸ After 2024, interest rates on long-term Treasury securities are projected to fall along with shorter-term rates, though not by as much. The interest rate on 10-year Treasury notes is projected to decline from 4.8 percent in the fourth quarter of 2024 to 3.7 percent in the fourth quarter of 2026.

INFLATION IN SOUTH FLORIDA

The Consumer Price Index for All Urban Consumers (CPI-U) for Miami-Fort Lauderdale-West Palm Beach rose 1.4 percent from December to February, the U.S. Bureau of Labor Statistics reported today. Regional Commissioner Victoria G. Lee noted that the shelter index continued to rise from December to February and was a major contributor to the bi-monthly all items increase. (Data in this report are not seasonally adjusted. Accordingly, bi-monthly changes may reflect the impact of seasonal influences.)

The all-items CPI-U increased 4.9 percent for the 12 months ending in February. The index for all items less food and energy advanced 5.8 percent over the past year. The food index continued to increase, up 0.9 percent over the last 12 months. In contrast, the energy index declined 0.2 percent over the past year. (See table 1.)

Chart 1. Over-the-year percent change in CPI-U, Miami-Fort Lauderdale-West Palm Beach, FL, February 2021–February 2024



Source: U.S. Bureau of Labor Statistics.

The higher cost of capital has continued to affect investment decisions in the commercial real estate (CRE) markets. The increasing cost of capital has begun to result in some capital structure changes and adjustments in buyer and seller expectations. Colliers continues to closely monitor the effects of inflation on rental/lease rates and expense trends in conjunction with the effects of the interest rate increases on the cost of capital. The impacts have been considered in the assumptions throughout our analysis. In conclusion, even though we cannot predict what the Fed will do and how the economy will react, we can assume in three years interest rates will have stabilized and likely decreased. Capital markets participants have reported that cap rates are usually around 100 – 150 basis points above the current prime rate.

SUMMARY OF MARKET ANALYSIS

In general, the apartment market recovered faster than other asset types following the recession and have reached pre-peak levels in terms of rental rates and pricing. Apartment properties benefited from a shift in housing trends, as significant percentage of the would-be homeowners became prospective tenants with the growing trend of flexibility for employees to work remotely. This has helped the multifamily market rebound quickly, experiencing high levels of demand, driving up rental rates and stabilizing occupancy levels.

According to MPF’s 4Q 2023 report, “While apartment fundamentals across the South Florida region approximately matched U.S. norms for rent change and occupancy, performance across the region varied distinctly in 4th quarter 2023. The Miami-Miami Beach-Kendall market did most of the heavy lifting in terms of quarterly absorption, supply and annual rent change, while readings in West Palm Beach-Boca Raton-Delray Beach and Fort Lauderdale-Pompano Beach-Deerfield Beach registered lower by most readings.

In the October to December quarter, the South Florida region absorbed 3,816 units – well above the region’s 10-year pre-Covid 4th quarter average (2010 to 2019) of around 1,500 units. In 4th quarter, Miami posted the strongest demand (2,554 units), followed by milder readings in West Palm Beach (947 units) and Fort Lauderdale (403 units). From a submarket level, demand heavyweights in 4th quarter included over 400 units absorbed in North Central Miami, Coral Gables/South Miami and Hialeah/Miami Lakes. Miami’s quarterly absorption marked a top 10 performance nationally and approximately matched quarterly completions (2,776 units) to allow quarterly occupancy to remain unchanged at 95.3% - the highest rate in the region. Quarterly occupancy ticked up in West Palm Beach, thanks largely to mild quarterly supply of 722 units, resulting in a 0.2-point jump from 3rd quarter to stand at 94.4%. In Fort Lauderdale, occupancy dipped 0.3 points from 3rd quarter to stand at 94.1% - the lowest reading in South Florida, but still essentially in line with the national norm (94.2%). Regionwide, occupancy stood at 94.6% in 2023’s 4th quarter.

South Florida still managed minimal rent growth on an annual basis (0.2%) that matched the national norm, again led by the relatively strongest reading in Miami (1.1%). Still, South Florida operators cut rents more notably in 4th quarter (-0.8%), worsened by the deepest quarterly cuts in Fort Lauderdale (-1.3%), while West Palm Beach (0.0%) and Miami (-0.7%) posted marginally better readings. All this comes as supply pressure mounts. Though the 14,699 units completed in 2023 wasn't a local record (that mark belongs to the 16,467 units delivered in the year-ending 3rd quarter 2021), the region found itself absent the massive spike in demand that coincided with that previous delivery peak. Additionally, an incredible 26,680 units are scheduled to complete in 2024. Not only would that be a record for the South Florida region, it would surpass the previous peak by over half.

In 2024, supply is expected to be spread throughout South Florida, with all but one submarket (Margate/Coconut Creek/North Lauderdale) receiving at least some new supply. Deliveries will be most concentrated in Miami (13,353 units) and, in particular, Downtown Miami/South Beach (3,926).

OUTLOOK

"The South Florida apartment market outlook should be viewed through one of three lenses. From a demand perspective, continued job growth and migration trends favor the regional outlook. From a supply perspective, it's reasonable to temper revenue growth expectations over the coming 12 to 18 months as an unprecedented wave of apartment units delivers to the region. Together these two trends indicate that South Florida should be in okay – though not necessarily spectacular – territory in 2024. It's the third lens however – that of expense growth – that could generate the region's biggest headwind through 2024. Though expense growth is stubbornly high in essentially all major markets, the Florida markets (and particularly South Florida are dealing with immense expense growth pressure tied to insurance premiums in particular. Though incomes are expected to grow in 2024, concerns linger that bottom-line revenue growth could stagnate

EXPOSURE TIME & MARKETING PERIOD

Exposure time is defined as "An opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal." (The Dictionary of Real Estate Appraisal, Appraisal Institute, 2022). Reasonable exposure time is impacted by the aggressiveness and effectiveness of a property's exposure to market participants, availability and cost of financing, and demand for similar investments. Exposure time is best established based the recent history of marketing periods for comparable sales, discussions with market participants and information from published surveys.

The following information was taken into consideration to develop estimates of exposure time and marketing period for the subject property:

EXPOSURE TIME & MARKETING PERIOD				
SOURCE	QUARTER	RANGE		AVG
PriceWaterhouse Coopers				
Southeast Region Apartment	1Q 24	2.0 to	6.0	4.0
AVERAGE		2.0 to	6.0	4.0

The availability of acquisition financing factors into exposure time. In recent quarters, financing has been available for well-positioned commercial real estate, particularly for stabilized assets within core MSAs and owner/user deals. For second tier or marginal properties, financing has been available but subject to more stringent requirements. Based on review of the local capital market, we conclude that adequate financing options would have been available to consummate a sale of the property on the date of value.

Exposure Time Conclusion

The preceding information generally supports an exposure time range from 2 to 6 months for Mixed Use Multifamily - Retail (Mid/High-Rise Housing) properties. The subject property is of good/excellent quality and is in good/excellent condition.. Based on its overall physical and locational characteristics, the subject has above average overall appeal to investors. Considering these factors, a reasonable estimate of exposure time for the subject property is six to nine months.

Marketing Period Conclusion

Marketing period is very similar to exposure time, but reflects a projected time period to sell the property, rather than a retrospective estimate. We have reviewed open listings and discussed the market with local participants, and given the nature of the subject property, we feel that a time period of six months or less is supported for the subject's marketing period.

INTRODUCTION

The highest and best use of an improved property is defined as that reasonable and most probable use that will support its highest present value. The highest and best use, or most probable use, must be legally permissible, physically possible, financially feasible, and maximally productive. This section develops the highest and best use of the subject property As-Vacant and As-Improved.

AS-VACANT ANALYSIS

Legal Factors

The legal factors that possibly influence the highest and best use of the subject site are discussed in this section. Private restrictions, zoning, building codes, historic district controls, and environmental regulations are considered, if applicable to the subject site. Permitted uses of the subject's CBD (Central Business District) zoning were listed in the Zoning Analysis section and include a wide range of residential and commercial uses. The potential use that meets the requirements of the legal permissibility test is mixed-use development.

Physical & Locational Factors

Regarding physical characteristics, the subject site is irregular in shape and has level topography with average/good access and average exposure. The subject is surrounded by commercial development, residential development and multifamily development. Given the subject's location and surrounding uses, the subject site is desirable for a mixed-use development. Of the outright permitted uses, physical and locational features best support development of a residential property as market conditions warrant for the site's highest and best use as-vacant.

Feasibility Factors

The financial feasibility of those uses that meet the legal and physical tests discussed is analyzed further in this section. Supply and demand conditions affect the financial feasibility of possible uses. Indicators of feasibility, which typically indicate favorable or non-favorable supply and demand conditions, include construction financing and proposed projects. Although there has been a limited amount of new apartment development throughout the region, the demand for multifamily is high, as rent levels have been increasing over the past several quarters. Financial feasibility factors generally support immediate development of subject site.

As-Vacant Conclusion

Based on the previous discussion, the subject's highest and best use as-vacant is concluded to be development of a residential property as market conditions warrant.

AS-IMPROVED ANALYSIS

Legal Factors

The subject property, as-improved, is a mixed use multifamily - retail mid/high-rise housing project that is zoned CBD (Central Business District). The subject's improvements represent a legal, conforming use. The legal factors influencing the highest and best use of the property support the subject's use as-improved.

Physical & Locational Factors

The physical and location characteristics of the subject improvements have been previously discussed in this report. In summary, the subject's improvements were constructed in 2022 and have a remaining economic life of 53 years based on our estimate. The project is of good/excellent quality construction and in good/excellent condition, with adequate service amenities. The subject improvements as-improved are sufficiently supported by site features including its irregular, level topography, average/good access and average exposure. Further, the subject's location supports the subject improvements as-improved with similar and homogeneous developments present in the subject's immediate market area. Physical and location factors influencing the highest and best use of the property support the subject's use as-improved.

Alternative Uses & Feasibility Factors

In addition to legal and physical considerations, analysis of the subject property as-improved requires the treatment of two important issues: 1) consideration of alternative uses for the property; and 2) the marketability of the most probable use. The five possible alternative treatments of the property are demolition, expansion, renovation, conversion, and the subject's use as-improved.

- › **Demolition** The subject improvements contribute significant value above the current land value. Therefore, demolition is not applicable in this case.
- › **Expansion** The subject property comprises approximately 1.11 acres (48,377 SF) and is improved with a mid/high-rise housing mixed use multifamily - retail development. The subject site does not contain additional site area for expansion. Therefore, expansion of the subject is not considered a viable option.
- › **Renovation** The subject property is approximately 2 years old and is in good/excellent condition. The subject is a newer project; therefore, renovations have not been needed. Renovation, in the form of capital expenditures, would not increase the rent levels or value appreciably. For this reason, renovation is not appropriate.
- › **Conversion** Conversion is neither appropriate nor applicable to this property.
- › **Continued Use "As-Is"** The final option is the continued use of the property "As-Is." This is legal, physically possible, and financially feasible. Therefore, continued use, a mixed use multifamily - retail (mid/high-rise housing) development is considered appropriate.

Among the five alternative uses, the subject's use as-improved is supported to be its Highest and Best Use.

Marketability Factors

As previously indicated in the Market Analysis, the subject property has good marketability. The condition of the property reflects good maintenance and appeal. In general apartment supply/demand conditions and immediate market area trends support viable short and long-term operations of the subject's use as-improved.

As-Improved Conclusion

Legal, physical, and market considerations have been analyzed to evaluate the highest and best use of the property. This analysis is presented to evaluate the type of use that will generate the greatest level of future benefits possible from the property. Based on the previous discussion, the highest and best use of the subject property as-improved is concluded to be continued use as a residential property.

INTRODUCTION

The following presentation of the appraisal process deals directly with the valuation of the subject property. The following paragraphs describe the standard approaches to value that were considered for this analysis.

INCOME APPROACH

The Income Approach is based on the premise that properties are purchased for their income producing potential. It considers both the annual return on the invested principal and the return of the invested principal. This valuation technique entails careful consideration of contract rents currently in place, projected market rents, other income sources, vacancy allowances, and projected expenses associated with the efficient operation and management of the property. The relationship of these income estimates to property value, either as a single stream or a series of projected streams, is the essence of the income approach. The three fundamental methods of this valuation technique include Direct Capitalization, Discounted Cash Flow and Effective Gross Income Multiplier.

› **Direct Capitalization**

This method analyzes the relationship of one year's stabilized net operating income to total property value. The stabilized net operating income is capitalized at a rate that implicitly considers expected growth in cash flow and growth in property value over a buyer's investment horizon. The implied value may be adjusted to account for non-stabilized conditions or required capital expenditures to reflect an as is value.

› **Discounted Cash Flow (DCF)**

The DCF analysis models a property's performance over a buyer's investment horizon from the date of acquisition through the projected sale of the property at the end of the holding period. Net cash flows from property operations and the reversion are discounted at a rate reflective of the property's economic and physical risk profile.

› **Effective Gross Income Multiplier**

Also known as the EGIM, this method is appropriate within the Income Approach because it is recognized that purchasers are concerned with the income-producing ability of the property. The EGIM is derived by dividing the effective gross annual income of each comparable into the sales price. The EGIM has the advantages of simplicity and easy calculation. It is based on the premise that rents and sales prices move in the same direction and, essentially, in the same proportion as do net income and sales prices. The EGIM is typically used without adjustments. The final selection of an effective income multiplier is based upon the applicability of each comparable and a range is established.

Development of the Income Approach is a specific scope requirement of this assignment. Characteristics specific to the subject property warrant that this valuation technique is developed. The subject is an investment property; therefore, the Income Approach represents the decision making process of knowledgeable buyers and sellers of this property type. The Direct Capitalization method is used in this analysis. Discounted Cash Flow analysis does not contribute substantially to estimating value beyond the direct capitalization method and is not used in this analysis.

SALES COMPARISON APPROACH

The Sales Comparison Approach is based on the principle of substitution, which asserts that no one would pay more for a property than the value of similar properties in the market. This approach analyzes comparable sales by applying transactional and property adjustments in order to bracket the subject property on an appropriate unit value comparison. The sales comparison approach is applicable when sufficient data on recent market transactions is available. Alternatively, this approach may offer limited reliability because many properties have unique characteristics that cannot be accounted for in the adjustment process.

Development of the Sales Comparison Approach is a specific scope requirement of this assignment. Characteristics specific to the subject property warrant that this valuation technique to be developed. Sufficient sales data is available to provide a credible value estimate by the Sales Comparison Approach. Based on this reasoning, the Sales Comparison Approach is presented within this appraisal.

LAND VALUATION

Development land in the subject marketplace is most often valued utilizing the Sales Comparison Approach. Development of the subject site value is a specific scope requirement of this assignment. Characteristics specific to the subject property warrant that a site value is developed. The site value is required to be developed for use within the Cost Approach. Within the Site Valuation section, the subject is valued as one marketable economic site.

COST APPROACH

The Cost Approach is a set of procedures through which a value indication is derived for the fee simple estate by estimating the current cost to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive or profit; deducting depreciation from the total cost; and adding the estimated land value. Adjustments may then be made to the indicated value of the fee simple estate in the subject property to reflect the value of the property interest being appraised. For investment properties, this valuation technique is most often relied upon as a test of financial feasibility for proposed construction.

Development of the Cost Approach is a specific scope requirement of this assignment. Characteristics specific to the subject property warrant that this valuation technique is developed. The subject property is new or recently new construction, which increases the reliability of utilizing the Cost Approach. Based on the preceding information, the Cost Approach will be presented.

RECONCILIATION OF VALUE CONCLUSIONS

The Income (Direct Capitalization), Sales Comparison and Cost approaches are used to value the subject property, which will be reconciled into the final opinions of market value in the Analysis of Value Conclusions section.

INTRODUCTION

The Income Approach is based on the premise that properties are purchased for their income producing potential. It considers both the annual return on the invested principal and the return of the invested principal. This valuation technique entails careful consideration of contract rents currently in place, projected market rents, other income sources, vacancy allowances, and projected expenses associated with the efficient operation and management of the property. The relationship of these income estimates to property value, either as a single stream or a series of projected streams, is the essence of the income approach. The three fundamental methods of this valuation technique include Direct Capitalization, Discounted Cash Flow and Effective Gross Income Multiplier.

Direct Capitalization

This method analyzes the relationship of one year's stabilized net operating income to total property value. The stabilized net operating income is capitalized at a rate that implicitly considers expected growth in cash flow and growth in property value over a buyer's investment horizon. The implied value may be adjusted to account for non-stabilized conditions or required capital expenditures to reflect an as is value.

Discounted Cash Flow (DCF)

The DCF analysis models a property's performance over a buyer's investment horizon from the current as is status of the property, to projected stabilization of operations and through the projected sale of the property at the end of the holding period. Net cash flows from property operations and the reversion are discounted at a rate reflective of the property's economic and physical risk profile.

Effective Gross Income Multiplier

Also known as the EGIM, this method is appropriate within the Income Approach because it is recognized that purchasers are concerned with the income-producing ability of the property. The EGIM is derived by dividing the effective gross annual income of each comparable into the sales price. The EGIM has the advantages of simplicity and easy calculation. It is based on the premise that rents and sales prices move in the same direction and, essentially, in the same proportion as do net income and sales prices. The EGIM is typically used without adjustments. The final selection of an effective income multiplier is based upon the applicability of each comparable and a range is established.

Given the appraisal problem and defined scope of work, the following table summarizes the value scenarios and Income Approach methods developed within this appraisal report:

INCOME APPROACH VALUE SCENARIOS			
VALUE SCENARIO	METHODS USED		
	DIRECT CAP	DCF	EGIM
As-Is Market Value	✓		
Prospective Value Upon Stabili	✓		

As previously discussed within the Valuation Methods section, the Direct Capitalization method is used in this analysis, and Discounted Cash Flow analysis is not developed.

Income Approach Framework

The following identifies the primary sections and order in which the Income Approach is developed.

- › Subject Information
- › Apartment Rent Analysis
- › Commercial Rent Analysis
- › Cash Flow Risk Analysis
- › Income & Expense Analysis
- › Investment Market Analysis
- › Direct Capitalization
- › Adjustments to Value
- › Income Approach Reconciliation

SUBJECT INFORMATION

Management & Leases - The subject property is professionally managed by an outside third-party company. Based on our interview with the subject's management, new residents sign 12-month leases. The subject does not use rent management software. Rather, rent pricing is determined by the subject's management.

Rent Increases & Concessions - The subject's management reported that rent levels at the property are increasing on an annual basis. We were unable to verify this trend with the recently leased units. The subject is not currently offering any concessions for new residents. Per our conversation with the management, rental concessions or move-in specials have not been historically provided. This is consistent with the market, as evidenced by the rent comparables presented later in this section. It is additionally noted that concessions do not appear on the subject's historical income and expense statements.

Occupancy Information - The subject is currently operating with an occupancy level of 25.5%, which is low for the submarket. This is due to the subject being in its initial lease-up period. Upon completion of the lease-up phase, an occupancy level consistent with its competitors is anticipated to be achieved for the subject. Because the subject's current occupancy is below the stabilized occupancy conclusion due to the property being in its initial leasing period, a lease-up analysis will be performed later in this section.

Subject's Operations and Policies - The subject does not include any corporate units. None of the units are delivered with furnishings. The subject does not accept Section 8 vouchers. Similarly, the property is not subject to a HAP/low-income contract of any sort. Currently, there are no evictions in process. Rent for all residents is due on the 1st of each month, and it is late on or after the 2nd. The subject is a pet-friendly community. The subject does not have an early termination clause that allows residents to break their lease prematurely. Rather, residents are rent responsible until their lease expires, or until their unit is re-leased to a new resident.

Rent Roll Data - A rent roll dated May 29, 2024 was provided for our analysis. The following table displays the unit statistics of each floor plan based on our analysis of the rent roll.

SUBJECT LEASING INFORMATION

UNIT TYPE	UNIT SUMMARY			UNITS	MIN	MAX	AVG	NRA	UNIT %	ASKING RENT			ACTUAL RENT		
	OCC	VAC	TOT	PERCENT	UNIT	UNIT	UNIT			PER	TOTAL	AVG	PER UNIT	TOTAL	AVG
				OF TOTAL	SF	SF	SF								
2 BD / 2 BA	2	1	3	5.9%	850	900	875	2,625	67%	\$3,000	\$9,000	\$3.43	\$2,925	\$5,850	\$3.34
2 BD / 2 BA	2	1	3	5.9%	857	900	879	2,636	67%	\$3,050	\$9,150	\$3.47	\$2,850	\$5,700	\$3.24
2 BD / 2 BA	2	5	7	13.7%	857	900	879	6,150	29%	\$3,000	\$21,000	\$3.41	\$3,025	\$6,050	\$3.44
2 BD / 2 BA	1	1	2	3.9%	931	954	943	1,885	50%	\$3,100	\$6,200	\$3.29	\$3,150	\$3,150	\$3.34
2 BD / 2 BA	0	4	4	7.8%	967	967	967	3,868	0%	\$3,150	\$12,600	\$3.26	\$0	\$0	\$0.00
2 BD / 2 BA	0	1	1	2.0%	959	959	959	959	0%	\$3,175	\$3,175	\$3.31	\$0	\$0	\$0.00
2 BD / 2 BA	1	8	9	17.6%	968	971	970	8,726	11%	\$3,175	\$28,575	\$3.27	\$3,150	\$3,150	\$3.25
2 BD / 2 BA	0	6	6	11.8%	975	975	975	5,850	0%	\$3,150	\$18,900	\$3.23	\$0	\$0	\$0.00
2 BD / 2 BA	3	1	4	7.8%	967	967	967	3,868	75%	\$3,600	\$14,400	\$3.72	\$0	\$0	\$0.00
2 BD / 2 BA	0	1	1	2.0%	1,393	1,393	1,393	1,393	0%	\$3,795	\$3,795	\$2.72	\$0	\$0	\$0.00
3 BD / 3 BA	1	6	7	13.7%	1,128	1,194	1,161	8,127	14%	\$3,795	\$26,565	\$3.27	\$3,750	\$3,750	\$3.23
3 BD / 3 BA	1	1	2	3.9%	1,336	1,337	1,337	2,673	50%	\$4,250	\$8,500	\$3.18	\$4,100	\$4,100	\$3.07
3 BD / 3 BA	0	2	2	3.9%	1,457	1,464	1,461	2,921	0%	\$4,350	\$8,700	\$2.98	\$4,350	\$0	\$2.98
TOTAL/AVG	13	38	51	100%			1,013	51,680	25.5%	\$3,344	\$170,560	\$3.30	\$2,442	\$31,750	\$2.52

The subject is currently operating with an occupancy level of 25.5%, which is low for the submarket. This is due to the subject being in its initial lease-up period. Upon completion of the lease-up phase, an occupancy level consistent with its competitors is anticipated to be achieved for the subject. It should be noted that the above figures represent rent along and do not include trash fees, washer/dryer rental, pet rent or month-to-month fees.

Subject Utility Structure

- › **Water & Sewer**- Included in rent
- › **Trash Removal** - Included in the rent
- › **Gas** - Not included in the rent
- › **Electricity** - Not included in the rent
- › **Telephone** - Not included in the rent
- › **Cable** - Not included in the rent
- › **Internet** - Not included in the rent
- › The subject does not use a RUBS billing system for utilities.

ANALYSIS OF RENT COMPARABLES

Unit of Comparison

The analysis is conducted on a rent per month basis, reflecting market behavior. This unit of comparison is predominantly used in this market.

Selection of Comparables

A complete search of the area was conducted in order to find the most comparable complexes in terms of age, appeal, condition, number of units, and amenities. The rent comparables are located in the subject’s local area and range from 0.5 to 10.0 miles from the subject site, with an average distance of 4.6 miles. The subject is in good/excellent condition with good appeal for the market area considering its vintage. The comparables selected in this analysis are similar properties to the subject property.

Concessions

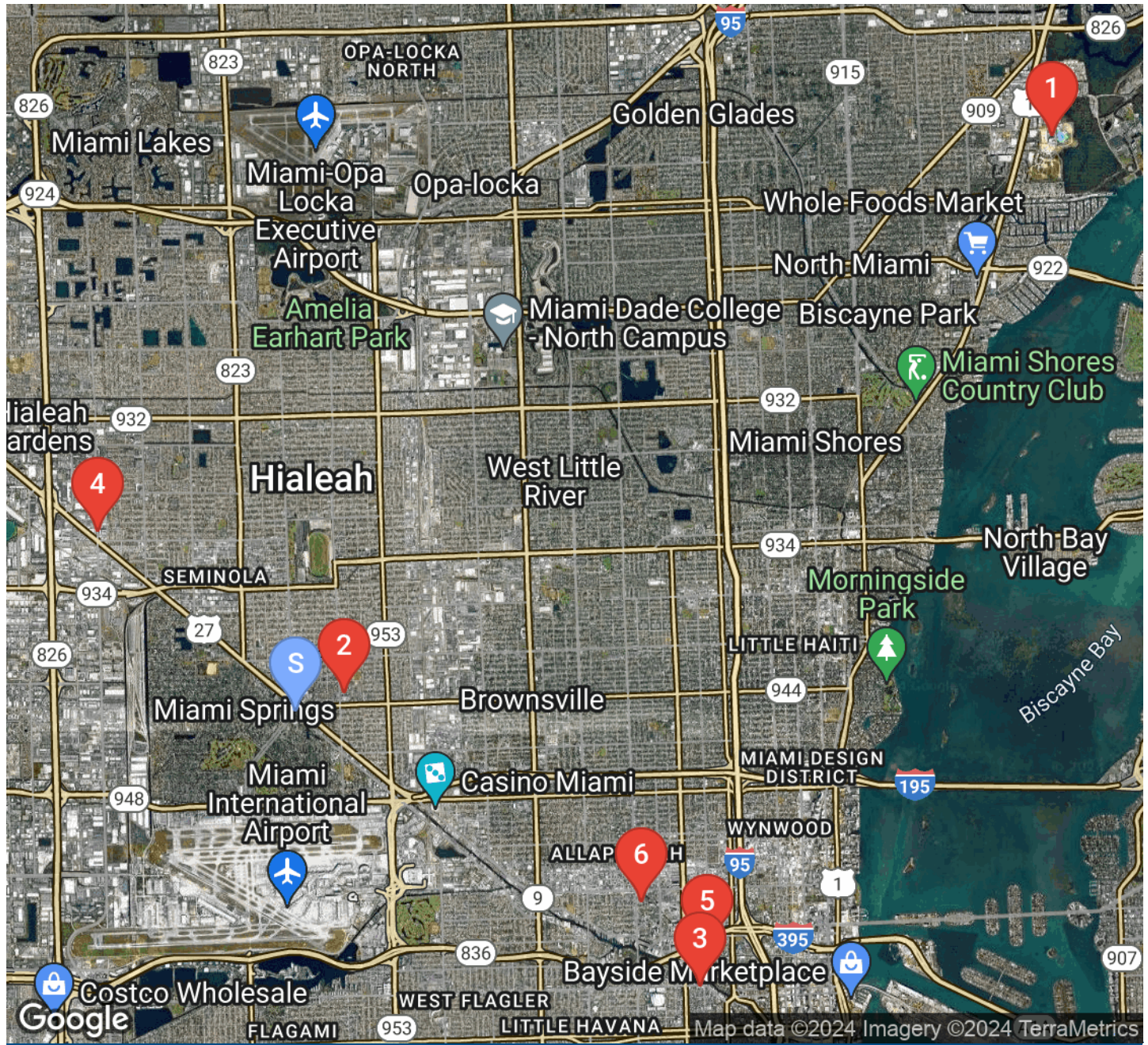
Some of the comparables were offering concessions at the time of survey. Please see the data sheets for full details.

Presentation

The following presentation summarizes the comparables most similar to the subject property. A Rent Comparable Summation Table, Rent Comparable Location Map, Data Sheets, and analysis of the rent comparables is presented on the following pages.

RENT SUMMATION TABLE							
COMPARABLE	SUBJECT	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3	COMPARABLE 4	COMPARABLE 5	COMPARABLE 6
Name	Miami Springs Town Center	Villa Laguna	Shoma Village	Reflections Apartments	Pura Vida	Soleste Spring Gardens	Legacy at 19th
Address	1 Curtiss Parkway	2200 Sole Mia Square Lane	445 Hialeah Dr	1000 NW 7th St	3051 West 16th Avenue	1005 Spring Garden Road	1630 NW 19th St
City	Miami Springs	North Miami	Hialeah	Miami	Hialeah	Miami	Miami
State	FL	FL	FL	FL	FL	FL	FL
Zip	33166	33181	33010	33136	33012	33136	33125
PHYSICAL INFORMATION							
Project Design	Mixed Use -	Mid-Rise	Mid-Rise	Mid-Rise	Mid-Rise	Mid-Rise	Market Rent
Number of Units	55	190	304	141	260	240	80
NRA	75,285	161,291	257,438	140,826	220,580	158,466	75,744
Year Built	2022	2022	2022	2021	2022	2022	2022
Average SF/Unit	1,013	849	847	999	848	660	947
Location	Good	Good	Average	Average	Average	Average/Good	Average
Appeal	Good	Average	Average	Average	Average	Average	Average
Quality	Good/Excellent	Average	Average	Average	Average	Average	Average
Condition	Good/Excellent	Average	Average	Average	Average	Average	Average
RENT INFORMATION							
Occupancy	25.5%	93.2%	98.7%	96.5%	-	-	-
Rent Type	Market Rent	Market Rent	Market Rent	Market Rent	Market Rent	Market Rent	Mid-Rise
\$/Unit Average	\$2,442	\$2,822	\$2,676	\$3,110	\$2,731	\$2,491	\$2,496
\$/SF Average	\$2.52	\$3.32	\$3.16	\$3.11	\$3.22	\$3.77	\$2.64
2 BD \$/Unit Avg	\$2,173	\$3,290	\$2,818	\$3,443	\$2,794	\$3,178	\$2,774
3 BD \$/Unit Avg	\$3,925	-	\$3,440	\$4,244	\$3,348	\$4,404	-

RENT COMPARABLE LOCATION MAP



COMPARABLE KEY

COMP	DISTANCE	NAME	ADDRESS	OCC %	AVG SF/UNIT	UNITS	BUILT
SUBJECT	-	Miami Springs Town Center	1 Curtiss Parkway, Miami Springs, FL	25.5%	1,013	55	2022
No. 1	10.0 Miles	Villa Laguna	2200 Sole Mia Square Lane, North Miami, FL	93.2%	849	190	2022
No. 2	0.5 Miles	Shoma Village	445 Hialeah Dr, Hialeah, FL	98.7%	847	304	2022
No. 3	5.1 Miles	Reflections Apartments	1000 NW 7th St, Miami, FL	96.5%	999	141	2021
No. 4	2.8 Miles	Pura Vida	3051 West 16th Avenue, Hialeah, FL		848	260	2022
No. 5	5.0 Miles	Soleste Spring Gardens	1005 Spring Garden Road, Miami, FL		660	240	2022
No. 6	4.2 Miles	Legacy at 19th	1630 NW 19th St, Miami, FL		947	80	2022

COMPARABLE 1

LOCATION INFORMATION

Name	Villa Laguna
Address	2200 Sole Mia Square Lane
City, State, Zip Code	North Miami, FL, 33181
MSA	Miami-Fort Lauderdale-Pompano Beach, FL

PHYSICAL INFORMATION

Project Design	Mid-Rise
Number of Units	190
Year Built	2022
Net Rentable Area (NRA)	161,291
Average Unit Size (SF)	849
Rent Type	Market Rent
Location	Good
Quality	Average
Condition	Average
Project Amenities	BBQ/Picnic Area, Business Center, Clubhouse, Concierge/Doorman, Courtyard, Dog Park, Fitness Center, Game Room, Rooftop Area, Storage Units, Swimming Pool
Unit Amenities	Air Conditioning, Balcony/Patio, Complete Appliance Package, Parking Garage, Walk-in Closets, Washer/Dryer In-Unit

Parking Parking Garage

UTILITIES	INCL. IN RENT	NOT INCL. IN RENT
Electricity		✓
Water		✓
Hot Water		✓
Sewer		✓
Garbage		✓
Telephone		✓
Gas		✓
Cable/Satellite		✓
High-Speed Internet		✓

UNIT MIX

DESCRIPTION	UNITS	SIZE	LOW	HIGH	AVG RENT
STUDIO / 1 BA	5	536			\$2,155
1 BD / 1 BA	58	688			\$2,525
1 BD / 1 BA	16	780			\$2,690
1 BD / 1 BA	42	792			\$2,593
2 BD / 2 BA	63	1,049			\$3,240
2 BD / 2 BA	6	1,146			\$3,815



VILLA LAGUNA

OCCUPANCY / ABSORPTION

Vacant Units	13
Occupancy Rate	93%
Fees & Deposits	N/Av
Concessions	None.

CONFIRMATION

Name	Leasing Agent
Source	Leasing Agent
Date	04/30/2024
Phone Number	Confidential

REMARKS

Villa Laguna is located along the west side of Sole Mia Lane across from the Laguna Sole. The property offers a resident lounge with games, business center with co-working space and conference rooms, fitness center, swimming pool and sundeck with cabanas and fire pits, outdoor grilling stations, rooftop deck, dog spa, and storage units. Units have wood-look vinyl flooring, stainless steel appliances, balconies, walk-in closets, W/D in all units, high ceilings in select units, smart locks, and subway tile backsplash in kitchens. Tenants are responsible for all utilities. Management could not be reached at time of survey and we have included an occupancy rate from a third party resource. No concessions were being advertised.

COMPARABLE 2

LOCATION INFORMATION

Name	Shoma Village
Address	445 Hialeah Dr
City, State, Zip Code	Hialeah, FL, 33010
MSA	Miami-Fort Lauderdale-Pompano Beach, FL

PHYSICAL INFORMATION

Project Design	Mid-Rise
Number of Units	304
Year Built	2022
Net Rentable Area (NRA)	257,438
Average Unit Size (SF)	847
Rent Type	Market Rent
Location	Average
Quality	Average
Condition	Average
Project Amenities	BBQ/Picnic Area, Business Center, Car Wash, Clubhouse, Dog Park, Fitness Center, Playground, Storage Units, Swimming Pool

Unit Amenities	Air Conditioning, Balcony/Patio, Ceiling Fans, Parking Garage, Premium Appliances, Premium Countertops, Premium Flooring, Storage, Walk-in Closets, Washer/Dryer Hookups, Washer/Dryer In Unit
Parking	Parking Garage

UTILITIES	INCL. IN RENT	NOT INCL. IN RENT
Electricity		✓
Water		✓
Hot Water		✓
Sewer		✓
Garbage		✓
Telephone		✓
Gas		✓
Cable/Satellite		✓
High-Speed Internet		✓

UNIT MIX

DESCRIPTION	UNITS	SIZE	LOW	HIGH	AVG RENT
STUDIO / 1 BA	100	641			\$2,100
1 BD / 1 BA	75	619			\$2,750
2 BD / 2 BA	75	971			\$2,818
3 BD / 2 BA	54	1,372			\$3,440



SHOMA VILLAGE

OCCUPANCY / ABSORPTION

Vacant Units	4
Occupancy Rate	99%
Fees & Deposits	N/Av
Concessions	1 month free on 1 bedrooms

CONFIRMATION

Name	Shoma Village
Source	Shoma Group
Date	04/18/2024
Phone Number	+1 786 638 1400

REMARKS

Shoma Village is a rental community comprised of two 8-story buildings with 304 residences featuring studios, 1, 2, & 3 bedrooms. Interior finishes include keyless entry, digital thermostats, walk-in master closets, ceiling fans, balcony, stainless steel appliances, and modern flat-front cabinetry and wood-style floors. Tenants are responsible for all utilities. Trash is an additional \$5/month. Reserved parking is available for \$120-180/month. One parking space is included in the rent. Storage units are available for \$50-90 per month. Initial move-ins occurred on August 1, 2022. Management is offering one month free on one bedroom units.

COMPARABLE 3

LOCATION INFORMATION

Name	Reflections Apartments
Address	1000 NW 7th St
City, State, Zip Code	Miami, FL, 33136
MSA	Miami-Fort Lauderdale-Pompano Beach, FL

PHYSICAL INFORMATION

Project Design	Mid-Rise
Number of Units	141
Year Built	2021
Net Rentable Area (NRA)	140,826
Average Unit Size (SF)	999
Rent Type	Market Rent
Location	Average
Quality	Average
Condition	Average
Project Amenities	Business Center, Clubhouse, Dog Park, Fitness Center, Game Room, Spa/Sauna, Storage Units, Swimming Pool

Unit Amenities	Balcony/Patio, Ceiling Fans, Complete Appliance Package, Microwave, Premium Appliances, Premium Countertops, Walk-in Closets, Washer/Dryer Hookups, Washer/Dryer In Unit
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Parking

UTILITIES	INCL. IN RENT	NOT INCL. IN RENT
Electricity		✓
Water		✓
Hot Water		✓
Sewer		✓
Garbage		✓
Telephone		✓
Gas		✓
Cable/Satellite		✓
High-Speed Internet		✓

UNIT MIX

DESCRIPTION	UNITS	SIZE	LOW	HIGH	AVG RENT
1 BD / 1 BA	11	725			\$2,663
1 BD / 1 BA	14	736			\$2,344
1 BD / 1 BA	13	803			\$2,769
1 BD / 1 BA	13	889			\$2,773
1 BD / 1 BA	15	900			\$2,700
2 BD / 1 BA	18	1,055			\$3,127
2 BD / 2 BA	8	1,072			\$3,532
2 BD / 2 BA	9	1,089			\$3,335
2 BD / 2 BA	9	1,135			\$3,694
2 BD / 2 BA	8	1,203			\$3,740
2 BD / 2 BA	8	1,284			\$3,769



REFLECTIONS APARTMENTS

OCCUPANCY / ABSORPTION

Vacant Units	5
Occupancy Rate	96%
Fees & Deposits	N/Av
Concessions	None.

CONFIRMATION

Name	Leasing Agent
Source	Leasing Agent
Date	04/18/2024
Phone Number	+1 786 284 1442

REMARKS

Property amenities include a 24-hour fitness center, resort style heated pool and jacuzzi, men's and women's sauna, clubhouse with billiards area and game room, business center and conference room, kids playroom, dog park, 24/7 dry cleaner and laundry service, covered garage parking, and on-site emergency generators. Unit furnishings include walnut cabinetry, stainless steel appliances, quartz countertops, porcelain tile throughout, ceiling fans, full-size washer and dryer, walk-in closets, electronic entry door lock system, and custom designed dual master closets. Storage units are available for a monthly premium. Tenants are responsible for all utilities. One parking space is included for 1&2 bedroom units, and two spaces are included for 3 bedroom units. Additional spaces are \$95/month and there is a max of 2 additional spaces. Storage units are typically \$85-\$175/month. The property is 99.29% leased and management is not offering concessions.

COMPARABLE 4

LOCATION INFORMATION

Name	Pura Vida
Address	3051 West 16th Avenue
City, State, Zip Code	Hialeah, FL, 33012
MSA	Miami-Fort Lauderdale-Pompano Beach, FL

PHYSICAL INFORMATION

Project Design	Mid-Rise
Number of Units	260
Year Built	2022
Net Rentable Area (NRA)	220,580
Average Unit Size (SF)	848
Rent Type	Market Rent
Location	Average
Quality	Average
Condition	Average
Project Amenities	BBQ/Picnic Area, Business Center, Clubhouse, Fitness Center, Game Room, Spa/Sauna, Storage Units, Swimming Pool

Unit Amenities	Air Conditioning, Balcony/Patio, Ceiling Fans, Complete Appliance Package, Parking Garage, Parking Open, Premium Appliances, Premium Countertops, Premium Flooring, Walk-in Closets, Washer/Dryer In Unit
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Parking	
UTILITIES	INCL. IN RENT NOT INCL. IN RENT
Electricity	✓
Water	✓
Hot Water	✓
Sewer	✓
Garbage	✓
Telephone	✓
Gas	✓
Cable/Satellite	✓
High-Speed Internet	✓

UNIT MIX

DESCRIPTION	UNITS	SIZE	LOW	HIGH	AVG RENT
1 BD / 1 BA	55	505			\$2,095
1 BD / 1 BA	18	653	\$2,270	\$2,375	\$2,323
2 BD / 2 BA	60	900			\$2,785
2 BD / 2 BA	24	903			\$2,785
2 BD / 2 BA	24	910			\$2,810
2 BD / 2 BA	24	915	\$2,785	\$2,835	\$2,810
3 BD / 2 BA	55	1,120	\$3,245	\$3,450	\$3,348



PURA VIDA

OCCUPANCY / ABSORPTION

Vacant Units	260
Occupancy Rate	
Fees & Deposits	N/Av
Concessions	1 month free on select units

CONFIRMATION

Name	Confidential
Source	Confidential
Date	04/18/2024
Phone Number	Confidential

REMARKS

Pura Vida is located along the east side of W 16th Ave, just north of W Okeechobee Road in Hialeah. The property offers Class A finishes and amenities including a swimming pool and spa with cabanas, fitness center, BBQ areas, outdoor covered terrace with a summer kitchen, playground, dog park, parcel package room, electric car charging stations, theater, game room, clubroom, business center, and on-site retail and restaurant spaces. The apartments offer stainless steel appliances, built-in dining islands, granite countertops, patio/balcony, washer & dryer, tile flooring, ceiling fans, and walk-in closets. Initial move-ins occurred on May 4, 2022. The asset achieved stabilization in early October 2022 indicating average absorption of 49 units per month. The property offered one month of free rent during lease up but has stopped offering concessions since. Tenants are responsible for all utilities except trash removal. One parking space is included in the rent. Storage units are available for \$195 per month. Parking is \$125/month and additional spaces are \$75/month.

COMPARABLE 5

LOCATION INFORMATION

Name	Soleste Spring Gardens
Address	1005 Spring Garden Road
City, State, Zip Code	Miami, FL, 33136
MSA	Miami-Miami Beach-Kendall, FL

PHYSICAL INFORMATION

Project Design	Mid-Rise
Number of Units	240
Year Built	2022
Net Rentable Area (NRA)	158,466
Average Unit Size (SF)	660
Rent Type	Market Rent
Location	Average/Good
Quality	Average
Condition	Average
Project Amenities	BBQ/Picnic Area, Business Center, Clubhouse, Common Area Wi-Fi, Dog Park, Elevators, Fitness Center, Game Room, On-site Manager, Rooftop Area, Storage Units, Swimming Pool
Unit Amenities	Air Conditioning, Balcony/Patio, Ceiling Fans, Complete Appliance Package, Dishwasher, Garbage Disposal, Microwave, Premium Appliances, Premium Countertops, Range/Stove, Refrigerator, Walk-in Closets
Parking	

UTILITIES	INCL. IN RENT	NOT INCL. IN RENT
Electricity		✓
Water		✓
Hot Water		✓
Sewer		✓
Garbage		✓
Telephone		✓
Gas		✓
Cable/Satellite		✓
High-Speed Internet		✓

UNIT MIX

DESCRIPTION	UNITS	SIZE	LOW	HIGH	AVG RENT
STUDIO / 1 BA	19	403	\$2,061	\$2,081	\$2,071
STUDIO / 1 BA	83	483	\$2,011	\$2,181	\$2,096
STUDIO / 1 BA	8	530	\$2,291	\$2,364	\$2,328
1 BD / 1 BA	11	563	\$2,375	\$2,395	\$2,385
1 BD / 1 BA	12	613	\$2,470	\$2,492	\$2,481
1 BD / 1 BA	14	708	\$2,505	\$2,768	\$2,637
1 BD / 1 BA	23	755	\$2,628	\$2,770	\$2,699
1 BD / 1 BA	14	855			\$2,663
1 BD / 1 BA	15	910	\$2,749	\$2,771	\$2,760
1 BD / 1 BA	7	1,075			\$2,748
2 BD / 2 BA	12	885	\$3,157	\$3,252	\$3,205



SOLESTE SPRING GARDENS

OCCUPANCY / ABSORPTION

Vacant Units	240
Occupancy Rate	
Fees & Deposits	N/Av
Concessions	One month free rent

CONFIRMATION

Name	Leasing Agent
Source	Soleste Spring Gardens
Date	03/19/2024
Phone Number	+1 786 730 6957

REMARKS

Soleste Spring Gardens is a 240-unit apartment community located west of Interstate 95, adjacent to Jackson Memorial Hospital. Property amenities include a hotel-inspired swimming pool with poolside cabanas and daybeds, a fitness center with a yoga, spin, and aerobics room, dog park and pet washing station, cyber lobby, social and gaming lounge, and a dry cleaning and laundry service. Units are furnished with quartz countertops and tile backsplashes, stainless steel appliances, European two-toned cabinetry, ceramic tile flooring throughout, in-unit washer/dryer, and patios/balconies. Storage units are available for a monthly premium. No utilities are included. Trash is an additional \$30/month. Reserved parking is an additional \$100/month. Storage units are also an additional \$100/month. The property is % leased.

COMPARABLE 6

LOCATION INFORMATION

Name Legacy at 19th
 Address 1630 NW 19th St
 City, State, Zip Code Miami, FL, 33125

PHYSICAL INFORMATION

Project Design Market Rent
 Number of Units 80
 Year Built 2022
 Net Rentable Area (NRA) 75,744
 Average Unit Size (SF) 947
 Rent Type Mid-Rise
 Location Average
 Quality Average
 Condition Average
 Appeal Average
 Project Amenities Clubhouse, Fitness Center, On-site Manager, Rooftop Area

Unit Amenities Air Conditioning, Balcony/Patio, Ceiling Fans, Complete Appliance Package, Dishwasher, Garbage Disposal, Microwave, Premium Appliances, Premium Countertops, Range/Stove, Refrigerator, Washer/Dryer

Parking

UTILITIES	INCL. IN RENT	NOT INCL. IN RENT
Electricity		✓
Water		✓
Hot Water		✓
Sewer		✓
Garbage		✓
Telephone		✓
Gas		✓
Cable/Satellite		✓
High-Speed Internet		✓

UNIT MIX

DESCRIPTION	UNITS	SIZE	LOW	HIGH	AVG RENT
1 BD / 1 BA	6	719			\$2,100
1 BD / 1 BA	23	720			\$2,200
1 BD / 1 BA	1	894			\$2,200
1 BD / 2 BA	16	957			\$2,500
2 BD / 2 BA	11	1,025			\$2,600
2 BD / 2 BA	11	1,051			\$2,700
2 BD / 2 BA	12	1,319			\$3,000



LEGACY AT 19TH

OCCUPANCY / ABSORPTION

Vacant Units 80
 Occupancy Rate
 Fees & Deposits N/Av
 Concessions N/Av

CONFIRMATION

Name Leasing Agent
 Source Leasing Agent
 Date 03/19/2024
 Phone Number +1 844 538 1032

REMARKS

Legacy at 19th is a 80-unit apartment community located west of Interstate 95, adjacent to Jackson Memorial Hospital. Property amenities include a rooftop lounge, fitness center, and a clubhouse. Units are furnished with stainless steel appliances, granite countertops, ceramic tile flooring, ceiling fans, patios/balconies, and in unit washer/dyer. No utilities are included. Trash is an additional \$23/month and parking is \$75/year.

DISCUSSION OF RENTAL ADJUSTMENTS

Adjustments for differences between the subject property and the comparables can be made quantitatively or qualitatively. Adjustments for some differences can be derived from the market and are addressed below. Other items for which dollar adjustments are more difficult to derive are addressed in the Qualitative Adjustments paragraph.

Adjustments

The subject property and the comparables vary to some degree in terms of physical characteristics, project amenities, unit amenities, parking, laundry, and utilities. The following grid illustrates the quantitative adjustments applied to the comparables (when necessary) in order to make the comparables similar to the subject in terms of these features.

RENT COMPARABLE ADJUSTMENT TABLE														
	\$ ADJ.	SUBJECT		COMP 1	COMP 2	COMP 3	COMP 4	COMP 5	COMP 6					
PROJECT AMENITIES														
Swimming Pool	\$5	No	Yes	(\$5)	Yes	(\$5)	Yes	(\$5)	Yes	(\$5)	Yes	(\$5)	No	\$0
Fitness Center	\$5	Yes	Yes	\$0	Yes	\$0	Yes	\$0	Yes	\$0	Yes	\$0	Yes	\$0
Clubhouse	\$5	No	Yes	(\$5)	Yes	(\$5)	Yes	(\$5)	Yes	(\$5)	Yes	(\$5)	Yes	(\$5)
Project Amenities Subtotal Adjustment				(\$10)		(\$10)		(\$10)		(\$10)		(\$10)		(\$5)
LAUNDRY														
Common Laundry	\$5	No	No	\$0	No	\$0	No	\$0	No	\$0	No	\$0	No	\$0
Washer/Dryer Hookups	\$0	No	No	\$0	Yes	\$0	Yes	\$0	No	\$0	Yes	\$0	Yes	\$0
Washer/Dryer In-Unit	\$40	Yes	Yes	\$0	Yes	\$0	Yes	\$0	Yes	\$0	Yes	\$0	Yes	\$0
Laundry Subtotal Adjustment				\$0		\$0		\$0		\$0		\$0		\$0
PARKING INCLUDED IN RENT														
Parking Open	\$5	No	No	\$0	No	\$0	No	\$0	No	\$0	No	\$0	No	\$0
Parking Covered	\$15	No	No	\$0	No	\$0	No	\$0	No	\$0	No	\$0	No	\$0
Parking Driveway	\$15	No	No	\$0	No	\$0	No	\$0	No	\$0	No	\$0	No	\$0
Parking Garage	\$50	Yes	Yes	\$0	Yes	\$0	No	\$50	No	\$50	No	\$50	No	\$50
Parking Subtotal Adjustment				\$0		\$0		\$50		\$50		\$50		\$50
UTILITIES INCLUDED IN RENT														
Electricity	\$30	No	No	\$0	No	\$0	No	\$0	No	\$0	No	\$0	No	\$0
Water	\$10	No	No	\$0	No	\$0	No	\$0	No	\$0	No	\$0	No	\$0
Hot Water	\$10	No	No	\$0	No	\$0	No	\$0	No	\$0	No	\$0	No	\$0
Sewer	\$10	No	No	\$0	No	\$0	No	\$0	No	\$0	No	\$0	No	\$0
Garbage	\$10	No	No	\$0	No	\$0	No	\$0	Yes	(\$10)	No	\$0	No	\$0
Cable	\$20	No	No	\$0	No	\$0	No	\$0	No	\$0	No	\$0	No	\$0
Internet	\$25	No	No	\$0	No	\$0	No	\$0	No	\$0	No	\$0	No	\$0
Utilities Subtotal Adjustment				\$0		\$0		\$0		(\$10)		\$0		\$0
TOTAL ADJUSTMENTS				(\$10)		(\$10)		\$40		\$30		\$40		\$45

RENT COMPARABLE ADJUSTMENT GRID

The following tables adjust the comparables to the subject property quantitatively.

RENT COMPARABLE ADJUSTMENT SUMMARY

COMPARABLE 1	NO. UNITS	AVG SIZE	EFF. RENT \$/UNIT	ADJUSTMENTS						TOTAL	ADJUSTED	
				PHYSICAL	PROJECT	UNIT	LAUNDRY	PARKING	UTILITIES	ADJ	\$/UNIT	\$/SF
COMPARABLE 1												
STUDIO / 1 BA	5	536	\$2,155	\$0	(\$10)	\$0	\$0	\$0	\$0	(\$10)	\$2,145	\$4.00
1 BD / 1 BA	58	688	\$2,525	\$0	(\$10)	\$0	\$0	\$0	\$0	(\$10)	\$2,515	\$3.66
1 BD / 1 BA	16	780	\$2,690	\$0	(\$10)	\$0	\$0	\$0	\$0	(\$10)	\$2,680	\$3.44
1 BD / 1 BA	42	792	\$2,593	\$0	(\$10)	\$0	\$0	\$0	\$0	(\$10)	\$2,583	\$3.26
2 BD / 2 BA	63	1,049	\$3,240	\$0	(\$10)	\$0	\$0	\$0	\$0	(\$10)	\$3,230	\$3.08
2 BD / 2 BA	6	1,146	\$3,815	\$0	(\$10)	\$0	\$0	\$0	\$0	(\$10)	\$3,805	\$3.32
COMPARABLE 2												
STUDIO / 1 BA	100	641	\$2,100	\$0	(\$10)	\$0	\$0	\$0	\$0	(\$10)	\$2,090	\$3.26
1 BD / 1 BA	75	619	\$2,750	\$0	(\$10)	\$0	\$0	\$0	\$0	(\$10)	\$2,740	\$4.43
2 BD / 2 BA	75	971	\$2,818	\$0	(\$10)	\$0	\$0	\$0	\$0	(\$10)	\$2,808	\$2.89
3 BD / 2 BA	54	1,372	\$3,440	\$0	(\$10)	\$0	\$0	\$0	\$0	(\$10)	\$3,430	\$2.50
COMPARABLE 3												
1 BD / 1 BA	11	725	\$2,663	\$0	(\$10)	\$0	\$0	\$50	\$0	\$40	\$2,703	\$3.73
1 BD / 1 BA	14	736	\$2,344	\$0	(\$10)	\$0	\$0	\$50	\$0	\$40	\$2,384	\$3.24
1 BD / 1 BA	13	803	\$2,769	\$0	(\$10)	\$0	\$0	\$50	\$0	\$40	\$2,809	\$3.50
1 BD / 1 BA	13	889	\$2,773	\$0	(\$10)	\$0	\$0	\$50	\$0	\$40	\$2,813	\$3.16
1 BD / 1 BA	15	900	\$2,700	\$0	(\$10)	\$0	\$0	\$50	\$0	\$40	\$2,740	\$3.04
2 BD / 1 BA	18	1,055	\$3,127	\$0	(\$10)	\$0	\$0	\$50	\$0	\$40	\$3,167	\$3.00
2 BD / 2 BA	8	1,072	\$3,532	\$0	(\$10)	\$0	\$0	\$50	\$0	\$40	\$3,572	\$3.33
2 BD / 2 BA	9	1,089	\$3,335	\$0	(\$10)	\$0	\$0	\$50	\$0	\$40	\$3,375	\$3.10
2 BD / 2 BA	9	1,135	\$3,694	\$0	(\$10)	\$0	\$0	\$50	\$0	\$40	\$3,734	\$3.29
2 BD / 2 BA	8	1,203	\$3,740	\$0	(\$10)	\$0	\$0	\$50	\$0	\$40	\$3,780	\$3.14
2 BD / 2 BA	8	1,284	\$3,769	\$0	(\$10)	\$0	\$0	\$50	\$0	\$40	\$3,809	\$2.97
2 BD / 2 BA	8	1,350	\$3,282	\$0	(\$10)	\$0	\$0	\$50	\$0	\$40	\$3,322	\$2.46
3 BD / 2 BA	3	1,203	\$4,043	\$0	(\$10)	\$0	\$0	\$50	\$0	\$40	\$4,083	\$3.39
3 BD / 2 BA	4	1,291	\$4,395	\$0	(\$10)	\$0	\$0	\$50	\$0	\$40	\$4,435	\$3.44
COMPARABLE 4												
1 BD / 1 BA	55	505	\$2,095	\$0	(\$10)	\$0	\$0	\$50	(\$10)	\$30	\$2,125	\$4.21
1 BD / 1 BA	18	653	\$2,323	\$0	(\$10)	\$0	\$0	\$50	(\$10)	\$30	\$2,353	\$3.61
2 BD / 2 BA	60	900	\$2,785	\$0	(\$10)	\$0	\$0	\$50	(\$10)	\$30	\$2,815	\$3.13
2 BD / 2 BA	24	903	\$2,785	\$0	(\$10)	\$0	\$0	\$50	(\$10)	\$30	\$2,815	\$3.12
2 BD / 2 BA	24	910	\$2,810	\$0	(\$10)	\$0	\$0	\$50	(\$10)	\$30	\$2,840	\$3.12
2 BD / 2 BA	24	915	\$2,810	\$0	(\$10)	\$0	\$0	\$50	(\$10)	\$30	\$2,840	\$3.10
3 BD / 2 BA	55	1,120	\$3,348	\$0	(\$10)	\$0	\$0	\$50	(\$10)	\$30	\$3,378	\$3.02
COMPARABLE 5												
STUDIO / 1 BA	19	403	\$2,071	\$0	(\$10)	\$0	\$0	\$50	\$0	\$40	\$2,111	\$5.24
STUDIO / 1 BA	83	483	\$2,096	\$0	(\$10)	\$0	\$0	\$50	\$0	\$40	\$2,136	\$4.43
STUDIO / 1 BA	8	530	\$2,328	\$0	(\$10)	\$0	\$0	\$50	\$0	\$40	\$2,368	\$4.47
1 BD / 1 BA	11	563	\$2,385	\$0	(\$10)	\$0	\$0	\$50	\$0	\$40	\$2,425	\$4.31
1 BD / 1 BA	12	613	\$2,481	\$0	(\$10)	\$0	\$0	\$50	\$0	\$40	\$2,521	\$4.12
1 BD / 1 BA	14	708	\$2,637	\$0	(\$10)	\$0	\$0	\$50	\$0	\$40	\$2,677	\$3.78
1 BD / 1 BA	23	755	\$2,699	\$0	(\$10)	\$0	\$0	\$50	\$0	\$40	\$2,739	\$3.63
1 BD / 1 BA	14	855	\$2,663	\$0	(\$10)	\$0	\$0	\$50	\$0	\$40	\$2,703	\$3.16
1 BD / 1 BA	15	910	\$2,760	\$0	(\$10)	\$0	\$0	\$50	\$0	\$40	\$2,800	\$3.08
1 BD / 1 BA	7	1,075	\$2,748	\$0	(\$10)	\$0	\$0	\$50	\$0	\$40	\$2,788	\$2.59
2 BD / 2 BA	12	885	\$3,205	\$0	(\$10)	\$0	\$0	\$50	\$0	\$40	\$3,245	\$3.67
2 BD / 2 BA	10	930	\$3,025	\$0	(\$10)	\$0	\$0	\$50	\$0	\$40	\$3,065	\$3.30
2 BD / 2 BA	8	975	\$3,330	\$0	(\$10)	\$0	\$0	\$50	\$0	\$40	\$3,370	\$3.46
3 BD / 2 BA	4	1,215	\$4,404	\$0	(\$10)	\$0	\$0	\$50	\$0	\$40	\$4,444	\$3.66
COMPARABLE 6												
1 BD / 1 BA	6	719	\$2,100	\$0	(\$5)	\$0	\$0	\$50	\$0	\$45	\$2,145	\$2.98
1 BD / 1 BA	23	720	\$2,200	\$0	(\$5)	\$0	\$0	\$50	\$0	\$45	\$2,245	\$3.12
1 BD / 1 BA	1	894	\$2,200	\$0	(\$5)	\$0	\$0	\$50	\$0	\$45	\$2,245	\$2.51
1 BD / 2 BA	16	957	\$2,500	\$0	(\$5)	\$0	\$0	\$50	\$0	\$45	\$2,545	\$2.66
2 BD / 2 BA	11	1,025	\$2,600	\$0	(\$5)	\$0	\$0	\$50	\$0	\$45	\$2,645	\$2.58
2 BD / 2 BA	11	1,051	\$2,700	\$0	(\$5)	\$0	\$0	\$50	\$0	\$45	\$2,745	\$2.61
2 BD / 2 BA	12	1,319	\$3,000	\$0	(\$5)	\$0	\$0	\$50	\$0	\$45	\$3,045	\$2.31

Investor Income Expectation Comment

Based on discussions with numerous brokers throughout the subject's region, investors are placing heavy emphasis on actual, "in place" rents, as well as recent leases at this time. Thus, this rental rate analysis will compare the subject's actual, asking, and recent lease rents to market comparables.

MARKET RENT ANALYSIS

The following tables summarize the various indicators of market rent, and provide the market rent analysis and conclusions for the subject property.

2 BEDROOM UNIT CONCLUSION							
COMP	UNIT TYPE	UNIT SIZE	RENT/MONTH		ADJUSTED RENT/MONT		NET ADJ %
			\$/UNIT	\$/SF	\$/UNIT	\$/SF	
3	2 BD / 1 BA	1,055	\$3,127	\$2.96	\$3,167	\$3.00	1.3%
6	2 BD / 2 BA	1,025	\$2,600	\$2.54	\$2,645	\$2.58	1.7%
6	2 BD / 2 BA	1,051	\$2,700	\$2.57	\$2,745	\$2.61	1.7%
2	2 BD / 2 BA	971	\$2,818	\$2.90	\$2,808	\$2.89	-0.4%
4	2 BD / 2 BA	900	\$2,785	\$3.09	\$2,815	\$3.13	1.1%
4	2 BD / 2 BA	903	\$2,785	\$3.09	\$2,815	\$3.12	1.1%
4	2 BD / 2 BA	910	\$2,810	\$3.09	\$2,840	\$3.12	1.1%
4	2 BD / 2 BA	915	\$2,810	\$3.07	\$2,840	\$3.10	1.1%
6	2 BD / 2 BA	1,319	\$3,000	\$2.27	\$3,045	\$2.31	1.5%
5	2 BD / 2 BA	930	\$3,025	\$3.25	\$3,065	\$3.30	1.3%
5	2 BD / 2 BA	885	\$3,205	\$3.62	\$3,245	\$3.67	1.2%
1	2 BD / 2 BA	1,049	\$3,240	\$3.09	\$3,230	\$3.08	-0.3%
3	2 BD / 2 BA	1,350	\$3,282	\$2.43	\$3,322	\$2.46	1.2%
5	2 BD / 2 BA	975	\$3,330	\$3.42	\$3,370	\$3.46	1.2%
3	2 BD / 2 BA	1,089	\$3,335	\$3.06	\$3,375	\$3.10	1.2%
3	2 BD / 2 BA	1,072	\$3,532	\$3.29	\$3,572	\$3.33	1.1%
3	2 BD / 2 BA	1,135	\$3,694	\$3.25	\$3,734	\$3.29	1.1%
3	2 BD / 2 BA	1,203	\$3,740	\$3.11	\$3,780	\$3.14	1.1%
1	2 BD / 2 BA	1,146	\$3,815	\$3.33	\$3,805	\$3.32	-0.3%
3	2 BD / 2 BA	1,284	\$3,769	\$2.94	\$3,809	\$2.97	1.1%
LOW		885	\$2,600	\$2.27	\$2,645	\$2.31	-0.4%
HIGH		1,350	\$3,815	\$3.62	\$3,809	\$3.67	1.7%
AVERAGE		1,058	\$3,170	\$3.02	\$3,201	\$3.05	1.0%
MEDIAN		1,050	\$3,166	\$3.09	\$3,199	\$3.11	1.1%

SUBJECT ANALYSIS & CONCLUSIONS									
UNITS	VAC	UNIT TYPE	SIZE	ASKING RENT		ACTUAL RENT		CONCLUDED RENT	
				\$/UNIT	\$/SF	\$/UNIT	\$/SF	\$/UNIT	\$/SF
3	1	2 BD / 2 BA	875	\$3,000	\$3.43	\$2,925	\$3.34	\$2,950	\$3.37
3	1	2 BD / 2 BA	879	\$3,050	\$3.47	\$2,850	\$3.24	\$2,950	\$3.36
7	5	2 BD / 2 BA	879	\$3,000	\$3.41	\$3,025	\$3.44	\$3,000	\$3.41
2	1	2 BD / 2 BA	943	\$3,100	\$3.29	\$3,150	\$3.34	\$3,100	\$3.29
4	4	2 BD / 2 BA	967	\$3,150	\$3.26	\$0	\$0.00	\$3,150	\$3.26
1	1	2 BD / 2 BA	959	\$3,175	\$3.31	\$0	\$0.00	\$3,150	\$3.28
9	8	2 BD / 2 BA	970	\$3,175	\$3.27	\$3,150	\$3.25	\$3,150	\$3.25
6	6	2 BD / 2 BA	975	\$3,150	\$3.23	\$0	\$0.00	\$3,150	\$3.23
4	1	2 BD / 2 BA	967	\$3,600	\$3.72	\$0	\$0.00	\$3,500	\$3.62
1	1	2 BD / 2 BA	1,393	\$3,795	\$2.72	\$0	\$0.00	\$3,800	\$2.73

Analysis and Conclusions

The rent comparables range in size from 885 SF to 1,350 SF, with an average unit size of 1,058 SF. The rent comparables' unadjusted rent per month ranges from \$2,600 to \$3,815, with an average rent of \$3,170. After applying adjustments to the comparables for differences in amenities, laundry, parking and utilities, the rent comparables' rent per month ranges from \$2,645 to \$3,809, with an average rent of \$3,201.

- There are (3) 2 BD / 2 BA subject units of 875 SF. This floor plan has one vacant unit and is 66.7% occupied. These units currently have an asking rent of \$3,000. This is above the actual rent for the existing tenants for this unit type of \$2,925. There have been no recently leased units of this floor plan.

Primary emphasis is placed on the subject's asking rent. Therefore, a market rent of \$2,950 is estimated for this 875 SF floor plan.

- There are (3) 2 BD / 2 BA subject units of 879 SF. This floor plan has one vacant unit and is 66.7% occupied. These units currently have an asking rent of \$3,050. This is above the actual rent for the existing tenants for this unit type of \$2,850. There have been no recently leased units of this floor plan. Primary emphasis is placed on the subject's asking rent, with secondary weight placed on the subject's actual rent. Therefore, a market rent of \$2,950 is estimated for this 879 SF floor plan.
- There are (7) 2 BD / 2 BA subject units of 879 SF. This floor plan has 5 vacant units and is 28.6% occupied. These units currently have an asking rent of \$3,000. This is below the actual rent for the existing tenants for this unit type of \$3,025. There have been no recently leased units of this floor plan. Primary emphasis is placed on the subject's asking rent, with secondary weight placed on the subject's actual rent. Therefore, a market rent of \$3,000 is estimated for this 879 SF floor plan.
- There are (2) 2 BD / 2 BA subject units of 943 SF. This floor plan has one vacant unit and is 50.0% occupied. These units currently have an asking rent of \$3,100. This is below the actual rent for the existing tenants for this unit type of \$3,150. There have been no recently leased units of this floor plan. Primary emphasis is placed on the subject's asking rent, with secondary weight placed on the subject's actual rent. Therefore, a market rent of \$3,100 is estimated for this 943 SF floor plan.
- There are (4) 2 BD / 2 BA subject units of 967 SF. This floor plan has 4 vacant units and is 0.0% occupied. These units currently have an asking rent of \$3,150. This is above the actual rent for the existing tenants for this unit type of \$0. There have been no recently leased units of this floor plan. Primary emphasis is placed on the subject's asking rent. Therefore, a market rent of \$3,150 is estimated for this 967 SF floor plan.
- There is (1) 2 BD / 2 BA subject unit of 959 SF. This floor plan has one vacant unit and is 0.0% occupied. This unit currently has an asking rent of \$3,175. This is above the actual rent for this unit type of \$0. There have been no recently leased units of this floor plan. Primary emphasis is placed on the subject's asking rent. Therefore, a market rent of \$3,150 is estimated.
- There are (9) 2 BD / 2 BA subject units of 970 SF. This floor plan has 8 vacant units and is 11.1% occupied. These units currently have an asking rent of \$3,175. This is above the actual rent for the existing tenants for this unit type of \$3,150. There have been no recently leased units of this floor plan. Primary emphasis is placed on the subject's asking rent, with secondary weight placed on the subject's actual rent. Therefore, a market rent of \$3,150 is estimated for this 970 SF floor plan.
- There are (6) 2 BD / 2 BA subject units of 975 SF. This floor plan has 6 vacant units and is 0.0% occupied. These units currently have an asking rent of \$3,150. This is above the actual rent for the existing tenants for this unit type of \$0. There have been no recently leased units of this floor plan. Primary emphasis is placed on the subject's asking rent. Therefore, a market rent of \$3,150 is estimated for this 975 SF floor plan.

3 BEDROOM UNIT CONCLUSION

COMP	UNIT TYPE	UNIT SIZE	RENT/MONTH		ADJUSTED RENT/MONT		NET
			\$/UNIT	\$/SF	\$/UNIT	\$/SF	ADJ %
4	3 BD / 2 BA	1,120	\$3,348	\$2.99	\$3,378	\$3.02	0.9%
2	3 BD / 2 BA	1,372	\$3,440	\$2.51	\$3,430	\$2.50	-0.3%
3	3 BD / 2 BA	1,203	\$4,043	\$3.36	\$4,083	\$3.39	1.0%
5	3 BD / 2 BA	1,215	\$4,404	\$3.62	\$4,444	\$3.66	0.9%
3	3 BD / 2 BA	1,291	\$4,395	\$3.40	\$4,435	\$3.44	0.9%
LOW		1,120	\$3,348	\$2.51	\$3,378	\$2.50	-0.3%
HIGH		1,372	\$4,404	\$3.62	\$4,444	\$3.66	1.0%
AVERAGE		1,240	\$3,926	\$3.18	\$3,954	\$3.20	0.7%
MEDIAN		1,215	\$4,043	\$3.36	\$4,083	\$3.39	0.9%

SUBJECT ANALYSIS & CONCLUSIONS

UNITS	VAC	UNIT TYPE	SIZE	ASKING RENT		ACTUAL RENT		CONCLUDED RENT	
				\$/UNIT	\$/SF	\$/UNIT	\$/SF	\$/UNIT	\$/SF
7	6	3 BD / 3 BA	1,161	\$3,795	\$3.27	\$3,750	\$3.23	\$3,750	\$3.23
2	1	3 BD / 3 BA	1,337	\$4,250	\$3.18	\$4,100	\$3.07	\$4,100	\$3.07
2	2	3 BD / 3 BA	1,461	\$4,350	\$2.98	\$4,350	\$2.98	\$4,350	\$2.98

Analysis and Conclusions

The rent comparables range in size from 1,120 SF to 1,372 SF, with an average unit size of 1,240 SF. The rent comparables' unadjusted rent per month ranges from \$3,348 to \$4,404, with an average rent of \$3,926. After applying adjustments to the comparables for differences in amenities, laundry, parking and utilities, the rent comparables' rent per month ranges from \$3,378 to \$4,444, with an average rent of \$3,954.

- There are (7) 3 BD / 3 BA subject units of 1,161 SF. This floor plan has 6 vacant units and is 14.3% occupied. These units currently have an asking rent of \$3,795. This is above the actual rent for the existing tenants for this unit type of \$3,750. There have been no recently leased units of this floor plan. Primary emphasis is placed on the subject's asking rent, with secondary weight placed on the subject's actual rent. Therefore, a market rent of \$3,750 is estimated for this 1,161 SF floor plan.
- There are (2) 3 BD / 3 BA subject units of 1,337 SF. This floor plan has one vacant unit and is 50.0% occupied. These units currently have an asking rent of \$4,250. This is above the actual rent for the existing tenants for this unit type of \$4,100. There have been no recently leased units of this floor plan. Primary emphasis is placed on the subject's asking rent. Therefore, a market rent of \$4,100 is estimated for this 1,337 SF floor plan.
- There are (2) 3 BD / 3 BA subject units of 1,461 SF. This floor plan has 2 vacant units and is 0.0% occupied. These units currently have an asking rent of \$4,350. This is similar to the actual rent for the existing tenants for this unit type of \$4,350. There have been no recently leased units of this floor plan. Primary emphasis is placed on the subject's asking rent. Therefore, a market rent of \$4,350 is estimated for this 1,461 SF floor plan.

POTENTIAL RENTAL INCOME

The gross rental income equals the total gross income based the rent conclusions presented previously and is summarized in the following table.

APARTMENT POTENTIAL GROSS INCOME													
UNIT TYPE	UNITS	VAC	SF	ASKING RENT			CONTRACT RENT (BLENDED) ¹			CONCLUDED MARKET RENT			CONTRACT V. MARKET
				\$/UNIT (MO.)	MONTHLY	ANNUALLY	\$/UNIT (MO.)	MONTHLY	ANNUALLY	\$/UNIT (MO.)	MONTHLY	ANNUALLY	
2 BD / 2 BA	3	1	875	\$3,000	\$9,000	\$108,000	\$2,933	\$8,800	\$105,600	\$2,950	\$8,850	\$106,200	99.4%
2 BD / 2 BA	3	1	879	\$3,050	\$9,150	\$109,800	\$2,883	\$8,650	\$103,800	\$2,950	\$8,850	\$106,200	97.7%
2 BD / 2 BA	7	5	879	\$3,000	\$21,000	\$252,000	\$3,007	\$21,050	\$252,600	\$3,000	\$21,000	\$252,000	100.2%
2 BD / 2 BA	2	1	943	\$3,100	\$6,200	\$74,400	\$3,125	\$6,250	\$75,000	\$3,100	\$6,200	\$74,400	100.8%
2 BD / 2 BA	4	4	967	\$3,150	\$12,600	\$151,200	\$3,150	\$12,600	\$151,200	\$3,150	\$12,600	\$151,200	100.0%
2 BD / 2 BA	1	1	959	\$3,175	\$3,175	\$38,100	\$3,150	\$3,150	\$37,800	\$3,150	\$3,150	\$37,800	100.0%
2 BD / 2 BA	9	8	970	\$3,175	\$28,575	\$342,900	\$3,150	\$28,350	\$340,200	\$3,150	\$28,350	\$340,200	100.0%
2 BD / 2 BA	6	6	975	\$3,150	\$18,900	\$226,800	\$3,150	\$18,900	\$226,800	\$3,150	\$18,900	\$226,800	100.0%
2 BD / 2 BA	4	1	967	\$3,600	\$14,400	\$172,800	\$875	\$3,500	\$42,000	\$3,500	\$14,000	\$168,000	25.0%
2 BD / 2 BA	1	1	1,393	\$3,795	\$3,795	\$45,540	\$3,800	\$3,800	\$45,600	\$3,800	\$3,800	\$45,600	100.0%
3 BD / 3 BA	7	6	1,161	\$3,795	\$26,565	\$318,780	\$3,750	\$26,250	\$315,000	\$3,750	\$26,250	\$315,000	100.0%
3 BD / 3 BA	2	1	1,337	\$4,250	\$8,500	\$102,000	\$4,100	\$8,200	\$98,400	\$4,100	\$8,200	\$98,400	100.0%
3 BD / 3 BA	2	2	1,461	\$4,350	\$8,700	\$104,400	\$4,350	\$8,700	\$104,400	\$4,350	\$8,700	\$104,400	100.0%
TOTAL	51			\$3,101	\$170,560	\$2,046,720	\$2,876	\$158,200	\$1,898,400	\$3,070	\$168,850	\$2,026,200	93.7%

¹ Contract + Market (Vacant Units Projected At Market Level)

Rent Roll Analysis

The rent roll analysis serves as a crosscheck to the estimate of market rent for the subject. The collections shown on the rent roll include rent premiums and/or discounts.

RENT ROLL ANALYSIS				
INCOME COMPONENT			MONTHLY	TOTAL ANNUAL
13	Occupied Units	@ Contract Rent	\$31,750	\$381,000
38	Vacant Units	@ Market Rates	\$126,450	\$1,517,400
55	Total Units	@ Contract Rent (Blended)	\$158,200	\$1,898,400
55	Total Units	@ Market Rent	\$168,850	\$2,026,200
% Difference (In-Place versus Market)			6.7%	

The variation between the total annual rent reflected in the rent roll analysis and the market rent conclusion owes to pre-construction leases that reflect recent lower rents. The recent leases clearly indicate that rent levels are significantly higher today than in recent months and years. The risk in achieving the concluded rents will be accounted for in the concluded capitalization rate selection.

COMMERCIAL INCOME

This section provides an overview of the subject’s existing commercial leases and asking rents for any vacant space as applicable. The rental income conclusion was reconciled taking into account such items as durability of in-place contract rents, lease escalations and market terms as measured by rent comparables.

Commercial Rent Roll

The following Rent Roll Summary reflects a breakdown of the individual tenant spaces and a snapshot of in-place contract rents including lease term, expense structure, base rent, expense recovery and total income.

RENT ROLL SUMMARY										AS OF JUNE 2024		
SUITE	TENANT	TOTAL NRA (SF)	% OF NRA	TENANT GROUP	LEASE TERMS			EXPENSE STRUCTURE	CURRENT BASE RENT			
					START	END	YEARS		\$/SF(MO.)	\$/SF(YR.)	ANNUAL	
1 thru 4	Sabores Restaurant & Lounge	5,660	24.0%	Retail	4/24	3/34	10.0	Triple Net	\$2.92	\$35.00	\$198,100	
5	Taj Majal Bengal Indian Cuisine	1,250	5.3%	Retail	4/24	3/34	10.0	Triple Net	\$2.92	\$35.00	\$43,750	
7	Acai Express	1,250	5.3%	Retail	4/24	3/34	10.0	Triple Net	\$2.92	\$35.00	\$43,750	
8	Similia Veterinary Service	1,700	7.2%	Retail	4/24	3/34	10.0	Triple Net	\$2.73	\$32.75	\$55,675	
9	Zaya Dental	1,615	6.8%	Retail	4/24	3/34	10.0	Triple Net	\$2.92	\$35.00	\$56,525	
14	Little Sparkle Dental	2,200	9.3%	Retail	4/24	3/34	10.0	Triple Net	\$2.75	\$33.00	\$72,600	
16	Juan Valdez Coffee	1,250	5.3%	Retail	4/24	3/34	10.0	Triple Net	\$2.92	\$35.00	\$43,750	
17	Ceviche by Divino	1,400	5.9%	Retail	4/24	3/34	10.0	Triple Net	\$2.92	\$35.00	\$49,000	
OCCUPIED SUBTOTALS		16,325	69.2%		-	-	-	-	\$2.87	\$34.50	\$563,150	
6	Vacant	1,250	5.3%	Retail								
10	Vacant	980	4.2%	Retail								
11	Vacant	1,600	6.8%	Retail								
12	Vacant	1,850	7.8%	Retail								
15	Vacant	1,600	6.8%	Retail								
VACANT SUBTOTALS		7,280	30.8%									
Total NRA		23,605	100.0%						\$1.99	\$23.86	\$563,150	

As indicated in the preceding table the subject property contains 75,285 SF of NRA of which 16,325 SF is currently occupied, and 7,280 SF is currently vacant. The current occupancy level of 69.2% is below the stabilized occupancy level estimate of 96.5% that was developed in this appraisal.

Asking Rent

The following table summarizes the current asking rents for the subject’s vacant tenant spaces.

VACANT SPACE ASKING RENT										AS OF JUNE 2024	
TENANT	VACANT SF	% OF TOTAL SF	TENANT CATEGORY	EXPENSE STRUCTURE	ASKING RENT			MONTHS		TI/SF	
					\$/SF(MO.)	\$/SF(YR.)	ANNUAL	FREE	OFFERED		
Vacant	1,250	5.3%	Retail	Triple Net	\$2.92	\$35.00	\$43,750	3.0		\$0	
Vacant	980	4.2%	Retail	Triple Net	\$2.92	\$35.00	\$34,300	3.0		\$0	
Vacant	1,600	6.8%	Retail	Triple Net	\$2.92	\$35.00	\$56,000	0.0		\$0	
Vacant	1,850	7.8%	Retail	Triple Net	\$2.92	\$35.00	\$64,750	0.0		\$0	
Vacant	1,600	6.8%	Retail	Triple Net	\$2.92	\$35.00	\$56,000	0.0		\$0	
TOTAL	7,280	30.8%			\$2.92	\$35.00	\$254,800				

MARKET RENT ANALYSIS

Having discussed the subject's current income producing capability in detail through an analysis of the subject rent roll, it is appropriate to examine competitive comparable properties within the market. This allows for a comparison of the subject property's contracts to what is attainable in the current market. Risks associated with anomalies between the subject rent roll and current market terms will be addressed in the Cash Flow Risk section that follows the Market Rent Analysis section.

Analysis by Tenant Category

Within the Commercial Rent Roll section, the subject tenant spaces were segregated into tenant categories defined by correlating Market Leasing Assumptions (MLAs). For each MLA, we provide a specific analysis, described below, as a rent module. In each rent module, we derive an opinion of market rent and correlating lease terms for each MLA included in our analysis.

- › **Retail Analysis** - Comparable Retail leases are used to derive market rent for the Retail MLA category.

Adjustment Process

Quantitative adjustments are made to the comparable leases. The following adjustments or general market trends were considered for the basis of market rent analysis.

Transactional Adjustments	If warranted, the comparable leases were adjusted for varying lease structures, atypical concessions and market conditions. The adjustment for rent concession equivalency quantifies the differences between market standard free rent and tenant improvement allowances compared to those of the lease transaction, which were divided by the comparable's lease term, and applied to the beginning "face" rent of the comparable lease. The market conditions adjustment is explained at the end of this section.
Concession Adjustment	The adjustment for rent concessions is a basis for creating a comparable market standard free rent and tenant improvement allowance. The differences between free rent and tenant improvements (+/-) is divided by the comparable's lease term, and applied to the beginning base rent of the comparable lease. This methodology does not take into account amortization of rental increases over the lease term. The rent concession adjustment calculation is outlined below:

CONCESSION ADJUSTMENT SUMMARY

FREE RENT ADJUSTMENT	TI ADJUSTMENT
Comparable Free Rent	Comparable TI
Less: Market Standard	Less: Market Standard
Equals: Free Rent Adjustment	Equals: TI Adjustment
Divided by Comparable Monthly Lease Term	Divided by Comparable Lease Term
Times: Beginning Base Rent	Equals: Adjustment
Equals: Adjustment	

Property Adjustments

Quantitative percentage adjustments were made for location and physical characteristics such as size, age, condition, exposure and parking ratio. Where possible the adjustments applied are based on paired data or other statistical analysis. It should be stressed that the adjustments are subjective in nature and are meant to illustrate our logic in deriving a value opinion for the subject site.

Tenant Space Adjustments

The lease comparables were further adjusted to the subject to account for tenant space specific characteristics such as size and space functionality.

Transactional market conditions adjustment was based on a review of historical sale data, market participant interviews and review of current versus historical pricing. Based on our research, the following table summarizes the market conditions adjustment applied in this analysis.

MARKET CONDITIONS ADJUSTMENT			
Per Year As Of	June 2024	(As-Is)	2%

The analysis applies an upward market conditions adjustment of 2% annually reflecting the conditions between the oldest comparable lease date up through the effective valuation date.

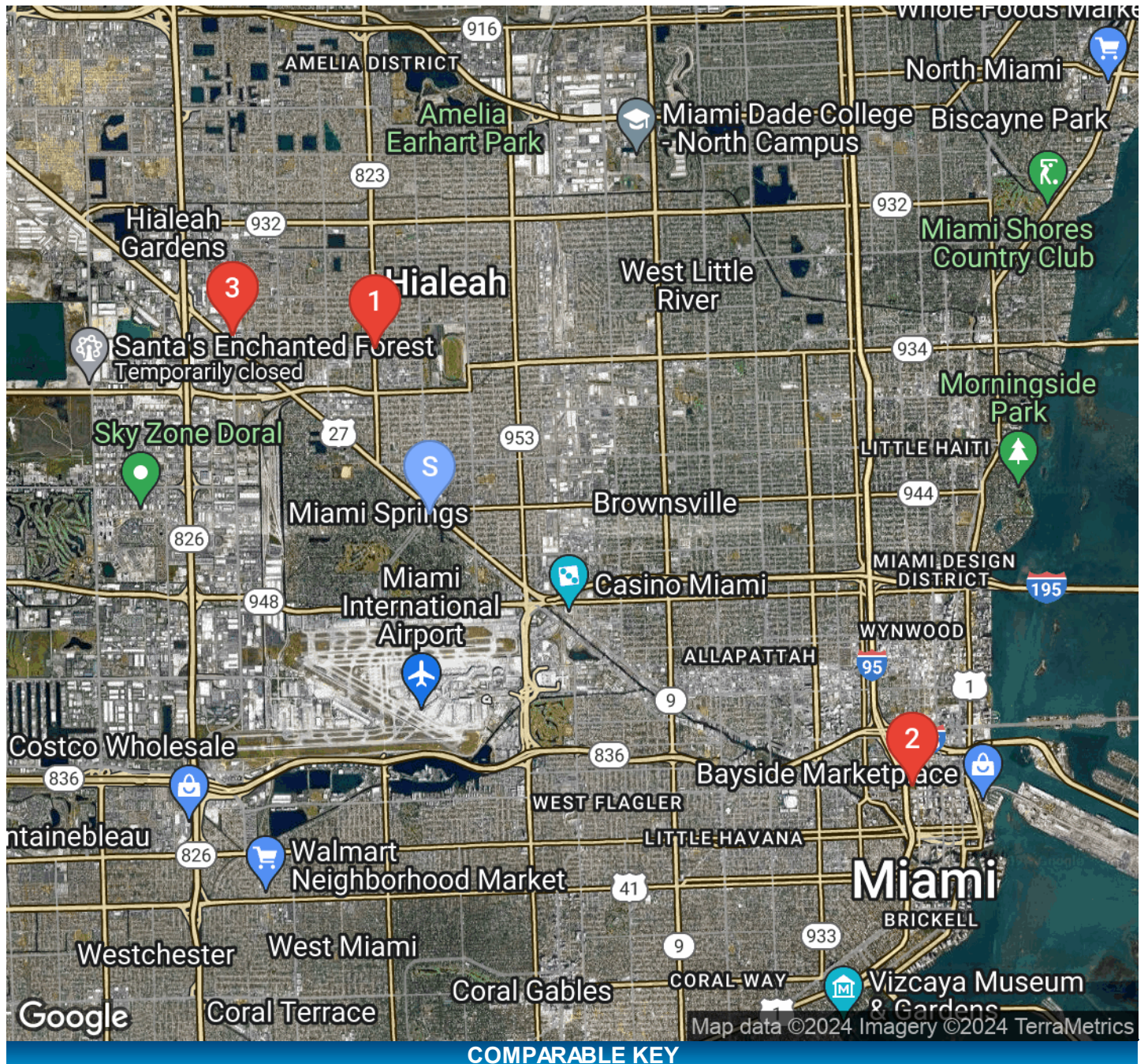
ANALYSIS OF COMPARABLE RETAIL LEASES

The Retail lease analysis is used to derive an opinion of market rent and correlating leasing assumptions for the Retail MLA category. The following table includes a summary of the comparables selected for this analysis, including relevant listings and actual leases at competing properties. Following the table is an adjustment grid, analysis and our conclusion. Datasheets containing more details of the comparables are presented later in this section.

RETAIL LEASE SUMMATION TABLE

COMPARABLE	SUBJECT	LEASE 1	LEASE 2	LEASE 3	LEASE 4	LEASE 5
Name	Miami Springs Town Center	Shoppes at Red Road	Sawyer's Landing - Retail	Pura Vida - Retail	Pura Vida - Retail	Pura Vida - Retail
Address	1 Curtiss Parkway	2899 W 4th Ave	249 NW 6th Street	3051 West 16th Avenue	3051 West 16th Avenue	3051 West 16th Avenue
City	Miami Springs	Hialeah	Miami	Hialeah	Hialeah	Hialeah
State	FL	FL	FL	FL	FL	FL
Zip	33166	33010	33136	33012	33012	33012
PHYSICAL INFORMATION						
Property Type	Mixed Use	Retail /	Retail	Retail	Retail	Retail
NRA	75,285	15,000	260,000	288,000	288,000	288,000
Occupancy	-	26.0%	80.0%	100.0%	100.0%	100.0%
Parking Spaces	111	107	-	102	102	102
Year Built	2022	2023	2023	2022	2022	2022
LEASE INFORMATION						
Tenant Name		Undisclosed	Five Below	La Cosecha	My Salon Suites	Amerant Bank
Commencement Date		11/1/2023	8/1/2023	3/12/2023	12/5/2022	10/21/2021
Lease Type		LOI	LOI	New	New	New
Lease Status		Signed	Signed	Signed	Signed	Signed
Rate Type		NNN	NNN	NNN	NNN	NNN
Size (SF)		1,200	9,068	1,943	6,000	2,500
% Office		0.0%	0.0%	0.0%	0.0%	0.0%
Term (Yrs)		5.0	10.0	5.0	10.0	5.0
Rent (\$/SF/Yr.)		\$50.00	\$36.00	\$45.00	\$35.00	\$52.00

COMPARABLE RETAIL LEASE MAP



COMPARABLE KEY

COMP	DISTANCE	NAME	ADDRESS	TENANT	LEASE DATE	SF	\$/SF
SUBJECT	-	Miami Springs Town Center	1 Curtiss Parkway, Miami Springs, FL	-	-	-	\$35.00
No. 1	1.8 Miles	Shoppes at Red Road	2899 W 4th Ave, Hialeah, FL	Undisclosed	11/1/2023	1,200	\$50.00
No. 2	5.9 Miles	Sawyer's Landing - Retail	249 NW 6th Street, Miami, FL	Five Below	8/1/2023	9,068	\$36.00
No. 3	2.8 Miles	Pura Vida - Retail	3051 West 16th Avenue, Hialeah, FL	La Cosecha	3/12/2023	1,943	\$45.00
No. 4	2.8 Miles	Pura Vida - Retail	3051 West 16th Avenue, Hialeah, FL	My Salon Suit	12/5/2022	6,000	\$35.00
No. 5	2.8 Miles	Pura Vida - Retail	3051 West 16th Avenue, Hialeah, FL	Amerant Bank	10/21/2021	2,500	\$52.00

RETAIL LEASE ADJUSTMENT TABLE

COMPARABLE	SUBJECT	LEASE 1	LEASE 2	LEASE 3	LEASE 4	LEASE 5
Name	Miami Springs Town Center	Shoppes at Red Road	Sawyer's Landing - Retail	Pura Vida - Retail	Pura Vida - Retail	Pura Vida - Retail
Address	1 Curtiss Parkway	2899 W 4th Ave	249 NW 6th Street	3051 West 16th Avenue	3051 West 16th Avenue	3051 West 16th Avenue
City	Miami Springs	Hialeah	Miami	Hialeah	Hialeah	Hialeah
NRA	75,285	15,000	260,000	288,000	288,000	288,000
Year Built	2022	2023	2023	2022	2022	2022
LEASE INFORMATION						
Tenant Name		Undisclosed	Five Below	La Cosecha	My Salon Suites	Amerant Bank
Commencement Date		11/1/2023	8/1/2023	3/12/2023	12/5/2022	10/21/2021
Lease Type		LOI	LOI	New	New	New
Lease Status		Signed	Signed	Signed	Signed	Signed
Rate Type		NNN	NNN	NNN	NNN	NNN
Size (SF)		1,200	9,068	1,943	6,000	2,500
Term (Yrs)		5.0	10.0	5.0	10.0	5.0
Rent (\$/SF/Yr.)		\$50.00	\$36.00	\$45.00	\$35.00	\$52.00
Avg. Escalation/Yr		3.0%	2.0%	3.0%	3.0%	9.0%
Concessions		0	0	0	0	0
TI's (\$/SF)		-	-	-	-	-
TRANSACTIONAL ADJUSTMENTS						
Lease Type		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Concessions		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Market Conditions¹		1%	2%	2%	3%	5%
Subtotal Eff Rent		\$50.50	\$36.72	\$45.90	\$36.05	\$54.60
PROPERTY ADJUSTMENTS						
Location		0%	-5%	0%	0%	0%
Size (Property)		0%	5%	0%	0%	0%
Quality		0%	0%	0%	0%	0%
Condition		0%	0%	0%	0%	0%
Exposure		-10%	-5%	-10%	-10%	-10%
Access		0%	0%	0%	0%	0%
Subtotal Property Adj		-10%	-5%	-10%	-10%	-10%
TOTAL ADJUSTED RENT		\$45.45	\$34.88	\$41.31	\$32.45	\$49.14
STATISTICS	UNADJUSTED	ADJUSTED	MARKET CONCESSIONS ¹			
LOW	\$35.00	\$32.45	Lease Type	Triple Net		
HIGH	\$52.00	\$49.14	Free Rent			
MEDIAN	\$45.00	\$41.31	TI's			
AVERAGE	\$43.60	\$40.65				

¹ Market Conditions Adjustment - Compound annual change in market conditions: 2%

Date of Value (for adjustment calculations): 6/1/24

Retail Lease Analysis

The comparables indicate an adjusted lease rate range from \$32.45 to \$49.14/SF, with a median of \$41.31/SF and an average of \$40.65/SF. The range of total gross adjustment applied to the comparables was from 11% to 17%, with an average gross adjustment across all comparables of 14%. The level of total adjustment applied to the comparables is considered to be moderate. Overall, the availability of market data and extent of analysis was adequate to develop a reasonably credible lease rate conclusion. The adjustment process for each comparable is discussed in the following paragraphs.

Discussion of Adjustments

Comparable 1 (\$45.45/SF adjusted) required a total upward transaction adjustment of \$0.50. This comparable required a total downward adjustment of -10% for property characteristics. The total gross adjustment applied to this comparable was 11%. The substantial level of gross adjustments required for this comparable was justified due to the comparable's varying attributes. Considering these factors, this comparable is given primary consideration as a value indicator for the subject.

Comparable 2 (\$34.88/SF adjusted) required a total upward transaction adjustment of \$0.72. This comparable required a total downward adjustment of -5% for property characteristics. The total gross adjustment applied to this comparable was 17%. The moderate level of gross adjustments required for this comparable indicates that it can be adequately relied upon for valuation of the subject. This comparable is given secondary consideration as a value indicator for the subject.

Comparable 3 (\$41.31/SF adjusted) required a total upward transaction adjustment of \$0.90. This comparable required a total downward adjustment of -10% for property characteristics. The total gross adjustment applied to this comparable was 12%. The moderate level of gross adjustments required for this comparable indicates that it can be adequately relied upon for valuation of the subject. This comparable is given primary consideration as a value indicator for the subject.

Comparable 4 (\$32.45/SF adjusted) required a total upward transaction adjustment of \$1.05. This comparable required a total downward adjustment of -10% for property characteristics. The total gross adjustment applied to this comparable was 13%. The moderate level of gross adjustments required for this comparable indicates that it can be adequately relied upon for valuation of the subject. This comparable is given primary consideration as a value indicator for the subject.

Comparable 5 (\$49.14/SF adjusted) required a total upward transaction adjustment of \$2.60. This comparable required a total downward adjustment of -10% for property characteristics. The total gross adjustment applied to this comparable was 15%. The moderate level of gross adjustments required for this comparable indicates that it can be adequately relied upon for valuation of the subject. This comparable is given primary consideration as a value indicator for the subject.

RETAIL SPACE MARKET RENT CONCLUSION

The comparables indicate an adjusted lease rate range from \$32.45 to \$49.14/SF, with a median of \$41.31/SF and an average of \$40.65/SF. Based on the results of the preceding analysis, Comparable 1 (\$45.45/SF adjusted), Comparable 3 (\$41.31/SF adjusted), Comparable 4 (\$32.45/SF adjusted) and Comparable 5 (\$49.14/SF adjusted) are given primary consideration for the lease rate conclusion.

The following table summarizes the analysis of the comparables leases and the Retail market rent conclusion.

RETAIL LEASE CONCLUSION TABLE								
LEASE	LEASE RATE	ADJUSTMENT				NET ADJ %	GROSS ADJ %	OVERALL COMPARISON
		TRANSACTIONAL ¹	ADJUSTED	PROPERTY ²	FINAL			
1	\$50.00	\$0.50	\$50.50	-10%	\$45.45	-9%	11%	PRIMARY
2	\$36.00	\$0.72	\$36.72	-5%	\$34.88	-3%	17%	SECONDARY
3	\$45.00	\$0.90	\$45.90	-10%	\$41.31	-8%	12%	PRIMARY
4	\$35.00	\$1.05	\$36.05	-10%	\$32.45	-7%	13%	PRIMARY
5	\$52.00	\$2.60	\$54.60	-10%	\$49.14	-5%	15%	PRIMARY
LOW	\$32.45					AVERAGE		\$40.65
HIGH	\$49.14					MEDIAN		\$41.31
		AVERAGE CONTRACT	ASKING	ACHIEVABLE MRKT RANGE				CONCLUSION
Retail		\$34.50	\$35.00	\$32.45 - \$49.14				\$35.00

¹Cumulative ²Additive (Includes Tenant Adjustments)

VACANT SPACE MARKET RENTS

A summary of the estimated market rents for all vacant spaces is presented below.

POTENTIAL RENT ON VACANT SPACE							
TENANT	VACANT SF	% OF TOTAL SF	TENANT CATEGORY	EXPENSE STRUCTURE	MARKET RENT		
					\$/SF(MO.)	\$/SF(YR.)	ANNUAL
Vacant	1,250	5.3%	Retail	Triple Net	\$2.92	\$35.00	\$43,750
Vacant	980	4.2%	Retail	Triple Net	\$2.92	\$35.00	\$34,300
Vacant	1,600	6.8%	Retail	Triple Net	\$2.92	\$35.00	\$56,000
Vacant	1,850	7.8%	Retail	Triple Net	\$2.92	\$35.00	\$64,750
Vacant	1,600	6.8%	Retail	Triple Net	\$2.92	\$35.00	\$56,000
TOTAL	7,280	30.8%			\$2.92	\$35.00	\$254,800

Comparable Rent Datasheets

The following pages present the rent comparable datasheets that were used in the prior analysis.

COMPARABLE 1

PHYSICAL INFORMATION

Name	Shoppes at Red Road
Address	2899 W 4th Ave
City, State, Zip Code	Hialeah, FL, 33010
Net Rentable Area (NRA)	15,000
Year Built	2023
Occupancy	26.0%
Site Size	85,378 SF
Site Coverage	18%
Parking Spaces	107
Parking Ratio	7.10
Floors	1



SHOPPES AT RED ROAD

CONFIRMATION

Name	Ivo Tsinev
Source	Leasing Broker
Date / Phone Number	10/30/2023 Confidential

REMARKS

The property is a shopping center that is currently under construction. Once completed the property will have 15,000 SF of retail space. There will be 2 restaurant bays and 6 retail bays. Both end caps will be 2,700 SF, the inline restaurant 3,600SF and the remaining 5 inline retail bays will be 1,200SF. The property has approximately 530 feet along Red Rd and 110 feet along W 29th St. The 2022 AADT for Red Rd is 32,000 cars and the AADT for W 16th St is 15,400 Cars according to FDOT. Current tenants include a Regions Bank, AT&T, and a freestanding Taco bell. After speaking with the leasing broker Ivo Tsinev with Horizon Properties. A undisclosed tenant is going to sign a new lease at 60 months at a rate of \$50/NNN in Q4 2023. Ivo did not disclose if there was any tenant improvement or rate abatement. Ivo mentioned that the property currently has 2 LOI that are going to become leases with 3 LOI currently in place. 2 LOI's are for retail space and 1 LOI is for a restaurant space. The LOI's have a rate that range between \$45-50/NNN and is a mix of credit and non credit tenants. The Square footage for the retail space is 1,200 SF and the restaurant is 2,700 SF. The property has been experiencing a increase of demand within the last 6 months.

TENANT NAME	RATE TYPE	SIZE	START DATE	TERM	LEASE RATE	ADJ LEASE RATE
Undisclosed	NNN	1,200	11/01/2023	60	\$50.00	\$45.45

COMPARABLE 2

PHYSICAL INFORMATION

Name	Sawyer's Landing - Retail
Address	249 NW 6th Street
City, State, Zip Code	Miami, FL, 33136
MSA	Miami-Fort Lauderdale-Pompano Beach
Net Rentable Area (NRA)	260,000
Year Built	2023
Occupancy	80.0%
Site Size	148,975 SF
Site Coverage	58%
Construction	Steel/Frame
Floors	1



SAWYER'S LANDING - RETAIL

CONFIRMATION

Name	Appraisal	
Source	Appraisal Document	
Date / Phone Number	05/13/2021	Confidential

REMARKS

Sawyer's Landing is a proposed mixed-use development located on the north side NW 6th Street just east of Interstate 95 in Miami, Florida. The property is in the Overton neighborhood of Downtown Miami. The property is proposed to be 19-stories and contain 578 multi-family units and approximately 260,000 SF of retail space on the first 3 floors. The retail space is set to be anchored by Target, Ross Dress for Less and ALDI. Five Below has an LOI in place to lease 9,068 SF of junior anchor space within the proposed mixed-use Sawyer's Landing Development. The LOI lease is for a 10-year term with a starting rent of \$36.00/SF, NNN. The lease includes a 10% increase in Year 6.

TENANT NAME	RATE TYPE	SIZE	START DATE	TERM	LEASE RATE	ADJ LEASE RATE
Five Below	NNN	9,068	08/01/2023	120	\$36.00	\$34.88

COMPARABLE 3

PHYSICAL INFORMATION

Name	Pura Vida - Retail
Address	3051 West 16th Avenue
City, State, Zip Code	Hialeah, FL, 33012
Net Rentable Area (NRA)	288,000
Year Built	2022
Occupancy	100.0%
Site Size	391,169 SF
Site Coverage	74%
Parking Spaces	102
Parking Ratio	0.40
Floors	5



PURA VIDA - RETAIL

CONFIRMATION

Name	Daniel Pou	
Source	Leasing Broker	
Date / Phone Number	10/30/2023	+1 305 364 9945

REMARKS

Pura Vida is a mixed use retail and multifamily property. The retail portion is comprised of approximately 14,000 SF. The building was constructed in 2022 and is 100% leased. La Coshecha is a Argentinian steak house tenant that leased up 1,943 SF. The lease was signed in March 2023 for 60 months at a rate of \$45/NNN and \$9 /SF for CAM. The information was confirmed by the leasing broker Daniel Po with Horizon Properties.

TENANT NAME	RATE TYPE	SIZE	START DATE	TERM	LEASE RATE	ADJ LEASE RATE
La Cosecha	NNN	1,943	03/12/2023	60	\$45.00	\$41.31

COMPARABLE 4

PHYSICAL INFORMATION

Name	Pura Vida - Retail
Address	3051 West 16th Avenue
City, State, Zip Code	Hialeah, FL, 33012
MSA	Miami-Miami Beach-Kendall, FL
Net Rentable Area (NRA)	288,000
Year Built	2022
Occupancy	100.0%
Site Size	391,169 SF
Site Coverage	74%
Parking Spaces	102
Parking Ratio	0.40
Floors	5



PURA VIDA - RETAIL

CONFIRMATION

Name	Daniel Pou	
Source	Leasing Broker	
Date / Phone Number	11/15/2023	+1 305 364 9945

REMARKS

Retail bay located w ithin the Pura Vida Mixed-Use complex in Hialeah containing 6,000 SF that is leased on a 10-year term that started on December 2022 at \$35.00/SF NNN w ith 3% annual escalations.

TENANT NAME	RATE TYPE	SIZE	START DATE	TERM	LEASE RATE	ADJ LEASE RATE
My Salon Suites	NNN	6,000	12/05/2022	120	\$35.00	\$32.45

COMPARABLE 5

PHYSICAL INFORMATION

Name	Pura Vida - Retail
Address	3051 West 16th Avenue
City, State, Zip Code	Hialeah, FL, 33012
Net Rentable Area (NRA)	288,000
Year Built	2022
Occupancy	100.0%
Site Size	391,169 SF
Site Coverage	74%
Parking Spaces	102
Parking Ratio	0.40
Floors	5



PURA VIDA - RETAIL

CONFIRMATION

Name	Daniel Pou	
Source	Leasing Broker	
Date / Phone Number	10/30/2023	+1 305 364 9945

REMARKS

Pura Vida is a mixed use retail and multifamily property. The retail portion is comprised of approximately 14,000 SF. The building was constructed in 2022 and is 100% leased. The property has 102 parking spaces allocated to the retail portion. Amerant bank signed a lease for 2,500 /SF. The lease was signed in October 2021 for 60 months at a rate of \$52/NNN and \$9 /SF for CAM. The information was confirmed by the leasing broker Daniel Pou with Horizon Properties.

TENANT NAME	RATE TYPE	SIZE	START DATE	TERM	LEASE RATE	ADJ LEASE RATE
Amerant Bank	NNN	2,500	10/21/2021	60	\$52.00	\$49.14

COMMERCIAL POTENTIAL GROSS RENT

Our analysis and conclusions of the subject’s commercial potential gross rent are detailed as follows:

POTENTIAL GROSS RENT SUMMARY AS OF JUNE 2024

OCCUPIED SPACE								RENT FORECAST		
TENANT	TOTAL NRA (SF)	% OF NRA	TENANT CATEGORY	CONTRACT RENT	MARKET RENT	CONTRACT V MARKET	BASIS FOR PROFORMA	\$/SF(M.O.)	\$/SF(YR.)	ANNUAL
Sabores Restaurant & Lo	5,660	24.0%	Retail	\$35.00	\$35.00	100%	Contract	\$2.92	\$35.00	\$198,100
Taj Majal Bengal Indian Ct.	1,250	5.3%	Retail	\$35.00	\$35.00	100%	Contract	\$2.92	\$35.00	\$43,750
Acai Express	1,250	5.3%	Retail	\$35.00	\$35.00	100%	Contract	\$2.92	\$35.00	\$43,750
Similia Veterinary Service	1,700	7.2%	Retail	\$32.75	\$35.00	94%	Contract	\$2.73	\$32.75	\$55,675
Zaya Dental	1,615	6.8%	Retail	\$35.00	\$35.00	100%	Contract	\$2.92	\$35.00	\$56,525
Little Sparkle Dental	2,200	9.3%	Retail	\$33.00	\$35.00	94%	Contract	\$2.75	\$33.00	\$72,600
Juan Valdez Coffee	1,250	5.3%	Retail	\$35.00	\$35.00	100%	Contract	\$2.92	\$35.00	\$43,750
Ceviche by Divino	1,400	5.9%	Retail	\$35.00	\$35.00	100%	Contract	\$2.92	\$35.00	\$49,000
OCCUPIED SUBTOTALS	16,325	69.2%	-	-	-	-	-	\$2.87	\$34.50	\$563,150
VACANT SPACE								MARKET POTENTIAL RENT (1)		
Vacant	1,250	5.3%	Retail	-	\$35.00	-	Market	\$2.92	\$35.00	\$43,750
Vacant	980	4.2%	Retail	-	\$35.00	-	Market	\$2.92	\$35.00	\$34,300
Vacant	1,600	6.8%	Retail	-	\$35.00	-	Market	\$2.92	\$35.00	\$56,000
Vacant	1,850	7.8%	Retail	-	\$35.00	-	Market	\$2.92	\$35.00	\$64,750
Vacant	1,600	6.8%	Retail	-	\$35.00	-	Market	\$2.92	\$35.00	\$56,000
VACANT SUBTOTALS	7,280	30.8%	-	-	-	-	-	\$2.92	\$35.00	\$254,800
TOTAL	23,605	100.0%	-	-	-	-	-	\$2.89	\$34.65	\$817,950

(1) Potential rent at current market levels, reflected on an annual basis.

In the development of the preceding rental income conclusion, we have applied contract rents to occupied spaces that represent durable income. T Market rents were applied to vacant spaces and occupied spaces with tenants that are scheduled to roll-over near-term.

Ground Floor Commercial Value

The following table summarizes the contributory value of the subject’s ground floor commercial space. Considering the Miami Retail market and the subject submarket, we have estimated vacancy at 6.0%. We have included reimbursement revenue and retail expenses based on the current market. We have utilized a capitalization rate of 5.75% for the subject’s retail component, which is discussed in greater detail in the Capitalization Rate Analysis section of this report.

CONTRIBUTORY VALUE OF RETAIL SPACE			
		Annual	\$/SF
Income			
Rental Income	23,605 SF	\$817,950	\$34.65
CAM Revenue		\$270,000	\$11.44
Potential Gross Income		\$1,087,950	\$46.09
Vacancy & Collection Loss	5.0%	(\$54,398)	(\$2.30)
Effective Gross Income		\$1,033,553	\$43.79
Operating Expenses	\$11.44 /PSF	(\$270,000)	(\$11.44)
Net Operating Income		\$763,553	\$32.35
Capitalization Rate		5.75%	
Capitalized Value		\$13,279,174	
INDICATED VALUE		\$13,300,000	\$563.44

INCOME & EXPENSE ANALYSIS

The preceding section addressed potential risks associated with the cash flow of the subject property. Having addressed potential risks, it is appropriate to analyze historical revenues and operating expenses. Operating expenses include those items necessary to maintain the subject property and generate income at the forecasted level. Expenses associated with debt financing, depreciation, or other accounting items are disregarded. The following section provides supporting information and discusses the individual expense conclusions for the subject property.

SUBJECT OPERATING HISTORICALS								
YEAR	BUDGET 2025				COLLIERS FORECAST			
	TOTAL	\$/UNIT	\$/SF	%EGI	TOTAL	\$/UNIT	\$/SF	%EGI
INCOME ITEMS								
Potential Rental Income	\$2,021,880	\$36,761	\$26.86	64.5%	\$2,026,200	\$36,840	\$26.91	65.7%
Commercial Income	\$810,652	\$14,739	\$10.77	25.9%	\$817,950	\$14,872	\$10.86	26.5%
TOTAL RENTAL INCOME	\$2,832,532	\$51,501	\$37.62	90.4%	\$2,844,150	\$51,712	\$37.78	92.2%
OTHER INCOME								
Other Income	\$40,438	\$735	\$0.54	1.3%	\$40,438	\$735	\$0.54	1.3%
Parking Income	\$10,800	\$196	\$0.14	0.3%	\$10,800	\$196	\$0.14	0.4%
Utility Reimbursements	\$35,184	\$640	\$0.47	1.1%	\$35,184	\$640	\$0.47	1.1%
CAM Reimbursements	\$267,408	\$4,862	\$3.55	8.5%	\$270,000	\$4,909	\$3.59	8.8%
TOTAL OTHER INCOME	\$353,830	\$6,433	\$4.70	11.3%	\$356,422	\$6,480	\$4.73	11.6%
POTENTIAL GROSS INCOME (PGI)	\$3,186,362	\$57,934	\$42.32	101.7%	\$3,200,572	\$58,192	\$42.51	103.7%
Vacancy	(\$40,533)	(\$737)	(\$0.54)	(1.3%)	(\$60,786)	(\$1,105)	(\$0.81)	(2.0%)
Credit Loss	\$0	-	-	0.0%	(\$10,131)	(\$184)	(\$0.13)	(0.3%)
Other Income Vacancy & Credit Loss:	\$0	-	-	0.0%	(\$3,564)	(\$65)	(\$0.05)	(0.1%)
Commercial Vacancy & Credit Loss	(\$13,370)	(\$243)	(\$0.18)	(0.4%)	(\$40,898)	(\$744)	(\$0.54)	(1.3%)
EFFECTIVE GROSS INCOME (EGI)	\$3,132,459	\$56,954	\$41.61	100.0%	\$3,085,193	\$56,094	\$40.98	100.0%
EXPENSE ITEMS								
Real Estate Taxes	(\$720,660)	(\$13,103)	(\$9.57)	(23.0%)	(\$579,608)	(\$10,538)	(\$7.70)	(18.8%)
Property Insurance	(\$70,865)	(\$1,288)	(\$0.94)	(2.3%)	(\$82,500)	(\$1,500)	(\$1.10)	(2.7%)
Gas & Electricity	(\$14,400)	(\$262)	(\$0.19)	(0.5%)	(\$15,125)	(\$275)	(\$0.20)	(0.5%)
Water & Sewer	(\$43,980)	(\$800)	(\$0.58)	(1.4%)	(\$44,000)	(\$800)	(\$0.58)	(1.4%)
Trash	(\$36,000)	(\$655)	(\$0.48)	(1.1%)	(\$36,025)	(\$655)	(\$0.48)	(1.2%)
Repairs & Maintenance	(\$52,650)	(\$957)	(\$0.70)	(1.7%)	(\$38,500)	(\$700)	(\$0.51)	(1.2%)
Landscaping & Pest	\$0	-	-	0.0%	(\$5,500)	(\$100)	(\$0.07)	(0.2%)
Turnover	(\$18,200)	(\$331)	(\$0.24)	(0.6%)	(\$13,750)	(\$250)	(\$0.18)	(0.4%)
Management	(\$106,098)	(\$1,929)	(\$1.41)	(3.4%)	(\$92,556)	(\$1,683)	(\$1.23)	(3.0%)
Payroll	\$0	-	-	0.0%	(\$104,500)	(\$1,900)	(\$1.39)	(3.4%)
Advertising	(\$9,000)	(\$164)	(\$0.12)	(0.3%)	(\$9,625)	(\$175)	(\$0.13)	(0.3%)
General & Administrative	(\$12,800)	(\$233)	(\$0.17)	(0.4%)	(\$11,000)	(\$200)	(\$0.15)	(0.4%)
Reserves	(\$18,913)	(\$344)	(\$0.25)	(0.6%)	(\$11,000)	(\$200)	(\$0.15)	(0.4%)
TOTAL EXPENSES	(\$1,103,566)	(\$20,065)	(\$14.66)	(35.2%)	(\$1,043,689)	(\$18,976)	(\$13.86)	(33.8%)
NET OPERATING INCOME (NOI)	\$2,028,893	\$36,889	\$26.95	64.8%	\$2,041,504	\$37,118	\$27.12	66.2%

OTHER INCOME

In the following section, we analyzed and made conclusions for the other income items of the subject property.

OTHER INCOME ANALYSIS & CONCLUSIONS

OTHER INCOME							ANALYSIS
YEAR	SUBJECT				INC. COMPS		
	TOTAL	\$/UNIT	\$/SF	%EGI	COMP	\$/UNIT	
BUDGET 2025	\$40,438	\$735	\$0.54	1.3%	1	\$850	The concluded amount is all inclusive of income associated with other income. The conclusion is based on the budget 2025 income.
					2	\$1,016	
					3	\$1,063	
					4	-	
					5	\$1,000	
CONCLUSION	\$40,438	\$735	\$0.54	1.3%	AVG	\$982	
PARKING INCOME							ANALYSIS
YEAR	SUBJECT				INC. COMPS		
	TOTAL	\$/UNIT	\$/SF	%EGI	COMP	\$/UNIT	
BUDGET 2025	\$10,800	\$196	\$0.14	0.3%	1	-	The concluded amount is all inclusive of income associated with parking income. The conclusion is based on the budget 2025 income.
					2	-	
					3	-	
					4	-	
					5	-	
CONCLUSION	\$10,800	\$196	\$0.14	0.4%	AVG	-	
UTILITY REIMBURSEMENTS							ANALYSIS
YEAR	SUBJECT				INC. COMPS		
	TOTAL	\$/UNIT	\$/SF	%EGI	COMP	\$/UNIT	
BUDGET 2025	\$35,184	\$640	\$0.47	1.1%	1	\$847	The concluded amount is all inclusive of income associated with utility reimbursements. The conclusion is based on the budget 2025 income.
					2	\$360	
					3	\$565	
					4	-	
					5	\$458	
CONCLUSION	\$35,184	\$640	\$0.47	1.1%	AVG	\$558	
CAM REIMBURSEMENTS							ANALYSIS
YEAR	SUBJECT				INC. COMPS		
	TOTAL	\$/UNIT	\$/SF	%EGI	COMP	\$/UNIT	
BUDGET 2025	\$267,408	\$4,862	\$3.55	8.5%	1	-	The concluded amount is all inclusive of income associated with cam reimbursements. The conclusion is based on the budget 2025 income.
					2	-	
					3	-	
					4	-	
					5	-	
CONCLUSION	\$270,000	\$4,909	\$3.59	8.8%	AVG	-	

Vacancy and Credit Loss

This category was discussed in depth in the market analysis section of this report. Please reference that discussion for a full analysis. Our conclusions are summarized in the table below:

INCOME LOSS	
General Vacancy Rate	3.0%
Credit Loss Conclusion	0.5%
TOTAL	3.5%

Analysis of Operating Expenses

Expenses are estimated based on one or more of the following sources: (1) historical or projected operation of the subject; (2) comparable expense properties; (3) published operating sources; or (4) individual suppliers. The expense comparables reflect varying accounting methods with respect to individual line items and reserves for replacement expenses. On a line-item basis, due to the variances in accounting and classification, their applicability is diminished. The following section provides supporting information and discusses the individual expense conclusions for the subject property. The operating expenses for the subject property were presented previously. The following chart summarizes comparable expenses.

EXPENSE COMPARABLES													
COMPARABLE	COMP 1		COMP 2		COMP 3		COMP 4		COMP 5		LOW	HIGH	AVG
City	Oakland Park		Miami		Miami		Miami		Miami		-	-	-
State	FL		FL		FL		FL		FL		-	-	-
Expense Year	2025		2024		2023		2022		2022		2022	2025	2023
Actual/Budget	Proforma		Actual		Actual		Actual		Proforma		-	-	-
Units	275		192		230		23		224		23	275	189
Net Rentable Area	222,453		129,865		214,130		24,469		170,031		24,469	222,453	152,190
Building Class	A		A		B		C		A		-	-	-
Year Built	2023		2021		2021		2022		2021		2021	2023	2022
Rental Income	\$31,988		\$21,872		\$31,366		\$31,483		\$33,233		\$21,872	\$33,233	\$29,988
Parking Income	\$475		\$20		\$338		\$500		\$500		\$20	\$500	\$333
Utility Reimbursements	\$847		\$360		\$565		-		\$458		\$360	\$847	\$558
Other Income	\$5,781		\$1,036		\$1,401		\$113		\$3,527		\$113	\$5,781	\$2,372
Other Income % EGI	15.8%		4.5%		4.9%		0.4%		9.9%		0.4%	15.8%	7.1%
EGI (\$/UNIT)	\$36,578		\$23,268		\$28,714		\$31,597		\$35,467		\$23,268	\$36,578	\$31,125
EXPENSE ITEMS	\$/UNIT	%EGI	\$/UNIT	%EGI	\$/UNIT	%EGI	\$/UNIT	%EGI	\$/UNIT	%EGI	LOW	HIGH	AVG
Real Estate Taxes	4,365	11.9%	\$2,984	12.8%	\$3,680	12.8%	\$4,924	15.6%	\$8,243	23.2%	\$2,984	\$8,243	\$4,839
Property Insurance	2,323	6.4%	\$1,692	7.3%	\$1,025	3.6%	\$1,726	5.5%	\$1,300	3.7%	\$1,025	\$2,323	\$1,613
Gas & Electricity	370	1.0%	\$267	1.1%	\$269	0.9%	\$491	1.6%	\$500	1.4%	\$267	\$500	\$379
Water & Sewer	736	2.0%	\$288	1.2%	\$344	1.2%	\$198	0.6%	\$600	1.7%	\$198	\$736	\$433
Trash	228	0.6%	\$87	0.4%	\$269	0.9%	\$972	3.1%	\$150	0.4%	\$87	\$972	\$341
Repairs & Maintenance	739	2.0%	\$358	1.5%	\$546	1.9%	\$679	2.1%	\$700	2.0%	\$358	\$739	\$605
Landscaping & Pest	146	0.4%	\$83	0.4%	\$132	0.5%	\$245	0.8%	\$200	0.6%	\$83	\$245	\$161
Turnover	248	0.7%	\$114	0.5%	\$175	0.6%	-	-	\$300	0.8%	\$114	\$300	\$209
Management	1,035	2.8%	\$905	3.9%	\$799	2.8%	\$1,953	6.2%	\$798	2.3%	\$798	\$1,953	\$1,098
Payroll	2,405	6.6%	\$1,928	8.3%	\$2,532	8.8%	-	-	\$1,900	5.4%	\$1,900	\$2,532	\$2,191
Advertising	739	2.0%	\$241	1.0%	\$300	1.0%	-	-	\$440	1.2%	\$241	\$739	\$430
General & Administrative	336	0.9%	\$532	2.3%	\$665	2.3%	\$189	0.6%	\$450	1.3%	\$189	\$665	\$434
Reserves	175	0.5%	-	-	\$200	0.7%	-	-	\$200	0.6%	\$175	\$200	\$192
TOTAL EXPENSES (\$/UNIT)	13,847	37.9%	\$9,478	40.7%	\$10,937	38.1%	\$11,376	36.0%	\$15,781	44.5%	\$9,478	\$15,781	\$12,284

Conclusion of Operating Expenses

In the following section we discuss the individual expense conclusions for the subject property.

EXPENSE ANALYSIS & CONCLUSIONS

REAL ESTATE TAXES									
YEAR	SUBJECT				EXPENSE COMPS				
	TOTAL	\$/UNIT	\$/SF	%EGI	COMP	\$/UNIT	\$/SF	%EGI	
BUDGET 2025	\$720,660	\$13,103	\$9.57	23.0%	1	\$4,365	\$5.40	11.9%	
					2	\$2,984	\$4.41	12.8%	
					3	\$3,680	\$3.95	12.8%	
					4	\$4,924	\$4.63	15.6%	
					5	\$8,243	\$10.86	23.2%	
CONCLUSION	\$579,608	\$10,538	\$7.70	18.8%	AVG	\$4,839	\$5.85	15.3%	

ANALYSIS
The concluded expense is all inclusive of costs associated with real estate taxes. The concluded taxes are based on the current taxes of the subject and is based on the expense comparable information. Please refer to the Assessments and Taxes section for additional details.

PROPERTY INSURANCE									
YEAR	SUBJECT				EXPENSE COMPS				
	TOTAL	\$/UNIT	\$/SF	%EGI	COMP	\$/UNIT	\$/SF	%EGI	
BUDGET 2025	\$70,865	\$1,288	\$0.94	2.3%	1	\$2,323	\$2.87	6.4%	
					2	\$1,692	\$2.50	7.3%	
					3	\$1,025	\$1.10	3.6%	
					4	\$1,726	\$1.62	5.5%	
					5	\$1,300	\$1.71	3.7%	
CONCLUSION	\$82,500	\$1,500	\$1.10	2.7%	AVG	\$1,613	\$1.96	5.3%	

ANALYSIS
This expense includes all premiums and costs incurred for insurance covering structures, public liability, rental value, and equipment. The conclusion is based on the expense comparable information.

GAS & ELECTRICITY									
YEAR	SUBJECT				EXPENSE COMPS				
	TOTAL	\$/UNIT	\$/SF	%EGI	COMP	\$/UNIT	\$/SF	%EGI	
BUDGET 2025	\$14,400	\$262	\$0.19	0.5%	1	\$370	\$0.46	1.0%	
					2	\$267	\$0.40	1.1%	
					3	\$269	\$0.29	0.9%	
					4	\$491	\$0.46	1.6%	
					5	\$500	\$0.66	1.4%	
CONCLUSION	\$15,125	\$275	\$0.20	0.5%	AVG	\$379	\$0.45	1.2%	

ANALYSIS
This expense includes all gas and electricity costs for the subject. The conclusion is based on the historical expenses and the expense comparable information.

WATER & SEWER									
YEAR	SUBJECT				EXPENSE COMPS				
	TOTAL	\$/UNIT	\$/SF	%EGI	COMP	\$/UNIT	\$/SF	%EGI	
BUDGET 2025	\$43,980	\$800	\$0.58	1.4%	1	\$736	\$0.91	2.0%	
					2	\$288	\$0.43	1.2%	
					3	\$344	\$0.37	1.2%	
					4	\$198	\$0.19	0.6%	
					5	\$600	\$0.79	1.7%	
CONCLUSION	\$44,000	\$800	\$0.58	1.4%	AVG	\$433	\$0.54	1.4%	

ANALYSIS
This expense includes all water and sewer costs related to the subject. The conclusion is based on the historical expenses and the expense comparable information.

TRASH									
YEAR	SUBJECT				EXPENSE COMPS				
	TOTAL	\$/UNIT	\$/SF	%EGI	COMP	\$/UNIT	\$/SF	%EGI	
BUDGET 2025	\$36,000	\$655	\$0.48	1.1%	1	\$228	\$0.28	0.6%	
					2	\$87	\$0.13	0.4%	
					3	\$269	\$0.29	0.9%	
					4	\$972	\$0.91	3.1%	
					5	\$150	\$0.20	0.4%	
CONCLUSION	\$36,025	\$655	\$0.48	1.2%	AVG	\$341	\$0.36	1.1%	

ANALYSIS
This category includes trash removal expenses for the subject. The conclusion is based on the historical expenses and the expense comparable information.

REPAIRS & MAINTENANCE									
YEAR	SUBJECT				EXPENSE COMPS				
	TOTAL	\$/UNIT	\$/SF	%EGI	COMP	\$/UNIT	\$/SF	%EGI	
BUDGET 2025	\$52,650	\$957	\$0.70	1.7%	1	\$739	\$0.91	2.0%	
					2	\$358	\$0.53	1.5%	
					3	\$546	\$0.59	1.9%	
					4	\$679	\$0.64	2.1%	
					5	\$700	\$0.92	2.0%	
CONCLUSION	\$38,500	\$700	\$0.51	1.2%	AVG	\$605	\$0.72	1.9%	

ANALYSIS
This expense covers the cost of all routine maintenance and repairs. The conclusion is based on the historical expenses and the expense comparable information.

LANDSCAPING & PEST								
YEAR	SUBJECT				EXPENSE COMPS			
	TOTAL	\$/UNIT	\$/SF	%EGI	COMP	\$/UNIT	\$/SF	%EGI
BUDGET 2025	\$0		\$0.00	0.0%	1	\$146	\$0.18	0.4%
					2	\$83	\$0.12	0.4%
					3	\$132	\$0.14	0.5%
					4	\$245	\$0.23	0.8%
					5	\$200	\$0.26	0.6%
CONCLUSION	\$5,500	\$100	\$0.07	0.2%	AVG	\$161	\$0.19	0.5%

ANALYSIS
The concluded expense is all inclusive of costs associated with landscaping & pest. The conclusion is based on the expense comparable information.

TURNOVER								
YEAR	SUBJECT				EXPENSE COMPS			
	TOTAL	\$/UNIT	\$/SF	%EGI	COMP	\$/UNIT	\$/SF	%EGI
BUDGET 2025	\$18,200	\$331	\$0.24	0.6%	1	\$248	\$0.31	0.7%
					2	\$114	\$0.17	0.5%
					3	\$175	\$0.19	0.6%
					4	-	-	-
					5	\$300	\$0.40	0.8%
CONCLUSION	\$13,750	\$250	\$0.18	0.4%	AVG	\$209	\$0.26	0.7%

ANALYSIS
This expense item includes typical costs associated with unit turnover such as cleaning and painting. The conclusion is based on the historical expenses and the expense comparable information.

MANAGEMENT								
YEAR	SUBJECT				EXPENSE COMPS			
	TOTAL	\$/UNIT	\$/SF	%EGI	COMP	\$/UNIT	\$/SF	%EGI
BUDGET 2025	\$106,098	\$1,929	\$1.41	3.4%	1	\$1,035	\$1.28	2.8%
					2	\$905	\$1.34	3.9%
					3	\$799	\$0.86	2.8%
					4	\$1,953	\$1.84	6.2%
					5	\$798	\$1.05	2.3%
CONCLUSION	\$92,556	\$1,683	\$1.23	3.0%	AVG	\$1,098	\$1.27	3.6%

ANALYSIS
The concluded expense is all inclusive of costs associated with management. The conclusion is based on the historical expenses and the expense comparable information.

PAYROLL								
YEAR	SUBJECT				EXPENSE COMPS			
	TOTAL	\$/UNIT	\$/SF	%EGI	COMP	\$/UNIT	\$/SF	%EGI
BUDGET 2025	\$0		\$0.00	0.0%	1	\$2,405	\$2.97	6.6%
					2	\$1,928	\$2.85	8.3%
					3	\$2,532	\$2.72	8.8%
					4	-	-	-
					5	\$1,900	\$2.50	5.4%
CONCLUSION	\$104,500	\$1,900	\$1.39	3.4%	AVG	\$2,191	\$2.76	7.3%

ANALYSIS
This expense consists of all payroll and associated employee benefits related to the subject's personnel directly involved in the management and maintenance of the subject. The conclusion is based on the expense comparable information.

ADVERTISING								
YEAR	SUBJECT				EXPENSE COMPS			
	TOTAL	\$/UNIT	\$/SF	%EGI	COMP	\$/UNIT	\$/SF	%EGI
BUDGET 2025	\$9,000	\$164	\$0.12	0.3%	1	\$739	\$0.91	2.0%
					2	\$241	\$0.36	1.0%
					3	\$300	\$0.32	1.0%
					4	-	-	-
					5	\$440	\$0.58	1.2%
CONCLUSION	\$9,625	\$175	\$0.13	0.3%	AVG	\$430	\$0.54	1.3%

ANALYSIS
This expense includes marketing, advertising and promoting the subject property. The conclusion is based on the historical expenses and the expense comparable information.

GENERAL & ADMINISTRATIVE								
YEAR	SUBJECT				EXPENSE COMPS			
	TOTAL	\$/UNIT	\$/SF	%EGI	COMP	\$/UNIT	\$/SF	%EGI
BUDGET 2025	\$12,800	\$233	\$0.17	0.4%	1	\$336	\$0.42	0.9%
					2	\$532	\$0.79	2.3%
					3	\$665	\$0.71	2.3%
					4	\$189	\$0.18	0.6%
					5	\$450	\$0.59	1.3%
CONCLUSION	\$11,000	\$200	\$0.15	0.4%	AVG	\$434	\$0.54	1.5%

ANALYSIS
This expense includes office supplies, accounting, legal fees, other professional fees, and all other administrative costs. The conclusion is based on the historical expenses and the expense comparable information.

RESERVES								
YEAR	SUBJECT				EXPENSE COMPS			
	TOTAL	\$/UNIT	\$/SF	%EGI	COMP	\$/UNIT	\$/SF	%EGI
BUDGET 2025	\$18,913	\$344	\$0.25	0.6%	1	\$175	\$0.22	0.5%
					2	-	-	-
					3	\$200	\$0.21	0.7%
					4	-	-	-
					5	\$200	\$0.26	0.6%
CONCLUSION	\$11,000	\$200	\$0.15	0.4%	AVG	\$192	\$0.23	0.6%

ANALYSIS
Reserves for replacements are not typical cash expenditures, but rather the annualized cost of major expense in the future. The expense conclusion considers the subject's age and condition and typical standards. The conclusion is based on the historical expenses and the expense comparable information.

TOTAL EXPENSES	LOW	HIGH	CONCLUSION
SUBJECT HISTORICAL \$/UNIT	\$20,065	\$20,065	Our conclusions are supported by the historical, budgeted and expense comparable information as a whole on a total expense per unit as well as a percentage of EGI basis. We note that in some cases, the comps may or may not include recently re-assessed real estate tax expenses which can impact the total expense load.
EXPENSE COMPARABLES \$/UNIT	\$9,478	\$15,781	
SALE COMPARABLE \$/UNIT	\$12,449	\$21,088	
SUBJECT HISTORICAL %EGI	35.2%	35.2%	
EXPENSE COMPARABLES %EGI	36.0%	44.5%	
SALE COMPARABLES %EGI	38.8%	47.1%	
TOTAL EXPENSES \$/UNIT	\$18,976		
TOTAL EXPENSES %EGI	33.8%		
TOTAL EXPENSES	\$1,043,689		

INVESTMENT MARKET ANALYSIS

Development of Capitalization Rate

The going-in capitalization rate, also known as overall rate (OAR), can be determined using several sources and methods. In developing our opinion of OAR, the following techniques were used:

- › Comparable Sales (Sales Comparison Approach)
- › Investor Surveys
- › Band of Investment Technique

Comparable Sales

The following table presents a summary of the comparable sales used ahead in the Sales Comparison Approach, and the capitalization rates from each of those sales.

CAPITALIZATION RATE COMPARABLES (OAR)												
NAME	CITY	ST	SALE DATE	YR	BLT	CLASS	UNITS	AVG UNIT SF	\$/UNIT	SALE PRICE	CAP RATE	
1 Silver Bluff Underline	Miami	FL	April 1, 2024	2023	-		28	861	\$356,250	\$9,975,000	4.97%	
2 Casero	Miami	FL	September 12, 2023	2022	A		356	988	\$438,202	\$156,000,000	4.91%	
3 Milagro	Miami	FL	May 8, 2023	2013	-		237	849	\$411,392	\$97,500,000	4.20%	
4 Blume Coral Gables	Miami	FL	October 6, 2022	2019	A		100	888	\$425,000	\$42,500,000	3.84%	
5 East River Living	Miami	FL	July 11, 2022	2021	B		34	727	\$441,176	\$15,000,000	7.17%	
LOW			July 2022									3.84%
HIGH			April 2024									7.17%
AVERAGE			April 2023									5.02%
MEDIAN			May 2023									4.91%
INDICATED CAPITALIZATION RATE (OAR)											5.00%	

For this analysis, we have provided five primary sales comparables, which are later presented in the Sales Comparison Approach. These five primary sales have capitalization rates ranging from 3.84% to 7.17%, with an average of 5.02% and a median of 4.91%. With consideration of the comparable data presented for this analysis, a capitalization rate of 5.00% is most reasonable and indicated for the subject property.

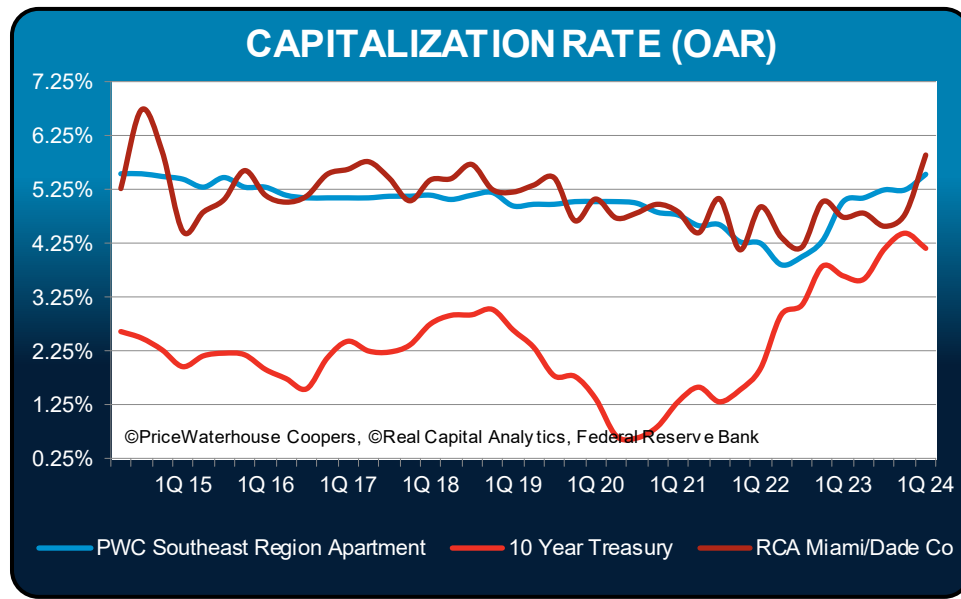
Supplemental Comparable Sales | Retail

SOUTH FLORIDA RETAIL SALES						
Address	City	Size (SF)	Sale Date	Sale Price	\$/SF	Cap Rate
5958 South Dixie Hwy	South Miami	19,230	Listing	\$16,900,000	\$879	5.11%
1401 Washington Ave	Miami Beach	12,364	Nov-23	\$8,500,000	\$687	6.00%
1992 E 4th Avenue	Hialeah	11,290	Sep-23	\$3,225,000	\$286	6.00%
8559 Pines Blvd	Pembroke Pines	3,030	Aug-23	\$4,694,200	\$1,549	4.25%
8724-8746 Lake Worth Rd	Lake Worth Beach	16,044	Aug-23	\$11,950,000	\$745	6.00%
3825 W 16th Ave	Hialeah	11,982	Jul-23	\$2,750,000	\$230	6.25%
7875 Glades Road	Boca Raton	7,386	Jul-23	\$5,360,000	\$726	6.25%
140 NW 57th Ave	Miami	3,043	Jun-23	\$1,350,000	\$444	6.00%
10670 Coral Way	Miami	12,400	Mar-23	\$3,940,000	\$318	4.50%
151 SE 1st St	Miami	4,350	Feb-23	\$5,000,000	\$1,149	6.00%
5900 Rock Island Road	Tamarac	4,345	Feb-23	\$1,900,000	\$437	5.27%

Investor Surveys

The potential investor pool for the subject asset includes national, regional and local investors. While all of these groups place emphasis on local cap rates, regional and national investors would also strongly consider national cap rate trends from investor surveys due to the potential to invest in other regions that are offering competitive rates of return.

The following graph provides a historical illustration of capitalization rate statistics as surveyed by investors that we considered to be relevant to the subject property.



The following table provides the most recent survey results from investors and our independent market participant interview.

CAPITALIZATION RATE SURVEYS (OAR)				
SOURCE	QUARTER	RANGE		AVG
PriceWaterhouse Coopers				
Southeast Region Apartment	1Q 24	4.50%	to 6.50%	5.54%
Real Capital Analytics				
Miami/Dade Co	1Q 24			5.89%
10 Year Treasury	1Q 24	-	-	4.16%
AVERAGE		4.50%	to 6.50%	5.54%

Market Participants

MARKET PARTICIPANTS GENERAL CAP RATE OPINIONS				
NAME	FIRM	COVERAGE	DATE	RATES
Perry Synanidis	CBRE	South FL	1Q 2024	
Class A - In-Place				4.75% - 5.25%
Class B - In-Place				5.25% - 5.75%
Class C - In-Place				5.75% +
Jackson Huggett	New mark	South FL	1Q 2024	
Class A - In-Place				4.75% - 5.25%
Class B - In-Place				5.00% - 5.50%
Class C - In-Place				5.25% - 5.75%
Maurice Habif	JLL	South FL	1Q 2024	
Class A - In-Place				5.00% - 5.75%
Class B - In-Place				5.50% - 6.00%
Class C - In-Place				5.75% - 6.50%
Evan Kristol	Marcus & Millichap	South FL	1Q 2024	
Class B - In-Place				5.50% - 6.00%
Class C - In-Place				5.50% - 6.50%
Indicated Rate - Class A				4.75% - 5.75%
Indicated Rate - Class B				5.00% - 6.00%
Indicated Rate - Class C				5.25% - 6.50%

Generally the confirmation sources, brokers and property owners, quote capitalization rates based on T3 or T12 Annualized income and T12 or market oriented expenses with reserves for replacement included and re-set taxes to 75%-85% of purchase price. For this reason, in-place cap rates are typically 25-50 bps lower than pro forma capitalization rates, depending on the assumptions, which also indicates upside potential in rental rates. Typically, the greater the upside, the larger the spread and the lower the as-is capitalization rate.

Band of Investment Technique

Because most properties are purchased with debt and equity capital, the overall capitalization rate must satisfy the market return requirements of both investment positions. Lenders must anticipate receiving a competitive interest rate commensurate with the perceived risk of the investment or they will not make funds available. Lenders also require that the principal amount of the loan be repaid through amortization payments. Similarly, equity investors must anticipate receiving a competitive equity cash return commensurate with the perceived risk or they will invest their funds elsewhere.

To analyze the capitalization rate from a financial position, the Band of Investment Technique is used. Available financing information indicates the following terms:

BAND OF INVESTMENT ASSUMPTIONS	
Loan Amortization Period	30 Years
Interest Rate	6.00%
Loan-to-Value (LTV) Ratio	75%
Mortgage Constant	7.19%

Equity dividend rates vary depending upon motivations of buyers and financing terms. The previous terms and an appropriate equity dividend rate are used in the Band of Investments calculations, which are presented on the following chart.

BAND OF INVESTMENT CALCULATION					
Mortgage Component	75%	x	7.19%	=	5.396%
Equity Component	25%	x	8.00%	=	2.000%
Indicated Capitalization Rate					7.396%
INDICATED CAPITALIZATION RATE					7.40%

Capitalization Rate Conclusion

Taking all factors into consideration, the following table summarizes the various capitalization rate indicators and provides the final capitalization rate conclusion.

CAPITALIZATION RATE CONCLUSION (OAR)			
SOURCE	QUARTER	RANGE	AVG
Comparable Sales		3.84% to 7.17%	5.02%
Investor Surveys	1Q 24	4.50% to 6.50%	5.54%
Market Participants	1Q 24	4.75% to 5.75%	5.25%
Band of Investment Technique			7.40%
AVERAGE		4.36% to 6.47%	5.80%
Cap Rate Conclusion Multi-Family			5.00%
Cap Rate Conclusion Retail			5.75%
CAPITALIZATION CONCLUSION BLENDED			5.25%

Primary reliance was placed on the of the recent direct comparable sales and current market participant interviews, which in our opinion best reflect actions of buyers and sellers in the present market environment. In order to apply an appropriate rate to the following capitalizations for the total asset, we have blended the cap rate proportionally based on the individual components EGI contributions.

AS-IS DIRECT CAPITALIZATION

This method analyzes the relationship of one year's stabilized net operating income to total property value. The stabilized net operating income is capitalized at a rate that implicitly considers expected growth in cash flow and growth in property value over a buyer's investment horizon. The implied value may be adjusted to account for non-stabilized conditions or required capital expenditures to reflect an as is value.

The following table summarizes our opinion of market value via direct capitalization for the subject property's As-Is Value

DIRECT CAPITALIZATION SUMMATION TABLE

INCOME ITEMS	%PGI	%EGI	\$/SF	\$/UNIT	TOTAL
Potential Rental Income			\$26.91	\$36,840	\$2,026,200
Commercial Income			\$10.86	\$14,872	\$817,950
TOTAL RENTAL INCOME			\$37.78	\$51,712	\$2,844,150
OTHER INCOME					
Other Income			\$0.54	\$735	\$40,438
Parking Income			\$0.14	\$196	\$10,800
Utility Reimbursements			\$0.47	\$640	\$35,184
CAM Reimbursements			\$3.59	\$4,909	\$270,000
TOTAL OTHER INCOME			\$4.73	\$6,480	\$356,422
POTENTIAL GROSS INCOME (PGI)			\$42.51	\$58,192	\$3,200,572
INCOME LOSS	%PGI		\$/SF	\$/UNIT	TOTAL
Vacancy	(3.0%)		(\$0.81)	(\$1,105)	(\$60,786)
Collection Loss	(0.5%)		(\$0.13)	(\$184)	(\$10,131)
Other Income Vacancy & Credit Loss	(1.0%)		(\$0.05)	(\$65)	(\$3,564)
Commercial Vacancy & Credit Loss	(5.0%)		(\$0.54)	(\$744)	(\$40,898)
TOTAL INCOME LOSS	(3.6%)		(\$1.53)	(\$2,098)	(\$115,379)
EFFECTIVE GROSS INCOME (EGI)	96.4%		\$40.98	\$56,094	\$3,085,193
EXPENSE ITEMS	%PGI	%EGI	\$/SF	\$/UNIT	TOTAL
Real Estate Taxes	(18.1%)	(18.8%)	(\$7.70)	(\$10,538)	(\$579,608)
Property Insurance	(2.6%)	(2.7%)	(\$1.10)	(\$1,500)	(\$82,500)
Gas & Electricity	(0.5%)	(0.5%)	(\$0.20)	(\$275)	(\$15,125)
Water & Sewer	(1.4%)	(1.4%)	(\$0.58)	(\$800)	(\$44,000)
Trash	(1.1%)	(1.2%)	(\$0.48)	(\$655)	(\$36,025)
Repairs & Maintenance	(1.2%)	(1.2%)	(\$0.51)	(\$700)	(\$38,500)
Landscaping & Pest	(0.2%)	(0.2%)	(\$0.07)	(\$100)	(\$5,500)
Turnover	(0.4%)	(0.4%)	(\$0.18)	(\$250)	(\$13,750)
Management	(2.9%)	(3.0%)	(\$1.23)	(\$1,683)	(\$92,556)
Payroll	(3.3%)	(3.4%)	(\$1.39)	(\$1,900)	(\$104,500)
Advertising	(0.3%)	(0.3%)	(\$0.13)	(\$175)	(\$9,625)
General & Administrative	(0.3%)	(0.4%)	(\$0.15)	(\$200)	(\$11,000)
Reserves	(0.3%)	(0.4%)	(\$0.15)	(\$200)	(\$11,000)
TOTAL EXPENSES	(32.6%)	(33.8%)	(\$13.86)	(\$18,976)	(\$1,043,689)
NET OPERATING INCOME (NOI)	63.8%	66.2%	\$27.12	\$37,118	\$2,041,504
Capitalization Rate					5.25%
Capitalized Value					\$38,885,799
PROSPECTIVE VALUE UPON STABILIZATION			\$517	\$707,091	\$38,890,000
Lease- Up Costs					
Rent Loss	(14.7%)	(15.2%)	(\$6)		(\$470,242)
Marketing	(0.1%)	(0.1%)	(\$0)		(\$4,200)
Total Lease-Up Costs	(14.8%)	(15.4%)	(\$6)		(\$474,442)
Entrepreneurial Profit	(0.3%)	(0.3%)	(\$0)		(\$9,489)
Commercial Lease- Up Costs					
Rent Loss	(2.0%)	(2.1%)	(\$1)		(\$63,700)
Expense Carry	(2.4%)	(2.5%)	(\$1)		(\$77,969)
Tenant Improvements	(2.3%)	(2.4%)	(\$1)		(\$72,800)
Leasing Commissions	(4.0%)	(4.1%)	(\$2)		(\$127,400)
Free Rent	(2.0%)	(2.1%)	(\$1)		(\$63,700)
Total Commercial Lease-Up Costs	(12.7%)	(13.1%)	(\$5)		(\$405,569)
Present Value @ 7.00%	(12.5%)	(12.9%)	(\$5)		(\$398,553)
Commercial Entrepreneurial Profit	(1.2%)	(1.3%)	(\$1)		(\$39,855)
TOTAL LEASE-UP COSTS	(41.5%)	(43.0%)	(\$18)		(\$1,327,908)
AS-IS MARKET VALUE			\$499	\$682,909	\$37,560,000

Rounded to nearest \$10,000

ADJUSTMENTS TO VALUE

To reflect conditions in effect at the subject property as the date of value, adjustments to the capitalized value were necessary for lease up costs. The following discussion summarizes our support of the value adjustments. These adjustments carry forward to the other valuation sections as applicable to each approach to value.

Lease-Up Analysis

Regarding lease-up costs, the subject property has a current occupancy of 25.5%, which is below our stabilized occupancy estimate of 96.5%. As such, lease-up costs associated with the subject achieving stabilization are warranted in arriving at the As-Is Market Value.

The following table shows the absorption costs for the subject, based on the rental conclusions of this report and current 74.5% vacancy rate. Based on the average market rent of \$3,070, rent loss is estimated at about \$100/unit and is represented in the "Marketing" expense. A 2.00% profit component is also included.

LEASE-UP ANALYSIS					
TOTAL UNITS	55			UNITS OCCUPIED	11
ABSORPTION RATE UNITS/MONTH	5			PGI/UNIT/MONTH	\$3,070
STABILIZED OCCUPANCY (53 UNITS)	96.5%			DISCOUNT RATE	7.00%
MONTH	UNITS ABSORBED	UNITS REMAINING	UNITS OCCUPIED	RENT LOSS (PER MONTH)	PRESENT VALUE OF RENT LOSS
1	5	37	16	\$113,590	\$112,931
2	5	32	21	\$98,240	\$97,104
3	5	27	26	\$82,890	\$81,456
4	5	22	31	\$67,540	\$65,987
5	5	17	36	\$52,190	\$50,694
6	5	12	41	\$36,840	\$35,577
7	5	7	46	\$21,490	\$20,633
8	5	2	51	\$6,140	\$5,861
9	2	0	53	\$0	\$0
TOTAL LOST RENTAL INCOME					\$470,242
MARKETING @ \$100/Unit					\$4,200
PROFIT @ 2.0% of \$474,442					\$9,489
TOTAL LOST INCOME					\$480,000

Rounded to nearest \$10,000

Commercial Lease-Up Analysis

Regarding lease-up costs, the subject has a pending lease that is scheduled to commence in 12 months. As such, lease-up costs associated with the subject achieving stabilization are warranted in arriving to the As-Is Market Value. Based on our research of prevailing supply/demand conditions and the subject's competitive position in the marketplace, we have projected a period of 12 months for the subject vacant space to be leased.

The following table summarizes our analysis of lease-up costs for the vacancy. The lease-up cost analysis calculates rent loss, tenant improvements, leasing commissions and free rent based on our market leasing assumptions previously supported in the Market Rent Analysis section. The lease-up costs were discounted at 7.00%.

The lease-up costs reflect the actual costs associated with leasing the vacant space. When warranted an additional provision for entrepreneurial profit is used to mirror investor behavior related to risks of investing in a property with vacancy. The subtotaled lease-up costs were adjusted 10.0% to account for entrepreneurial profit incentive.

LEASE-UP COSTS (COMMERCIAL)															
VACANT SUITE	MARKET RENT		RENT LOSS		EXPENSE		TENANT IMPV.		LEASING COMMISSION			FREE RENT		TOTAL COST	PV @ 7.00%
	SF	\$/MO	\$/YR	MONTH	COST	CARRY	TI \$/SF	COST	TERM	FEE	COST	MOS.	COST		
6	1,250	\$2.92	\$35.00	3	\$10,938	\$13,388	\$10	\$12,500	10	5%	\$21,875	3	\$10,938	\$69,638	\$68,433
10	980	\$2.92	\$35.00	3	\$8,575	\$10,496	\$10	\$9,800	10	5%	\$17,150	3	\$8,575	\$54,596	\$53,651
11	1,600	\$2.92	\$35.00	3	\$14,000	\$17,136	\$10	\$16,000	10	5%	\$28,000	3	\$14,000	\$89,136	\$87,594
12	1,850	\$2.92	\$35.00	3	\$16,188	\$19,814	\$10	\$18,500	10	5%	\$32,375	3	\$16,188	\$103,064	\$101,281
15	1,600	\$2.92	\$35.00	3	\$14,000	\$17,136	\$10	\$16,000	10	5%	\$28,000	3	\$14,000	\$89,136	\$87,594
SUBTOTAL					\$63,700	\$77,969		\$72,800			\$127,400		\$63,700	\$405,569	\$398,553
Entrepreneurial Profit @ 10.0%															\$39,855
TOTAL LEASE UP COSTS															\$440,000

Rounded to nearest \$10,000

Total Adjustments to Value

A summary of the value adjustments that are applicable for valuation of the subject property are summarized in the following table.

SUMMARY OF VALUE ADJUSTMENTS	
ADJUSTMENT ITEM	ADJUSTMENT
LEASE-UP COSTS	
Rent Loss	\$470,242
Marketing	\$4,200
Subtotal Lease-Up Costs	\$474,442
Entrepreneurial Profit	\$9,489
COMMERCIAL LEASE-UP COSTS	
Rent Loss	\$63,700
Expense Carry	\$77,969
Tenant Improvements	\$72,800
Leasing Commissions	\$127,400
Free Rent	\$63,700
Subtotal Lease-Up Costs	\$405,569
Present Value @ 7.00%	(\$398,553)
Entrepreneurial Profit	\$39,855
TOTAL LEASE-UP COSTS	\$530,802
TOTAL VALUE ADJUSTMENTS	\$530,000

Rounded to nearest \$10,000

The preceding value adjustments were applied consistently to all approaches to value that were developed in this appraisal.

RECONCILIATION OF INCOME APPROACH VALUES

The following table summarizes the opinions for market value that were developed by the Direct Capitalization and Effective Gross Income Multiplier methods of the income approach. Of the two approaches, the Direct Capitalization analysis is considered more reliable because it mirrors the sentiment of participants in this asset class. Therefore, the reconciled values below place primary emphasis on the Direct Capitalization method.

VALUATION INDICES	MARKET VALUE AS-IS	PROSPECTIVE VALUE UPON STABILIZATION
INTEREST APPRAISED	LEASED FEE	LEASED FEE
DATE OF VALUE	JUNE 1, 2024	JUNE 1, 2025
INCOME CAPITALIZATION APPROACH		
Direct Capitalization	\$37,560,000	\$38,890,000
Direct Capitalization \$/Unit	\$682,909/Unit	\$707,091/Unit
Direct Capitalization \$/SF (NRA)	\$498.91/SF	\$516.57/SF
Net Operating Income	-	\$2,041,504
NOI \$/Unit	-	\$37,118/Unit
Capitalization Rate	-	5.25%
INCOME CONCLUSION	\$37,560,000	\$38,890,000
Income Conclusion \$/Unit	\$682,909/Unit	\$707,091/Unit
Income Conclusion \$/Bed	\$37,560,000/Bed	\$38,890,000/Bed
Income Conclusion \$/SF (NRA)	\$498.91/SF	\$516.57/SF

INTRODUCTION

The Sales Comparison Approach is based on the principle of substitution, which asserts that a buyer would not pay more for a property than the value of similar properties in the market. This approach analyzes comparable sales by applying transactional and property adjustments to bracket the subject property within an appropriate unit value comparison.

UNIT OF COMPARISON

The most relevant unit of comparison is the price per unit. This indicator best reflects the analysis used by buyers and sellers in this market for improved properties with similar design and utility.

COMPARABLE SELECTION

We completed a thorough search for similar improved sales in terms of property type, location, physical characteristics, and date of sale. In selecting comparables, emphasis was placed on confirming recent improved sales of properties that match the highest and best use, and buyer/seller profile of the subject property. The sale comparables are located in the subject's region and range from 4.4 to 6.3 miles from the subject site, with an average distance of 5.3 miles. Overall, the sales selected represent the best comparables available for this analysis.

ADJUSTMENT PROCESS

Quantitative adjustments are made to the comparable sales. The following adjustments or general market trends were considered for the basis of valuation.

Transactional Adjustments

Dollar adjustments to the comparable sales were considered and made when warranted for transactional adjustments in the sequence shown below:

Property Rights Transferred	The valuation of the subject site was completed on a leased fee basis. If warranted, leased fee, leasehold and/or partial interest sales were adjusted accordingly.
Financing Terms	The subject property was valued on a cash equivalent basis. Adjustments were made to the comparables involving financing terms atypical of the marketplace.
Conditions of Sale	This adjustment accounts for extraordinary motivation on the part of the buyer or seller often associated with distressed sales.
Expenditures After Purchase	Adjustments were applied if physical conditions warranted expenditures on the part of the buyer to bring the comparable up to functional standards. Most often this adjustment accounts for costs associated with deferred maintenance.
Market Conditions	Market conditions adjustments were based on a review of historical sale data, market participant interviews and review of current versus historical pricing. on our research, the following table summarizes the market conditions adjustment applied in this analysis.

MARKET CONDITIONS ADJUSTMENT

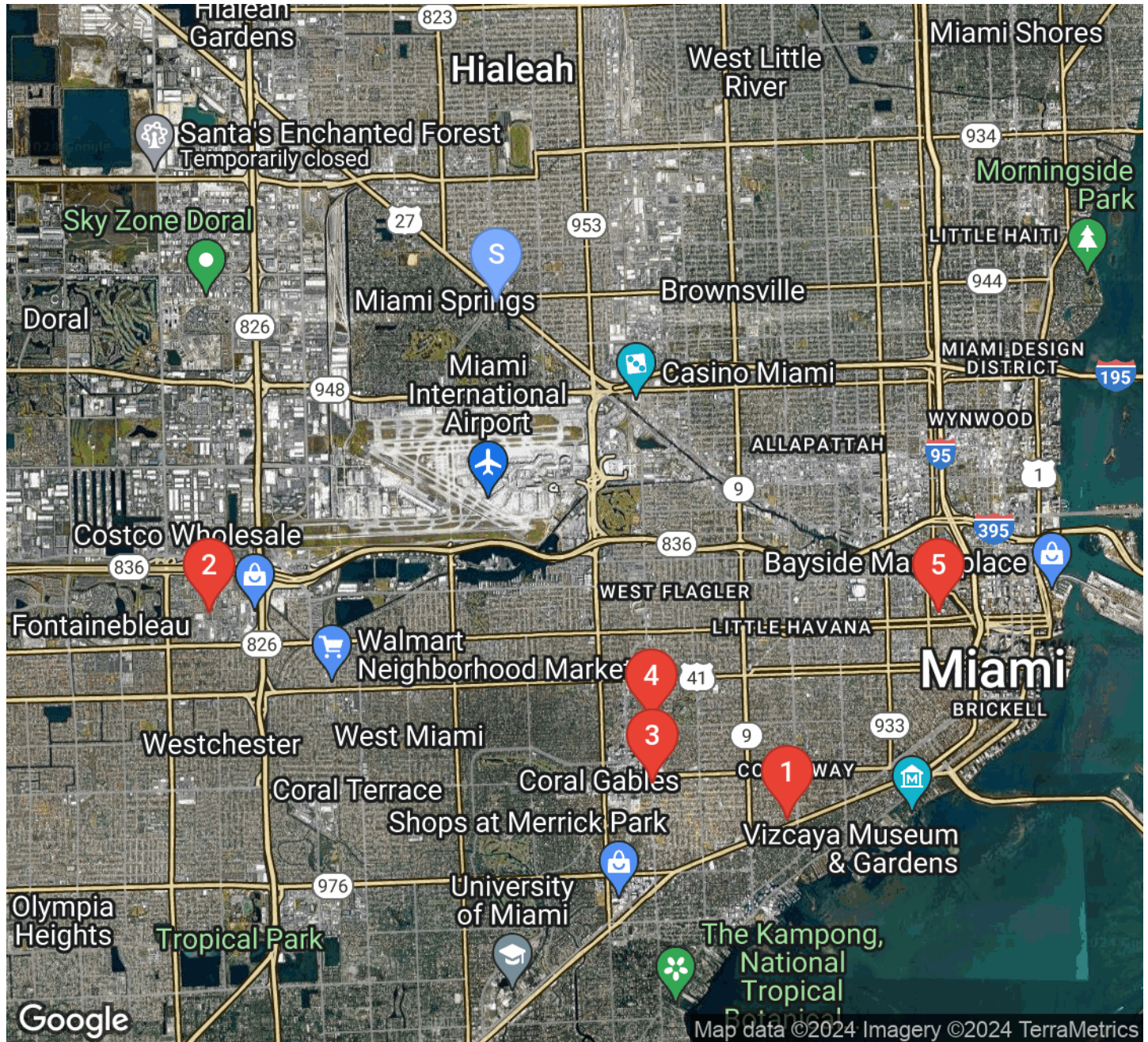
Per Year As Of	June 2024	(As-Is)	3%
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The analysis applies an upward market conditions adjustment of 3% annually reflecting the conditions between the oldest comparable sale date up through the effective valuation date.

IMPROVED SALES SUMMATION TABLE

COMPARABLE	SUBJECT	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3	COMPARABLE 4	COMPARABLE 5
Name	Miami Springs Town Center	Silver Bluff Underline	Casero	Milagro	Blume Coral Gables	East River Living
Address	1 Curtiss Parkway	2285 Southwest 27th Street	8255 Park Boulevard	2263 Southwest 37th Avenue	1501 SW 37th Avenue	39 Northwest 7th Avenue
City	Miami Springs	Miami	Miami	Miami	Miami	Miami
State	FL	FL	FL	FL	FL	FL
Zip	33166	33133	33126	33145	33145	33128
County	Miami-Dade	Miami-Dade	Miami-Dade	Miami-Dade	Miami-Dade	Miami-Dade
PHYSICAL INFORMATION						
Project Design	Mid/High-Rise Housing	Mid-Rise	Mid-Rise	Mid-Rise	High-Rise	Mid-Rise
NRA (SF)	75,285	24,124	351,913	201,232	88,816	24,737
Units	55	28	356	237	100	34
Average Unit SF	1,013	861	988	849	888	727
Density	49.5	62.2	31.5	149.6	128.2	150.4
Land Area (AC)	1.1	0.5	11.3	1.6	0.8	0.2
Land Area (SF)	48,377	19,602	491,967	68,989	33,977	9,866
Year Built	2022	2023	2022	2013	2019	2021
Stories	3	5	4	6	14	8
Parking Spaces	111	28	591	438	150	39
Open	41	-	-	-	-	-
Covered	-	28	-	-	-	-
Garage	70	-	-	-	150	35
Detached	-	-	-	-	-	4
Parking/Unit	2.0	1.0	1.7	1.8	1.5	1.1
UNIT MIX DETAILS						
Studio	0%	14%	0%	0%	2%	12%
1 Bed	0%	43%	46%	53%	52%	65%
2 Bed	73%	43%	46%	44%	46%	24%
3+ Bed	20%	0%	8%	3%	0%	0%
Average Unit (SF)	1,013	861	988	849	888	727
SALE INFORMATION						
Date		4/1/2024	9/12/2023	5/8/2023	10/6/2022	7/11/2022
Status		Listing	Recorded	Recorded	Recorded	Recorded
Sale Conditions		Listing	Arms-Length	Arms-Length	Arms-Length	Arms-Length
Rights Transferred		Leased Fee	Leased Fee	Leased Fee	Leased Fee	Leased Fee
Transaction Price		\$9,975,000	\$156,000,000	\$97,500,000	\$42,500,000	\$15,000,000
Transaction \$/Unit		\$356,250	\$438,202	\$411,392	\$425,000	\$441,176
Transaction \$/SF NRA		\$413	\$443	\$485	\$479	\$606
Analysis Price		\$9,975,000	\$156,000,000	\$97,500,000	\$42,500,000	\$15,000,000
Expenses % PGI		40%	37%	44%	#DIV/0!	39%
Expenses % EGI		41%	39%	47%	#DIV/0!	40%
NOI/Unit	\$37,118	\$17,697	\$21,514	\$17,289	\$16,301	\$31,632
NOI/SF NRA	\$27.12	\$20.54	\$21.76	\$20.36	\$18.35	\$43.48
Occupancy	25.5%	86.0%	92.0%	93.2%	93.0%	100.0%
Capitalization Rate		4.97%	4.91%	4.20%	3.84%	7.17%
PGIM		11.46	11.87	11.79	-	8.12
EGIM		11.82	12.46	12.59	-	8.37

SALES LOCATION MAP



COMPARABLE KEY

COMP	DISTANCE	NAME	ADDRESS	OCC.	SALE DATE	OAR	\$/UNIT
SUBJECT	-	Miami Springs Town Center	1 Curtiss Parkway, Miami Springs, FL	25.5%	-	-	\$450,000
No. 1	6.3 Miles	Silver Bluff Underline	2285 Southwest 27th Street, Miami, FL	86.0%	4/1/2024	4.97%	\$356,250
No. 2	4.4 Miles	Casero	8255 Park Boulevard, Miami, FL	92.0%	9/12/2023	4.91%	\$438,202
No. 3	5.3 Miles	Milagro	2263 Southwest 37th Avenue, Miami, FL	93.2%	5/8/2023	4.20%	\$411,392
No. 4	4.7 Miles	Blume Coral Gables	1501 SW 37th Avenue, Miami, FL	93.0%	10/6/2022	3.84%	\$425,000
No. 5	5.7 Miles	East River Living	39 Northwest 7th Avenue, Miami, FL	100.0%	7/11/2022	7.17%	\$441,176

COMPARABLE 1

LOCATION INFORMATION

Name	Silver Bluff Underline
Address	2285 South west 27th Street
City, State, Zip Code	Miami, FL, 33133
County	Miami-Dade
MSA	Miami-Fort Lauderdale-Pompano Beach, FL
APN	01-4115-008-1200

SALE INFORMATION

Buyer	TBD
Seller	K & JJ Properties LLC
Transaction Date	04/1/2024
Transaction Status	Listing
Transaction Price	\$9,975,000
Analysis Price	\$9,975,000
Recording Number	TBD
Rights Transferred	Leased Fee
Financing	Conventional
Conditions of Sale	Listing

PHYSICAL INFORMATION

Project Type	Mid-Rise
Project Size NRA	24,124 SF
Units	28
No. of Buildings/Floors	1 Buildings / 5 Floors
Year Built	2023
Parking Spaces / Ratio	28 (1.0/Unit)
Quality / Condition	Good / Good
Appeal	Good
Building Structure	Concrete
Site Size	0.5 Acres (19,602 SF)
Average Unit Size	861 SF
Density	62.2

Project Amenities	Fitness Center
Unit Amenities	Balcony/Patio, Complete Appliance Package, Parking Covered, Parking Open, Premium

UNIT MIX

<u>NO. UNITS</u>	<u>AVG SIZE</u>	<u>DESCRIPTION</u>
11	682	1 BD / 1 BA
4	934	STUDIO / 1 BA
12	1,017	2 BD / 2 BA
1	682	1 BD / 1 BA



SILVER BLUFF UNDERLINE



ANALYSIS INFORMATION

Price/Unit	\$356,250
Adjusted Price/Unit	\$355,359
Capitalization Rate	4.97%
Equity Div. / PGIM / EGIM	- 11.46 11.82

CONFIRMATION

Name	Alex Zylberglait
Company	Marcus & Millichap
Source	Confidential
Date / Phone Number	04/7/2024 +1 786 522 7056

REMARKS

The property is located along 22nd Ave and 1 block west of U.S 1 Hwy. The property is a 28-unit, multifamily building that was built in 2023. Project Amenities include: covered parking and an onsite fitness center. Unit Amenities include: in-unit full-size washer and dryer to granite kitchen countertops, stainless steel appliances, private balconies, and assigned parking. This is a newly completed asset that is located along the Underline in Miami. The property is in lease up and nearing stabilization. The cap rate included reflects in-place rental rates, stabilized occupancy, reassessed taxes, and expenses provided by ownership. The broker's pro forma cap rate reflects a 6.75% cap rate.

COMPARABLE 2

LOCATION INFORMATION

Name	Casero
Address	8255 Park Boulevard
City, State, Zip Code	Miami, FL, 33126
County	Miami-Dade
MSA	Miami-Miami Beach-Kendall, FL
APN	30-4003-035-0040

SALE INFORMATION

Buyer	Stockbridge Capital Group
Seller	Trammell Crow Residential & The Carlyle Group
Transaction Date	09/12/2023
Transaction Status	Recorded
Transaction Price	\$156,000,000
Analysis Price	\$156,000,000
Recording Number	33889-2168
Rights Transferred	Leased Fee
Financing	Cash at Settlement
Conditions of Sale	Arms-Length

PHYSICAL INFORMATION

Project Type	Mid-Rise
Project Size NRA	351,913 SF
Units	356
No. of Buildings/Floors	1 Buildings / 4 Floors
Year Built	2022
Parking Spaces / Ratio	591 (1.7/Unit)
Quality / Condition	Good/Excellent / Good/Excellent
Appeal	Good
Building Structure	Concrete
Site Size	11.3 Acres (491,967 SF)
Zoning	RU-4
Average Unit Size	988 SF
Density	31.5

Project Amenities	Common Area Wi-Fi, BBQ/Picnic Area, Business Center, Clubhouse, Dog Park,
Unit Amenities	Air Conditioning, Premium Flooring, Balcony/Patio, Ceiling Fans, Complete

UNIT MIX

<u>NO. UNITS</u>	<u>AVG SIZE</u>	<u>DESCRIPTION</u>
128	800	1 BD / 1 BA
35	804	1 BD / 1 BA
116	1,109	2 BD / 2 BA
49	1,113	2 BD / 2 BA
28	1,364	3 BD / 2 BA



CASERO



ANALYSIS INFORMATION

Price/Unit	\$438,202
Adjusted Price/Unit	\$446,966
Capitalization Rate	4.91%
Equity Div. / PGIM / EGIM	- 11.87 12.46

CONFIRMATION

Name	Still Hunter
Company	Walker & Dunlop
Source	Seller's Broker
Date / Phone Number	11/29/2023 +1 954 463 2400

REMARKS

This is a 356-unit luxury garden apartment community, located in the Fontainebleau (Doral) submarket of central Miami Dade County. The asset has seven four-story garden buildings, one clubhouse, and four detached garage buildings. The property contains 556 surface parking spaces in addition to 35 detached garage spaces. The site is bound by NW 82nd Ave to the east and NW 3rd Street to the south. The property is required to have 10% of the total units designated to workforce at 140% AMI. This asset sold at 92% occupancy. The financials are based on the proforma year 1 estimate, which includes re-assessed taxes, management at 2.25%, insurance at \$2,500/unit, and reserves at \$250/unit.

COMPARABLE 3

LOCATION INFORMATION

Name	Milagro
Address	2263 Southw est 37th Avenue
City, State, Zip Code	Miami, FL, 33145
County	Miami-Dade
MSA	Miami-Fort Lauderdale-Pompano Beach, FL

SALE INFORMATION

Buyer	PP Coral Gables Investors
Seller	Coral Gables GF Deal LP
Transaction Date	05/8/2023
Transaction Status	Recorded
Transaction Price	\$97,500,000
Analysis Price	\$97,500,000
Recording Number	33694-2545
Rights Transferred	Leased Fee
Financing	Conventional
Conditions of Sale	Arms-Length

PHYSICAL INFORMATION

Project Type	Mid-Rise
Project Size NRA	201,232 SF
Units	237
No. of Buildings/Floors	1 Buildings / 6 Floors
Year Built	2013
Parking Spaces / Ratio	438 (1.8/Unit)
Quality / Condition	Good / Good
Appeal	Good
Building Structure	Concrete
Site Size	1.6 Acres (68,989 SF)
Zoning	T6-8-O
Average Unit Size	849 SF
Density	149.6

Project Amenities	Business Center, Clubhouse, Electronic Gate, Exterior Lighting, Fitness Center, Perimeter
Unit Amenities	Air Conditioning, Balcony/Patio, Complete Appliance Package, Parking Open, Premium

UNIT MIX

NO. UNITS	AVG SIZE	DESCRIPTION
18	559	1 BD / 1 BA
39	686	1 BD / 1 BA
52	710	1 BD / 1 BA
11	769	1 BD / 1 BA
6	904	1 BD / 1 BA
6	800	2 BD / 2 BA
29	977	2 BD / 2 BA
16	1,016	2 BD / 2 BA
18	1,039	2 BD / 2 BA
30	1,062	2 BD / 2 BA
6	1,135	2 BD / 2 BA
6	1,142	3 BD / 2 BA



MILAGRO



ANALYSIS INFORMATION

Price/Unit	\$411,392
Adjusted Price/Unit	\$487,294
Capitalization Rate	4.20%
Equity Div. / PGIM / EGIM	- 11.79 12.59

CONFIRMATION

Name	Appraisal
Company	Colliers International
Source	Confidential
Date / Phone Number	05/8/2023 Confidential

REMARKS

This multi-family development is located on the southeast corner of SW 37th Avenue and SW 22nd Terrace in Coral Gables, Florida. Milagro Coral Gables is a 237 Unit class A multi-family development. The building was completed in 2013. Garage parking is provided on-site with 1 space for each unit. Additional spaces are available for rent. Community amenities include a clubhouse, business center, fitness center, laundry facilities, and swimming pool. Interiors feature stainless steel appliances, faux wood flooring, and quartz countertops. This was an arm's length transaction that was widely marketed by Cushman and Wakefield. The property historical maintains occupancy in 90-95% range. The property also has 6,000 square feet of retail that is leased to one tenant through November 2024. The financials included reflect the T3 income/T12 expenses in-place at the time the property was brought to market.

COMPARABLE 4

LOCATION INFORMATION

Name	Blume Coral Gables
Address	1501 SW 37th Avenue
City, State, Zip Code	Miami, FL, 33145
County	Miami-Dade
MSA	Miami-Fort Lauderdale-Pompano Beach, FL
APN	01-4109-024-1130

SALE INFORMATION

Buyer	Lurra Capital
Seller	Greystone & Co
Transaction Date	10/6/2022
Transaction Status	Recorded
Transaction Price	\$42,500,000
Analysis Price	\$42,500,000
Rights Transferred	Leased Fee
Conditions of Sale	Arms-Length

PHYSICAL INFORMATION

Project Type	High-Rise
Project Size NRA	88,816 SF
Units	100
No. of Buildings/Floors	1 Buildings / 14 Floors
Year Built	2019
Parking Spaces / Ratio	150 (1.5/Unit)
Quality / Condition	Good / Good/Excellent
Appeal	Good/Excellent
Building Structure	Concrete/Block
Site Size	0.8 Acres (33,977 SF)
Zoning	T5-O
Average Unit Size	888 SF
Density	128.2

Project Amenities	Clubhouse, Common Area Wi-Fi, Concierge/Doorman, Electronic Gate,
Unit Amenities	Balcony/Patio, Complete Appliance Package, Premium Appliances, Premium Countertops,

UNIT MIX

NO. UNITS	AVG SIZE	DESCRIPTION
2	540	STUDIO / 1.5 BA
18	735	1 BD / 1 BA
16	756	1 BD / 1 BA
18	766	1 BD / 1 BA
18	1,001	2 BD / 2 BA
14	1,109	2 BD / 2 BA
14	1,077	2 BD / 2.5 BA



BLUME CORAL GABLES



ANALYSIS INFORMATION

Price/Unit	\$425,000
Adjusted Price/Unit	\$513,188
Capitalization Rate	3.84%
Equity Div. / PGIM / EGIM	- - -

CONFIRMATION

Name	Confidential
Company	Confidential
Source	Offering Memorandum
Date / Phone Number	12/15/2022 Confidential

REMARKS

Blume Coral Gables is located along the east side of Douglas Road about 1/2 mile north of Miracle Mile in Coral Gables. The property was completed in 2019 and offers extensive amenities including a 6th floor pool and sundeck, fitness center, concierge, resident lounge, dry cleaning and laundry services, and garage parking. The units feature imported white cabinetry, quartz countertops, light-wood patterned porcelain floors, roller sun shades, W/D, walk-in closets, and private balconies. The ground floor features 6,191 SF of retail. This property was openly marketed by Cushman & Wakefield and traded for \$42,500,000 or \$425,000 per unit. Based on in-place rents/T3 other income and market oriented expenses adjusted for reassessed taxes, the asset traded at a 3.84% in-place cap rate. The pro forma cap rate was at 4.64%. At the time of sale, the retail portion was leased at 25%.

COMPARABLE 5

LOCATION INFORMATION

Name	East River Living
Address	39 Northw est 7th Avenue
City, State, Zip Code	Miami, FL, 33128
County	Miami-Dade
MSA	Miami-Miami Beach-Kendall, FL
APN	01-0200-090-1120

SALE INFORMATION

Buyer	BT Florida Holdings, LLC
Seller	East River Living LLC
Transaction Date	07/11/2022
Transaction Status	Recorded
Transaction Price	\$15,000,000
Analysis Price	\$15,000,000
Recording Number	33290-0958
Rights Transferred	Leased Fee
Financing	Cash at Settlement
Conditions of Sale	Arms-Length

PHYSICAL INFORMATION

Project Type	Mid-Rise
Project Size NRA	24,737 SF
Units	34
No. of Buildings/Floors	1 Buildings / 8 Floors
Year Built	2021
Parking Spaces / Ratio	39 (1.1/Unit)
Quality / Condition	Good / Good
Appeal	Good
Building Structure	Block
Site Size	0.2 Acres (9,866 SF)
Zoning	T6-8 O
Average Unit Size	727 SF
Density	150.4
Project Amenities	Rooftop Area, Storage Units, Sw imming Pool
Unit Amenities	Air Conditioning, Balcony/Patio, Complete Appliance Package, Garbage Disposal, Parking

UNIT MIX

<u>NO. UNITS</u>	<u>AVG SIZE</u>	<u>DESCRIPTION</u>
4	476	STUDIO / 1 BA
1	472	1 BD / 1 BA
7	591	1 BD / 1 BA
14	816	1 BD / 2 BA
8	850	2 BD / 2 BA



EAST RIVER LIVING



ANALYSIS INFORMATION

Price/Unit	\$441,176
Adjusted Price/Unit	\$420,882
Capitalization Rate	7.17%
Equity Div. / PGIM / EGIM	- 8.12 8.37

CONFIRMATION

Name	Ryan Wold
Company	Franklin Street
Source	Buyer's Broker
Date / Phone Number	01/27/2023 Confidential

REMARKS

34 Unit eight story multifamily property located in Little Havana Submarket of Miami Dade County. The structure was built in 2021 and is situated on approximately 10,000 SF site. The unit mix is studio, one bedroom, and two bedroom market rent apartments. The units have Class A finishes and appliances. The swimming pool is on the third floor amenity deck. There are approximately 35 covered parking spaces with additional on street parking. The first floor consist of a 700 SF commercial space. BT Florida Holdings, LLC (buyer) purchased the property from East River Living LLC (seller) on July 11, 2022. The purchase price was \$15m or \$441,177 per unit. A cap rate of 7.17% was reported at the time of sale.

IMPROVED SALES ADJUSTMENT TABLE

COMPARABLE	SUBJECT	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3	COMPARABLE 4	COMPARABLE 5
Name	Miami Springs Town Center	Silver Bluff Underline	Casero	Milagro	Blume Coral Gables	East River Living
Address	1 Curtiss Parkway	2285 Southwest 27th Street	8255 Park Boulevard	2263 Southwest 37th Avenue	1501 SW 37th Avenue	39 Northwest 7th Avenue
City, State	Miami Springs, FL	Miami, FL	Miami, FL	Miami, FL	Miami, FL	Miami, FL
NRA	75,285	24,124	351,913	201,232	88,816	24,737
Units	55	28	356	237	100	34
Average Unit SF	1,013	861	988	849	888	727
Density	49.5	62.2	31.5	149.6	128.2	150.4
Land Area (AC)	1.1	0.5	11.3	1.6	0.8	0.2
Land Area (SF)	48,377	19,602	491,967	68,989	33,977	9,866
Year Built	2022	2023	2022	2013	2019	2021
Location	Good	Average	Average	Good/Excellent	Average/Good	Average/Good
Quality	Good/Excellent	Good	Good/Excellent	Good	Good	Good
Condition	Good/Excellent	Good	Good/Excellent	Good	Good/Excellent	Good
Appeal	Good	Good	Good	Good	Good/Excellent	Good
SALE INFORMATION						
Date		4/1/2024	9/12/2023	5/8/2023	10/6/2022	7/11/2022
Status		Listing	Recorded	Recorded	Recorded	Recorded
Rights Transferred		Leased Fee	Leased Fee	Leased Fee	Leased Fee	Leased Fee
Occupancy	25.5%	86.0%	92.0%	93.2%	93.0%	100.0%
Capitalization Rate		5.0%	4.9%	4.2%	3.8%	7.2%
NOI/Unit		\$17,697	\$21,514	\$17,289	\$16,301	\$31,632
NOI/SF NRA		\$20.54	\$21.76	\$20.36	\$18.35	\$43.48
\$/Unit		\$356,250	\$438,202	\$411,392	\$425,000	\$441,176
\$/SF NRA		\$413.49	\$443.29	\$484.52	\$478.52	\$606.38
Transaction Price		\$9,975,000	\$156,000,000	\$97,500,000	\$42,500,000	\$15,000,000
TRANSACTIONAL ADJUSTMENTS						
Property Rights		0%	0%	0%	0%	0%
Financing		0%	0%	0%	0%	0%
Conditions of Sale		0%	0%	0%	0%	0%
Expenditures After the Sale		0%	0%	0%	0%	0%
Market Conditions¹		-5%	2%	3%	5%	6%
Subtotal Transactional Adj Price		\$338,438	\$446,966	\$423,734	\$446,250	\$467,647
PROPERTY ADJUSTMENTS						
Location		5%	-5%	5%	5%	-10%
Quality		0%	0%	0%	0%	0%
Condition		0%	0%	10%	10%	0%
Appeal		0%	0%	0%	0%	0%
Unit Mix/Unit Size		0%	0%	0%	0%	0%
Age		0%	0%	0%	0%	0%
Number Of Units		0%	5%	0%	0%	0%
Density		0%	0%	0%	0%	0%
Project Amenities		0%	0%	0%	0%	0%
Subtotal Property Adjustment		5%	0%	15%	15%	-10%
TOTAL ADJUSTED PRICE		\$355,359	\$446,966	\$487,294	\$513,188	\$420,882
STATISTICS	UNADJUSTED	ADJUSTED				
LOW	\$356,250	\$355,359				
HIGH	\$441,176	\$513,188				
MEDIAN	\$425,000	\$446,966				
AVERAGE	\$414,404	\$444,738				

¹ Market Conditions Adjustment - Compound annual change in market conditions: 3%
Date of Value (for adjustment calculations): 06/01/24

SALES COMPARABLE ANALYSIS

Introduction

The comparable sales indicate an adjusted value range from \$355,359 to \$513,188/Unit, with a median of \$446,966/Unit and an average of \$444,738/Unit. The range of total gross adjustment applied to the comparables was from 10% to 20%, with an average gross adjustment across all comparables of 15%. The level of total adjustment applied to the comparables is considered minimal, an indication that the dataset is applicable to the subject and increases the credibility of the analysis. The adjustment process for each comparable sale is discussed in the following paragraphs.

Discussion of Adjustments

Comparable 1 (\$355,359/Unit as adjusted) required a total downward transaction adjustment of -5%. This considers the transaction date of this sale approximately 2 months ago in April 2024. This comparable required a total upward adjustment of 5% for property characteristics. Silver Bluff Underline is a mid-rise complex that includes 28 multi-family units on 0.45 acres. It has a slightly inferior location in Miami, approximately 6.3 miles from the subject. Additionally, this comparable has an average unit size of 861 SF, which is similar to the average of the subject's units at 1,013 SF. Overall, this sale only required an adjustment for differences in location. The total gross adjustment applied to this comparable was 10%. The moderate level of gross adjustments required for this comparable indicates that it can be adequately relied upon for valuation of the subject. This comparable is given secondary consideration as a value indicator for the subject.

Comparable 2 (\$446,966/Unit as adjusted) required a total upward transaction adjustment of 2%. This considers the transaction date of this sale approximately 9 months ago in September 2023. This comparable required adjustments for property characteristics, however these resulted in a net adjustment of 0%. This mid-rise development is known as Casero. It includes 356 apartment units on 11.294 acres. It has a slightly superior location in Miami, approximately 4.4 miles from the subject. Additionally, this comparable has an average unit size of 988 SF, which is similar to the average of the subject's units at 1,013 SF. Overall, adjustments to this sale are applied for differences in location and number of units. The total gross adjustment applied to this comparable was 12%. The moderate level of gross adjustments required for this comparable indicates that it can be adequately relied upon for valuation of the subject. This comparable is given primary consideration as a value indicator for the subject.

Comparable 3 (\$487,294/Unit as adjusted) required a total upward transaction adjustment of 3%. This considers the transaction date of this sale approximately 13 months ago in May 2023. This comparable required a total upward adjustment of 15% for property characteristics. Milagro is a mid-rise apartment complex that includes 237 dwelling units on 1.584 acres. It has a slightly inferior location in Miami, approximately 5.3 miles from the subject. Additionally, this comparable has an average unit size of 849 SF, which is similar to the average of the subject's units at 1,013 SF. Overall, adjustments to this sale are applied for differences in location and condition. The total gross adjustment applied to this comparable was 18%. The moderate level of gross adjustments required for this comparable indicates that it can be adequately relied upon for valuation of the subject. This comparable is given primary consideration as a value indicator for the subject.

Comparable 4 (\$513,188/Unit as adjusted) required a total upward transaction adjustment of 5%. This considers the transaction date of this sale approximately 20 months ago in October 2022. This comparable required a total upward adjustment of 15% for property characteristics. This high-rise development is known as Blume Coral Gables. It includes 100 apartment units on 0.78 acres. It has a slightly inferior location in Miami, approximately 4.7 miles from the subject. Additionally, this comparable has an average unit size of 888 SF, which is similar to the average of the subject's units at 1,013 SF. Overall, adjustments to this sale are applied for differences in location and condition. The total gross adjustment applied to this comparable was 20%. The substantial level of

gross adjustments required for this comparable was justified due to the comparable's varying attributes. Considering these factors, this comparable is given secondary consideration as a value indicator for the subject.

Comparable 5 (\$420,882/Unit as adjusted) required a total upward transaction adjustment of 6%. This considers the transaction date of this sale approximately 23 months ago in July 2022. This comparable required a total downward adjustment of -10% for property characteristics. East River Living is a mid-rise complex that includes 34 multi-family units on 0.226 acres. It has a superior location in Miami, approximately 5.7 miles from the subject. Additionally, this comparable has an average unit size of 727 SF, which is slightly smaller than the average of the subject's units at 1,013 SF. Overall, this sale only required an adjustment for differences in location. The total gross adjustment applied to this comparable was 16%. The moderate level of gross adjustments required for this comparable indicates that it can be adequately relied upon for valuation of the subject. This comparable is given primary consideration as a value indicator for the subject.

SALES COMPARISON APPROACH CONCLUSION

The comparable sales indicate an adjusted value range from \$355,359 to \$513,188/Unit, with a median of \$446,966/Unit and an average of \$444,738/Unit. Based on the results of the preceding analysis, Comparable 2 (\$446,966/Unit adjusted), Comparable 3 (\$487,294/Unit adjusted), Comparable 5 (\$420,882/Unit adj and ted) | Comparable 6 (-/Unit adjusted) are given primary consideration for the subject's opinion of value.

The following table summarizes the analysis of the comparables, reports the reconciled price per unit value conclusion, and presents the concluded value of the subject property.

SALES COMPARISON APPROACH CONCLUSION (UNIT)								
COMP	TRANSACTION PRICE	ADJUSTMENT				NET ADJ %	GROSS ADJ %	WEIGHT GIVEN
		TRANSACTIONAL ¹	ADJUSTED	PROPERTY ²	FINAL			
1	\$356,250	-5%	\$338,438	5%	\$355,359	-0%	10%	SECONDARY
2	\$438,202	2%	\$446,966	0%	\$446,966	2%	12%	PRIMARY
3	\$411,392	3%	\$423,734	15%	\$487,294	18%	18%	PRIMARY
4	\$425,000	5%	\$446,250	15%	\$513,188	21%	20%	SECONDARY
5	\$441,176	6%	\$467,647	-10%	\$420,882	-5%	16%	PRIMARY
LOW	\$355,359					AVERAGE		\$444,738
HIGH	\$513,188					MEDIAN		\$446,966
			SUBJECT UNITS		\$/UNIT CONCLUSION			VALUE
	INDICATED VALUE		55	x	\$450,000	=		\$24,750,000
	ADD : CONTRIBUTORY VALUE OF THE RETAIL							\$13,300,000
	PROSPECTIVE VALUE UPON STABILIZATION					\$691,818		\$38,050,000
	Lease- Up Costs						From Lease-Up Analysis	
	Rent Loss							(\$470,242)
	Marketing							(\$4,200)
	Total Lease-Up Costs							(\$474,442)
	Entrepreneurial Profit							(\$9,489)
	COMMERCIAL LEASE-UP COSTS							
	Rent Loss							(\$63,700)
	Expense Carry							(\$77,969)
	Tenant Improvements							(\$72,800)
	Leasing Commissions							(\$127,400)
	Free Rent							(\$63,700)
	Subtotal Lease-Up Costs							(\$405,569)
	Present Value @ 7.00%							(\$398,553)
	Entrepreneurial Profit							(\$39,855)
	TOTAL LEASE-UP COSTS							(\$1,327,908)
	AS-IS MARKET VALUE				\$667,636			\$36,720,000

¹Cumulative ²Additive

Rounded to nearest \$10,000

INTRODUCTION

As previously discussed within the Valuation Methods section, the subject is valued as one marketable economic site in this appraisal. Land value is influenced by a number of factors; most prominent of which is development and use potential. These factors, as well as others, are considered in the following analysis.

UNIT OF COMPARISON

The most relevant unit of comparison is the price per acre. This indicator best reflects the analysis used by buyers and sellers in this market for land with similar utility and zoning in this marketplace.

COMPARABLE SELECTION

A thorough search was made for similar land sales in terms of proximity to the subject, size, location, development potential, and date of sale. In selecting comparables, emphasis was placed on confirming recent sales of commercial sites that are similar to the subject property in terms of location and physical characteristics. Overall, the sales selected represent the best comparables available for this analysis.

ADJUSTMENT PROCESS

Quantitative adjustments are made to the comparable sales. The following adjustments or general market trends were considered for the basis of valuation.

Transactional Adjustments

Dollar adjustments to the comparable sales were considered and made when warranted for transactional adjustments in the sequence shown below:

Property Rights Transferred	The valuation of the subject site was completed on a fee simple basis. If warranted, leased fee, leasehold and/or partial interest land sales were adjusted accordingly.
Financing Terms	The subject site was valued on a cash equivalent basis. Adjustments were made to the comparables involving financing terms atypical of the marketplace.
Conditions of Sale	This adjustment accounts for extraordinary motivation on the part of the buyer or seller often associated with distressed sales and/or assemblages.
Expenditures After Purchase	Adjustments were applied if site conditions warranted expenditures on the part of the buyer to create a buildable site. Examples include costs for razing pre-existing structures, general site clearing and/or mitigation of environmental issues.
Market Conditions	Market conditions adjustments were based on a review of historical sale data, market participant interviews and review of current versus historical pricing. Based on our research, the following table summarizes the market conditions adjustment applied in this analysis.

MARKET CONDITIONS ADJUSTMENT			
Per Year	As Of	June 2024	(As-Is) 3%

The analysis applies an upward market conditions adjustment of 3% annually reflecting the conditions between the oldest comparable sale date up through the effective valuation date.

Property Adjustments

Quantitative percentage adjustments are also made for location and physical characteristics such as size, shape, access, exposure, topography, zoning and overall utility. Where possible the adjustments applied are based on

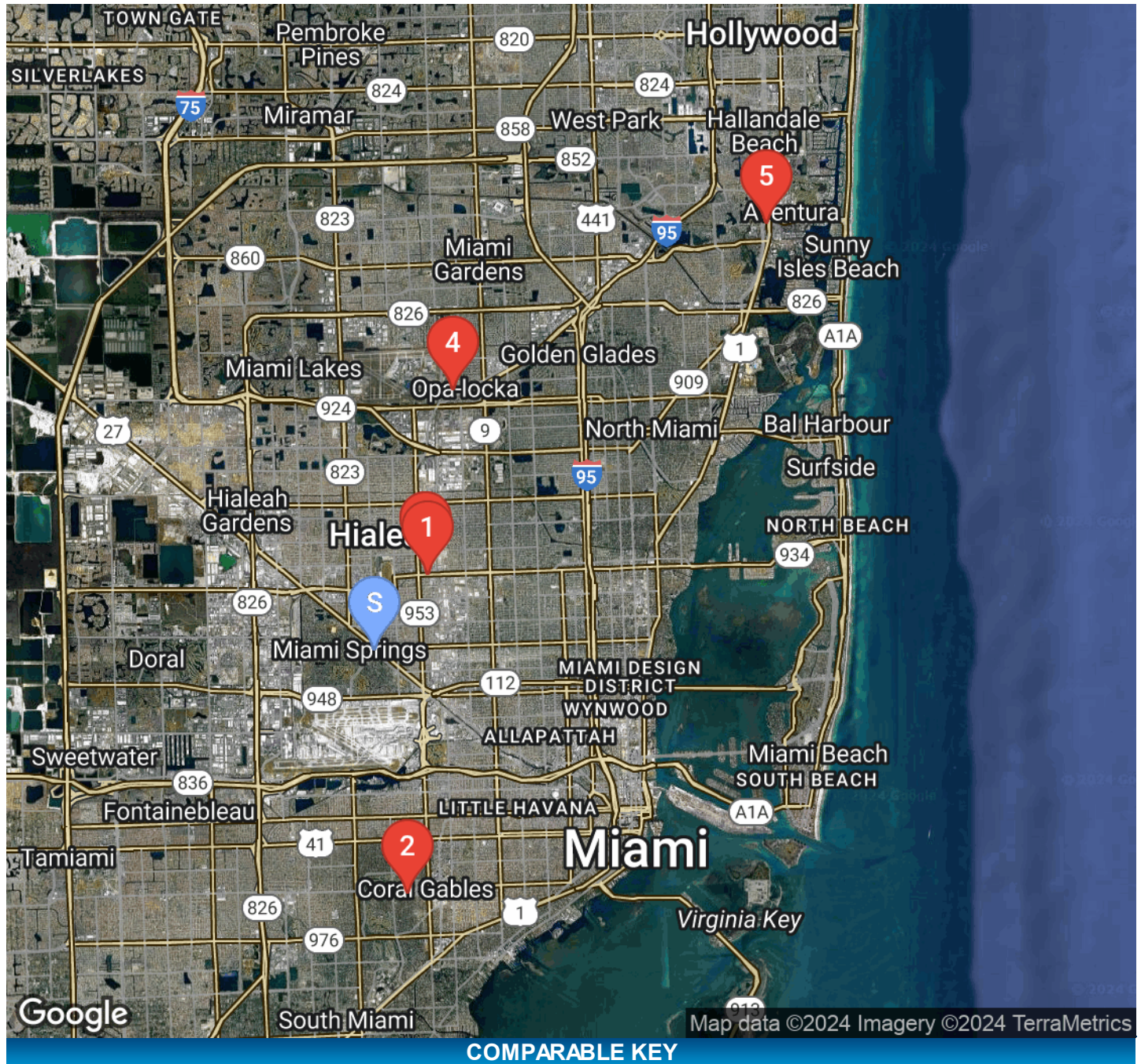
paired data or other statistical analysis. For example, location adjustments are based primarily on review of land values in the market areas for the comparables relative to the subject. It should be stressed that the adjustments are subjective in nature and are meant to illustrate our logic in deriving a value opinion for the subject site.

PRESENTATION

The following Land Sales Summation Table, Location Map and datasheets summarize the sales data used in this analysis. Following these items, the comparable land sales are adjusted for applicable elements of comparison and the opinion of site value is concluded.

LAND SALES SUMMATION TABLE						
COMPARABLE	SUBJECT	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3	COMPARABLE 4	COMPARABLE 5
Name	Miami Springs Town Center	Metro Parc South MF Site	Developable Site	SP MF Site Assemblage	Developable Site	Modera Aventura MF Site
Address	1 Curtiss Parkway	954 East 25th Street	717 Valencia Avenue	991 East 26th Street	201 Sharazad Boulevard	2681 Northeast 191st Street
City	Miami Springs	Hialeah	Coral Gables	Hialeah	Opa-locka	Miami
State	FL	FL	FL	FL	FL	FL
Zip	33166	33013	33134	33013	33054	33180
County	Miami-Dade	Miami-Dade	Miami-Dade	Miami-Dade	Miami-Dade	Miami-Dade
APN	05-3119-013-0010 and 05-3119-013-0030	-	03-4117-008-1800+	-	08-2121-004-1711	-
PHYSICAL INFORMATION						
Acres	1.11	1.80	0.84	3.60	0.89	3.10
Location	Good	Good	Good	Good	Average	Good
Exposure	Average	Good	Average	Good	Average	Good
Access	Average/Good	Good	Average	Good	Average	Good
Shape	Irregular	Irregular	Rectangular	Rectangular	Irregular	Irregular
Site Utility Rating	Average	Average	Average	Average	Average	Average
Zoning	CBD	C-1	MF4	TOD	R-3	UC-MM
SALE INFORMATION						
Date		1/9/2024	12/6/2023	8/1/2023	5/17/2023	4/5/2023
Status		Recorded	Recorded	Recorded	Recorded	Recorded
Rights Transferred		Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Transaction Price		\$16,271,824	\$11,500,000	\$23,500,000	\$4,350,000	\$21,550,000
Analysis Price		\$16,271,824	\$11,500,000	\$23,500,000	\$4,350,000	\$21,550,000
\$/Acre		\$9,039,902	\$13,674,197	\$6,527,778	\$4,887,640	\$6,944,892

LAND SALES LOCATION MAP



COMP	DISTANCE	ADDRESS	SALE DATE	ACRES	SF	\$/ACRE
SUBJECT	-	1 Curtiss Parkway, Miami Springs, FL	-	1.11	48,377	-
No. 1	2.0 Miles	954 East 25th Street, Hialeah, FL	1/9/2024	1.80	78,408	\$9,039,902
No. 2	5.2 Miles	717 Valencia Avenue, Coral Gables, FL	12/6/2023	0.84	36,634	\$13,674,197
No. 3	2.1 Miles	991 East 26th Street, Hialeah, FL	8/1/2023	3.60	156,816	\$6,527,778
No. 4	5.8 Miles	201 Sharazad Boulevard, Opa-locka, FL	5/17/2023	0.89	38,780	\$4,887,640
No. 5	12.3 Miles	2681 Northeast 191st Street, Miami, FL	4/5/2023	3.10	135,172	\$6,944,892

COMPARABLE 1

LOCATION INFORMATION

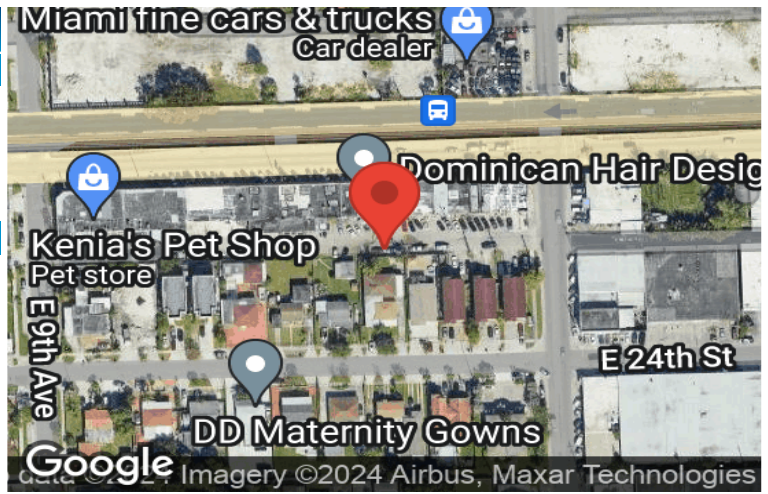
Name	Metro Parc South MF Site
Address	954 East 25th Street
City, State, Zip Code	Hialeah, FL, 33013
County	Miami-Dade

SALE INFORMATION

Buyer	MG Development
Seller	Multiple
Transaction Date	01/9/2024
Transaction Status	Recorded
Transaction Price	\$16,271,824
Analysis Price	\$16,271,824
Rights Transferred	Fee Simple
Conditions of Sale	Arms-Length

PHYSICAL INFORMATION

Intended Use	Vacant Land
Location	Good
Site Size (Net)	1.80 Acres (78,408 SF)
Site Size (Gross)	1.80 Acres (78,408 SF)
Zoning	C-1
Development Potential	347
Density	192.7
Shape	Irregular
Topography	Flat
Access	Good
Exposure	Good
Corner	No
Utilities	No



METRO PARC SOUTH MF SITE

ANALYSIS INFORMATION

Price	<u>\$/Acre</u>	<u>\$/SF</u>	<u>\$/Unit</u>
Gross	\$9,039,902	\$207.53	\$46,893
Net	\$9,039,902	\$207.53	\$46,893

CONFIRMATION

Name	Confidential		
Company	Confidential		
Source	Assessor		
Date / Phone Number	02/1/2024	Confidential	

REMARKS

This site is located on the corner of E 25th Street and E 10th Avenue in Hialeah within walking distance to the Tri rail/metro station. The rail line is adjacent to the site. This site was acquired for the development of Metro Parc South, a 10-story 347 unit project with ground floor retail. The site was acquired via three separate transactions.

COMPARABLE 2

LOCATION INFORMATION

Name	Developable Site
Address	717 Valencia Avenue
City, State, Zip Code	Coral Gables, FL, 33134
County	Miami-Dade
MSA	Miami-Miami Beach-Kendall, FL
APN	03-4117-008-1800+

SALE INFORMATION

Buyer	The George Residences
Seller	Alliance Starlight III LLC
Transaction Date	12/6/2023
Transaction Status	Recorded
Transaction Price	\$11,500,000
Analysis Price	\$11,500,000
Recording Number	34025-4929
Rights Transferred	Fee Simple
Financing	Cash at Settlement
Conditions of Sale	Arms-Length

PHYSICAL INFORMATION

Intended Use	Multi-Residential
Location	Good
Site Size (Net)	0.84 Acres (36,634 SF)
Site Size (Gross)	0.84 Acres (36,634 SF)
Zoning	MF4
Development Potential	50
Density	60
Shape	Rectangular
Topography	Level
Access	Average
Exposure	Average
Corner	No
Utilities	No



DEVELOPABLE SITE

ANALYSIS INFORMATION

Price	<u>\$/Acre</u>	<u>\$/SF</u>	<u>\$/Unit</u>
Gross	\$13,674,197	\$313.92	\$230,000
Net	\$13,674,197	\$313.92	\$230,000

CONFIRMATION

Name	Confidential		
Company	Confidential		
Source	CoStar		
Date / Phone Number	03/2/2024	Confidential	

REMARKS

Four adjacent parcels that total 36,634 SF that sold on December 2023 for \$11,500,000, equal to \$313.92/SF. The sites are zoned MF4 in Coral Gables and would allow a maximum of 50 multi family units w ith a density of 60/Acre. The improvements on the sites w ill be demolished.

COMPARABLE 3

LOCATION INFORMATION

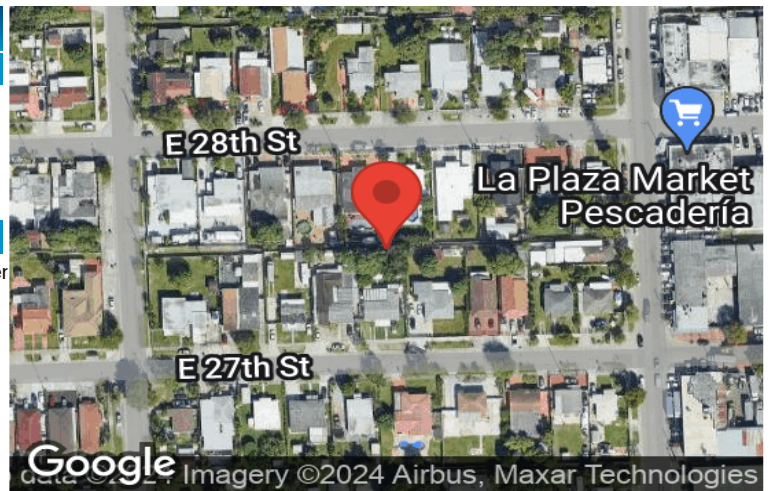
Name	SP MF Site Assemblage
Address	991 East 26th Street
City, State, Zip Code	Hialeah, FL, 33013
County	Miami-Dade

SALE INFORMATION

Buyer	SP Developments and Continua Developmer
Seller	Multiple
Transaction Date	08/1/2023
Transaction Status	Recorded
Transaction Price	\$23,500,000
Analysis Price	\$23,500,000
Recording Number	Multiple
Rights Transferred	Fee Simple
Conditions of Sale	Assemblage

PHYSICAL INFORMATION

Intended Use	Vacant Land
Location	Good
Flood Zone	X
Site Size (Net)	3.60 Acres (156,816 SF)
Site Size (Gross)	3.60 Acres (156,816 SF)
Zoning	TOD
Development Potential	612
Density	170
Shape	Rectangular
Access	Good
Exposure	Good
Corner	No
Utilities	No



SP MF SITE ASSEMBLAGE

ANALYSIS INFORMATION

Price	<u>\$/Acre</u>	<u>\$/SF</u>	<u>\$/Unit</u>
Gross	\$6,527,778	\$149.86	\$38,399
Net	\$6,527,778	\$149.86	\$38,399

CONFIRMATION

Name	Confidential		
Company	Confidential		
Source	Press Release		
Date / Phone Number	08/21/2023	Confidential	

REMARKS

This property is located in the block of East 27th and 28th streets, and between East Ninth and 10th avenues adjacent the metro rail transfer station. SP Developments and Continua Developments purchased all but one of the houses between East 27th and 28th streets, and between East Ninth and 10th avenues. The site is currently developed with 19 single family homes that are to be razed. The site is proposed for a 612 unit multifamily project. The project would consist of two 10-story buildings, one facing Ninth Avenue and the other facing 10th Avenue, with a garage between them. The site was rezoned for the proposed use prior to closing.

COMPARABLE 4

LOCATION INFORMATION

Name	Developable Site
Address	201 Sharazad Boulevard
City, State, Zip Code	Opa-locka, FL, 33054
County	Miami-Dade
MSA	Miami-Miami Beach-Kendall, FL
APN	08-2121-004-1711

SALE INFORMATION

Buyer	Ten North Sherbondy LLC
Seller	Opa-Locka Community Development Corp. I
Transaction Date	05/17/2023
Transaction Status	Recorded
Transaction Price	\$4,350,000
Analysis Price	\$4,350,000
Recording Number	33748-4398
Rights Transferred	Fee Simple
Financing	Cash at Settlement
Conditions of Sale	Arms-Length

PHYSICAL INFORMATION

Intended Use	Vacant Land
Location	Average
Site Size (Net)	0.89 Acres (38,780 SF)
Site Size (Gross)	0.89 Acres (38,780 SF)
Zoning	R-3
Development Potential	26
Density	30
Shape	Irregular
Topography	Level
Access	Average
Exposure	Average
Corner	Yes
Utilities	No



DEVELOPABLE SITE

ANALYSIS INFORMATION

Price	<u>\$/Acre</u>	<u>\$/SF</u>	<u>\$/Unit</u>
Gross	\$4,887,640	\$112.17	\$167,308
Net	\$4,887,640	\$112.17	\$167,308

CONFIRMATION

Name	Confidential		
Company	Confidential		
Source	CoStar		
Date / Phone Number	02/14/2024	Confidential	

REMARKS

0 SF site that sold on May 2023 for \$4,350,000, equal to \$112.17/SF. The site is zoned R-3 which has a density of 30 units per acre. The site would allow 26 units.

COMPARABLE 5

LOCATION INFORMATION

Name	Modera Aventura MF Site
Address	2681 Northeast 191st Street
City, State, Zip Code	Miami, FL, 33180
County	Miami-Dade

SALE INFORMATION

Buyer	Mills Creek Residential
Seller	WD2600 LLC
Transaction Date	04/5/2023
Transaction Status	Recorded
Transaction Price	\$21,550,000
Analysis Price	\$21,550,000
Rights Transferred	Fee Simple
Conditions of Sale	Arms-Length

PHYSICAL INFORMATION

Intended Use	Vacant Land
Location	Good
Site Size (Net)	3.10 Acres (135,172 SF)
Site Size (Gross)	3.10 Acres (135,172 SF)
Zoning	UC-MM
Development Potential	420
Density	135.35
Shape	Irregular
Topography	Level
Access	Good
Exposure	Good
Corner	No
Utilities	No



MODERA AVENTURA MF SITE

ANALYSIS INFORMATION

Price	<u>\$/Acre</u>	<u>\$/SF</u>	<u>\$/Unit</u>
Gross	\$6,944,892	\$159.43	\$51,310
Net	\$6,944,892	\$159.43	\$51,310

CONFIRMATION

Name	Confidential		
Company	Confidential		
Source	Assessor		
Date / Phone Number	12/6/2023	Confidential	

REMARKS

This property is located in between Dixie Highway and Biscayne Boulevard along the rail line and proximate a Brightline train station in Aventura. Mill Creek residential acquired this site for the development of a 15-story, 420 units multifamily project. The development will also have a 6,400 square feet of ground-floor retail and a 590-space parking garage.

LAND SALES ADJUSTMENT TABLE

COMPARABLE	SUBJECT	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3	COMPARABLE 4	COMPARABLE 5
Name	Miami Springs Town Center	Metro Parc South MF Site	Developable Site	SP MF Site Assemblage	Developable Site	Modera Aventura MF Site
Address	1 Curtiss Parkway	954 East 25th Street	717 Valencia Avenue	991 East 26th Street	201 Sharazad Boulevard	2681 Northeast 191st Street
City	Miami Springs	Hialeah	Coral Gables	Hialeah	Opa-locka	Miami
APN	05-3119-013-001C	-	03-4117-008-1800+	-	08-2121-004-1711	-
Acres	1.11	1.80	0.84	3.60	0.89	3.10
Zoning	CBD	C-1	MF4	TOD	R-3	UC-MM
SALE INFORMATION						
Date		1/9/2024	12/6/2023	8/1/2023	5/17/2023	4/5/2023
Status		Recorded	Recorded	Recorded	Recorded	Recorded
Rights Transferred		Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Analysis Price		\$16,271,824	\$11,500,000	\$23,500,000	\$4,350,000	\$21,550,000
Price/Acre		\$9,039,902	\$13,674,197	\$6,527,778	\$4,887,640	\$6,944,892
TRANSACTIONAL ADJUSTMENTS						
Property Rights		0%	0%	0%	0%	0%
Financing		0%	0%	0%	0%	0%
Conditions of Sale		0%	0%	0%	0%	0%
Expenditures After the Sale		0%	0%	0%	0%	0%
Market Conditions¹		1%	1%	2%	3%	3%
Subtotal Transactional Adj Price		\$9,130,301	\$13,810,939	\$6,658,333	\$5,034,270	\$7,153,239
PROPERTY ADJUSTMENTS						
Location		-10%	-20%	-10%	10%	-10%
Size		0%	0%	5%	0%	5%
Exposure		0%	0%	0%	0%	0%
Access		0%	0%	0%	5%	0%
Shape		0%	0%	0%	0%	0%
Site Utility Rating		0%	0%	0%	0%	0%
Zoning		0%	0%	0%	10%	0%
Subtotal Property Adjustment		-10%	-20%	-5%	25%	-5%
TOTAL ADJUSTED PRICE		\$8,217,271	\$11,048,751	\$6,325,417	\$6,292,837	\$6,795,577
STATISTICS	UNADJUSTED	ADJUSTED				
LOW	\$4,887,640	\$6,292,837				
HIGH	\$13,674,197	\$11,048,751				
MEDIAN	\$6,944,892	\$6,795,577				
AVERAGE	\$8,214,882	\$7,735,971				

¹ Market Conditions Adjustment: 3%

Date of Value (for adjustment calculations): 6/1/24

LAND SALES ANALYSIS

Introduction

The comparable land sales indicate an adjusted value range from \$6,292,837 to \$11,048,751/Acre, with a median of \$6,795,577/Acre and an average of \$7,735,971/Acre. The range of total gross adjustment applied to the comparables was from 11% to 28%, with an average gross adjustment across all comparables of 19%. The level of total adjustment applied to the comparables is considered to be moderate. Overall, the availability of market data and extent of analysis was adequate to develop a reasonably credible opinion of land value. The adjustment process for each comparable land sale is discussed in the following paragraphs.

Discussion of Adjustments

Comparable 1 (\$8,217,271/Acre adjusted) required a total upward transaction adjustment of 1%. This comparable is adjusted upward for improving market conditions. This comparable required a total downward adjustment of -10% for property characteristics. The total gross adjustment applied to this comparable was 11%. The moderate level of gross adjustments required for this comparable indicates that it can be adequately relied upon for valuation of the subject. This comparable is given primary consideration as a value indicator for the subject.

Comparable 2 (\$11,048,751/Acre adjusted) required a total upward transaction adjustment of 1%. This comparable is adjusted upward for improving market conditions. This comparable required a total downward adjustment of -20% for property characteristics. The total gross adjustment applied to this comparable was 21%. The substantial level of gross adjustments required for this comparable was justified due to the comparable's varying attributes. Considering these factors, this comparable is given secondary consideration as a value indicator for the subject.

Comparable 3 (\$6,325,417/Acre adjusted) required a total upward transaction adjustment of 2%. This comparable is adjusted upward for improving market conditions. This comparable required a total downward adjustment of -5% for property characteristics. The total gross adjustment applied to this comparable was 17%. The moderate level of gross adjustments required for this comparable indicates that it can be adequately relied upon for valuation of the subject. This comparable is given primary consideration as a value indicator for the subject.

Comparable 4 (\$6,292,837/Acre adjusted) required a total upward transaction adjustment of 3%. This comparable is adjusted upward for improving market conditions. This comparable required a total upward adjustment of 25% for property characteristics. The total gross adjustment applied to this comparable was 28%. The substantial level of gross adjustments required for this comparable was justified due to the comparable's varying attributes. Considering these factors, this comparable is given primary consideration as a value indicator for the subject.

Comparable 5 (\$6,795,577/Acre adjusted) required a total upward transaction adjustment of 3%. This comparable is adjusted upward for improving market conditions. This comparable required a total downward adjustment of -5% for property characteristics. The total gross adjustment applied to this comparable was 18%. The moderate level of gross adjustments required for this comparable indicates that it can be adequately relied upon for valuation of the subject. This comparable is given primary consideration as a value indicator for the subject.

LAND VALUE CONCLUSION

The comparable land sales indicate an adjusted value range from \$6,292,837 to \$11,048,751/Acre, with a median of \$6,795,577/Acre and an average of \$7,735,971/Acre. Based on the results of the preceding analysis, Comparable 1 (\$8,217,271/Acre adjusted), Comparable 3 (\$6,325,417/Acre adjusted), Comparable 4 (\$6,292,837/Acre adjusted) and Comparable 5 (\$6,795,577/Acre adjusted) are given primary consideration for the subject’s opinion of land value.

The following table summarizes the analysis of the comparables, reports the reconciled price per acre value conclusion, and presents the concluded value of the subject site.

CALCULATION OF LAND VALUE								
COMP	ANALYSIS PRICE	ADJUSTMENT				NET ADJ %	GROSS ADJ %	OVERALL COMPARISON
		TRANSACTIONAL ¹	ADJUSTED	PROPERTY ²	FINAL			
1	\$9,039,902	1%	\$9,130,301	-10%	\$8,217,271	-9%	11%	PRIMARY
2	\$13,674,197	1%	\$13,810,939	-20%	\$11,048,751	-19%	21%	SECONDARY
3	\$6,527,778	2%	\$6,658,333	-5%	\$6,325,417	-3%	17%	PRIMARY
4	\$4,887,640	3%	\$5,034,270	25%	\$6,292,837	29%	28%	PRIMARY
5	\$6,944,892	3%	\$7,153,239	-5%	\$6,795,577	-2%	18%	PRIMARY
LOW	\$6,292,837					AVERAGE		\$7,735,971
HIGH	\$11,048,751					MEDIAN		\$6,795,577
COMPONENT		SUBJECT ACRES		\$/ACRE CONCLUSION			VALUE	
TOTAL PROPERTY		1.11	x	\$6,000,000	=	\$6,660,000		

¹Cumulative ²Additive

Rounded to nearest \$10,000

INTRODUCTION

The Cost Approach is a set of procedures through which a value indication is derived for the fee simple estate by estimating the cost new as of the effective date of the appraisal to construct a reproduction of (or replacement for) the existing structures, including an entrepreneurial incentive; deducting depreciation from the total cost; and adding the estimated land value. The contributory value of any site improvements that have not already been considered in the total cost can be added on a depreciated-cost basis. Adjustments may then be made to the indicated value of the fee simple estate in the subject property to reflect the value of the property rights being appraised.⁶

REPLACEMENT COST ANALYSIS

The following cost approach to value was developed based on replacement cost analysis. Replacement Cost is defined as: 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.⁷

Replacement cost includes both direct and indirect costs. Direct costs are expenditures for labor and materials used in the construction of improvements (also known as hard costs). Indirect costs are expenditures for items other than labor and materials that are necessary for construction, but are not typically part of the construction contract (also known as soft costs). Indirect costs often include real property taxes during construction, professional fees, permanent financing fees, leasing commissions, marketing costs and contingency.

Replacement Cost New (Buildings)

This section calculates the replacement cost new of the subject building improvements by estimating total direct and indirect costs to which an entrepreneurial profit incentive is applied. Three sources were selected to support direct and indirect costs: Marshall Valuation Service, the developer's cost schedule and cost comparables. This selection is appropriate considering the scope and intended use of the appraisal, and given that the subject improvements are over five years old.

Marshall Valuation Service

Marshall Valuation Service is a comprehensive appraisal guide widely used throughout the United States for developing replacement costs and depreciated values of buildings and other improvements, and is largely considered the authority on building costs.

The table on the following page outlines the process we applied for developing replacement cost new of the subject building improvements with Marshall Valuation Service. First, the subject components were researched to identify the applicable base building costs per square foot. Next, the base building costs were adjusted for square foot refinements, height and size refinements, and current and local cost multipliers to determine an estimate of direct costs. After determining direct costs using Marshall Valuation Service, we then analyzed market evidence to estimate indirect costs. Finally, an appropriate developer's profit was applied to provide an indication of the replacement cost new.

⁶ The Dictionary of Real Estate Appraisal, Seventh Edition, Appraisal Institute, Chicago, Illinois, 2022

⁷ The Dictionary of Real Estate Appraisal, Seventh Edition, Appraisal Institute, Chicago, Illinois, 2022

REPLACEMENT COST NEW (BUILDINGS)

MARSHALL VALUATION SERVICE DIRECT COST

Number of Buildings	3			
Gross Building Area	124,221 SF			
MVS Building Type		1	2	3
Number of Stories		3	1	1
Component Description		Apartment (High Rise)	Retail Stores	Parking Structure
MVS Section/Page/Class		11/18/A	13/26/A	sec/pg/class
MVS Publication Date		Nov-22	May-22	Feb-22
Quality Rating		Good	Good	Good
Component SF (Gross)		62,459	23,605	38,157
Base Cost (Per SF)		\$240.00	\$188.00	\$96.50
SQUARE FOOT REFINEMENTS				
Heating and Cooling		\$0.00	\$0.00	\$0.00
Fire Sprinklers		\$2.75	\$2.75	\$2.75
Elevators		Incl.	\$0.00	\$0.00
Balconies		\$0.88	\$0.00	\$0.00
Appliances		\$1.98	\$0.00	\$0.00
Subtotal		\$245.61	\$190.75	\$99.25
HEIGHT & SIZE REFINEMENTS				
Number of Stories Multiplier		1.000	1.000	1.000
Height Per Story Multiplier		1.000	1.000	1.000
Area/Perimeter Multiplier		0.950	0.950	0.950
Subtotal		\$233.33	\$181.21	\$94.29
COST MULTIPLIERS				
Current Cost Multiplier		1.05	1.11	1.02
Local Multiplier		0.96	0.96	0.96
DIRECT COSTS PER SF		\$235.20	\$193.10	\$92.33
Indirect Cost (% of Direct) ¹	15%	15%	15%	15%
INDIRECT COST PER SF		\$35.28	\$28.97	\$13.85
DIRECT & INDIRECT TOTAL PER SF		\$270.48	\$222.07	\$106.18
CALCULATION OF REPLACEMENT COST NEW WITH PROFIT				
Component SF (Gross)		62,459	23,605	38,157
Direct & Indirect Total		\$16,893,498	\$5,241,845	\$4,051,330
ENTREPRENEURIAL PROFIT % ¹	10%	10%	10%	10%
Entrepreneurial Profit \$		\$1,689,350	\$524,185	\$405,133
FINAL TOTAL REPLACEMENT COST NEW		\$18,582,847	\$5,766,030	\$4,456,463

¹Colliers International Estimate

Based on our research, indirect costs are typically 10% to 20% of direct cost for this type of development in the marketplace. Considering the size and project characteristics, we have estimated indirect costs at 15% of direct costs.

Entrepreneurial profit and overhead compensates the developer for project risk and management. It is unlikely that a developer would proceed with a development unless adequate profit is available to justify the effort. Based on anecdotal evidence provided by developers of similar Mid/High-Rise Housing projects, profit is typically based on a percentage of replacement cost, generally 5% to 15%, depending upon project size, location, marketability and risk. An entrepreneurial profit and overhead allocation of 10% was used in this analysis.

The replacement cost new as developed with Marshall Valuation Service is summarized in the following table.

REPLACEMENT COST NEW SUMMARY (BUILDINGS)			
MARSHALL VALUATION SERVICE			
Direct & Indirect Costs		\$26,186,673	\$210.81/SF
Entrepreneurial Profit	@10%	\$2,618,667	\$21.08/SF
TOTAL REPLACEMENT COST NEW (RCN)		\$28,805,340	\$231.89/SF

Building Replacement Cost New Conclusion (Buildings)

The following table summarizes the indicators that were used to estimate the replace cost new of the subject building improvements and the reconciled conclusion.

REPLACEMENT COST NEW ESTIMATES CONCLUSION (BUILDINGS)			
APPROACH	TOTAL	\$/UNIT	\$/SF
Marshall Valuation Service Cost Estimate	\$28,805,340	\$523,733	\$232
Developer's Cost Schedule	\$0	\$0	\$0
Cost Comparables	\$0	\$0	\$0
CONCLUDED REPLACEMENT COST NEW (BUILDINGS)	\$28,805,340	\$523,733	\$232

The analysis supports a range for replacement cost new of the building improvements from \$0.00 to \$231.89/SF. Primary weight was placed on the Marshall Valuation Services cost estimate in the reconciled conclusion of \$232.

Depreciation Analysis (Buildings)

The following table details the depreciation estimate developed for the subject building improvements.

DEPRECIATION ANALYSIS (BUILDINGS)				
	1	2	3	
Component Description	Apartment (High Rise)	Retail Stores	king	Structure
TOTAL REPLACEMENT COST NEW	\$18,582,847	\$5,766,030		\$4,456,463
LESS: Physical Curable	\$0	\$0		\$0
LESS: Functional Curable	\$0	\$0		\$0
LESS: Functional Incurable	\$0	\$0		\$0
Subtotal Adjusted Replacement Cost New	\$18,582,847	\$5,766,030		\$4,456,463
Age/Life Analysis				
Economic Life	45	45		45
Effective Age	2	2		2
Remaining Economic Life	43	43		43
Percent Depreciated	4.4%	4.4%		4.4%
LESS: Age/Life Depreciation	(\$825,904)	(\$256,268)		(\$198,065)
Adjusted Replacement Cost New	\$17,756,943	\$5,509,762		\$4,258,398
LESS: Economic Obsolescence (External) 0%	\$0	\$0		\$0
Depreciated Replacement Cost New (Buildings)	\$17,756,943	\$5,509,762		\$4,258,398

Our analysis of depreciation reflects physical and functional curable prior to consideration of physical and functional incurable items, which are treated as components of the age-life analysis. If applicable, economic obsolescence was independently estimated and deducted. For this analysis it is assumed that economic obsolescence was allocated solely to the improvements The depreciation analysis for the subject building improvements is summarized in the following table.

DEPRECIATION ANALYSIS SUMMARY (BUILDINGS)			
APPROACH	TOTAL	\$/UNIT	\$/SF
TOTAL REPLACEMENT COST NEW	\$28,805,340	\$523,733	\$232
LESS: Physical Curable	\$0	\$0	\$0
LESS: Functional Curable	\$0	\$0	\$0
LESS: Functional Incurable	\$0	\$0	\$0
LESS: Age/Life Depreciation	(\$1,280,237)	(\$23,277)	-\$10
LESS: Economic Obsolescence (External)	\$0	\$0	\$0
Depreciated Replacement Cost New (Buildings)	\$27,525,103	\$500,456	\$222

Economic Obsolescence

Although we do not depreciate land, the site value is required in this analysis to arrive at the cost feasible NOI. Please see the chart the follows illustrating our calculation of the external obsolescence.

ECONOMIC OBSOLESCENCE	
Replacement Cost New of Improvements	\$28,805,340
Less: Depreciation	(\$1,280,237)
Depreciated RCN	\$27,525,103
Site Value	\$6,660,000
Depreciated Cost + Land Value	\$34,185,103
x Overall Capitalization Rate (OAR)	5.25%
Cost Feasible NOI	\$1,794,718
Less: Actual NOI	(\$2,041,504)
Income Loss	(\$246,787)
Divide by Overall Capitalization Rate (OAR) (Market Rate Scenario)	5.25%
ECONOMIC OBSOLESCENCE (ROUNDED)	\$0

The cost feasible NOI implies that the rental rates to support new construction need to be about \$604 per month, or \$0.69 per square foot. It should also be noted that this also factors in the land value which has been concluded considering the location. Other areas of Miami Springs would likely need rental rates of at least \$1.20 per square foot to support new construction as the underlying land values would generally be higher. It is our conclusion that rental rates in-line with cost-feasible rates are not supported in the subject market area.

Site Improvements Replacement Cost

The replacement cost new of the subject site improvements is presented in the following table.

SITE IMPROVEMENTS REPLACEMENT COST NEW								
ITEM	UNITS	AREA	RCN	TOTAL RCN	INDIRECT 15%	ADJUSTED RCN	PROFIT 10%	TOTAL RCN
Site Improvements	SF	7,038	\$7.00	\$49,266	\$7,390	\$56,656	\$5,666	\$62,321

The site improvements area was calculated based on the subject useable land area less the footprint of the buildings, or 7,038 SF. The replacement cost new was estimated at \$7.00/SF with support from Marshall Valuation Service, the developer's cost schedule and cost comparables. Allocations for indirect costs of 15% and profit of 10% were carried forward from the conclusions made within the analysis of building improvements.

The following table shows the estimated depreciation and the resulting depreciated replacement cost for the subject site improvements.

SITE IMPROVEMENTS DEPRECIATION											
ITEM	RCN	PHYS CURABLE	FUNCT CURABLE	ADJ ECON EFF DEPREC TOTAL	LIFE	AGE	%	AGE/LIFE DEPREC	ADJ ECON OBS TOTAL	0%	DEPREC COST
Site Improvements	\$62,321	\$0	\$0	\$62,321	15	2	13%	(\$8,310)	\$54,012	\$0	\$54,012
Totals	\$62,321	\$0	\$0	\$62,321				(\$8,310)	\$54,012	\$0	\$54,012

Depreciation for physical and functional curable was noted in the schedule above. If applicable, economic obsolescence is independently estimated and deducted.

COST APPROACH CONCLUSION

The Cost Approach analysis and conclusion are presented in the following table.

COST APPROACH VALUE CONCLUSION			
IMPROVEMENTS (BUILDINGS)			
Direct & Indirect Costs			\$26,186,673
PLUS: Entrepreneurial Profit			\$2,618,667
LESS: Total Depreciation			(\$1,280,237)
TOTAL DEPRECIATED VALUE OF IMPROVEMENTS (BUILDINGS)			\$27,525,103
IMPROVEMENTS (SITE)			
Direct & Indirect Costs			\$56,656
PLUS: Entrepreneurial Profit			\$5,666
LESS: Total Depreciation			(\$8,310)
TOTAL DEPRECIATED VALUE OF IMPROVEMENTS (SITE)			\$54,012
SUMMARY (ALL IMPROVEMENTS)			
Adjusted Costs/Cost New			\$26,243,329
PLUS: Total Entrepreneurial Profit			\$2,624,333
TOTAL REPLACEMENT COST NEW			\$28,867,661
LESS: Total Depreciation			(\$1,288,547)
TOTAL DEPRECIATED VALUE OF IMPROVEMENTS			\$27,579,115
PLUS: Land Value (Primary Site)			\$6,660,000
AS-IS MARKET VALUE	\$622,545/Unit	\$276/SF	\$34,240,000
PLUS: LEASE UP COSTS	\$24,144/Unit	\$11/SF	\$1,327,908
PROSPECTIVE VALUE UPON STABILIZATION	\$646,727/Unit	\$286/SF	\$35,570,000

Rounded to nearest \$10,000

INTRODUCTION

The Reconciliation of Value Conclusions is the final step in the appraisal process and involves the weighing of the individual valuation techniques in relationship to their substantiation by market data, and the reliability and applicability of each valuation technique to the subject property. Understanding the profiles of potential buyers and their typical reliance on each approach to value strongly influences the weighting process.

Based on the overall quality of the data and analyses, and decision-making process of the typical buyer profile of the subject asset, the Income approach warranted primary emphasis and the Sales and Cost approaches warranted secondary emphasis in developing our final opinions of market.

PRESENTATION OF VALUE CONCLUSIONS

Our opinion of value reflects current conditions and the likely actions of market participants as of the date of value. It is based on the available information gathered and provided to us, as presented in this report, and does not predict future performance. Changing market or property conditions can and likely will have an effect on the subject's value.

The following table summarizes our final opinions of the As-Is Market Value and Prospective Value Upon Stabilization of the subject property's leased fee interest. At the request of the client we have also completed an Insurable Replacement Cost Estimate.

ANALYSIS OF VALUE CONCLUSIONS		
VALUATION INDICES	MARKET VALUE AS-IS	PROSPECTIVE VALUE UPON STABILIZATION
INTEREST APPRAISED	LEASED FEE	LEASED FEE
DATE OF VALUE	JUNE 1, 2024	JUNE 1, 2025
Cost Approach	\$34,240,000	\$35,570,000
Sales Comparison Approach	\$36,720,000	\$38,050,000
Income Approach	\$37,560,000	\$38,890,000
FINAL VALUE CONCLUSION	\$37,000,000	\$38,500,000
\$/Unit	\$672,727/Unit	\$700,000/Unit
\$/SF (NRA)	\$491.47/SF	\$511.39/SF
Implied Capitalization Rate	-	5.30%
Exposure Time	Six to Nine Months	Six to Nine Months
Marketing Period	Six Months or Less	Six to Nine Months
OTHER CONCLUSIONS	AS OF JUNE 1, 2024	
Insurable Replacement Cost	\$25,920,000	

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

- › The statements of fact contained in this report are true and correct.
- › The reported analyses, opinions, and conclusions of the signers are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- › The signers of this report have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- › Ralph Peña, III, MAI has performed no services, as an appraiser or in any other capacity regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment. P.J. Cusmano, MAI, MRICS has performed no services, as an appraiser or in any other capacity regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- › The signers are not biased with respect to the property that is the subject of this report or to the parties involved with this assignment.
- › The engagement in this assignment was not contingent upon developing or reporting predetermined results.
- › The 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 analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice* and the *Code of Professional Ethics and Standards of Professional Appraisal Practice* of the Appraisal Institute.
- › Ralph Peña, III, MAI inspected the property that is the subject of this report. P.J. Cusmano, MAI, MRICS did not inspect the property that is the subject of this report.
- › No one provided significant real property appraisal assistance to appraisers signing this certification.

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

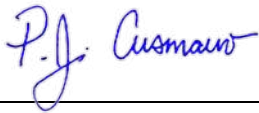
As of the date of this report Ralph Peña, III, MAI and P.J. Cusmano, MAI, MRICS completed the continuing education program for Designated Members of the Appraisal Institute.



June 10, 2024

Ralph Peña, III, MAI
 Managing Director | Miami
 State Certified General Real Estate Appraiser
 License #RZ2724
 +1 786 517 4855
 ralph.pena@colliers.com

Date



June 10, 2024

P.J. Cusmano, MAI, MRICS
 Executive Vice President | Eastern US
 State Certified General Real Estate Appraiser
 License #RZ2436
 +1 813 229 1599
 pj.cusmano@colliers.com

Date

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

- › The appraisers may or may not have been provided with a survey of the subject property. If further verification is required, a survey by a registered surveyor is advised.
- › We assume no responsibility for matters legal in character, nor do we render any opinion as to title, which is assumed to be marketable. All existing liens, encumbrances, and assessments have been disregarded, unless otherwise noted, and the property is appraised as though free and clear, under responsible ownership, and competent management.
- › The exhibits in this report are included to assist the reader in visualizing the property. We have made no survey of the property and assume no responsibility in connection with such matters.
- › Unless otherwise noted herein, it is assumed that there are no encroachments, zoning, or restrictive violations existing in the subject property.
- › The appraisers assume no responsibility for determining if the property requires environmental approval by the appropriate governing agencies, nor if it is in violation thereof, unless otherwise noted herein.
- › Information presented in this report has been obtained from reliable sources, and it is assumed that the information is accurate.
- › This report shall be used for its intended purpose only, and by the party to whom it is addressed. Possession of this report does not include the right of publication.
- › The appraisers may not be required to give testimony or to appear in court by reason of this appraisal, with reference to the property in question, unless prior arrangements have been made therefore.
- › The statements of value and all conclusions shall apply as of the dates shown herein.
- › There is no present or contemplated future interest in the property by the appraisers which is not specifically disclosed in this report.
- › Without the written consent or approval of the authors neither all, nor any part of, the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media. This applies particularly to value conclusions and to the identity of the appraisers and the firm with which the appraisers are connected.
- › This report must be used in its entirety. Reliance on any portion of the report independent of others, may lead the reader to erroneous conclusions regarding the property values. Unless approval is provided by the authors no portion of the report stands alone.
- › The valuation stated herein assumes professional management and operation of the buildings throughout the lifetime of the improvements, with an adequate maintenance and repair program.
- › The liability of Colliers International Valuation & Advisory Services, its principals, agents, and employees is limited to the client. Further, there is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The appraisers are in no way responsible for any costs incurred to discover or correct any deficiency in the property.
- › The appraisers are not qualified to detect the presence of toxic or hazardous substances or materials which may influence or be associated with the property or any adjacent properties, has made no investigation or analysis as to the presence of such materials, and expressly disclaims any duty to note the degree of fault. Colliers International Valuation & Advisory Services and its principals, agents, employees, shall not be liable for any costs, expenses, assessments, or penalties, or diminution in value, property damage, or personal

injury (including death) resulting from or otherwise attributable to toxic or hazardous substances or materials, including without limitation hazardous waste, asbestos material, formaldehyde, or any smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids, solids or gasses, waste materials or other irritants, contaminants or pollutants.

- › The appraisers assume no responsibility for determining if the subject property complies with the *Americans with Disabilities Act (ADA)*. Colliers International Valuation & Advisory Services, its principals, agents, and employees, shall not be liable for any costs, expenses, assessments, penalties or diminution in value resulting from non-compliance. This appraisal assumes that the subject meets an acceptable level of compliance with *ADA* standards; if the subject is not in compliance, the eventual renovation costs and/or penalties would negatively impact the present value of the subject. If the magnitude and time of the cost were known today, they would be reduced from the reported value conclusion.
- › An on-site inspection of the subject property was conducted. No evidence of asbestos materials on-site was noted. A Phase 1 Environmental Assessment was not provided for this analysis. This analysis assumes that no asbestos or other hazardous materials are stored or found in or on the subject property. If evidence of hazardous materials of any kind occurs, the reader should seek qualified professional assistance. If hazardous materials are discovered and if future market conditions indicate an impact on value and increased perceived risk, a revision of the concluded values may be necessary.
- › A detailed soils study was not provided for this analysis. The subject's soils and sub-soil conditions are assumed to be suitable based upon a visual inspection, which did not indicate evidence of excessive settling or unstable soils. No certification is made regarding the stability or suitability of the soil or sub-soil conditions.
- › This analysis assumes that the financial information provided for this appraisal, including rent rolls and historical income and expense statements; accurately reflect the current and historical operations of the subject property.

Insurable Replacement Cost

Engagement Letter

Valuation Glossary

Qualifications of Appraisers

Qualifications of Colliers International Valuation & Advisory Services

INSURABLE REPLACEMENT COST

At the client's request, we have included an estimate of the insurable replacement cost estimate of the subject improvements, which represents the replacement cost new of the subject improvements, exclusive of land value and profit, and the costs associated with excavation, site work, foundations and architects fees. Insurance coverage is usually specific to a given project. We have not been provided with the specific policy requirements, which limit the reliability of the conclusion. Insurable replacement cost is a matter of underwriting as opposed to valuation. Users of this report should not construe the conclusion of insurable value to be an indication of market value. The insurable estimate is made using base costs and multiplier adjustments for market conditions and location from *Marshall Valuation Service*, which is assumed to accurately reflect replacement cost of the subject. We assume no liability as to the subject's insurable replacement cost and recommend that an estimate from a reputable insurance company be obtained if further assurance is required.

The following chart summarizes the insurable replacement cost estimate:

INSURABLE REPLACEMENT COST

MARSHALL VALUATION SERVICE DIRECT COST

Number of Buildings	3			
Gross Building Area	124,221 SF	1	2	3
MVS Building Type		Multi-Family	Multi-Family	Multi-Family
Number of Stories		3	1	1
Height per Story		18'	18'	18'
Component Description		Apartment (High Rise)	Retail Stores	Parking Structure
MVS Section/Page/Class		12 / 16 / D	12 / 16 / D	12 / 16 / D
MVS Publication Date		Aug-20	Aug-20	Aug-20
Quality Rating		Good	Good	Good
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Appliances		\$1.98	\$0.00	\$0.00
Other		\$0.00	\$0.00	\$0.00
Other		\$0.00	\$0.00	\$0.00
Subtotal		\$245.61	\$190.75	\$99.25
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Number of Stories Multiplier		1.000	1.000	1.000
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TOTAL REPLACEMENT COST NEW		\$18,582,847	\$5,766,030	\$4,456,463

¹Colliers International Estimate

INSURABLE REPLACEMENT COST CONCLUSION

Base Improvement Cost		\$28,805,340
Demolition	0%	\$0
Insurable Rplcmnt Cost Exclusions	10%	(\$2,880,534)
INSURABLE REPLACEMENT COST		\$25,920,000

Rounded to nearest \$10,000



Date: May 28, 2024

To: Attn: Ralph Pena III, MAI
Colliers International Valuation & Advisory Services.
801 Brickell Avenue, Suite 850
Miami, Florida 33131
Phone (786) 517-4855

From: Ileana Pardina
U.S. Century Bank
Phone (305) 715-5427

Re: Appraisal report for borrower: **Springs Town Center, LLC**

Property: 1 South Royal Poinciana Blvd. & 1 Curtiss Parkway, Miami Springs, Fl. 33166
(Mixed use property. 26,000 SF retail and 51 residential units)

Folios: 05-3119-013-0010 & 05-3119-013-0030

Please prepare an appraisal report for the above referenced property on behalf of **U.S. Century Bank**.

Contact Persons: Angie Silva
Telephone number: (305) 323-0248
E-mail: angie@ciprealty.com
Fee: \$5,950.00
Completion Date: On before June 11, 2024.

The appraisal should be prepared in accordance with the appraisal regulations under Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA). The appraisals must adhere to current "Uniform Standards of Professional Appraisal Practice" (USPAP) as published by the Appraisal Foundation.

The reconciliation and final value estimate should consider all relevant approaches to value (**Sales Comparison, Cost, Income, etc.**). Market data should be used to support all estimates, including capitalization rates and discount rates. The properties must be appraised "**as-is**" **and stabilized. A determination of insurable value must be provided.**

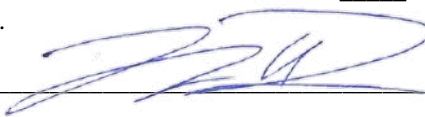
The purpose and scope of the appraisals must be clearly set forth in the report, along with all Limiting Conditions and Assumptions, and the appraisal must recite all the Bank's instructions to the appraiser. See Exhibit 'A' (attached) for additional instructions. The appraisal must be addressed to the Bank and one (1) electronic copy email containing your appraisal report is required.

Ileana Pardina
U.S. Century Bank
2301 NW 87th Ave., 2nd Floor
Doral, FL. 33172

If you agree with the terms of this engagement letter, please execute the document, and return to my attention via email to as soon as possible. Please feel free to call me with any questions.

Ileana L. Pardina
Ileana L. Pardina

AGREED AND ACCEPTED THIS 29th DAY OF May, 2024.

BY: 

STATE CERTIFICATION NO.: RZ2724



Exhibit A

- 1) All qualitative and quantitative adjustments applied for each comparable sale used must be adequately calculated, summarized and illustrated in a grid/graph format to facilitate interpretation. The end result of each final, post-adjusted comparable sale must be demonstrated. Any pertinent statistical indicators such as Standard Deviation, Mean, Coefficient of Variation, etc. must be supplied in order to assist the lender in proper assessment of risk exposure. If any substantial spread/range of said post-adjusted comparable is greater than a 10% Coefficient of Variation with respect to the appraisal value, it should be identified as such.
- 2) Given the challenging real estate market, the appraiser must provide a foreclosure activity section to address any foreclosure activity that is prevailing in the subject's market area. For instance, a summary of the proportion of the overall sales activity that is 'distressed' and determination of whether a price gap exists between 'true' market sales and the distressed sales, may be provided.
- 3) Each of the four tests of the Highest & Best Use 'as if vacant' and 'as improved' should be adequately summarized.
- 4) In the development of the Income Approach to Value, surveys of comparable rents should be summarized with respect to size, age, location, type of leases, etc.
- 5) Tax Assessment information must be disclosed and properly segmented to include all folio numbers of the subject with their respective land tax assessment, building tax assessment, total tax assessment, and the actual gross amount of taxes for the year. The appraiser must disclose any delinquent taxes for the subject property.
- 6) The appraiser is required to include active comparable listings with an appropriate discount in the form of the sale/list ratio, if applicable, in order to furnish the lender with a forward-looking measure of the subject's 'value in transition'.
- 7) Photos of the subject, aerial view photos, flood zone map, sketch, photos of comparable sales, and location map must be provided.
- 8) If the site is improved, an Insurable Value of the existing improvements must be supplied for *each* folio/property identification number.
- 9) The neighborhood/market area must be clearly described and defined to include without limitation economic trends, boundaries, demographics, land use trends, foreclosure activity, etc. Inclusion of local economic surveys/indexes or in-house studies is encouraged by the lender.
- 10) A time period and/or range must be developed for the marketing time and exposure period of the subject. The opinion of marketability should be addressed by either measure of absorption rates, the marketing time of comparable sales demonstrated by the days on the market that it took to sell, and/or a general demand/supply analysis.
- 11) Analyze and disclose all sales of the comparable sales that have occurred within 5 years prior to the appraisal date for commercial properties.
- 12) All time/market condition adjustments used should be supported by the paired sales technique derived from the market. If the sample size is too small for such a technique, the appraiser may incorporate a broader approach and integrate a national/regional index such as the Case-Shiller Index, MIT CRE Transaction-Based Index, and/or any other nationally accredited economic real estate indicator as a supplement for the adjustment.
- 13) If the appraiser recognizes that other sales not used in the appraisal may have occurred more recently and within closer proximity, it should be identified and supported by reasoning for the exclusion.
- 14) *For New Construction, Proposed Development, or not yet Fully Stabilized properties:*

If the appraisal is a new construction, proposed, or not fully stabilized, the appraisal must include, but not limited to, the "As Is/Discounted" value, the "Prospective Value" and/or "Prospective Stabilized Occupancy Value" specified with a future date, and the "Retail, Gross Sellout Value". As such, the appraiser must identify, incorporate, and define the Extraordinary Assumptions & Hypothetical Conditions set forth in USPAP in order to properly develop credible opinions/conclusions when based on *prognostications of the future*, that if found false could alter the opinion of value. If the proposed project involves the construction of 50 units or more, a section analyzing demand/supply must be included.

 - a) "As Is/Discounted" Value: This current valuation must include all appropriate discount/yield rates with sufficient data derived from market information, surveys, etc. If the time horizon for completion or



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- stabilization is greater than 1 year into the future, the appraiser must incorporate the Discounted Cash Flow methodology and be prudent as to the time value of money theorem and the term structure of interest rates. The cost allocations incorporated into the cash flow stream must be clearly depicted and segmented parametric to time.
- b) “Prospective Value” and/or “Prospective Stabilized Occupancy Value”: An estimated time of completion or stabilization period must be incorporated into the analysis in order for the appraiser to specify a future date in the prospective value aspect. This methodology should be based on absorption studies, demographic analysis if applicable, trend analysis, demand/supply studies, etc. of the past for use as a proxy for the prospective estimate.
 - c) “Retail, Gross Sellout Value”: If the appraisal is a multi-unit residential/commercial unit development, the appraiser must aggregate all the current market value estimates of the units, irrespective of discounts and/or yields for the ‘retail, gross sellout’ value aspect.

Valuation Glossary 2024

Unless specified otherwise, these definitions were extracted or paraphrased from the following sources or publications:

- The Dictionary of Real Estate Appraisal, Seventh Edition, Appraisal Institute, Chicago, Illinois, 2022 (Dictionary).
- Uniform Standards of Professional Appraisal Practice, 2020-2023 Edition (USPAP).
- The Appraisal of Real Estate, Fifteenth Edition, Appraisal Institute, Chicago, Illinois, 2020 (15th Edition).

Absolute Net Lease

A lease in which the tenant pays all expenses including structural maintenance, building reserves, and management; often a long-term lease to a credit tenant. *(Dictionary)*

Ad Valorem Tax

A real estate tax based on the assessed value of the property, which is not necessarily equivalent to its market value. *(15th Edition)*

Arm's-length Transaction

A transaction between unrelated parties who are each acting in his or her own best interest. *(Dictionary)*

As-Is Market Value

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date. *(Dictionary)*

Assessed Value

The value of a property according to the tax rolls in ad valorem taxation; may be higher or lower than market value, or based on an assessment ratio that is a percentage of market value. *(Dictionary)*

Average Daily Room Rate (ADR)

In the lodging industry, the net rooms revenue derived from the sale of guest rooms divided by the number of paid occupied rooms. *(Dictionary)*

Band of Investment

A technique in which the capitalization rates attributable to components of an investment are weighted and combined to derive a weighted-average rate attributable to the total investment. *(Dictionary)*

Cash-Equivalent Price

The sale price of a property that is equivalent to what a cash buyer would pay. *(Dictionary)*

Common Area

The total area within a property that is not designed for sale or rental but is available for common use by all owners, tenants, or their invitees, e.g., parking and its appurtenances, malls, sidewalks, landscaped areas, recreation areas, public toilets, truck and service facilities. *(Dictionary)*

Contract Rent

The actual rental income specified in a lease. *(15th Edition)*

Cost Approach

A set of procedures through which a value indication is derived for the fee simple estate by estimating the cost new as of the effective date of the appraisal to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive; deducting depreciation from the total cost; and adding the estimated land value. The contributory value of any site improvements that have not already been considered in the total cost can be added on a depreciated-cost basis. Adjustments may then be made to the indicated value of the fee simple estate in the subject property to reflect the value of the property rights being appraised. *(Dictionary)*

Curable Functional Obsolescence

An element of depreciation; a curable defect caused by a flaw involving the structure, materials, or design, which can be practically and economically corrected. *(Dictionary)*

Debt Coverage Ratio (DCR)

The ratio of net operating income to annual debt service, which measures the relative ability of a property to meet its debt service out of net operating income; also called *debt service coverage ratio (DSCR)*. *(Dictionary)*

Deferred Maintenance

Items of wear and tear on a property that should be fixed now to protect the value or income-producing ability of a property. *(Dictionary)*

Depreciation

In appraisal, a loss in the value of improvements from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the value of the improvement on the same date. *(Dictionary)*

Direct Costs

Expenditures for the labor and materials used in the construction of improvements; also called *hard costs*. *(Dictionary)*

Discounted Cash Flow (DCF) Analysis

The procedure in which a discount rate is applied to a set of projected income streams and a reversion. The analyst specifies the quantity, variability, timing, and duration of the income streams and the quantity and timing of the reversion, and discounts each to its present value at a specified yield rate. *(Dictionary)*

Discount Rate

A rate of return on capital used to convert future payments or receipts into present value. *(Dictionary)*

Disposition Value

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

1. Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market.
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 compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider their best interests.
7. An adequate marketing effort will be made during the 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.

This definition can also be modified to provide for valuation with specified financing terms. *(Dictionary)*

Easement

The right to use another's land for a stated purpose. Access or right-of-way easements may be acquired by private parties or public utilities. Governments may be the beneficiaries of easements placed on privately owned land that is dedicated to conservation, open space, or preservation. *(15th Edition)*

Economic Life

The period over which improvements to real estate contribute to property value. *(Dictionary)*

Effective Age

The age of property that is based on the amount of observed deterioration and obsolescence it has sustained, which may be different from its chronological age. *(Dictionary)*

Effective Date

The date on which the appraisal or review opinion applies (SVP) *(Dictionary)*

Effective Gross Income (EGI)

The anticipated income from all operations of the real estate after an allowance is made for vacancy and collection losses and an addition is made for any other income. *(Dictionary)*

Effective Gross Income Multiplier (EGIM)

The ratio between the sale price (or value) of a property and its effective gross income. *(Dictionary)*

Effective Rent

The total base rent, or minimum rent stipulated in a lease, over the specified lease term minus rent concessions - e.g. free rent, excessive tenant improvements, moving allowances, lease buyouts, cash allowances, and other lease incentives. *(15th Edition)*

Eminent Domain

The right of government to take private property for public use upon the payment of just compensation. The Fifth Amendment of the U.S. Constitution, also known as the *takings clause*, guarantees payment of just compensation upon appropriation of private property. *(Dictionary)*

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. *(Dictionary)*

Entrepreneurial Profit

A market-derived figure that represents the amount an entrepreneur received for his or her contribution to a past project to compensate for his or her time, effort, knowledge, and risk; the difference between the total cost of a property (cost of development) and its market value (property value after completion), which represents the entrepreneur's compensation for the risk and expertise associated with development. An entrepreneur is motivated by the prospect of future value enhancement (i.e., the entrepreneurial incentive). An entrepreneur who successfully creates value through new development, expansion, renovation, or an innovative change of use is rewarded by entrepreneurial profit. Entrepreneurs may also fail and suffer losses. *(Dictionary)*

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. *(Dictionary)*

Excess Rent

The amount by which contract rent exceeds market rent at the time of the appraisal; created by a lease favorable to the lessor and may reflect superior management, a lease execution in an earlier, stronger rental market, or an agreement of the parties. Due to the higher risk inherent in the receipt of excess rent, it may be calculated separately and capitalized or discounted at a higher rate in the income capitalization approach. *(15th Edition)*

Expense Stop

A clause in a lease that limits the landlord's expense obligation, which results in the lessee paying any operating expenses above a stated level or amount. *(Dictionary)*

Exposure Time

An opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. (USPAP)

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 the integrity of data used in an analysis. An extraordinary assumption may be used in an assignment only if:

- It is required to properly develop credible opinions and conclusions;
- The appraiser has a reasonable basis for the extraordinary assumption;
- Use of the extraordinary assumption results in a credible analysis; and
- The appraiser complies with the disclosure requirements set forth in USPAP for extraordinary assumptions. (USPAP)

External Obsolescence

A type of depreciation; a diminution in value caused by negative external influences and generally incurable on the part of the owner, landlord, or tenant. The external influence may be either temporary or permanent. There are two forms of external obsolescence: economic and locational. (Dictionary)

Fair Market Value

In nontechnical usage, a term that is equivalent to the contemporary usage of *market value*.

As used in condemnation, litigation, income tax, and property tax situations, a term that is similar in concept to market value but may be defined explicitly by the relevant agency or interpreted differently by court precedent. (Dictionary)

Feasibility Analysis

A study of the cost-benefit relationship of an economic endeavor. (USPAP)

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. (Dictionary)

Floor Area Ratio (FAR)

The relationship between the above-ground floor area of a building, as described by the zoning or building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that

the permissible floor area of a building is twice the total land area. (Dictionary)

Functional Obsolescence

The impairment of functional capacity of improvements according to market tastes and standards. (Dictionary)

Functional Utility

The ability of a property or building to be useful and to perform the function for which it is intended according to current market tastes and standards; the efficiency of a building's use in terms of architectural style, design and layout, traffic patterns, and the size and type of rooms. (Dictionary)

Furniture, Fixtures, and Equipment (FF&E)

Business trade fixtures and personal property, exclusive of inventory. (Dictionary)

Going-concern

An established and operating business having an indefinite future life. (Dictionary)

Going-concern Value

An outdated label for the market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; more accurately termed the *market value of the going concern* or *market value of the total assets of the business*. (Dictionary)

Gross Building Area (GBA)

Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved. (Dictionary)

Gross Leasable Area (GLA)

Total floor area designed for the occupancy and exclusive use of tenants, including basements and mezzanines; measured from the center of joint partitioning to the outside wall surfaces. (Dictionary)

Gross Living Area (GLA)

Total area of finished, above-grade residential space area; calculated by measuring the outside perimeter of the structure and includes only finished, habitable, above-grade living space. (Finished basements and attic areas are not generally included in total gross living area. Local practices, however, may differ.) (Dictionary)

Highest & Best Use

The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market

participant would have in mind for the asset when formulating the price that it would be willing to bid (IVS). (*Dictionary*)

Hypothetical Condition

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. (*USPAP*)

Income Capitalization Approach

In the income capitalization approach, an appraiser analyzes a property's capacity to generate future benefits and capitalizes the income into an indication of present value. The principle of anticipation is fundamental to this approach. Techniques and procedures from this approach are used to analyze comparable sales data and to measure obsolescence in the cost approach. (*15th Edition*)

Incurable Functional Obsolescence

An element of depreciation; a defect caused by a deficiency or superadequacy involving the structure, materials, or design that cannot be practically or economically corrected as of the effective date of the appraisal. (*Dictionary*)

Indirect Costs

Expenditures or allowances for items other than labor and materials that are necessary for construction, but are not typically part of the construction contract. Indirect costs may include administrative costs, professional fees, financing costs and the interest paid on construction loans, taxes and the builder's or developer's all-risk insurance during construction, and marketing, sales, and lease-up costs incurred to achieve occupancy or sale. Also called *soft costs*. (*Dictionary*)

Interim Use

The use contemplated by the market participants that the subject real estate can be put to while waiting for certain subsequent factors to occur. (*Dictionary*)

Investment Value

The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market. (*Dictionary*)

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 reversion right when the lease expires. (*Dictionary*)

Leasehold Estate

The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease. (*Dictionary*)

Legal Nonconforming Use

A use that was lawfully established and maintained, but no longer conforms to the use regulations of its current zoning; sometimes known as a legally nonconforming use. (*Dictionary*)

Liquidation Value

The most probable price that a specified interest in 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.

This definition can also be modified to provide for valuation with specified financing terms. (*Dictionary*)

Market Area

The geographic region from which a majority of demand comes and in which the majority of competition is located. Depending on the market, a market area may be further subdivided into components such as primary, secondary, and tertiary market areas, or the competitive market area may be distinguished from the general market area. (*Dictionary*)

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. (*Dictionary*)

Market Study

An analysis of the market conditions of supply, demand, and pricing for a specific property type in a specific area. (*Dictionary*)

Market Value (Most Common Non-FRT)

The most probable price, as of a specific date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue distress. (*Dictionary*)

Market Value (Interagency Guidelines)

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 is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. 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. (*12 CFR, Part 34, Subpart C - Appraisals, 34.42(h)*).

Marketability Analysis

The study of how a specific property is expected to perform in a specific market. A marketability analysis expands on a market analysis by addressing a specific property. (*Dictionary*)

Neighborhood Analysis

The objective analysis of observable or quantifiable data indicating discernible patterns of urban growth, structure, and change that may detract from or enhance property values; focuses on four sets of considerations that influence value: social, economic, governmental, and environmental factors. (*Dictionary*)

Net Net Net Lease

An alternative term for a type of net lease. In some markets, a net net net lease is defined as a lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance, building reserves, and management. Also called *NNN lease, triple net lease, or fully net lease*. (*Dictionary*)

Net Operating Income (NOI)

The actual or anticipated net income that remains after all operating expenses are deducted from effective gross income but before mortgage debt service and book depreciation are deducted. Note: This definition mirrors the convention used in corporate finance and business valuation for EBITDA (earnings before interest, taxes, depreciation, and amortization). (*15th Edition*)

Obsolescence

One cause of depreciation; an impairment of desirability and usefulness caused by new inventions, changes in design, improved processes for production, or external factors that make a property less desirable and valuable for a continued use; may be either functional or external. (*Dictionary*)

Off-site Costs

Costs incurred in the development of a project excluding on-site costs such as grading and construction of the building and other improvements; also called *common costs* or *off-site improvement costs*. (*Dictionary*)

On-site Costs

Costs incurred for the actual construction of buildings and improvements on a particular site. (*Dictionary*)

Overage Rent

The percentage rent paid over and above the guaranteed minimum rent or base rent; calculated as a percentage of sales in excess of a specified breakeven sales volume. (*15th Edition*)

Overall Capitalization Rate (OAR)

The relationship between a single year's net operating income expectancy and the total property price or value. (*Dictionary*)

Parking Ratio

The ratio of parking area or parking spaces to an economic or physical unit of comparison. Minimum required parking ratios for various land uses are often stated in zoning ordinances. (*Dictionary*)

Potential Gross Income (PGI)

The total income attributable to property at full occupancy before vacancy and operating expenses are deducted. (*Dictionary*)

Potential Gross Income Multiplier (PGIM)

The ratio between the sale price (or value) of a property and its annual potential gross income. (*Dictionary*)

Present Value (PV)

The value of a future payment or series of future payments discounted to the current date or to time period zero. (*Dictionary*)

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 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 achieved sellout or a stabilized level of long-term occupancy. (*Dictionary*)

Qualitative Adjustment

An indication that one property is superior, inferior, or similar to another property. Note that the common usage of the term is a misnomer in that an adjustment to the sale price of a comparable property is not made. Rather, the indication of a property's superiority or inferiority to another is used in relative comparison analysis, bracketing, and other forms of qualitative analysis. (*Dictionary*)

Quantitative Adjustment

In the application of the sales comparison and income capitalization approaches, a numerical (dollar or percentage) adjustment to the sale price, rent, or expense amount of a comparable property to account for the effect on value of a difference between each comparable property and the subject property. (*Dictionary*)

Rentable Area

The amount of space on which the rent is based; calculated according to local practice. (*Dictionary*)

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. (*Dictionary*)

Replacement Cost for Insurance Purposes

The estimated cost, at current prices as of the effective date of valuation, of a substitute for the building being valued, using modern materials and current standards, design and layout for insurance coverage purposes guaranteeing that damaged property is replaced with a new property (i.e., depreciation is not deducted). (*Dictionary*)

Reproduction Cost

The estimated cost to construct, at current prices as of the effective date of the appraisal, an exact duplicate or replica of the building being appraised, using the same or similar materials, construction standards, design, layout, and quality of workmanship and embodying all the deficiencies, superadequacies, and obsolescence of the subject building. (*Dictionary*)

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. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion." (*Dictionary*)

Sales Comparison Approach

The process of deriving a value indication for the subject property by comparing sales of similar properties to the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered vacant when an adequate supply of comparable sales is available. (*Dictionary*)

Scope of Work

The type and extent of research and analysis in an appraisal or appraisal review assignment. Scope of work includes, but is not limited to:

- The extent to which the property is identified;
- The extent to which tangible property is inspected;
- The type and extent of data researched; and
- The type and extent of analysis applied to arrive at opinions or conclusions. (*USPAP*)

Shopping Center Types

Neighborhood Shopping Center: The smallest type of shopping center, generally with a gross leasable area of between 30,000 and 100,000 square feet. Typical anchors include supermarkets. Neighborhood shopping centers offer convenience goods and personal services and usually depend on a market population support of 3,000 to 40,000 people.

Community Shopping Center: A shopping center of 100,000 to 400,000 square feet that usually contains one junior department store, a variety store, discount or department store. A community shopping center generally has between 20 and 70 retail tenants and a market population support of 40,000 to 150,000 people.

Regional Shopping Center: A shopping center of 300,000 to 900,000 square feet that is built around one or two full-line department stores of approximately 200,000 square feet each plus small tenant spaces. This type of center is typically supported by a minimum population of 150,000 people.

Super-Regional Center: A large center of 600,000 to 2.0 million square feet anchored by three or more full-line department stores. This type of center is typically supported by a population area of 300,000 people. (*15th Edition*)

Sum of the Retail Values

The sum of the separate and distinct market value opinions for each of the units in a condominium; subdivision development, or portfolio of properties, as of the date of valuation. The aggregate of retail values does not represent the value of all the units as sold together in a single transaction; it is simply the total of the individual market value conclusions. An appraisal has an effective date, but summing the sales prices of multiple units over an extended period of time will not be the value on that one day unless the prices are discounted to make the value equivalent to what another developer or investor would pay for the bulk purchase of the units. Also called the *aggregate of the retail values* or *aggregate retail selling price*. (*Dictionary*)

Superadequacy

An excess in the capacity or quality of a structure or structural component; determined by market standards. (*Dictionary*)

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 value to the improved parcel. *(Dictionary)*

Tenant Improvements (TIs)

1. Fixed improvements to the land or structures installed for use by a lessee.
2. The original installation of finished tenant space in a construction project; subject to periodic change for succeeding tenants. *(Dictionary)*

Usable Area

The area that is actually used by the tenants measured from the inside of the exterior walls to the inside of walls separating the space from hallways and common areas. *(Dictionary)*

Useful Life

The period of time over which a structure or a component of a property may reasonably be expected to perform the function for which it was designed. *(Dictionary)*

Vacancy and Collection Loss

A deduction from potential gross income (*PGI*) made to reflect income deductions due to vacancies, tenant turnover, and nonpayment of rent; also called *vacancy and credit loss* or *vacancy and contingency loss*. *(Dictionary)*

Yield Capitalization

A method used to convert future benefits into present value by (1) discounting each future benefit at an appropriate yield rate, or (2) developing an overall rate that explicitly reflects the investment's income pattern, holding period, value change, and yield rate. *(Dictionary)*



Managing Director | Miami
Valuation & Advisory Services

ralph.pena@colliers.com
Direct: +1 786 517 4855
Mobile: +1 305 772 0909
colliers.com

801 Brickell Avenue
Suite 808
Miami, FL 33131
United States

Ralph Peña III, MAI

Area of Expertise

Ralph Peña is the Managing Director for the Miami, Florida office of Colliers International Valuation & Advisory Services. He has been actively engaged in real estate valuation and advisory since 1993 with appraisal reports prepared for a wide variety of public and private clients. His experience includes analysis and appraisal of all types of real estate, including residential, multi-family, retail, office, industrial, and special purpose properties, among others.

Mr. Peña has evaluated properties throughout the Metro Washington DC and South Florida Region as well as Dallas Fort Worth.

Affiliations or Memberships

Appraisal Institute Designated Member

Professional Background

1993 – 2009 – Peña Appraisal Service
Vice President

2009 – 2010 Millennium Real Estate
Advisors, Washington DC
Senior Appraiser

2010 – 2015 BB&T, Real Estate Evaluator
for the Texas and Metro Washington DC
Region

2015 – 2019 Ready Capital
Collateral Risk Manager

Representative Clients and Projects

Ocean Bank

Banco Popular

Berkadia

US Century Bank

Northmarq

Grandbridge

Walker & Dunlop

Ready Capital

TBK Bank

Education or Qualifications

Florida International University
Bachelor of Arts: History

State Certifications

Florida

Maryland

Texas

Virginia

Washington D.C.



Ron DeSantis, Governor

Melanie S. Griffin, Secretary



STATE OF FLORIDA
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION

FLORIDA REAL ESTATE APPRAISAL BD

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

PENA, RALPH III

801 BRICKELL AVENUE SUITE 850
MIAMI FL 33131

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P.J. Cusmano, MAI, MRICS

Exec. Vice President | Eastern U.S.
Valuation & Advisory Services

pj.cusmano@colliers.com
Direct: +1 813 229 1599
Mobile: +1 813 431 8958
colliers.com

4830 W. Kennedy Boulevard
Suite 300
Tampa, Florida 33609
United States

Education or Qualifications

BS – Real Estate & Marketing,
Florida State University, 1995

State Certifications

Alabama
Arkansas
Florida
Georgia
Louisiana
Michigan
Mississippi
New York
North Carolina
South Carolina
Tennessee
Texas
Virginia

Area of Expertise

P.J. Cusmano, MAI, MRICS, is currently the Executive Vice President of the Eastern US of Colliers International Valuation & Advisory Services. Mr. Cusmano has been actively engaged in real estate valuation and counseling since 1996. He has prepared appraisal reports for a wide variety of clients. His experience includes analysis and appraisal of all types of real estate, including residential, retail, office, agricultural, industrial, and special purpose properties, among others.

Mr. Cusmano has extensive specialized expertise in multifamily properties, specifically conventional apartment communities, affordable housing communities, condominium and townhouse projects, and student housing. Aside from conventional financing, he has experience with various specialized financing programs utilized for these projects including FNMA DUS, Freddie Mac, Low Income Housing Tax Credits (LIHTC), SAIL loans, HUD/MAP, FHA and USDA Section 538 programs.

Affiliations or Memberships

2007 – MAI, Designated Member,
Appraisal Institute

Professional Background

1996 – Sheets, Hendrickson & Associates,
Associate Appraiser

1996-2015 Integra Realty Resources –
Tampa Bay, Managing Director/Principal

Oct 2015 – Dec 2017 Colliers International
Valuation & Advisory Services, Managing
Director | Central Florida

Jan 2018 – Jan 2022 Colliers International
Valuation & Advisory Services, Executive
Managing Director | Florida Region

Jan 2022-present Colliers International
Valuation & Advisory Services, Executive
Vice President | Eastern US Region

Representative Clients and Projects

- Bank of America
- BMO Harris
- Berkadia
- Citizens Bank
- City of Tampa
- Community Trust Bank
- Dougherty Mortgage
- Grandbridge
- Jones Lang Lasalle
- KeyBank
- Northmarq
- Regions Bank
- Southwest Florida Water Management District
- Walker & Dunlop



Ron DeSantis, Governor

Melanie S. Griffin, Secretary



STATE OF FLORIDA
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION

FLORIDA REAL ESTATE APPRAISAL BD

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

CUSMANO, PHILIP JOSEPH

4830 W KENNEDY BOULEVARD SUITE 300
TAMPA FL 33609

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Colliers

Valuation & Advisory Services

Accelerating success.

Valuation & Advisory Services

Real estate valuations play a pivotal role in today's business climate. An accurate and well supported opinion of property value can mean the difference between reaching a critical goal—securing a loan, closing a sale, reporting to investors, choosing the best asset—or failing to achieve it altogether.

Colliers Valuation & Advisory Services' reports are designed to deliver insight into a property's fundamentals, its competition and the overall market dynamics affecting value. A solid valuation report can be a strategic asset for investors, lenders and owners, provided that it addresses both a property's unique characteristics and the most current market conditions.

Commitment to high-end client service, coupled with Colliers' unparalleled market intelligence and resources, differentiates us as the firm of choice in the real estate industry.

Professional

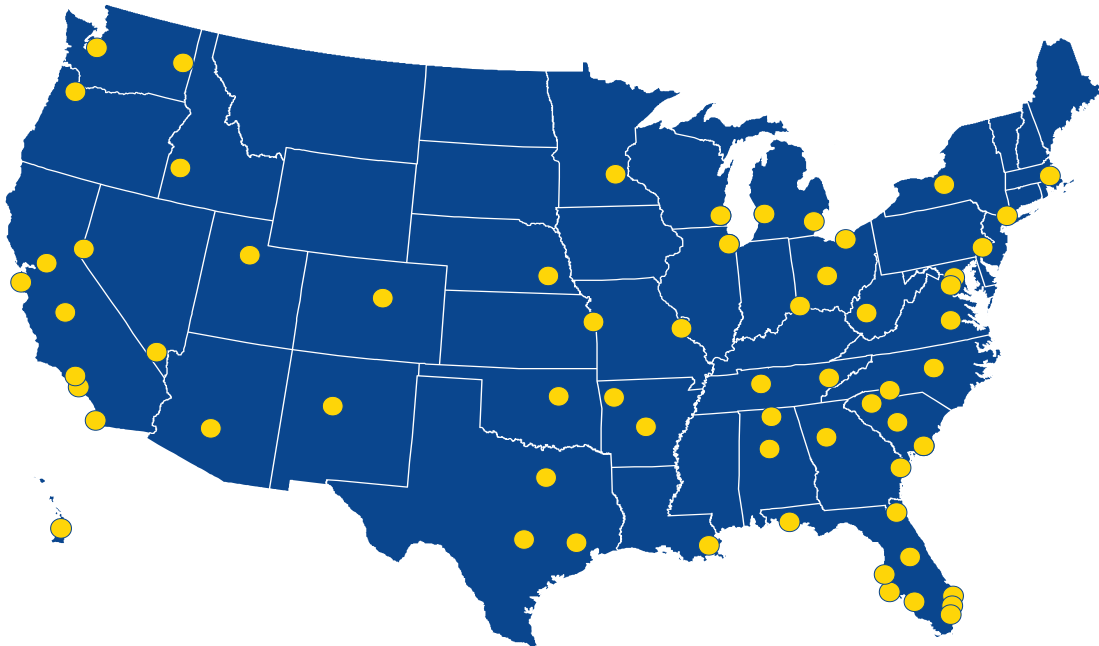
Our professionals share a commitment to deliver the highest level of service and consistent results. We go the extra mile for our clients, whether this means meeting a tight deadline or working with a complex and challenging property.

Technology

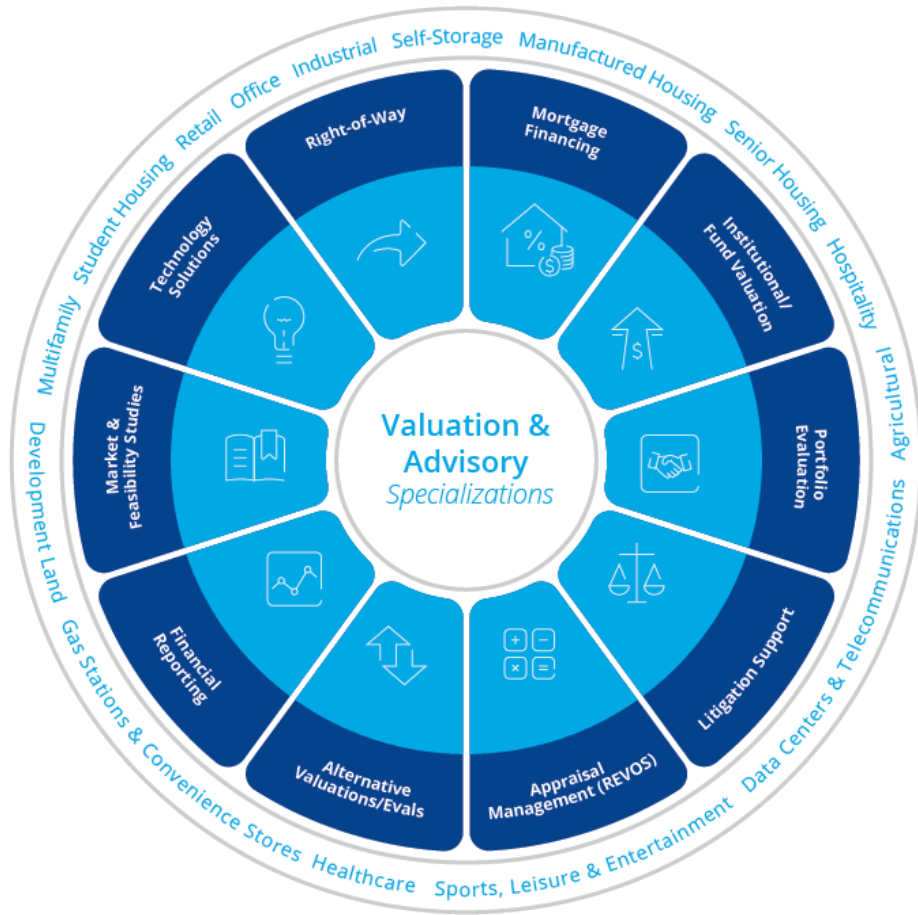
Our unmatched report creation technology speeds appraisals through the pipeline. This secure, centralized production system generates a wide range of reports and high volume portfolio orders without delays.

Information

Today's business climate places valuation in a more pivotal position than ever before. All our appraisals are evaluated and approved by an experienced review team to ensure our clients receive concise and timely appraisals. With clear, prompt reporting and a comprehensive, big picture approach, Colliers' valuation and advisory reports give our clients the information they need to make better business decisions.



What We Do



400+
licensed appraisers and staff



30,000+
assignments completed annually



63
Valuation & Advisory Services
market locations across the country

Real estate advisors in
501 offices in 65 countries.



Founding member
of the World Green
Building Council



Recognized and ranked
17 consecutive years,
more than any other
real estate firm



Ranked in the top 3
most recognized
global commercial real
estate brands by The
Lipsey Company



Ranked in the world's
top female-friendly
companies.



Valuation & Advisory Services National Leadership

Jeremy Walling, MAI, MRICS

President | US
Valuation & Advisory Services
Jeremy.Walling@colliers.com
+1 312 371 4920

Jeff Shouse, MAI, CRE

Executive Vice President
Western US
Jeff.Shouse@colliers.com
+1 916 724 5531

Bruce Nell, MAI, AI-GRS, MRICS

Executive Managing Director
Advisory Services
Bruce.Nell@colliers.com
+1 614 437 4687

PJ Cusmano, MAI, MRICS

Executive Vice President
Eastern US
PJ.Cusmano@colliers.com
+1 813 229 1599

Jerry Gisclair, MAI, MRICS

Executive Vice President
US Client Relations & Service
Jerry.Gisclair@colliers.com
+1 813 871 8531

Anjanette "AJ" Hutson, MAI, AI-GRS

Executive Managing Director
Quality Assurance
AJ.Hutson@colliers.com
+1 704 973 7202

Our Experts

To learn more about our Regional and Market Valuation Experts, please click on or scan the QR code.



Why work with Colliers?



We act as an extension of your team.

Our approach is collaborative, nimble and informed by uncommon knowledge. By aligning with your core business needs, we develop and execute customized real estate solutions to support your growth strategy.



We are both results and process-driven.

From the first handshake to the last, we manage the valuation process to minimize disruption, mitigate risk and mediate competing perspectives so that you can focus on what you do best. You can count on us to stay focused on your priorities.



We are defined by our people.

We attract an exemplary roster of top valuation experts across the United States – specialists who save you time and money by cutting through the noise to deliver the most favorable outcome.

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