

**APPRAISAL OF
40,695 SQUARE FEET OF MIXED USE ZONED LAND
LOCATED AT
1851 BROADWAY
RIVIERA BEACH, FLORIDA 33404**

FOR

**SCOTT EVANS, AICP, INTERIM EXECUTIVE DIRECTOR
RIVIERA BEACH COMMUNITY REDEVELOPMENT AGENCY**

BY

**ROBERT B. BANTING, MAI, SRA
CERT GEN RZ4**

AND

**BEAU M. ARNOLD
CERT GEN RZ2937**

WITH

**ANDERSON & CARR, INC.
521 SOUTH OLIVE AVENUE
WEST PALM BEACH, FLORIDA 33401**

DATE OF INSPECTION: OCTOBER 1, 2020

DATE OF REPORT: OCTOBER 6, 2020

DATE OF VALUE: OCTOBER 1, 2020

FILE NO.: 2200508.000

CLIENT REFERENCE: 1851 BROADWAY, RIVIERA BEACH



October 6, 2020

Mr. Scott Evans, AICP
Interim Executive Director
Riviera Beach Community Redevelopment Agency
2001 Broadway, Suite 300
Riviera Beach, FL 33404

Dear Mr. Evans:

Pursuant to your request, we have personally appraised the real property being a 40,695 square foot parcel of mixed use zoned land. The subject is currently improved with a 2,210 square foot Miami Subs fast food restaurant that was built in 1983. We found the highest and best use of the subject property is assemblage for redevelopment. We have valued the property based on the underlying land value. The current improvements, as discussed in the highest and best use section of this report, represent an interim use. The subject property is located at the southwest corner of Broadway and West 19th Street, within the municipal limits of the City of Riviera Beach. The property address is 1851 Broadway, Riviera Beach, FL, 33404.

The purpose of this appraisal is to estimate the market value of the fee simple estate of the subject property as of October 1, 2020. The intended use of the report is to assist the client and intended user in establishing a purchase or selling price. The intended user of the report is the Riviera Beach Community Redevelopment Agency. This report has been prepared for no other purpose and for use by no other person or entity than for use by the client for the purpose stated herein. Any other use of this appraisal is considered a misuse and thus the appraisers will not be held responsible for any outcome associated with use by another entity or for another purpose.

Extraordinary Assumptions

This appraisal involves the use of an extraordinary assumption. An extraordinary assumption assumes uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. The use of an extraordinary assumption in appraisal practice can have significant impacts on value conclusions and the use of the extraordinary assumption herein may have affected assignment results. The extraordinary assumption used in the process of this appraisal is as follows:

The subject property is subject to a long term lease that's primary term expires 1/31/2021. The tenant has two extension options of five years each with 4 months' notice given to the landlord. The extension of this lease could create long term lease hold. We have valued the fee simple estate of the subject property as if the tenant did not exercise their right to extend the lease.



Scott Evans, AICP

Page 2

October 6, 2020

We have utilized the sales comparison approach to value, the most common method used for valuing properties such as the subject property.

The global outbreak of a "novel coronavirus" known as COVID-19 was officially declared a pandemic by the World Health Organization (WHO). It is currently unknown what direct, or indirect, effect, if any, this event may have on the national economy, the local economy or the market in which the subject property is located. The stock market has already responded negatively. However, the real estate market is much slower to react and there is no measurable evidence available at this time to make an adjustment for this recent situation. The reader is cautioned that the conclusions presented in this appraisal report apply only as of the effective date(s) indicated.

As a result of our analysis, we have developed an opinion that the market value of the fee simple estate (as defined in the report), subject to the definitions, certifications, and limiting conditions set forth in the attached report, as of October 1, 2020 was:

MARKET VALUE:

\$1,250,000

The following presents our analysis and conclusions in a narrative appraisal report. This letter must remain attached to the report, which contains 60 pages plus related exhibits, in order for the value opinion set forth to be considered valid. Your attention is directed to the General Limiting Conditions contained within this report.

Respectfully submitted,

ANDERSON & CARR, INC.



Robert B. Banting, MAI, SRA
Cert Gen RZ4



Beau M. Arnold
Cert Gen RZ2937

RBB/BMA:cmp



TABLE OF CONTENTS

Page No.

Summary of Important Facts and Conclusions	1
Certification	3
General Limiting Conditions.....	4
Extraordinary Assumptions	6
Hypothetical Conditions	6
Area/Location Maps.....	7
Plat Map	8
Aerial Photographs.....	9
Subject Property Photos (Taken October 1, 2020).....	11
Purpose and Date of Value	17
Property Appraised	17
Legal Description	17
Disclosure of Competency	17
Intended Use and User	17
Client.....	17
Definitions.....	18
Property Rights Appraised	18
Typical Buyer Profile.....	19
Scope of Assignment	19
Impacts on Commercial Real Estate From COVID-19.....	20
Palm Beach County Summary	21
Conclusion.....	29
Neighborhood Summary	30
Property Data.....	32
Taxpayer of Record.....	32
Palm Beach County Property Control Number(s)	32
Assessed Value and Taxes for 2020	32
Census Tract.....	33
Flood Zone Designation	34
Zoning and Future Land Use	35
Concurrency	36
Utilities	36
Subject Property Sales History	36
Site Analysis	37
Highest And Best Use.....	38
Exposure And Marketing Time.....	42
Sales Comparison Approach	43
Sales Summary and Discussion.....	57
Conclusion.....	60

Qualifications for Robert B. Banting, MAI, SRA, Cert Gen RZ4

Qualifications for Beau M. Arnold, Cert Gen RZ2937

Addendum:



SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS

Client:	Scott Evans, AICP, Interim Executive Director Riviera Beach Community Redevelopment Agency
Intended User:	Riviera Beach Community Redevelopment Agency
Intended Use:	Establishing a purchase or selling price
Taxpayer of Record:	Sharon Holdings LLC
Property Rights Appraised:	Fee Simple Estate
Extraordinary Assumptions:	Yes, please see page number 6
Hypothetical Conditions:	None
Unusual Market Externality:	Covid-19 Pandemic
Location:	Site is located at the southwest corner of Broadway and West 19th Street, within the municipal limits of the City of Riviera Beach.
Site/Land Area:	The subject site contains 40,695 square feet or 0.93 acres.
Improvements:	Improvements include a 2,210 square foot fast food restaurant building with drive thru and associated site improvements.
Zoning:	DC - Downtown Core by Riviera Beach
Land Use Plan:	Downtown Mixed Use by Riviera Beach
Flood Zone & Map Reference:	Zone X (unshaded), Community Panel Number 12099C0393F, effective date of October 5, 2017
Census Tract:	0015.00
Current Use:	Restaurant
Highest and Best Use:	Commercial/mixed use redevelopment



Exposure Time: 8 to 16 months

Marketing Time: 8 to 16 months

Estimated Property Values:

Value via Cost Approach: N/A
Value via Income Capitalization Approach: N/A
Value via Sales Comparison Approach: \$1,250,000

MARKET VALUE: **\$1,250,000**

Date of Inspection: October 1, 2020

Date of Report: October 6, 2020

Date of Value: October 1, 2020

Appraisers: Robert B. Banting, MAI, SRA
Cert Gen RZ4

Beau M. Arnold
Cert Gen RZ2937



CERTIFICATION

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

The statements of fact contained in this report are true and correct.

The reported analyses, opinions, and conclusions are limited only by the reported general limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, conclusions, and recommendations.

I have 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.

I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved.

I have no bias with respect to any property that is the subject of this report or to the parties involved with this assignment.

My engagement in this assignment was not contingent upon developing or reporting predetermined results. This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.

My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.

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

Beau M. Arnold made a personal exterior inspection of the property that is the subject of this report on October 1, 2020. Robert B. Banting, MAI, SRA has not made a site specific inspection of the property. Mr. Banting is familiar with the area and has seen this property in the past.

As of the date of this report, Robert B. Banting, MAI, SRA has completed the continuing education program of the Appraisal Institute.

No one provided significant real property appraisal or appraisal consulting assistance to the person signing this certification.



Robert B. Banting, MAI, SRA
Cert Gen RZ4



Beau M. Arnold
Cert Gen RZ2937



GENERAL LIMITING CONDITIONS

1. Unless otherwise stated, the value appearing in this appraisal represents our opinion of the market value or the value defined as of the date specified. Values of real estate are affected by national and local economic conditions and consequently will vary with future changes in such conditions.
2. Possession of this report or any copy thereof does not carry with it the right of publication nor may it be used for other than its intended use. The physical report(s) remains the property of the appraiser for the use of the client. The fee being charged is for the analytical services only. The report may not be copied or used for any purpose by any person or corporation other than the client or the party to whom it is addressed, without the written consent of an officer of the appraisal firm of Anderson & Carr, Inc. and then only in its entirety.
3. Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations efforts, news, sales or other media without written consent and approval of an officer of Anderson & Carr, Inc. nor may any reference be made in such public communication to the Appraisal Institute or the MAI, SRA or SRPA designations.
4. The appraiser may not divulge the material contents of the report, analytical findings or conclusions, or give a copy of the report to anyone other than the client or his designee, as specified in writing except as may be required by the Appraisal Institute, as they may request in confidence for ethics enforcement or by a court of law or body with the power of subpoena.
5. Liability of Anderson & Carr, Inc. and its employees is limited to the fee collected for the appraisal. There is no accountability or liability to any third party.
6. It is assumed that there are no hidden or unapparent conditions of the property, sub-soil, or structures which make it more or less valuable. The appraiser assumes no responsibility for such conditions or the engineering which might be required to discover these facts.
7. This appraisal is to be used only in its entirety. All conclusions and opinions concerning the analysis which are set forth in the report were prepared by the appraisers whose signatures appear on the appraisal report. No change of any item in the report shall be made by anyone other than the appraiser and the appraiser and firm shall have no responsibility if any such unauthorized change is made.
8. No responsibility is assumed for the legal description provided or other matters legal in character or nature, or matters of survey, nor of any architectural, structural, mechanical, or engineering in nature. No opinion is rendered as to the title which is presumed to be good and merchantable. The property is valued as if free and clear of any and all liens and encumbrances and under responsible ownership and competent property management unless otherwise stated in particular parts of the report.
9. No responsibility is assumed for accuracy of information furnished by or from others, the clients, their designee, or public records. We are not liable for such information or the work of subcontractors. The comparable data relied upon in this report has been confirmed with one or more parties familiar with the transaction or from affidavit when possible. All are considered appropriate for inclusion to the best of our knowledge and belief.



10. The contract for appraisal, consultation or analytical service is fulfilled and the total fee payable upon completion of the report. The appraiser or those assisting the preparation of the report will not be asked or required to give testimony in court or hearing because of having made the appraisal in full or in part; nor engaged in post-appraisal consultation with client or third parties, except under separate and special arrangement and at an additional fee.

11. The sketches and maps in this report are included to assist the reader and are not necessarily to scale. Various photos, if any, are included for the same purpose and are not intended to represent the property in other than actual status as of the date of the photos.

12. Unless otherwise stated in this report, the appraisers have no reason to believe that there may be hazardous materials stored and used at the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

13. If applicable, the distribution of the total valuation of this report between land and improvements applies only under the existing program of utilization. The separate valuations for land and building must not be used in conjunction with any other appraisal, no matter how similar and are invalid if so used.

14. No environmental or impact studies, special market studies or analysis, highest and best use analysis study or feasibility study has been requested or made unless otherwise specified in an agreement for services or in the report. Anderson & Carr, Inc. reserves the unlimited right to alter, amend, revise or rescind any of the statements, findings, opinions, values, estimates or conclusions upon any previous or subsequent study or analysis becoming known to the appraiser.

15. It is assumed that the property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in this appraisal report.

16. The value estimated in this appraisal report is gross without consideration given to any encumbrance, lien, restriction, or question of title, unless specifically defined. The estimate of value in the appraisal report is not based in whole or in part upon the race, color, or national origin of the present owners or occupants of the properties in the vicinity of the property appraised.

17. It is assumed that the property conforms to all applicable zoning, use regulations, and restrictions unless a nonconformity has been identified, described, and considered in this appraisal report.

18. It is assumed that all required licenses, certificates of occupancy, consents, and other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the opinion of value contained in this report is based.



19. It is assumed that the use of the land and improvements is confined within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.

20. This appraisal report has been prepared for the exclusive benefit of the client and intended users, Riviera Beach Community Redevelopment Agency. This report has been prepared for no other purpose and for use by no other person or entity than for use by the client for the purpose stated herein. Any other use of this appraisal is considered a misuse and thus the appraisers will not be held responsible for any outcome associated with use by another entity or for another purpose.

21. The global outbreak of a novel coronavirus known as COVID-19 was officially declared a pandemic by the World Health Organization (WHO). It is currently unknown what direct, or indirect, effect, if any, this event may have on the national economy, the local economy or the market in which the subject property is located. The stock market has already responded negatively. However, the real estate market is much slower to react and there is no measurable evidence at this time to make an adjustment for this very recent situation. The reader is cautioned, and reminded that the conclusions presented in this appraisal report apply only as of the effective date(s) indicated. The appraiser makes no representation as to the effect on the subject property of this event, or any event, subsequent to the effective date of the appraisal.

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

23. ACCEPTANCE OF, AND/OR USE OF THIS APPRAISAL REPORT CONSTITUTES ACCEPTANCE OF THE PRECEDING CONDITIONS.

EXTRAORDINARY ASSUMPTIONS

The subject property is subject to a long term lease that's primary term expires 1/31/2021. The tenant has two extension options of five years each with 4 months' notice given to the landlord. The extension of this lease could create long term lease hold. We have valued the fee simple estate of the subject property as if the tenant did not exercise their right to extend the lease.

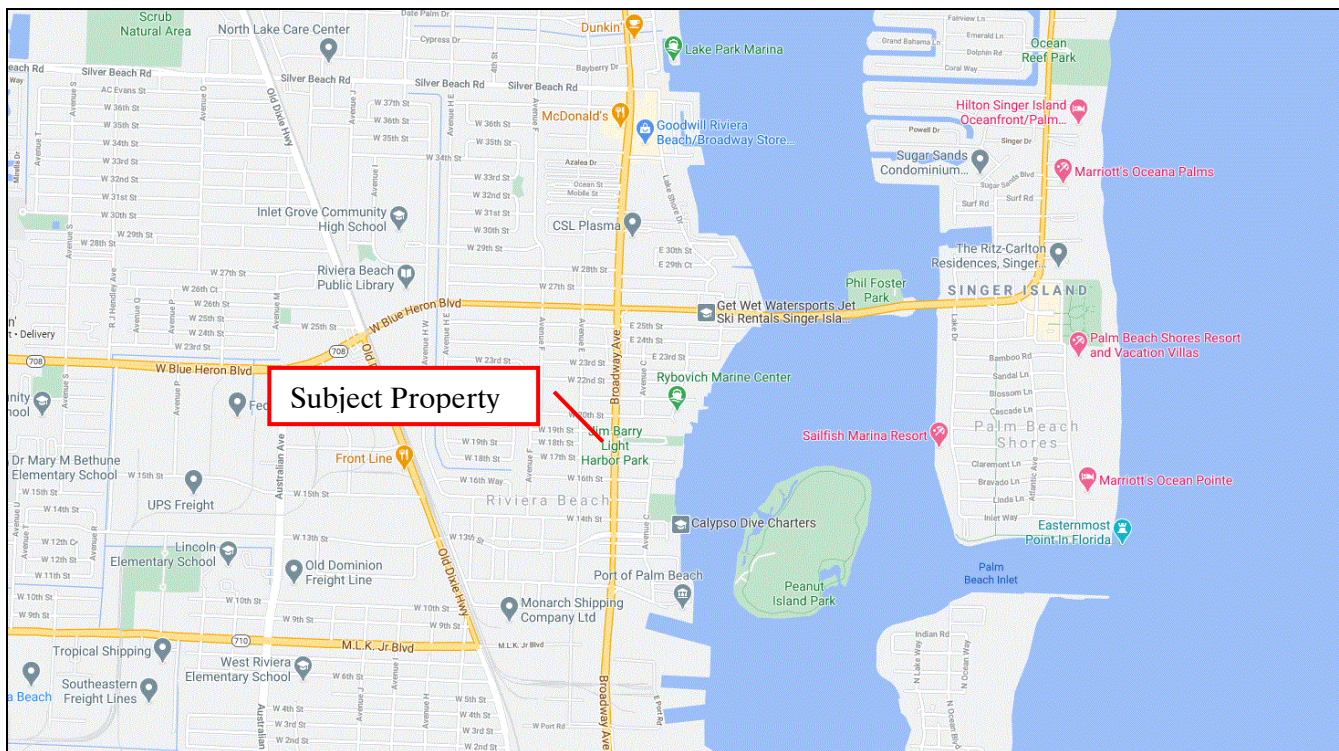
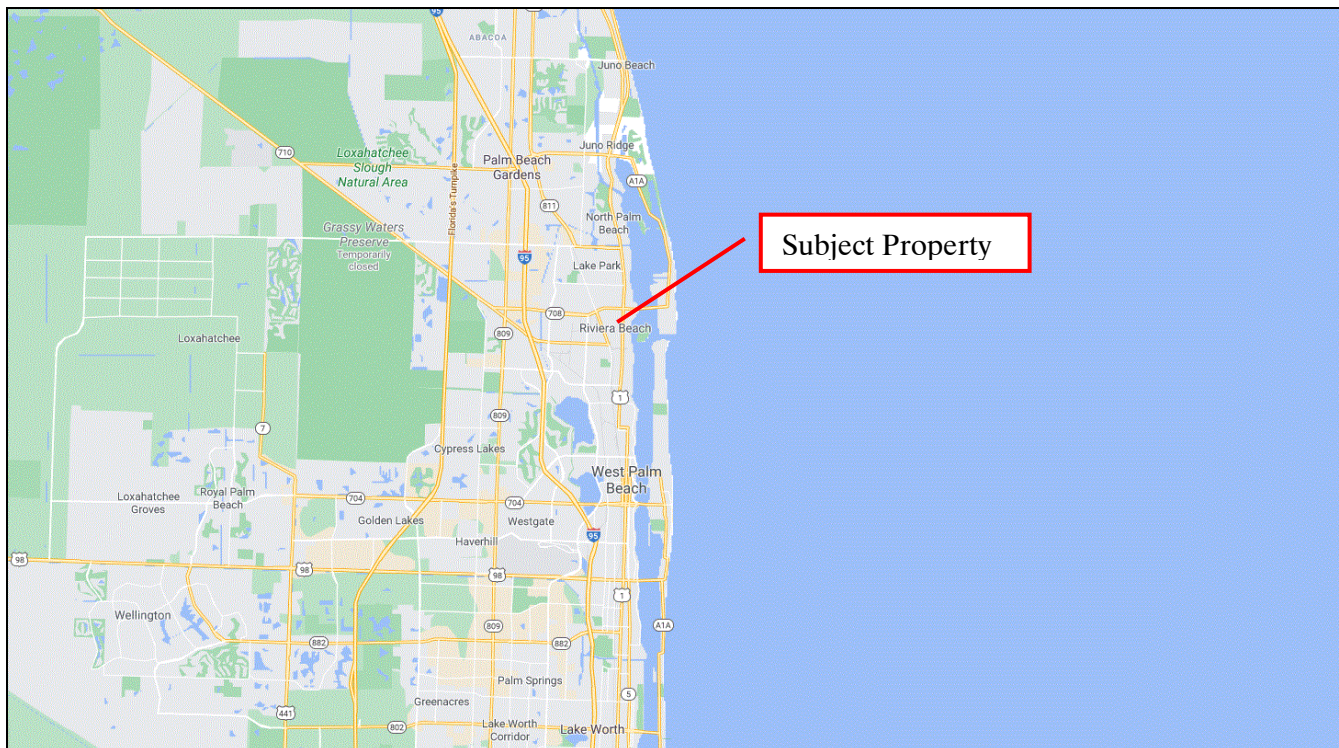
The use of an extraordinary assumption in appraisal practice can have significant impacts on value conclusions and the use of the hypothetical condition herein may have affected assignment results.

HYPOTHETICAL CONDITIONS

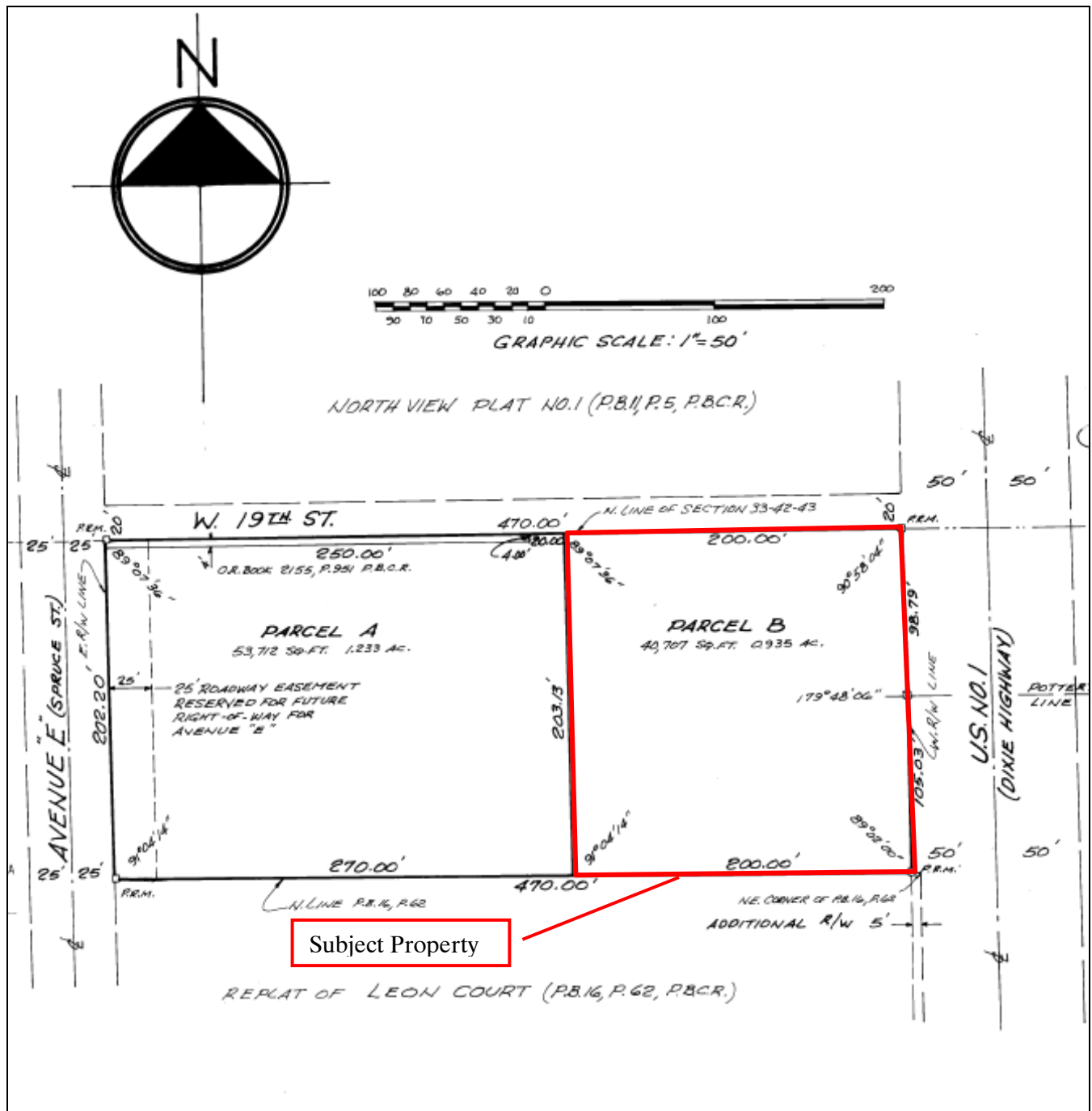
No Hypothetical Conditions were utilized in the preparation of this appraisal.



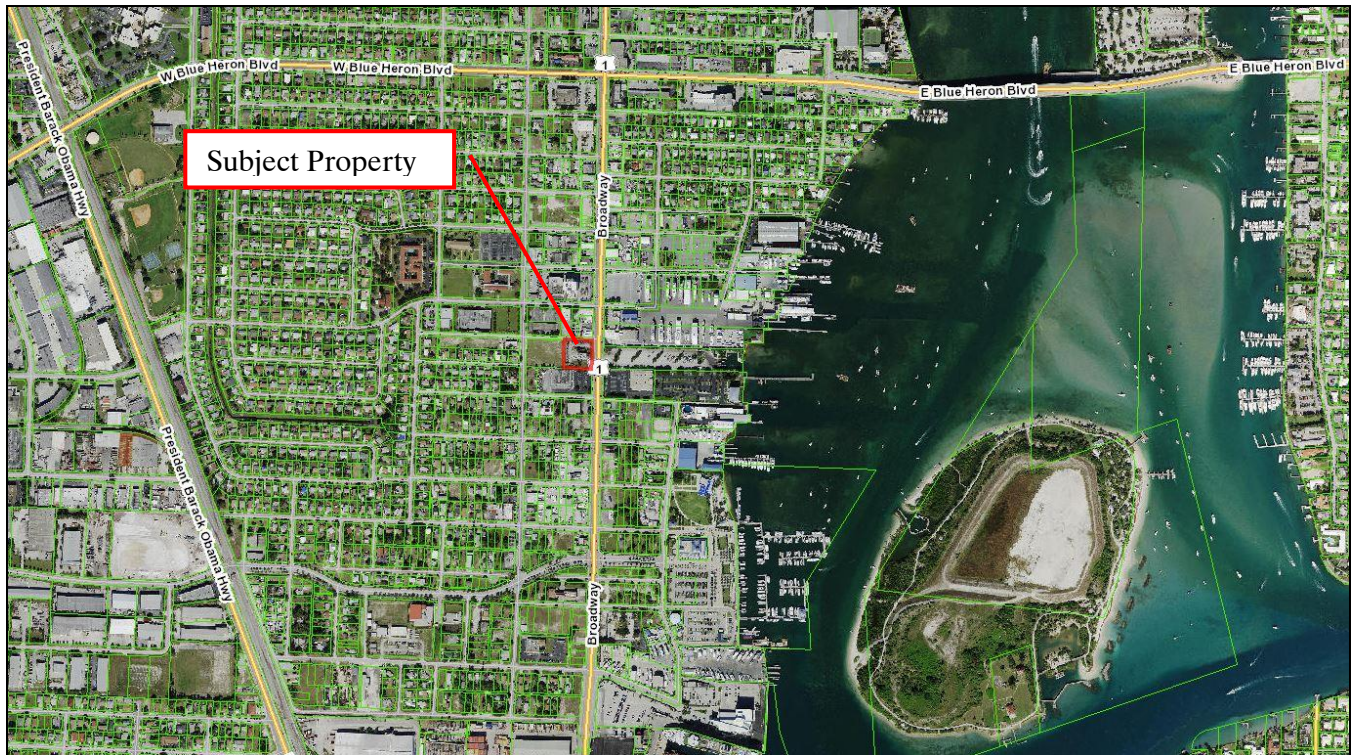
AREA/LOCATION MAPS



PLAT MAP



AERIAL PHOTOGRAPHS





Looking south



Looking west

SUBJECT PROPERTY PHOTOS (TAKEN OCTOBER 1, 2020)



Subject looking northwest from Broadway



Looking north on Broadway, subject is on the left



Subject looking southwest from Broadway



Front of building looking west



Looking southwest from the northeast corner of the subject



Looking southeast from the northwest corner of the subject



Looking south from the northwest corner of the subject



Rear building view looking east



Looking west from the southeast corner of the subject



Looking northwest from the southeast corner of the subject



Looking north from the southeast corner of the subject



Interior dining area

PURPOSE AND DATE OF VALUE

The purpose of this appraisal is to estimate the market value, fee simple estate, of the subject property as of October 1, 2020.

PROPERTY APPRAISED

The subject property consists of a 40,695 square foot parcel of mixed use zoned land. The subject is currently improved with a 2,210 square foot Miami Subs fast food restaurant that was built in 1983. We found the highest and best use of the subject property is assemblage for redevelopment. We have valued the property based on the underlying land value. The current improvements, as discussed in the highest and best use section of this report, represent an interim use. The subject property is located at the southwest corner of Broadway and West 19th Street, within the municipal limits of the City of Riviera Beach. The property address is 1851 Broadway, Riviera Beach, FL, 33404.

LEGAL DESCRIPTION

The legal description for the subject property was taken from the most recent deed for the subject property, recorded in OR Book 29713, Page 320.

Parcel B of Bojangles' at Riviera Beach, recorded in Plat Book 46, Page 108, public records of Palm Beach County, Florida

DISCLOSURE OF COMPETENCY

Per the Competency Rule contained within the Uniform Standards of Professional Appraisal Practice, the appraisers hereby affirm that they are competent to complete the appraisal assignment for which they have been engaged by the client.

INTENDED USE AND USER

The intended use of this report is to assist the client and intended user in establishing a purchase or selling price. The intended user of the report is Riviera Beach Community Redevelopment Agency.

This report has been prepared utilizing generally accepted appraisal guidelines, techniques, and methodologies as contained within the Uniform Standard of Professional Practice (USPAP), as promulgated by the Appraisal Foundation.

CLIENT

Mr. Scott Evans, AICP
Interim Executive Director
Riviera Beach Community Redevelopment Agency
2001 Broadway, Suite 300
Riviera Beach, FL 33404



DEFINITIONS**Market Value**

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently, 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 normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. (Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) and the Interagency Appraisal and Evaluation Guidelines, Federal Register, Volume 75, No. 237, December 10, 2010).

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. Comment: Uncertain information might include physical, legal, or economic characteristics of the subject property; or conditions external to the property, such as market trends; or integrity of data used in an analysis. (USPAP, 2020-2021 ed.).

An extraordinary assumption was used in the process of this appraisal as follows:

The subject property is subject to a long term lease that's primary term expires 1/31/2021. The tenant has two extension options of five years each with 4 months' notice given to the landlord. The extension of this lease could create long term lease hold. We have valued the fee simple estate of the subject property as if the tenant did not exercise their right to extend the lease.

The use of an extraordinary assumption in appraisal practice can have significant impacts on value conclusions and the use of the hypothetical condition herein may have affected assignment results.

PROPERTY RIGHTS APPRAISED

The property rights appraised are those of the fee simple estate.

Fee simple estate is defined as absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat (The Dictionary of Real Estate Appraisal, 6th ed., Chicago: Appraisal Institute, 2015).



TYPICAL BUYER PROFILE

The typical purchaser of the subject would be either a developer who would develop the site for lease or resale or an owner/user who would develop the site for their own use. The comparables utilized in the sales comparison approach to value reflect these trends.

SCOPE OF ASSIGNMENT

The traditional appraisal approaches include the cost approach, the sales comparison approach, and the income capitalization approach. We have considered all three approaches in this assignment, and determined the sales comparison approach to be applicable in this assignment.

The cost and income capitalization approaches are not applicable in the valuation of land.

In the process of gathering data for the sales comparison approach to value, we conducted a search of our appraisal files and public information sources such as the Palm Beach County Property Appraiser's public access system and the Palm Beach County Clerk's Office, as well as subscription based information services such as CoStar.com for comparable sales in the relevant market area. We searched for the most similar sales to the subject property.

The sales ultimately selected for further analysis were the best comparable sales we were able to find in this market. We obtained and verified additional information on the comparable properties with a party to the transaction, or a broker or agent of the parties when possible.

Physical data pertaining to the subject property was obtained from an exterior and limited interior inspection of the premises and public information sources such as the Palm Beach County Property Appraiser's records. Other data pertaining to the subject property was obtained from the Palm Beach County Clerk's and Tax Collector's offices and local planning and zoning departments.

The product of our research and analysis is formulated within this report for analysis of and direct comparison with the subject property being appraised. Additionally, we have used original research performed in preparation of other appraisals by this office, which is considered appropriate for the subject property.

We make no warranty as to the authenticity and reliability of representations made by those with whom we verified sales, rental, and other information. We have taken due care in attempting to verify the data utilized in this analysis. We based our analysis and conclusions on overall patterns rather than on specific representations.

Per USPAP Standard Rule 2-2 this analysis is an Appraisal Report presented in written format. The analysis and conclusions of this appraisal assignment are presented in a narrative appraisal report.



IMPACTS ON COMMERCIAL REAL ESTATE FROM COVID-19

The following news article indicates that sales volume has decreased; however, prices are still increasing but at a slower rate through April, 2020.

"Commercial real estate price growth flattened in April as deals begun before the pandemic were completed and overall transaction volume slowed sharply, according to the latest monthly CoStar Commercial Repeat Sale Indices.

The CCRSI equal-weighted U.S. Composite Index, which reflects the more numerous, but lower-priced property sales typical of secondary and smaller markets, increased just 0.1%. While significant impact from the coronavirus has yet to be reflected in pricing, the monthly gain was down from the monthly average gain of 1.5% in the period of January through March.

The value-weighted U.S. Composite Index, which reflects larger asset sales common in major markets, rose 0.5% in April. The monthly gain was on a par with monthly gains in the first quarter of the year.

CCRSI price indices ticked up modestly in April, boosted by the closing of some deals that were in negotiation prior to lockdown periods. However, liquidity indicators suggest near-term softening in pricing is likely," said Nancy Muscatello, managing consultant for CoStar. "The number of trades in April was down from prior month totals, and the average days on market for property sales, a closely watched liquidity indicator, rose for the first time since 2012.

The slowdown was most evident in the lower-priced property sales segment, with deal volume down 10% compared with the same period in 2019. Deal volume in the larger asset sales segment volume was down 6.3%.

The average time on the market for for-sale properties increased to 202 days in April, up from 197 days in January. This 2.4% increase over the four-month period is the first meaningful uptick in the average time on the market since 2012.

The share of properties withdrawn from the market by discouraged sellers was at 26.5% in April, about steady from the withdrawal rate in March.

CoStar's repeat sales index provides the market's first look at commercial real estate pricing trends through April. Based on 613 repeat sale pairs in April and more than 226,602 repeat sales since 1996, the CCRSI offer a broad measure of commercial real estate repeat sales activity.

When a property is sold more than once, the price change from the pair of first and second sales are used to calculate price movement, and those sales pairs are used to create a price index."

By Mark Heschmeyer

CoStar News June 1, 2020



PALM BEACH COUNTY SUMMARY



Geography

Palm Beach County is located along Florida's Southeast coast. It is bordered by Martin County to the north, Hendry and Glades Counties to the west, Broward County to the south and the Atlantic Ocean to the east. The northwestern portion of the county is made up of Lake Okeechobee, the largest freshwater lake in Florida. The county is located approximately 80 miles north of Miami and 260 miles south of Jacksonville.

Palm Beach County encompasses approximately 2,203 square miles with roughly 1,974 square miles of land area, 229 square miles of water, and 47 miles of coastline. According to the U.S. Census Bureau's 2015 estimate, Palm Beach County has a population of 1,422,789; an increase of 7.8 percent from the 2010 census statistics of 1,320,134. The vast majority of the county's growth has been a result of in-migration from the northern states as well as from Miami-Dade and Broward Counties to the south. Palm Beach County ranks as the third most populous county in Florida behind Miami-Dade and Broward Counties.

The county includes 38 incorporated municipalities; the largest of which is West Palm Beach, the county seat. Boca Raton, located at the south end of the county, is the second largest city and one of the highest income retail trade areas in the United States.

Miami-Dade, Broward and Palm Beach Counties are known as the "Gold Coast". This area is approximately 110 miles from north to south, but only 20 miles wide at its widest points. This is the second longest urbanized area in the United States, just behind the New York Metropolitan area.



Transportation

Vehicular Travel

Interstate 95 is a major north/south thoroughfare that connects Palm Beach County to the southeastern and northeastern portions of the state, and then continues along the Eastern Seaboard to Maine. Florida's Turnpike also passes through the county and provides connections to Miami-Dade and Broward Counties to the south and Orlando to the north, connecting with I-75 around Leesburg, FL. Other north/south highways include A1A, U.S. Highway 1, Congress Avenue, Military Trail and U.S. 441. A1A connects the coastal communities along the eastern edge of the county while U.S. 441 connects the more western communities such as Wellington and Jupiter Farms. There are numerous local east/west roadways with Southern Boulevard and Blue Heron Boulevard providing access to the most western portions of the county including Belle Glade, as well as Florida's West Coast.

Airport

Palm Beach International Airport (PBI) is centrally located 2.5 miles from downtown West Palm Beach and adjacent to I-95 providing air service for communities throughout Palm Beach County. PBI opened in 1988 and has expanded over the past 30 years. There are currently fourteen major airlines operating with numerous domestic flights and international flights to the Bahamas and Canada. The airport's growth necessitated a direct access overpass interchange with I-95 which significantly improved ingress and egress for the airport. Palm Beach County is also home to four commercial executive airports.

Rail Service and Transit

There are two main rail corridors in Palm Beach County, the Florida East Coast railway and CSX railway, partially owned by the Florida Department of Transportation to run the Tri-Rail commuter trains. AmTrak is a passenger train that runs throughout the county connecting passengers to other parts of the country. Brightline, the express intercity high-speed rail system runs service between Miami and West Palm Beach with a single intermediate stop in Ft. Lauderdale. It began service in May 2018, with an extension from West Palm Beach to Orlando via Melbourne planned to open in late 2021. Palm Tran is Palm Beach County's public transportation provider for fixed route passenger bus service. It also operates Palm Tran CONNECTION and provides paratransit services for qualified users. Local municipalities and Tri-rail provide various trolley and shuttle services throughout Palm Beach County.

Port of Palm Beach and Intracoastal Waterway

The Port of Palm Beach is located in Riviera Beach, FL and is an independent taxing authority district with a five-member Board of Commissioners. It has an annual cargo tonnage of 5.1 and passenger traffic of 550,000. It is the fourth busiest container port of Florida's 14 deepwater ports and 18th in the United States. Unlike most ports in the US, the Port of Palm Beach is an export port, with approximately 80% of its cargo being exported. The majority of the cargo goes to support the island nations of the Caribbean, supplying 60% of everything consumed in the Bahamas. It is home to Bahamas Paradise Cruise Line offering two-day cruises to Grand Bahama Island. The Intracoastal Waterway represents one of Palm Beach County's most identifiable marine destinations. Roughly 43 miles of waterway serve as a regional connector between 23 of the county's municipalities.



Economy

At 2,000 square miles, Palm Beach County is the largest in area for the State of Florida. The county had experienced favorable demographic and economic conditions over the past five years until March 2020 with the onset of COVID-19. Although job and demographic growth had outpaced the U.S. across the board for the past several years, this area has been dramatically affected by the recent pandemic that has caused economic conditions to change rapidly across the world.

The county's current population of 1.5 million has grown by close to 15% over the past decade, more than double the rate of the remainder of the country. In early 2020, the county's labor market had grown by 15% over the past five years. The unemployment rate according to the U.S. Bureau of Labor Statistics in January 2020 was 3.6%, however, with the closing of retail stores, restaurants and hotels, unemployment has skyrocketed to 14.1%, a twelve month change up 11%.

Palm Beach County has greatly benefited from Florida's lack of a state income tax. The region has always been popular with wealthy individuals from across the country and the world, but over the past five years has seen an even greater influx of wealthy individuals active in the financial services industry living in high tax states, bring significant parts of their wealth and business to the area. The tax dynamic, combined with a very strong business services infrastructure and a large talent pool, has created more jobs.

Palm Beach County's 650,000 strong labor force is service driven, with over 80% of the labor force employed in private service provision. Trade and transportation is the largest sector with close to 20% of the county's jobs. Palm Beach County's agricultural output ranks the highest in the state nearly doubling that of Miami-Dade. It consists of over 1,400 farms with over \$1 billion in sales of crops and a \$10 billion economic impact.

The largest employer in Palm Beach County is the Palm Beach County School Board, the tenth largest school district in the United States, with close to 23,000 employees and a \$3.5 billion dollar budget for the 2019-2020 school year. Palm Beach County employment by industry is shown in the following table. The forecast is very uncertain due to the unknown effects of the COVID-19 pandemic.

Economy

Palm Beach Industrial

PALM BEACH EMPLOYMENT BY INDUSTRY IN THOUSANDS

NAICS Industry	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
	Jobs	LQ	Market	US	Market	US	Market	US
Manufacturing	17	0.4	-18.11%	-21.20%	0.79%	-1.30%	3.66%	4.24%
Trade, Transportation and Utilities	88	1.0	-24.56%	-23.90%	-0.92%	-1.52%	5.60%	5.42%
Retail Trade	60	1.2	-24.21%	-23.33%	-0.92%	-1.85%	5.52%	5.23%
Financial Activities	38	1.2	-12.69%	-12.33%	0.74%	-0.05%	3.13%	3.12%
Government	67	0.7	3.14%	1.77%	0.22%	0.11%	0.58%	0.40%
Natural Resources, Mining and Construction	35	1.2	-11.15%	-13.57%	3.51%	1.34%	3.59%	3.28%
Education and Health Services	104	1.0	-1.78%	0.06%	2.56%	1.92%	1.30%	1.21%
Professional and Business Services	103	1.3	-11.91%	-10.37%	2.08%	1.32%	3.19%	2.98%
Information	9	0.8	-12.60%	-8.00%	0.16%	-0.09%	2.01%	1.94%
Leisure and Hospitality	78	1.3	-14.49%	-13.89%	1.47%	0.89%	3.55%	3.53%
Other Services	28	1.3	-17.25%	-16.67%	0.11%	-0.82%	3.79%	3.44%
Total Employment	541	1.0	-15.49%	-14.07%	0.71%	-0.07%	3.88%	3.46%

Source: Oxford Economics
LQ = Location Quotient



Commercial Real Estate

Industrial

Leasing- Weakened demand led to mild upward pressure before the onset of the coronavirus pandemic. New supply mirrored weakening demand conditions.

Rent- Palm Beach industrial rents are close to \$12.10 per SF, a third above the national average. Industrial space dispersion across the metro translates to a wide rent range from \$9/SF to \$16/SF.

Construction- Construction continues but has slowed down, which will likely cause future deliveries and groundbreakings to be delayed. There is currently 1.2 million SF under construction, close to the national average.

Sales- The current uncertain environment suggests that transaction activity is likely to slow, as uncertainty heavily weighs on investors and lenders. Prices are at \$140/SF.

Overview

Palm Beach Industrial			
12 Mo Deliveries in SF	12 Mo Net Absorption in SF	Vacancy Rate	12 Mo Rent Growth
381 K	(13.3 K)	3.9%	3.6%

With an average submarket size that is six times smaller than in neighboring Miami and Fort Lauderdale, Palm Beach County is Florida's largest county by area, and industrial properties are widely dispersed across the metro. Most industrial space is off of I-95, and the most significant nodes containing clusters of warehouses over 75,000 SF are near Palm Beach Gardens and just north of Boca Raton. Palm Beach industrial demand is primarily driven by the local economy, though some demand comes from trade activity at the Port of Palm Beach.

Vacancies were on the rise for several quarters before the coronavirus pandemic onset. Though the crisis is having a limited operational impact on the metro's industrial market so far, the weakening economic outlook will weigh down demand and looks set to push vacancies up and rents down by the end of the year.

Deal volume for the year before the onset of the crisis was robust. Activity in the first quarter of this year was among the strongest over the past few years, even though transaction volume declined significantly since March. But despite the strong deal momentum, the economic fallout will likely cause prices to drop for the first time in more than a decade.

We are continuously updating our market analytics on CoStar.com to reflect the fallout from the onset of the coronavirus pandemic. You may run alternative economic scenarios by navigating to the Market Analytics tab and selecting the Data Export menu. On the right-hand side of the page, you may choose from several scenarios before you download data. If you want to get more information on the assumptions made under each situation, please navigate to the top of the Data Export page, and select Documentation, and U.S. Economic Scenario Descriptions.

KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Logistics	41,136,177	4.1%	\$11.55	7.6%	5,764	0	1,036,083
Specialized Industrial	11,301,785	2.3%	\$10.95	7.8%	0	0	0
Flex	11,723,056	4.4%	\$15.30	7.5%	(30,341)	0	198,650
Market	64,161,018	3.9%	\$12.13	7.6%	(24,577)	0	1,234,733
Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	0.1%	5.4%	4.9%	11.0%	2009 Q4	2.5%	2017 Q4
Net Absorption SF	(13.3 K)	598,970	596,167	2,215,647	2005 Q3	(2,369,770)	2009 Q3
Deliveries SF	381 K	789,528	905,232	1,797,201	2000 Q4	9,060	2013 Q2
Rent Growth	3.6%	2.2%	2.8%	6.4%	2001 Q1	-4.3%	2009 Q4
Sales Volume	\$332 M	\$183.2M	N/A	\$429.6M	2019 Q3	\$35.6M	2010 Q1



Office

Leasing- Before the onset of the coronavirus pandemic vacancies had steadily declined over the past decade. It is too early to evaluate the impact on office employment as both state and federal government have implemented support measures to businesses through the pandemic.

Rent- The demand outlook remains uncertain as the full impact of the coronavirus pandemic is undetermined at this point. A weakening economic outlook will likely translate to significantly lower rent growth over the next few quarters.

Construction- Construction has slowed and the disruption of the global supply chain will complicate the sourcing of building materials. The construction pipeline is at 1.3 million SF, the highest over the past decade.

Sales- As with the rest of the country, the pandemic has disrupted financing and added uncertainty when pricing transactions that are currently in the pipeline.

Overview

Palm Beach Office			
12 Mo Deliveries in SF	12 Mo Net Absorption in SF	Vacancy Rate	12 Mo Rent Growth
217 K	(389 K)	10.0%	5.0%

The coronavirus pandemic has had a significant operational impact on Palm Beach's office market. Construction has slowed down and the vast majority of companies have transitioned their employees to work from home. The majority of the county's office employment sector is operational remotely, while those that have to work with public offices and the court system are at a standstill, as public offices will remain closed in the foreseeable future.

It is too early to evaluate the impact on office employment, as both the state and federal government implemented measures to support, especially small and medium-sized, businesses in the area. Both the national and the Palm Beach metro office employment growth decelerated before the onset of the coronavirus

pandemic. Any further weakness in office employment growth is likely to impact demand for space, especially new deliveries, as well as rent growth.

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KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
4 & 5 Star	13,830,666	13.4%	\$44.38	18.6%	7,188	0	873,757
3 Star	28,147,988	9.0%	\$33.57	11.9%	(5,578)	0	410,436
1 & 2 Star	14,681,143	8.9%	\$29.38	10.8%	(64,535)	0	0
Market	56,659,797	10.0%	\$35.25	13.3%	(62,925)	0	1,284,193
Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	0.7%	11.5%	10.8%	17.2%	2010 Q3	6.5%	2000 Q2
Net Absorption SF	(389 K)	545,593	463,313	2,162,727	2004 Q4	(1,319,077)	2008 Q1
Deliveries SF	217 K	780,836	743,628	2,670,378	2008 Q4	65,949	2012 Q2
Rent Growth	5.0%	2.4%	2.1%	8.9%	2016 Q3	-7.6%	2009 Q4
Sales Volume	\$670 M	\$608.1M	N/A	\$1.4B	2015 Q2	\$101.4M	2009 Q4



Retail

Leasing- At the onset of the pandemic, vacancies were close to the lowest point over the past decade, however, the retail sector's outlook is uncertain. As the market reopens, the affluent seasonal residents who remained in the area may help mitigate the demand fallout caused by the pandemic.

Rent- Rental rates are currently at \$28/SF, close to a third above the national average. The coastal submarket has the highest retail asking rents at more than double the metro average.

Construction- Construction activity has slowed significantly as the sourcing of building materials became more complicated and expensive. There is close to 680,000 SF under construction.

Sales- The current uncertain environment across the globe suggests that transaction activity is likely to slow, as uncertainty weighs heavily on investors and lenders.

Overview

Palm Beach Retail			
12 Mo Deliveries in SF	12 Mo Net Absorption in SF	Vacancy Rate	12 Mo Rent Growth
441 K	80.2 K	4.7%	4.2%

Vacancies were stable and close to 4.5% before the onset of the coronavirus pandemic. A reasonably low level of deliveries over the past decade, coupled with strong demand, sent the vacancy rate on a downward trajectory for the better part of the past 10 years.

The metro's major retail drivers include favorable demographics, median household incomes that are close to the U.S. average, and a large number of retirees, many of which spend part of the year in the area. While Palm Beach is less reliant on tourist activity, when compared to neighboring Miami and Fort Lauderdale, the onset of the coronavirus pandemic in March had a profound and immediate negative impact on the metro's retail sector. All retail outlets, except grocery stores and other pharmacies, were ordered to close overnight, leading to significant loss of business activity.

Construction has been very measured over the decade before the onset of the coronavirus pandemic, and the

prelease rate for properties in the works is close to 95%. Sales activity over the past few quarters was healthy, prolonging a multi-year stretch of good investment conditions. The outlook for the market remains uncertain, as social distancing measures have not only caused an immediate loss of business but will weigh heavily on demand for the rest of the year.

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KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Malls	9,888,087	3.3%	\$32.89	2.6%	(10,475)	0	0
Power Center	3,526,642	5.6%	\$30.47	6.9%	(13,500)	0	0
Neighborhood Center	30,131,641	6.1%	\$26.71	8.4%	(42,252)	0	243,229
Strip Center	5,020,751	6.6%	\$25.87	5.6%	(30,821)	0	0
General Retail	30,220,131	3.5%	\$28.16	4.5%	215,520	222,800	288,261
Other	860,067	0.7%	\$35.80	2.5%	0	0	148,857
Market	79,647,319	4.7%	\$28.25	5.9%	118,472	222,800	680,347

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	0.1%	5.8%	5.5%	8.7%	2010 Q1	3.4%	2006 Q1
Net Absorption SF	80.2 K	536,863	364,591	1,499,808	2007 Q1	(928,843)	2009 Q3
Deliveries SF	441 K	725,386	682,638	2,537,314	2006 Q4	186,573	2012 Q1
Rent Growth	4.2%	1.6%	2.2%	6.1%	2017 Q1	-5.9%	2009 Q3
Sales Volume	\$712 M	\$627.5M	N/A	\$1.6B	2015 Q3	\$136.3M	2009 Q3



Multi-Family

Vacancy- The metro has benefited from substantial population gains over the past decade, however, economic uncertainty over the medium term looks set to dampen the apartment outlook.

Rent- Asking rents have been on the decline since the onset of the pandemic wiping out most of the rent gains over the past year. Rent declines are weighing more heavily on high-end apartments, as the metro has seen substantial supply gains in the category over the past few years.

Construction- The onset of the pandemic slowed construction and may lead to project delays and a slowdown in groundbreakings over the next few months as owners, lenders and developers come to grips with the changing economic landscape.

Sales- Palm Beach apartment prices rose by close to 60% over the five years prior to the onset of the coronavirus pandemic. The outlook, however, has changed as the current environment suggests that transaction activity is likely to slow.

Overview

Palm Beach Multi-Family			
12 Mo. Delivered Units	12 Mo. Absorption Units	Vacancy Rate	12 Mo. Asking Rent Growth
1,295	415	8.0%	0.1%

The onset of the coronavirus pandemic is having an immediate and significant impact on the Palm Beach apartment market. Over the short term, construction has slowed, causing future deliveries and groundbreakings to be delayed. The disruption to the global supply chain is causing construction material prices to rise. Some proposed projects could be canceled, depending on how firm financing arrangements are and how deteriorating demand conditions are impacting a project's viability.

Rent growth is the most significant casualty since the onset of the pandemic. Asking rents have declined, wiping out the year-over-year rent growth. Meaningful rent declines are expected by the end of the year. Areas with higher construction activity will fair worse than markets with lower rent-to-income ratios and more moderate construction activity. The focus has now shifted to collecting rents.

Vacancies have not moved significantly since the onset of the pandemic, as the crisis is impacting the entire

market. Landlords are working with tenants that have been adversely affected by providing rent discounts, waiving late fees, and working out longer-term payment plans. Vacancies are set to rise by the end of the year, primarily because of the new supply coming to market. Apartment lease-up periods are expected to rise, as people opt to renew rather than upgrade or move amid a period of economic uncertainty.

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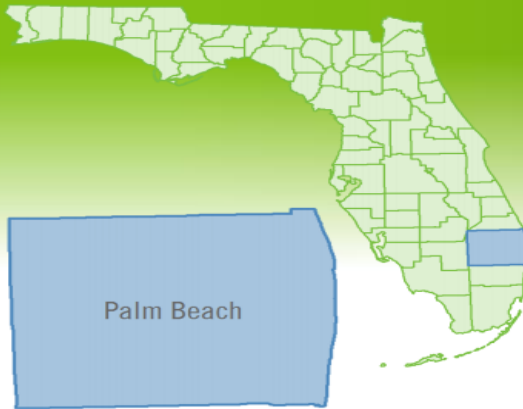
KEY INDICATORS

Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	28,261	10.0%	\$1,859	\$1,829	81	0	3,641
3 Star	26,435	7.0%	\$1,498	\$1,487	7	0	1,035
1 & 2 Star	12,303	5.8%	\$1,142	\$1,135	(1)	0	0
Market	66,999	8.0%	\$1,633	\$1,613	87	0	4,676
Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	1.2%	7.9%	9.5%	10.0%	2009 Q1	5.2%	2014 Q3
Absorption Units	415	1,111	1,168	3,570	2018 Q3	(315)	2006 Q3
Delivered Units	1,295	1,277	1,501	3,216	2017 Q2	0	2011 Q4
Demolished Units	0	67	80	396	2018 Q1	0	2020 Q2
Asking Rent Growth (YOY)	0.1%	2.4%	0.6%	6.8%	2006 Q3	-3.3%	2008 Q4
Effective Rent Growth (YOY)	0.7%	2.4%	0.6%	6.7%	2006 Q3	-3.2%	2008 Q4
Sales Volume	\$446 M	\$553.1M	N/A	\$1.9B	2018 Q2	\$61.6M	2009 Q1



Residential Real Estate

Monthly Market Detail - May 2020
Single Family Homes
Palm Beach County



Summary Statistics	May 2020	May 2019	Percent Change Year-over-Year
Closed Sales	991	1,870	-47.0%
Paid in Cash	315	628	-49.8%
Median Sale Price	\$365,000	\$364,900	0.0%
Average Sale Price	\$655,752	\$591,775	10.8%
Dollar Volume	\$649.9 Million	\$1.1 Billion	-41.3%
Median Percent of Original List Price Received	95.0%	94.6%	0.4%
Median Time to Contract	37 Days	52 Days	-28.8%
Median Time to Sale	84 Days	97 Days	-13.4%
New Pending Sales	1,698	1,913	-11.2%
New Listings	1,931	2,139	-9.7%
Pending Inventory	2,619	3,155	-17.0%
Inventory (Active Listings)	5,850	7,184	-18.6%
Months Supply of Inventory	4.3	5.1	-15.7%

Monthly Market Detail - May 2020
Townhouses and Condos
Palm Beach County



Summary Statistics	May 2020	May 2019	Percent Change Year-over-Year
Closed Sales	597	1,453	-58.9%
Paid in Cash	318	840	-62.1%
Median Sale Price	\$200,000	\$185,000	8.1%
Average Sale Price	\$343,898	\$283,898	21.1%
Dollar Volume	\$205.3 Million	\$412.5 Million	-50.2%
Median Percent of Original List Price Received	92.5%	93.6%	-1.2%
Median Time to Contract	52 Days	56 Days	-7.1%
Median Time to Sale	94 Days	98 Days	-4.1%
New Pending Sales	1,104	1,380	-20.0%
New Listings	1,716	1,600	7.3%
Pending Inventory	1,762	2,317	-24.0%
Inventory (Active Listings)	6,109	6,131	-0.4%
Months Supply of Inventory	5.9	5.5	7.3%

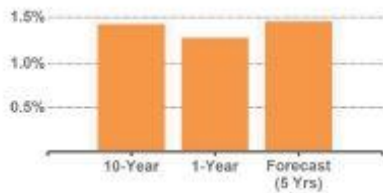


DEMOGRAPHIC TRENDS

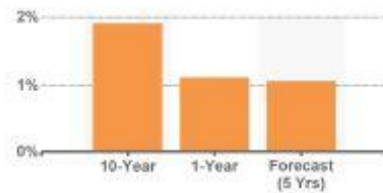
Demographic Category	Current Level		Current Change		10-Year Change		Forecast Change (5 Yrs)	
	Metro	U.S.	Metro	U.S.	Metro	U.S.	Metro	U.S.
Population	1,512,113	330,224,188	1.3%	0.7%	1.4%	0.7%	1.4%	0.7%
Households	581,225	122,475,989	1.2%	0.5%	0.9%	0.7%	1.4%	0.6%
Median Household Income	\$83,325	\$64,253	2.4%	3.5%	2.5%	2.5%	3.2%	3.7%
Labor Force	746,395	164,436,359	1.1%	0.9%	1.9%	0.7%	1.1%	0.5%
Unemployment	3.1%	3.5%	-0.3%	-0.3%	-0.8%	-0.7%	-	-

Source: Oxford Economics

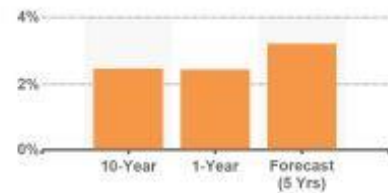
POPULATION GROWTH



LABOR FORCE GROWTH



INCOME GROWTH



Source: Oxford Economics

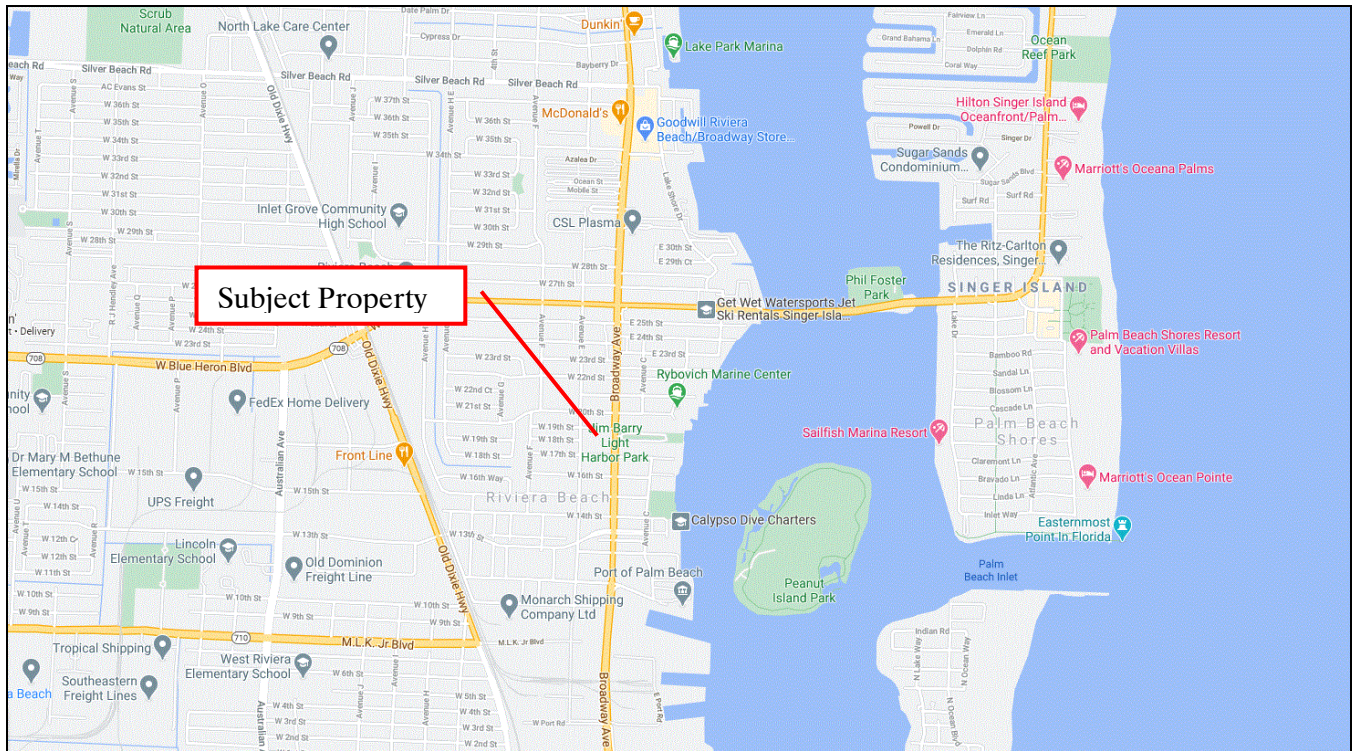
Conclusion

Some of the factors that fed Palm Beach County's past growth diminished in 2007 with a decline in the national economy which included reduced home prices and high unemployment. This trend continued until the middle of 2011 when signs of stabilization began to emerge. In the fourth quarter 2011, sales activity began to show signs of recovery. A slow but steady rebound in the market continued into the beginning of 2020. This changed in mid-March 2020 with the closing of schools, retail stores and all non-essential businesses due to the COVID-19 pandemic. With all of the closures and a stay safe at home recommended by the CDC, unemployment rates increased all over the United States and the world.

Though long-term outlooks are uncertain due to the coronavirus pandemic, Palm Beach County as compared to many other areas of the country is considered positive due to the broad employment base and desirability as a winter tourist destination. There continues to be an influx from the northeast as the early intensity of the pandemic hit the NYC metro and many are moving to the area to escape months of quarantine. As population grows, more supporting commercial, industrial, and service development will be required. These factors, combined with a finite quantity of developable land create a positive real estate outlook for the future.



NEIGHBORHOOD SUMMARY



The subject's immediate neighborhood is considered to be the stretch of Broadway running north from the Port of Palm Beach to Silver Beach Road. Uses within the immediate neighborhood include a mix of neighborhood commercial to marine commercial uses along the Broadway frontage.

Along the waterfront, land uses are almost entirely commercial, marine oriented in nature south of Blue Heron Boulevard, and waterfront residential to the north of Blue Heron Boulevard. Uses to the south of the subject along the same Broadway corridor in West Palm Beach are almost exclusively neighborhood commercial in nature, with residential uses along the waterfront and to the west of Broadway.

Major arteries of transportation include Blue Heron Boulevard, Port Road, and Silver Beach Road, which run east/west and US 1, Old Dixie Highway, and Australian Avenue, which run north/south. Blue Heron Boulevard has the only interchange with Interstate 95, and is primarily four lanes and has a modern, sixty-five foot clearance, fixed span bridge to Singer Island.

The primary direction of growth has been westerly along the major arteries of traffic. This growth trend is expected to continue into the near future, as the general area becomes more extensively developed. However, over the past few years, urban redevelopment has become the norm for coastal Palm Beach County and Riviera Beach is attempting to follow suit. The city has experienced some redevelopment success east of Broadway, along the waterfront.



One of the residential redevelopment projects within the area includes Marina Grande at Inlet Harbor. It is a mixed-use commercial and residential condominium development adjacent to the north side of the Blue Heron Bridge. One block west of Marina Grand is a new Publix supermarket.

Opened in 2016, the redeveloped Riviera Beach Marina Village has transformed the city's working waterfront into a modern and vibrant destination enjoyed by both residents and visitors alike.

The brand new Riviera Beach Marina Event Center is home to Rafiki Tiki restaurant, a café, and several meeting and banquet rooms that can accommodate groups and clubs, family events and business gatherings for anywhere from 10 to 300 people.

The multi-million dollar re-imagining of Bicentennial Park gives visitors a relaxing space to unwind along the banks of the Intracoastal Waterway, with a stage that is home to shows, concerts and festivals.

That said, the picture along Broadway is not as upbeat; however, it is the hope that successful redevelopment efforts on the waterfront will eventually push westward to Broadway.

The subject property is situated in a future redevelopment area with noticeable changes taking place in central Riviera Beach. Due to the subject's proximity to the waterfront and the port, we foresee stable demand for the subject into the future pending any substantial changes in national and local economic conditions. That said, with the current COVID-19 crisis beginning to affect the country and the world in the past few months the near term outlook is uncertain. We have yet to see any direct market evidence of market pull back. However, some price deflation could be possible in the near term as the pandemic plays out around the country and around the globe.



PROPERTY DATA

Taxpayer of Record

Sharon Holdings LLC

Palm Beach County Property Control Number(s)

56-43-42-33-24-002-0000

Assessed Value and Taxes for 2020

The following information was taken from the Palm Beach County Property Appraiser's and Tax Collector's web sites.

Appraisals		
Improvements \$203,169	Land \$280,796	Total Value \$483,965
Assessed and Taxable Values		
Assessed Value \$483,965	Exemption \$0	Taxable Value \$483,965
Taxes		
Ad Valorem \$10,623	Non Ad Valorem \$2,566	Total Tax \$13,189

A typical informed buyer would recognize the possibility of a reassessment following a sale of the property and the possibility that taxes could change as a result, if the assessed value is substantially different than the true market value.

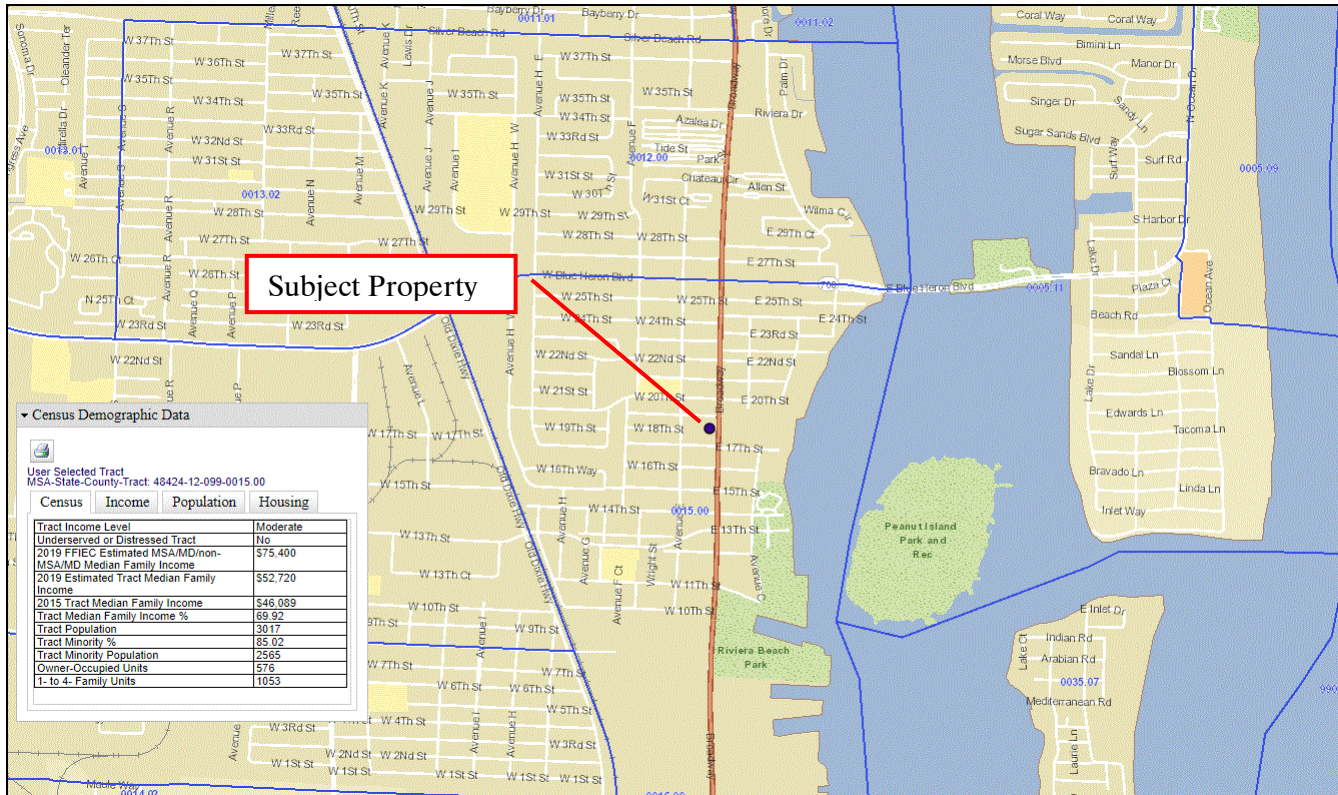
Our value conclusion does not discount for any taxes owed on the property, current or delinquent. The value assumes the property is free and clear and not subject to any prior year's delinquencies or outstanding tax certificates. The appraisers strongly suggest any potential buyer, mortgagee, or other investor in the property fully investigate the tax status of the subject property with the County's Tax Collectors office.



Census Tract

The subject property is located in census tract 0015.00.

Census Tract Map

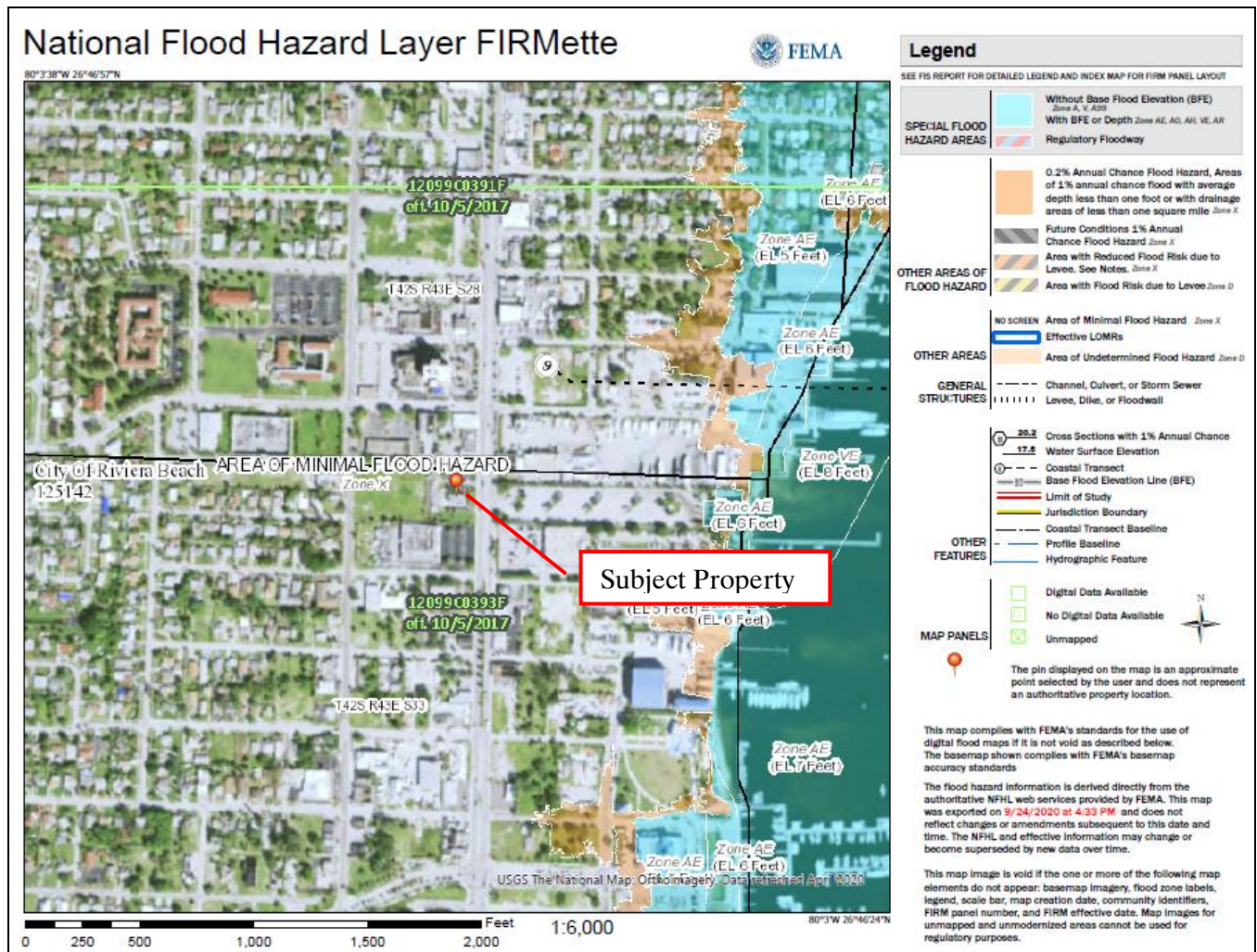


Flood Zone Designation

The subject property is located on the National Flood Insurance Program Map on Community Panel Number 12099C0393F, effective date of October 5, 2017. The subject appears to lie in an area designated as Zone X (unshaded).

Flood Zone X (unshaded) is determined to be outside the 0.2% annual chance floodplain.

Flood Map



Zoning and Future Land Use

The subject property's use is dictated by the Riviera Beach Zoning Code and Comprehensive Plan. The Riviera Beach zoning and future land use maps indicate the subject property has a zoning designation of DC - Downtown Core with an underlying land use designation of Downtown Mixed Use.

Per the City of Riviera Beach municipal code: The DC downtown core district promotes redevelopment of the commercial center of downtown Riviera Beach. The existing commercial corridor and marina area will become a vibrant, pedestrian-friendly, mixed-use district that accommodates shops, businesses, residences, marine-related, and entertainment uses.

Permitted uses under this zoning category generally include, but are not limited to; multifamily residential, professional office, restaurants, retail and service establishments, marine related businesses and hotel/motels. The subject's current use as restaurant in line with the current zoning as a permitted use and the current zoning is in harmony with the future land use designation.

The appraisers have not independently verified that the subject complies with current site development regulations (setbacks, site coverage, etc.). It has been assumed that by virtue of the subject's on-going use, should there be any areas of non-compliance, a variance has been issued or some other form of special exception has been made.



Concurrency

The strongest growth control measure ever imposed was passed by the Florida Legislature and became effective on February 1, 1990. This was mandated by Chapter 163, Florida Statutes, otherwise known as the Growth Management Law. One provision of this law is referred to as Concurrency which dramatically limits the ability to develop real property. It is basically the requirement that adequate infrastructure be available to serve new development. Eight types of infrastructure are affected including traffic, potable water, sewer, drainage, solid waste, recreation and open space, mass transit, and fire rescue.

In May of 2011, House Bill 7172 amended the Growth Management act in an effort to spur economic growth through streamlining and lessening growth management controls. Transportation concurrency requirements were exempted in dense urban land areas with populations of at least 1,000 people per square mile. Also, within dense urban land areas, the DRI process has been exempted. State review of local comprehensive plans was streamlined and zoning changes are now allowed to be considered concurrently with land use plan amendments.

It is the appraisers' understanding that the subject is not subject to any concurrency restrictions. Should the property be altered or redeveloped, the matter of concurrency would need to be revisited at that time.

Utilities

The following utilities are available to the subject property: municipal water and sewer, electricity, and telephone.

Subject Property Sales History

The appraisers have not been provided with a title abstract on the property appraised nor have they conducted a title search of their own. The Palm Beach County Property Appraiser's records indicate that the subject property last sold on March 8, 2018 for a price of \$10. This sale was recorded in Palm Beach County OR Book and Page 29713/320. This was not an arm's-length transaction. It was transfer from a trust into its wholly owned company.

The subject is currently listed for sale with Nathan Werner of Restaurant Sites & Retail Sites, Inc. with an asking price of \$1,400,000. This equates to roughly \$633 per square foot of building area and \$34.40 per square foot of land area. The current asking price represents a 7.25% overall capitalization rate based on the existing NNN lease. The property is being marketed on Costar.com. The property was first listed for sale on Costar in March 24, 2017 with an asking price of \$1,750,000, which was reduced to \$1,500,000 on November 5, 2018 and to the current price on May 26, 2020.



Site Analysis

The following analysis is based upon a personal inspection of the site and Palm Beach County Public Records.

Location

The subject property is located at the southwest corner of Broadway and West 19th Street, within the municipal limits of the City of Riviera Beach.. The property address is 1851 Broadway, Riviera Beach, Florida 33404.

Size and Shape

We have relied on the site size for the property from the Palm Beach County Property Appraiser's records. The site is a rectangular shaped parcel of land having roughly 200 front feet on the south side of West 19th Street and roughly 203.82 front feet along the west side of Broadway. The subject site area is approximately 40,695 square feet or 0.934 acres.

Topography and Drainage

The site is level and near road grade. Drainage appears to be adequate for its current use. No apparent drainage problems were noted during the inspection. However, we have not had the opportunity to visit the site during a time of heavy rainfall. It is assumed that the subject does not suffer from any detrimental drainage problems.

Access

Access is via two curb cuts on the west side of Broadway and one curb cut on the south side of 19th Street.

Easements or Encroachments

Typical utility easements are believed to exist. A survey that would delineate the boundaries of any potentially detrimental easements or encroachments was not made available to the appraisers. The appraisers did not note any such conditions during our research and property inspection, nor did the property owner disclose any. We have no reason to believe that there are any easements or encroachments on the property that would affect its use in such a way as to have a negative impact on value.



Soil/Environmental Conditions

We have not been provided with nor have we commissioned a soil or sub-soil condition report. The appraisers have no reason to believe that there may be hazardous materials stored and used at the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.

HIGHEST AND BEST USE

The Appraisal Institute defines highest and best use as follows:

The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. Alternatively, the probable use of land or improved property—specific with respect to the user and timing of the use—that is adequately supported and results in the highest present value. (Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed., Chicago: Appraisal Institute, 2015).

The analysis of highest and best use normally applies these considerations in a three step process, involving the analysis of the highest and best use of the site as if vacant, determination of the ideal improvement, and a comparison of the existing improvement with the ideal improvement, in order to estimate the highest and best use as improved.

As Vacant

The subject site contains roughly 0.934 acres and could physically support a number of uses. These physically possible uses must be legal, reasonable, probable, and a logical continuation of surrounding uses within the subject property's neighborhood. The subject is currently zoned DC - Downtown Core for downtown mixed use. The surrounding area has been developed with a mix of commercial uses in the past with a heavy concentration of marine related service businesses given the proximity to the City's municipal marina and the Palm Beach inlet. The immediate area of the city's marina "Marina Village" has recently been partially redeveloped with a new marina facility a new public park and meeting space and a new restaurant, as well of the preparation of several pad sites. The City is looking to invite developers to lease the pad sites for future development of additional restaurants or other commercial uses suitable for the area. They are also looking to spur redevelopment along the Broadway corridor with new commercial and mixed uses.

In consideration of the site's location, land use classification, zoning and surrounding uses, the highest and best use for the subject, as if vacant, would be development with some type of commercial/mixed use development in keeping with the zoning, land use, and neighborhood uses.



As Improved

In order to determine to determine if the current improvements are the highest and best use we have applied the sales comparison approach utilizing sales of older fast food restaurant properties located in Palm Beach County. The sales used in the analysis were the best comparables that we were able to verify with public records and/or a party to the transaction. The sales are presented in the table below for comparison with the subject.

SALES SUMMARY TABLE									
Sale No. Date	OR Bk Page	Property Address	<u>Land Area</u> SF Acres	Year Built	Bldg. SF	FAR	Sale Price	Price/SF of Bldg.	Sale Comments
1 Nov-18	30273 1398	3231 South Dixie Highway West Palm Beach	9,630 0.22	1952	1,560	0.16	\$800,000	\$512.82	Vacant former KFC fast food restaurant building with no drive thru.
2 Dec-18	30311 0664	4720 Broadway West Palm Beach	14,795 0.34	1966	1,776	0.12	\$825,000	\$464.53	KFC fast food restaurant building with a drive thru.
3 Jul-19	30746 1985	3854 South Military Trail Palm Springs	52,654 1.21	1982	2,413	0.05	\$905,000	\$375.05	Vacant former Wendy's fast food restaurant building with drive thru.
4 Mar-20	31346 1068	6200 Lake Worth Road Greenacres	64,447 1.48	2000	3,524	0.05	\$1,050,000	\$297.96	Vacant former Steak and Shake fast food restaurant building with drive thru.
Subj. Oct-20	N/A	1851 Broadway Riviera Beach	40,695 0.93	1983	2,210	0.05	N/A	N/A	N/A

In this analysis, we considered differences between the sales and the subject in terms of property rights sold, conditions of sale, financing, market conditions (trend or time adjustment), location, building and lot size, and quality and condition of the improvements.

The appraisers based the comparisons on a standardized unit of measure, the sale price per square foot of building. The sale price per square foot of building correlates well among the comparable sales and is commonly used by buyers in this type of analysis.



QUANTITATIVE SALES ADJUSTMENT CHART - PRICE/SF GROSS BUILDING AREA													
Sale Date	Property Address	Gross Bldg. SF	Price/ Gross Building SF	Financing/ Adj. Price/ Gross Bldg. SF	Conditions of Sale/ Adj. Price/ Gross Bldg. SF	Market Conditions/ Adj. Price/ Gross Bldg. SF	Location	Building Size	Quality/ Cond/ Appeal	FAR/Lot Coverage/ Parking	Zoning/ Land Use	Final Combined Adjustment	Overall Indication
1	3231 South Dixie Highway	1,560	\$512.82	0%	0%	6.5%	-20%	0%	0%	0%	0%	-20%	\$436.92
Nov-18	West Palm Beach			\$512.82	\$512.82	\$546.15							
2	4720 Broadway	1,776	\$464.53	0%	0%	6.0%	0%	0%	0%	0%	0%	0%	\$492.40
Dec-18	West Palm Beach			\$464.53	\$464.53	\$492.40							
3	3854 South Military Trail	2,413	\$375.05	0%	0%	2.5%	0%	0%	0%	0%	0%	0%	\$384.43
Jul-19	Palm Springs			\$375.05	\$375.05	\$384.43							
4	6200 Lake Worth Road	3,524	\$297.96	0%	0%	0.0%	0%	0%	15%	0%	0%	15%	\$342.65
Mar-20	Greenacres			\$297.96	\$297.96	\$297.96							
Subj.	1851 Broadway	2,210	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Oct-20	Riviera Beach												



Conclusion

Considering all of these differences, we developed the preceding quantitative comparison chart listing the sales as they compare to the subject property, based on a price per square foot of building. Not all categories considered are depicted. Those omitted reflect no differences between the sales and the subject property.

The unadjusted range of value indicated by the sales is roughly \$297.96 to \$512.82 per square foot of building area. The preceding quantitative comparison chart shows the value range for the subject property after adjustment based on a price per square foot of building area to be from \$342.65 to \$492.40 with a mean of \$414.10. Considering all of the salient factors discussed previously and prevailing market conditions, the appraisers feel a conclusion in the middle portion of the indicated range is most appropriate. Given the preceding data and discussions, it is concluded that the market reflects a value per square foot of building area for the subject property of \$415 as of October 1, 2020. Total value is calculated as follows:

2,210 Square Feet @ \$415 per Square Foot = \$917,150

Rounded To:

INDICATED VALUE VIA SALES COMPARISON AS IMPROVED: \$920,000

Later in the report our sales comparison analysis based on the land sales concludes a value of \$1,220,000, which is high than above conclusion based on the existing building improvements.

In consideration of the subject's location, land use classification, zoning, surrounding uses and type and condition of current improvements, the highest and best use for the subject over the longer term is for assemblage with other property in the area for redevelopment. That said, in the short term continued utilization of the existing improvements as a restaurant is warranted, while a longer term redevelopment plan is formulated.



EXPOSURE AND MARKETING TIME

Exposure time is: 1) The time a property remains on the market; 2) The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; 3) A retrospective estimate based on an analysis of past events assuming a competitive and open market.

Marketing time is an opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. Advisory Opinion 7 of the Appraisal Standards Board of The Appraisal Foundation and Statement on Appraisal Standards No. 6, Reasonable Exposure Time in Real Property and Personal Property Market Value Opinions address the determination of reasonable exposure and marketing time. (Source: Appraisal Institute, The Dictionary of Real Estate Appraisal, 6th ed., Chicago: Appraisal Institute, 2015).

Financing for commercial properties appears to be available at this time. Most properties offered for sale have been exposed on the market for six to twelve months or longer.

The CoStar Group reported the historical marketing times (exposure time) for 42 commercial land properties in Palm Beach County from January 1, 2019 through September 30, 2020. The marketing time ranged from 0.6 months to 103.9 months, with an average of 22.2 months and a median of 9 months. We note that the Costar data can be skewed by many properties that were significantly overpriced by unmotivated sellers and/or were not properly marketed and languished on the market for several years. Looking at those properties that were on the market for less than three years the average falls to 10.7 months, more in line with the median. We believe if appropriately priced and marketed, the subject would sell in the lower portion of the time frame range exhibited by the CoStar data. Several of the properties in the CoStar research were overpriced and only sold after the asking prices were reduced. A properly priced property would sell more quickly.

The data seems to indicate an exposure time of 8 to 10 months would likely be adequate, assuming prudent pricing and adequate marketing. However, the country is currently experiencing a pandemic. This has slowed down general economic activity and the local real estate market. Typically, the first sign of a slowing real estate market is a lengthening of the marketing and exposure time due to owners/seller's reluctance to lower asking prices. Prices do not normally decline right away and typically wait until sellers are forced to accept lower prices if the event causing the slowdown extends long enough over time. Discussions with local active brokers indicates that sellers are currently holding firm in their pricing based on the belief that the current pandemic is a short term phenomenon; however, some buyer reluctance has been observed. Therefore, we have concluded an extended marketing and exposure time.

Considering the preceding, and assuming a prudent pricing and marketing strategy, we estimate an exposure time of 8 to 16 months. Looking forward, we feel this would be a reasonable estimate for marketing time as well.



SALES COMPARISON APPROACH

The sales comparison approach is the process of deriving a value indication for the subject property by comparing market information for similar properties with the property being appraised, identifying appropriate units of comparison, and making qualitative comparisons with or quantitative adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison. (Appraisal Institute, The Dictionary of Real Estate Appraisal, 6th ed., Chicago: Appraisal Institute, 2015.)

The sales comparison approach requires that the appraiser locate recent sales of similar properties and through an adjustment process arrive at an indication of what these properties would have sold for if they possessed all of the salient characteristics of the subject property. These adjusted sales prices are then correlated into an estimate of the market value of the property via the sales comparison approach to value.

A search of the Palm Beach County official records, local multiple listing service records, discussions with local brokers and appraisers and a personal inspection of the subject area produced several sales of similar type properties. The sales used in the analysis were the best comparables that we were able to verify with public records and/or a party to the transaction.

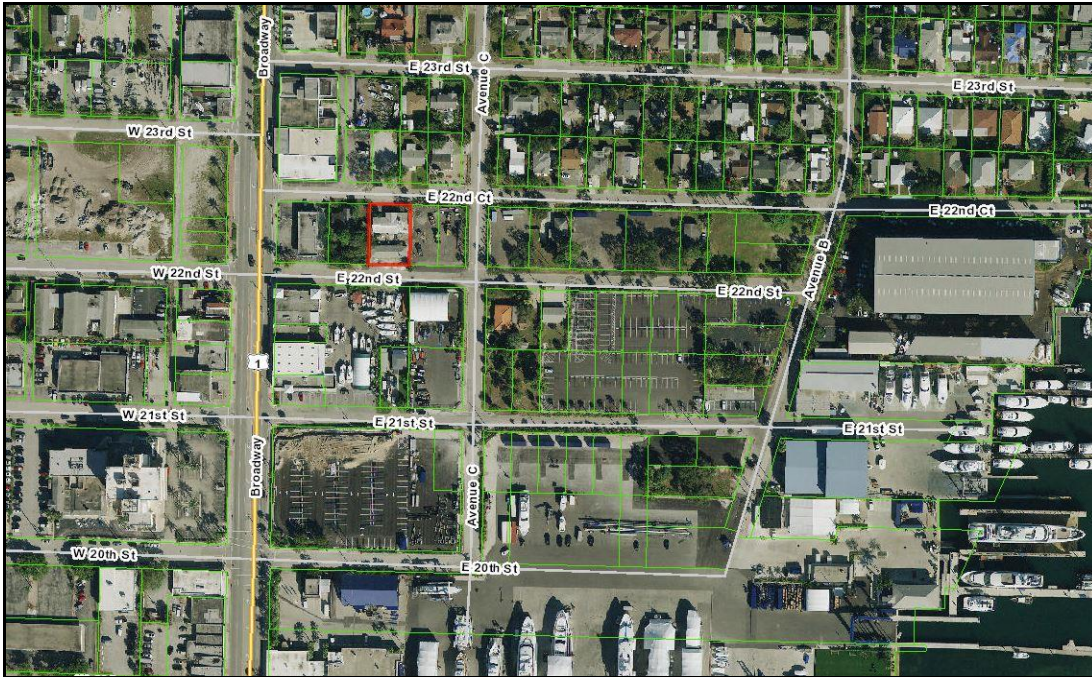
The following pages feature a detailed write up of each comparable used in the analysis, a location map and summary of the selected comparable sales data, which is followed by a discussion of the pertinent adjustments and conclusion of value.



SALE NO. 1 - 30 East 22nd Street, Riviera Beach, FL 33404

AC File No.: 2190572

ID: 911119



OR Book/Page: 29328/0962

Sale Status: Sale

Type: Land

Sub-Type: Commercial

Date: August 31, 2017

Grantor: Mary Gerngrohs

Grantee: RBY, LLC

Legal: Lot 15 and the East 1/2 of Lot 16, Block 9, Cocoanut Lodge, recorded in Plat Book 6, Page 68, revised by Revised Plat of Cocoanut Lodge recorded in Plat Book 7, Page 52, Public Records of Palm Beach County, Florida.

Folio No.: 56-43-42-28-11-003-0150

Location: North side of East 22nd Street, south of Blue Heron Boulevard, just east of Broadway and west of Avenue C, Riviera Beach.

Zoning: DR - Downtown Residential by Riviera Beach

Land Use: DMU- Downtown Mixed Use

Utilities: Municipal water and sewer, electricity, and telephone

Site Size: Square Feet: 8,477 Acres: 0.194
 Shape: Rectangular Street Frontage (Ft.): 75
 Topography/Elevation: Level, near road grade

Use: Use at Time of Sale: Vacant Land
 Intended Use: Assemblage for Redevelopment
 Highest and Best Use: Assemblage for Redevelopment

Verification: Source: John Tracy
 Relationship: Listing Agent
 Conditions of Sale: Arm's-length
 Verified By: Z. Rossetti
 Date: December 6, 2019

Sales History: No transactions in the previous five years

Sales Price: \$300,000

Price/SF Land: \$35.39

Price/Acre: \$1,546,392

Financing: Cash to seller

Comments:

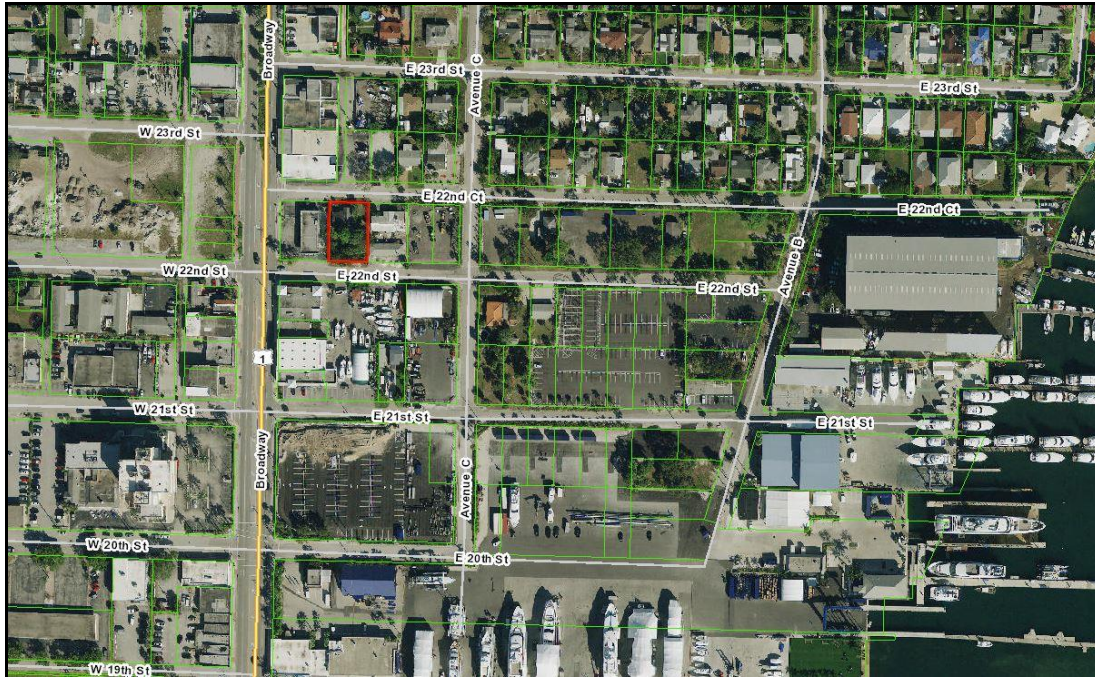
This is a sale of a 0.1946 acre site east of Broadway in Riviera Beach. The site was purchased by Rybovich and was assembled with adjacent properties on this block for the development of a boat yard. The site was improved with a 3,280 square foot tri-plex at the time of sale. The improvements did not contribute to the value and have been demolished since the time of sale.



SALE NO. 2 - 19 East 22nd Court, Riviera Beach, FL 33404

AC File No.: 2190572

ID: 911120



OR Book/Page: 30034/1094

Sale Status: Sale

Type: Land

Sub-Type: Commercial

Date: August 2, 2018

Grantor: Jennifer Weigel

Grantee: RBY, LLC

Legal: Lot West 1/2 of Lot 16 and Lot 17, Block 3, Revised Plat of Cocoanut Lodge recorded in Plat Book 7, Page 52, Public Records of Palm Beach County, Florida.

Folio No.: 56-43-42-28-11-003-0161

Location: South side of East 22nd Court, south of Blue Heron Boulevard, just east of Broadway and west of Avenue C, Riviera Beach.

Zoning: DC - Downtown Core by Riviera Beach

Land Use: DMU- Downtown Mixed Use

Utilities: Municipal water and sewer, electricity, and telephone

Site Size: Square Feet: 8,477 Acres: 0.194
 Shape: Rectangular Street Frontage (Ft.): 75
 Topography/Elevation: Level, near road grade

Use: Use at Time of Sale: Vacant Land
 Intended Use: Assemblage for Redevelopment
 Highest and Best Use: Assemblage for Redevelopment

Verification: Source: Public Records
 Relationship: Public Records
 Conditions of Sale: Arm's-length
 Verified By: Z. Rossetti
 Date: December 6, 2019

Sales History: No transactions in the previous five years

Sales Price: \$300,000

Price/SF Land: \$35.39

Price/Acre: \$1,546,392

Financing: Cash to seller

Comments:

This is a sale of a 0.1946 acre site east of Broadway in Riviera Beach. The site was purchased by Rybovich and was assembled with adjacent properties on this block for the development of a boat yard. The site was improved with a single family home at the time of sale. The improvements did not contribute to the value and have been demolished since the time of sale. None of the parties involved in this transaction could be reached to verify the detail of this sale.



SALE NO. 3 - 1429 Broadway, Riviera Beach, FL 33404

AC File No.: 2190007.001

ID: 910525



OR Book/Page: 30131/0511

Sale Status: Sale

Type: Land

Sub-Type: Commercial

Date: September 18, 2018

Grantor: Richard G. McKee, Jr. and William G. Mars (BK 30131 PG 511) and Mariner Marine of the Palm Beaches, Inc. (BK 30131 PG 514)

Grantee: Marine Real Estate Holdings, LLC

Legal: Lots 1, 2 and 3 (less the East 5 feet) and Lots 6, 7, 8, 9, 10, 21, 22, 23, 24 and 25, Block 4, Inlet Grove, Plat Book 8, Page 14, Palm Beach County, Florida

Folio No.: 56-43-42-33-04-004-0011, 56-43-42-33-04-004-0021, 56-43-42-33-04-004-0031, 56-43-42-33-04-004-0060, 56-43-42-33-04-004-0070, 56-43-42-33-04-004-0080, 56-43-42-33-04-004-0090, 56-43-42-33-04-004-0010, 56-43-42-33-04-004-0210, 56-43-42-33-04-004-0220, 56-43-42-33-04-004-0240, 56-43-42-33-04-004-0250

Location: Southwest corner of Broadway and West 15th Street, Riviera Beach

Zoning: DC - Downtown Core by Riviera Beach

Land Use: Downtown Mixed Use

Utilities: Municipal water and sewer, electricity, and telephone



Site Size: Square Feet: 82,851 Acres: 1.902
 Shape: Irregular Street Frontage (Ft.): 0
 Topography/Elevation: Level, near road grade

Use: Use at Time of Sale: Boat sales and service
 Intended Use: Commercial
 Highest and Best Use: Commercial

Verification: Source: Lawrence W. Smith, Esq, Costar, public records
 Relationship: Buyer's attorney, Costar w/ seller
 Conditions of Sale: Arm's-length
 Verified By: B. Arnold
 Date: March 12, 2019

Sales History: No transactions in the previous five years

Sales Price: \$2,100,000

Price/SF Land: \$25.35

Price/Acre: \$1,104,101

Financing: \$1,785,000 provided by M&T Bank

Comments:

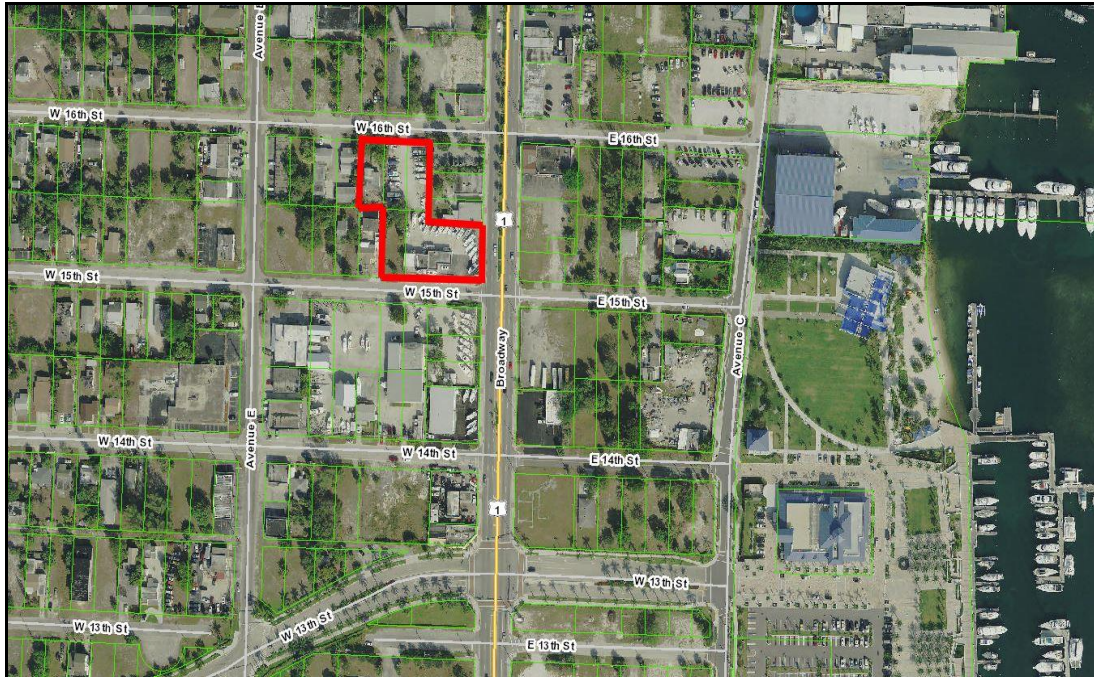
This transaction was recorded in two deeds; ORBK/PG 30131/511 (\$1,134,000) and ORBK/PG 30131/514 (\$966,000). Property is fenced and had historically been used for boat sales and service. The site has a 6,255 square foot single tenant office/warehouse building built in 1986 and a 929 square foot office building built in 1949. The property is located in close proximity to the City of Riviera Beach's newly renovated municipal marina. The buyer later purchased a similar property located at the northwest corner of Broadway and West 15th Street from the same seller in January 2019.



SALE NO. 4 - 1501 Broadway, Riviera Beach, FL 33404

AC File No.: 2190007.001

ID: 910524



OR Book/Page: 30376/1047

Sale Status: Sale

Type: Land

Sub-Type: Commercial

Date: January 22, 2019

Grantor: 1501 Broadway, LLC

Grantee: Marine Real Estate Holdings, LLC

Legal: Lots 4 and 5 (less the East 5 feet), and Lots 6, 7, 17, 18 and 19, Block 5, Inlet Grove, Plat Book 6, Page 87 and Plat Book 8, Page 14, Palm Beach County, Florida

Folio No.: 56-43-42-33-04-005-0040, 56-43-42-33-04-005-0190, 56-43-42-33-04-005-0180, 56-43-42-33-04-005-0170, 56-43-42-33-04-005-0070

Location: Northwest corner of Broadway and West 15th Street, Riviera Beach

Zoning: DC - Downtown Core by Riviera Beach

Land Use: Downtown Mixed Use

Utilities: Municipal water and sewer, electricity, and telephone



Site Size: Square Feet: 44,871 Acres: 1.030
 Shape: Irregular Street Frontage (Ft.): 480
 Topography/Elevation: Level, near road grade

Use: Use at Time of Sale: Boat sales and service
 Intended Use: Commercial
 Highest and Best Use: Commercial

Verification: Source: Lawrence W. Smith, Esq., Costar, public records
 Relationship: Buyer's attorney, Costar w/ seller
 Conditions of Sale: Arm's-length
 Verified By: B. Arnold
 Date: March 12, 2019

Sales History: No transactions in the previous five years

Sales Price: \$1,500,000

Price/SF Land: \$33.43

Price/Acre: \$1,456,311

Financing: None recorded

Comments:

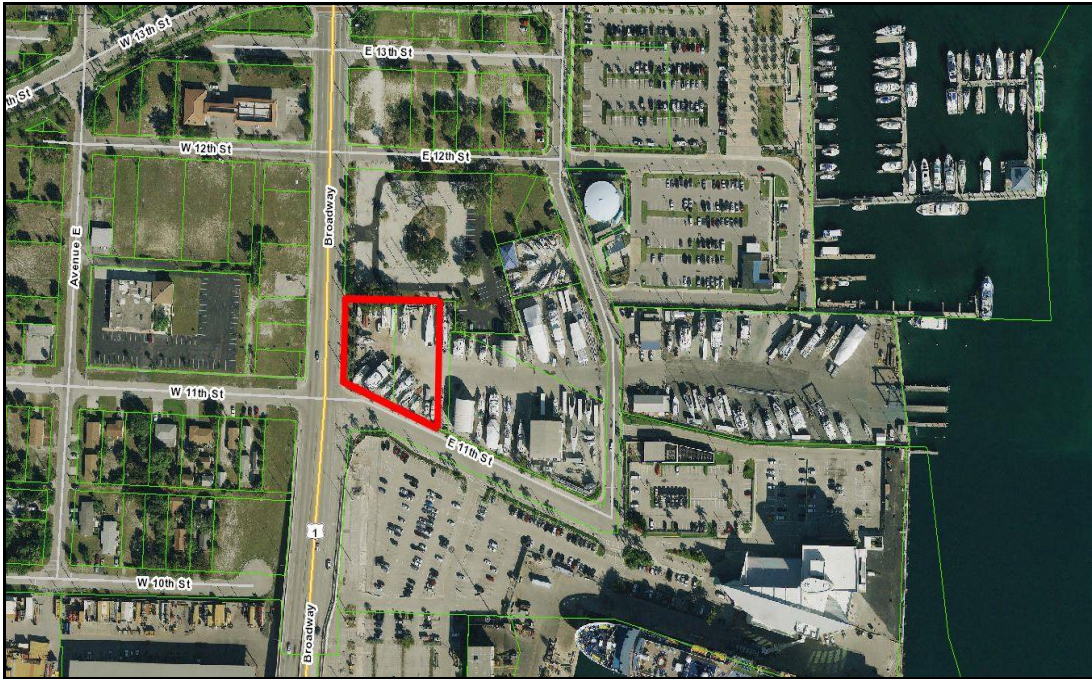
Property is fenced and had historically been used for boat sales and service. The site has a 1,751 square foot single tenant CBS commercial building built in 1983. The property is located in close proximity to the City of Riviera Beaches newly renovated municipal marina. The buyer had previously purchased a similar property located at the southwest corner of Broadway and West 15th Street from the same seller in September 2018.



SALE NO. 5 - Broadway, Riviera Beach, FL 33404

AC File No.: 2190572

ID: 911121



OR Book/Page: 30574/1459

Sale Status: Sale

Type: Land

Sub-Type: Commercial

Date: April 26, 2019

Grantor: Gerald Properties, LLC

Grantee: Jamco, Inc.

Legal: Long Legal- A portion of Lots 13 & 14, Block 23, Riviera, Plat Book 2, Page 90 AND Lots 11 thru 14, Central Addition to Riviera, Plat Book 10, Page 71, Public Records of Palm Beach County, Florida.

Folio No.: 56-43-42-33-06-023-0130; 56-43-42-33-02-000-0110

Location: Northeast corner of Broadway and East 11th Street, just north of Port of Palm Beach.

Zoning: DM - Downtown Marine by Riviera Beach

Land Use: WW- Working Waterfront

Utilities: Municipal water and sewer, electricity, and telephone



Site Size: Square Feet: 42,332 Acres: 0.971
 Shape: Irregular Street Frontage (Ft.): 160
 Topography/Elevation: Level, near road grade

Use: Use at Time of Sale: Boat Yard
 Intended Use: Boat Yard/working waterfront
 Highest and Best Use: Boat yard/working waterfront

Verification: Source: Martin Murphy
 Relationship: Buyer
 Conditions of Sale: Arm's-length
 Verified By: Z. Rossetti
 Date: December 6, 2019

Sales History: No transactions in the previous five years

Sales Price: \$1,350,000

Price/SF Land: \$31.89

Price/Acre: \$1,390,319

Financing: Cash to seller

Comments:

This is the sale of 2 adjacent parcels on the east side of Broadway in Riviera Beach. The site was being used as a boat yard at the time of sale. The buyer purchased the properties to assemble with the adjacent properties that they own and continues to use the properties as boat yard.



SALE NO. 6 - Broadway, Riviera Beach, FL 33404
AC File No.: 2200508.000

ID: 911672



OR Book/Page: Current/Contract
Sale Status: Contract

Type: Land
Sub-Type: Commercial

Date: February 28, 2020

Grantor: Gerald Properties LLC

Grantee: Riviera Beach Community Redevelopment Agency

Legal: Long legal being parts of the west end of Blocks 2 and 14 and the abandoned 13th Street road right-of-way between them, Plat of Riviera, Plat Book 2, Page 90, Palm Beach County, Florida

Folio No.: 56-43-42-33-06-002-0191, 56-43-42-33-06-002-0250, 56-43-42-33-06-014-0090, 56-43-42-33-06-014-0091, 56-43-42-33-06-014-0110, 56-43-42-33-06-014-0130

Location: Southeast corner of 13th Street and Broadway, 0.6 mile south of Blue Heron Boulevard, Riviera Beach

Zoning: DC - Downtown Core by Riviera Beach

Land Use: Downtown Mixed Use

Utilities: Municipal water and sewer, electricity, and telephone



Site Size: Square Feet: 60,779 Acres: 1.395
 Shape: roughly rectangular w/ a corner clip NEC Street Frontage (Ft.): 445
 Topography/Elevation: Level, near road grade

Use: Use at Time of Sale: Vacant
 Intended Use: Commercial
 Highest and Best Use: Commercial

Verification: Source: Contract, prior appraisal, public records
 Relationship: Contract
 Conditions of Sale: Arm's-length
 Verified By: B. Arnold
 Date: September 25, 2020

Sales History: No transactions in the previous five years

Sales Price: \$1,975,000

Price/SF Land: \$32.49

Price/Acre: \$1,415,771

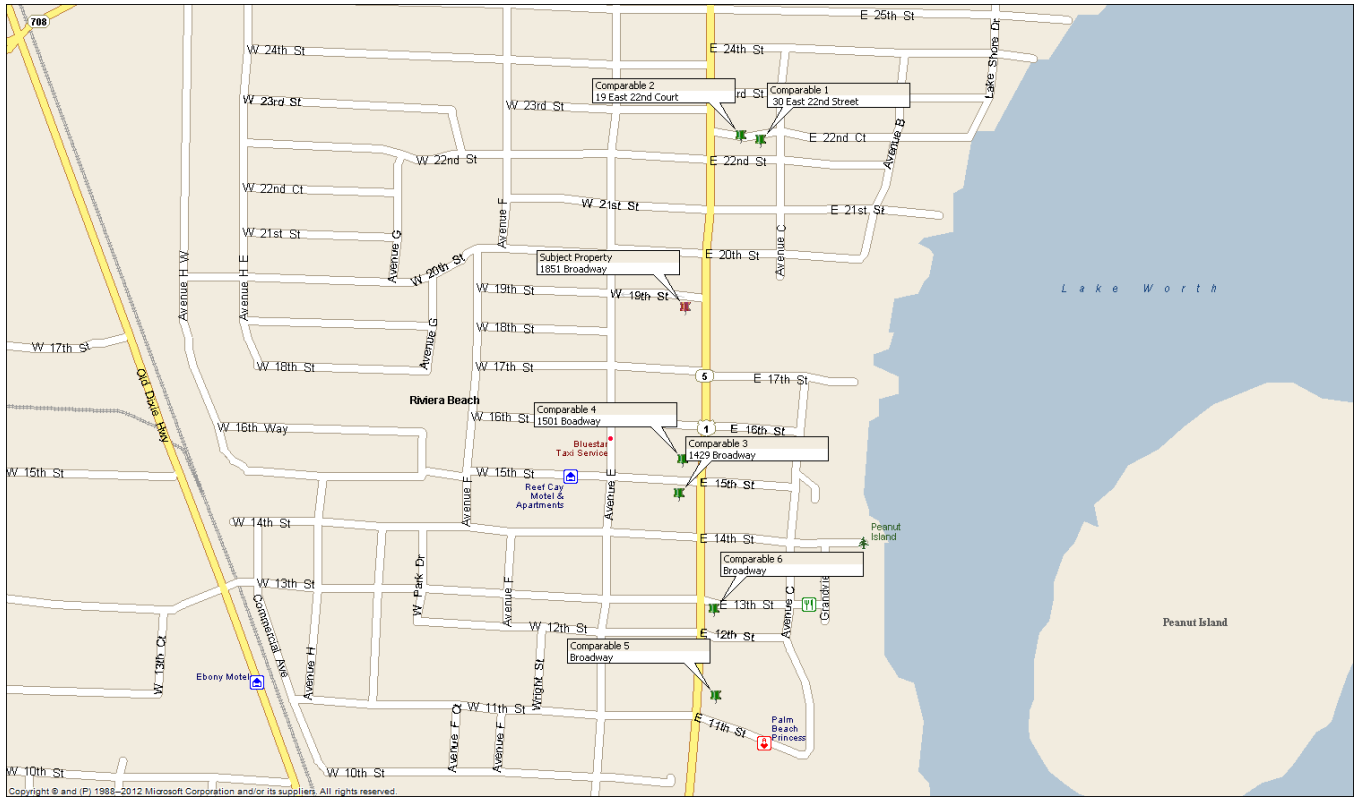
Financing: Cash to seller

Comments:

This is a prime corner parcel at the entrance to the City's municipal marina facility. The seller had assembled the site in a series of six purchases from 2006 to 2015 in anticipation of a major new redevelopment project that never materialized. AC21900572



Comparable Sales Location Map



SALES SUMMARY TABLE					
Sale No. Date	OR Bk Page	Property Address	Land Area SF Acres	Sale Price	Price/SF of Land
1 Aug-17	29328 0962	30 East 22nd Street Riviera Beach	8,477 0.19	\$300,000	\$35.39
2 Aug-18	30034 1094	19 East 22nd Court Riviera Beach	8,477 0.19	\$300,000	\$35.39
3 Sep-18	30131 0511	1429 Broadway Riviera Beach	82,851 1.90	\$2,100,000	\$25.35
4 Jan-19	30376 1047	1501 Broadway Riviera Beach	44,871 1.03	\$1,500,000	\$33.43
5 Apr-19	30574 1459	Broadway Riviera Beach	42,332 0.97	\$1,350,000	\$31.89
6 Feb-20	Current Contract	Broadway Riviera Beach	60,779 1.40	\$1,975,000	\$32.49
Subj. Oct-20	N/A	1851 Broadway Riviera Beach	40,695 0.93	N/A	N/A



Sales Summary and Discussion

In this analysis, we considered differences between the sales and the subject in terms of property rights sold, conditions of sale, financing, market conditions (trend or time adjustment), location, land size, and quality and condition of any existing improvements.

The appraisers based the comparisons on a standardized unit of measure, the sale price per square foot of land. The sale price per square foot of land correlates well among the comparable sales and is commonly used by buyers in this type of analysis.

Property Rights

The property rights transferred were believed to be those of the fee simple estate. No differences between the sales and the subject are reflected.

Conditions of Sale

All sales were reportedly market oriented. No adjustment consideration for conditions of sale was necessary.

Financing

We considered any indication of favorable financing. All sales were either on a cash basis or had market oriented financing, therefore, no differences were noted nor were adjustments made.

Market Conditions

The sales occurred over the period from August 31, 2017 to February 28, 2020. The subject date of value is October 1, 2020. The sales in this data set indicate that values have been stable during this time period, therefore no adjustments were necessary.

Location

The subject property is located at 1851 Broadway in Riviera Beach. Comparables 1 and 2 do not have frontage on Broadway. However, they are located on the east side of it which is deemed a generally superior area. Overall, these factors are believed to offset and no adjustment was made. Similar to the subject, comparable 3 and 4 both front the west side of Broadway. No adjustment is warranted. Both comparables 5 and 6 front the east side of Broadway warranting some downward adjustment. Comparable 6 more so, because it is located at a major lighted intersection at the main entry way to the City's municipal marina facility.



Size

Generally, larger properties will sell for a somewhat lower price per square foot of land than smaller ones, and vice versa, when all else is equal. The sales in this data set do appear to follow this pattern and some adjustment is warranted. Comparables 1 and 2 were adjusted downward for their smaller size, while comparable 3 was adjusted upward for its larger size.

Site Conditions

Properties of all different shapes can typically be developed. Some properties, however, allow for a more efficient development of the site providing for the maximum development intensity. Neither the subject nor the comparable sales appear to be impacted by their shape in such a manner as to limit their development. Another factor considered here is the existence of any physically detrimental site conditions such as contamination or muck. Neither the subject nor any of the comparables were known to suffer from any detrimental site conditions.

Another factor considered here is the existence of any value contributing building or site improvements. The subject is improved with a 2,210 square foot restaurant building and associated site improvements in average condition. While the structure would not be useful to a buyer wishing to redevelop the subject site, in the near term it does provide value for the current use. Comparables 3 and 4 are similar to the subject in that they have existing improvements that add value as interim uses. No adjustment is deemed warranted to the comparables. Comparables 1 and 2 had existing improvements but they were removed shortly after because they had an immediate use for the sites that required them to be vacant. No adjustment is warranted to these sales. Comparable 5 had no building improvements, but was fenced and secured and the buyer was already using the site as part of their boat yard operation, which it will continue to be used for going forward. No adjustment is warranted to comparable 5. Comparable 6 was sold vacant with no useful interim improvements. A small upward adjustment was made to comparable 6.

Zoning/Land Use

The subject property has a zoning designation of DC - Downtown Core by Riviera Beach with an underlying future land use of Downtown Mixed Use by Riviera Beach.

Though they may vary by property, all of the comparables have similar commercial or mixed use oriented designations that allow for similar uses as the subject. No adjustment is warranted.



QUANTITATIVE SALES ADJUSTMENT CHART - PRICE/LAND SF												
Sale Date	Property Address	Land SF	Price/ Land SF	Financing/ Adj. Price/ Land SF	Conditions of Sale/ Adj. Price/ Land SF	Market Conditions/ Adj. Price/ Land SF	Location	Land Size	Site Conditions	Zoning/ Land Use	Final Combined Adjustment	Overall Indication
1 Aug-17	30 East 22nd Street Riviera Beach	8,477	\$35.39	0% \$35.39	0% \$35.39	0.0% \$35.39	0%	-10%	0%	0%	-10%	\$31.85
2 Aug-18	19 East 22nd Court Riviera Beach	8,477	\$35.39	0% \$35.39	0% \$35.39	0.0% \$35.39	0%	-10%	0%	0%	-10%	\$31.85
3 Sep-18	1429 Broadway Riviera Beach	82,851	\$25.35	0% \$25.35	0% \$25.35	0.0% \$25.35	0%	10%	0%	0%	10%	\$27.88
4 Jan-19	1501 Broadway Riviera Beach	44,871	\$33.43	0% \$33.43	0% \$33.43	0.0% \$33.43	0%	0%	0%	0%	0%	\$33.43
5 Apr-19	Broadway Riviera Beach	42,332	\$31.89	0% \$31.89	0% \$31.89	0.0% \$31.89	-10%	0%	0%	0%	-10%	\$28.70
6 Feb-20	Broadway Riviera Beach	60,779	\$32.49	0% \$32.49	0% \$32.49	0.0% \$32.49	-15%	0%	5%	0%	-10%	\$29.25
Subj. Oct-20	1851 Broadway Riviera Beach	40,695	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A



Conclusion

Considering all of these differences, we developed the preceding quantitative comparison chart listing the sales as they compare to the subject property, based on a price per square foot of land. Not all categories considered are depicted. Those omitted reflect no differences between the sales and the subject property.

The unadjusted range of value indicated by the sales is roughly \$25.35 to \$35.39 per square foot of land area. The preceding quantitative comparison chart shows the value range for the subject property after adjustment based on a price per square foot of land area to be from \$27.88 to \$33.43 with a mean of \$30.49. Considering all of the salient factors discussed previously and prevailing market conditions, the appraisers feel a conclusion in the middle portion of the indicated range is most appropriate. Given the preceding data and discussions, it is concluded that the market reflects a value per square foot of land area for the subject property of \$30.50 as of October 1, 2020. Total value is calculated as follows:

40,695 Square Feet @ \$30.50 per Square Foot = \$1,241,197.50

Rounded To:

MARKET VALUE VIA SALES COMPARISON APPROACH: \$1,250,000



QUALIFICATIONS OF APPRAISER

ROBERT B. BANTING, MAI, SRA

PROFESSIONAL DESIGNATIONS - YEAR RECEIVED

MAI - Member Appraisal Institute - 1984

SRA - Senior Residential Appraiser, Appraisal Institute - 1977

SRPA - Senior Real Property Appraiser, Appraisal Institute - 1980

State-Certified General Real Estate Appraiser, State of Florida, License No. RZ4 - 1991

EDUCATION AND SPECIAL TRAINING

Licensed Real Estate Broker - #3748 - State of Florida

Graduate, University of Florida, College of Business Administration, BSBA (Major - Real Estate & Urban Land Studies) 1973

Successfully completed and passed the following Society of Real Estate Appraisers (SREA) and American Institute of Real Estate Appraisers (AIREA) courses and/or exams: Note: the SREA & AIREA merged in 1991 to form the Appraisal Institute.

SREA R2: Case Study of Single Family Residence
SREA 201: Principles of Income Property Appraising
SREA: Single Family Residence Demonstration Report
SREA: Income Property Demonstration Report
AIREA 1B: Capitalization Theory and Techniques
SREA 101: Introduction to Appraising Real Property
AIREA: Case Studies in Real Estate Valuation
AIREA: Standards of Professional Practice
AIREA: Introduction to Real Estate Investment Analysis
AIREA 2-2: Valuation Analysis and Report Writing
AIREA: Comprehensive Examination
AIREA: Litigation Valuation
AIREA: Standards of Professional Practice Part C

ATTENDED VARIOUS APPRAISAL SEMINARS AND COURSES, INCLUDING:

The Internet and Appraising	Golf Course Valuation	Discounting Condominiums & Subdivisions
Narrative Report Writing	Appraising for Condemnation	Condemnation: Legal Rules & Appraisal Practices
Condominium Appraisal	Reviewing Appraisals	Analyzing Commercial Lease Clauses
Eminent Domain Trials	Tax Considerations in Real Estate	Testing Reasonableness/Discounted Cash Flow
Mortgage Equity Analysis	Partnerships & Syndications	Hotel and Motel Valuation
Advanced Appraisal Techniques	Federal Appraisal Requirements	Analytic Uses of Computer in the Appraisal Shop
Valuation of Leases and Leaseholds	Valuation Litigation Mock Trial	Residential Construction From The Inside Out
Rates, Ratios, and Reasonableness	Analyzing Income Producing Properties	Development of Major/Large Residential Projects
Standards of Professional Practice	Regression Analysis In Appraisal Practice	Federal Appraisal Requirements

Engaged in appraising and consulting assignments including market research, rental studies, feasibility analysis, expert witness testimony, cash flow analysis, settlement conferences, and brokerage covering all types of real estate since 1972.

President of Anderson & Carr, Inc., Realtors and Appraisers, established 1947

Past President Palm Beach County Chapter, Society of Real Estate Appraisers (SREA)

Realtor Member of Central Palm Beach County Association of Realtors

Special Master for Palm Beach County Property Appraisal Adjustment Board

Qualified as an Expert Witness providing testimony in matters of condemnation, property disputes, bankruptcy court, foreclosures, and other issues of real property valuation.

Member of Admissions Committee, Appraisal Institute - South Florida Chapter

Member of Review and Counseling Committee, Appraisal Institute - South Florida Chapter

Approved appraiser for State of Florida, Department of Transportation and Department Natural Resources.

Instructor of seminars, sponsored by the West Palm Beach Board of Realtors.

Authored articles for The Palm Beach Post and Realtor newsletter.

Real Estate Advisory Board Member, University of Florida.

TYPES OF PROPERTY APPRAISED - PARTIAL LISTING

Air Rights	Medical Buildings	Apartment Buildings	Churches
Amusement Parks	Department Stores	Hotels - Motels	Marinas
Condominiums	Industrial Buildings	Office Buildings	Residences - All Types
Mobile Home Parks	Service Stations	Special Purpose Buildings	Restaurants
Auto Dealerships	Vacant Lots - Acreage	Residential Projects	Golf Courses
Shopping Centers	Leasehold Interests	Financial Institutions	Easements

"I am currently certified under the continuing education program of the Appraisal Institute."

QUALIFICATIONS OF APPRAISER
BEAU M. ARNOLD

GENERAL INFORMATION

State-Certified General Real Estate Appraiser RZ2937
State Licensed Real Estate Sales Associate SL3076071

EDUCATION AND SPECIAL TRAINING

Graduate, University of Florida, College of Business Administration,
BSBA (Majors - Real Estate and Management) 1997

Successfully completed and passed the following courses:

UF:	Real Estate Analysis
UF:	Real Estate Valuation
AI 200R:	Residential Market Analysis and Highest and Best Use
AI 300GR:	Real Estate Finance, Statistics, and Valuation Modeling
AI I310	Basic Income Capitalization
AI I410N:	National Uniform Standards of Professional Appraisal Practice
AI 520:	Highest & Best Use and Market Analysis

Engaged in appraising and researching real estate with Anderson and Carr, Inc. since May of 1997.

TYPES OF PROPERTY APPRAISED

Single Family Homes	Condominiums
Commercial Land	Multi-Family Land
Residential Land	Industrial Land
Agricultural Land	Subdivision Land
Conservation/Environmentally Sensitive Land	Public Land
Apartment Buildings	Retail Buildings
Warehouse Buildings	Office Buildings
Proposed Construction	Gas Stations
Net leased Properties	Special Purpose Properties
Restaurants	Shopping Centers
Houses of Worship	Schools
Civic Facilities	Mobile Home Parks
Marinas	Golf Courses
Rights-of-Way	Easements
Leasehold Interests	



RICK SCOTT, GOVERNOR

JONATHAN ZACHEM, 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

BANTING, ROBERT B

521 S OLIVE AVE
WEST PALM BEACH FL 33401

LICENSE NUMBER: RZ4

EXPIRATION DATE: NOVEMBER 30, 2020

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RICK SCOTT, GOVERNOR

JONATHAN ZACHEM, 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

ARNOLD, BEAU M

930 CHURCHILL ROAD
WEST PALM BEACH FL 33405

LICENSE NUMBER: RZ2937

EXPIRATION DATE: NOVEMBER 30, 2020

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