



Hoffman & Associates, P.A.  
Commercial Real Estate Appraisers

# **APPRAISAL REPORT REAL ESTATE APPRAISAL**

**Of**  
Commercial Property



409 Gulf Breeze Pkwy., Gulf Breeze  
Santa Rosa County  
Florida, 32561

**As of**  
May 28, 2020

**Prepared For**  
Mr. Joey Harrell  
School Board of Santa Rosa County  
6544 Firehouse Road  
Milton, FL, 32570

**Client File:**  
PO# 730678

**Prepared by**  
HOFFMAN & ASSOCIATES, P. A.  
Jennifer L. Hoffman  
FL-State-Certified General Real Estate Appraiser RZ2978  
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# HOFFMAN & ASSOCIATES, P. A.



Hoffman & Associates, P.A.  
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Jennifer L. Hoffman, GAA RZ #2978

June 8, 2020

Mr. Joey Harrell  
School Board of Santa Rosa County  
6544 Firehouse Road  
Milton, FL  
32570

Re: Appraisal Report, Real Estate Appraisal  
Commercial Property  
409 Gulf Breeze Pkwy., Gulf Breeze,  
Santa Rosa County, Florida, 32561

**Client File:** PO# 730678

Dear Mr. Harrell:

At your request, we have prepared an appraisal for the above referenced property, which may be briefly described as follows:

The subject site is currently improved with a small brick and frame building approximately 1,923 square feet. The building was constructed in 1979, indicating an age of 31 years. Due to the increasing land values in the immediate area and the smaller size and current age of the subject improvements, the improvements are considered to contribute no value to the overall property; therefore, will not be considered in the final valuation.

Please reference page 10 of this report for important information regarding the scope of research and analysis for this appraisal, including property identification, inspection, and highest and best use analysis and valuation methodology.

We certify that we have no present or contemplated future interest in the property beyond this estimate of value. We 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.



Hoffman & Associates, P.A.  
Commercial Real Estate Appraisers

Your attention is directed to the Limiting Conditions and Assumptions section of this report (page 9). Acceptance of this report constitutes an agreement with these conditions and assumptions. In particular, we note the following:

**Hypothetical Conditions:**

- There are no hypothetical conditions for this appraisal.

**Extraordinary Assumptions:**

- Site dimensions were obtained from the county property appraiser's records since no survey was provided at the time of this report. If proven incorrect, this could adversely affect the final value as stated.
- We are unaware of any contaminants on the site which may adversely affect the marketability of the subject property.
- An extraordinary assumption has been made that the subject parcel could be rezoned in a timely manner from the P - Public zoning classification to either C-1 or C-2 zoning classification by the City of Pensacola.

Based on the appraisal described in the accompanying report, subject to the Limiting Conditions and Assumptions, Extraordinary Assumptions and Hypothetical Conditions (if any), we have made the following value conclusion(s):

**Current As Is Market Value:**

The "As Is" market value of the Fee Simple estate of the property, as of May 28, 2020, is

**One Million One Hundred Seventy Five Thousand Dollars  
(\$1,175,000)**

The market exposure time preceding May 28, 2020 would have been 4 to 6 months and the estimated marketing period as of May 28, 2020 is 4 to 6 months.

This appraisal is not a building inspection, structural inspection, environmental inspection, or pest inspection. By preparing this report, the appraiser is not acting as a building inspector, structural engineer, environmental specialist, or pest inspector. In performing the limited inspection of this property, areas that were readily accessible were visually observed and the review is superficial only. This inspection is not technically exhaustive and does not offer warranties or guarantees of any kind. We advise our clients and/or the client's agents or assignees to have the property inspected by a professional in that specific field that offers such warranties or guarantees if there are any concerns of adverse or negative conditions.

Respectfully submitted,  
Hoffman & Associates, P. A.

A handwritten signature in cursive script, reading "Jennifer L. Hoffman".

Jennifer L. Hoffman  
FL-State-Certified General Real Estate  
Appraiser RZ2978

A handwritten signature in cursive script, reading "Terry G. Hoffman".

Terry G. Hoffman, MAI  
FL-State-Certified General Real Estate  
Appraiser RZ46

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## Summary of Important Facts and Conclusions

### GENERAL

**Subject:** Commercial Property  
409 Gulf Breeze Pkwy., Gulf Breeze,  
Santa Rosa County, Florida, 32561

The subject site is currently improved with a small brick and frame building approximately 1,923 square feet. The building was constructed in 1979, indicating an age of 31 years. Due to the increasing land values in the immediate area and the smaller size and current age of the subject improvements, the improvements are considered to contribute no value to the overall property; therefore, will not be considered in the final valuation.

**Owner:** Santa Rosa County School Board of Supt. Schools 0161

**Legal Description:** Beg NW Cor Lot 2 TH S 210 FT Angle Left 90 Deg  
260.10 FT To R/W of RD Angle Left 112\* Deg Along  
R/W 226.89 FT Angle Left 67 Deg 174.16 FT to POB  
(OR 243 PG 218) Per information provided by the Santa  
Rosa County Property Appraiser's Website

**Census Tract:** 12113-0109.00

**Date of Report:** June 8, 2020

**Intended Use:** The intended use is for personal marketing purposes.

**Intended User(s):** The client and only the client.

### Assessment:

Real Estate Assessment and Taxes									
Tax ID	Land	Improvements	Special	Total	City	County	Other	Tax	Taxes
			Assessment		Rate	Rate	Rate	Rate	
04-3S-29-0000- 00501-0000	\$492,000	\$71,706	\$0	\$576,206	\$14.19	\$0.00	\$0.00	\$14.19	\$0

**Sale History:** The subject has not sold in the last three years, according to public records.

**Current Listing/Contract(s):**

The subject is currently listed for \$1,150,000 with Danny Zimmern with Scoggins Commercial Real Estate according to the Gulf Coast Multiple Listing Service ID# 30602503. Discussions with Danny Zimmern indicated there are two offers that have been submitted on the property as of the date of this report that the Santa Rosa County School District is considering. We have been told one offer submitted is for \$850,000 and the other offer submitted is for \$1,150,000.

**Land:**

Land Summary						
Parcel ID	Gross Land Area (Acres)	Gross Land Area (Sq Ft)	Frontage - Primary Street (Feet)	Average Depth (Feet)	Topography	Shape
0	1.03	44,867	210.00	217	Level	Irregular

**Zoning:**

P - Public

**Highest and Best Use of the Site:**

The highest and best use of the subject, as vacant, is for a commercial use catering to the prime location within Gulf Breeze just south of one of two major intersections. Such use could be retail or restaurant or even professional office use.

**Type of Value:**

Market Value

**VALUE INDICATIONS**

**Land Value:** \$1,175,000

**Reconciled Value(s):**

**As Is**

Value Conclusion(s) \$1,175,000  
Effective Date (s) May 28, 2020  
Property Rights Fee Simple



## Limiting Conditions and Assumptions

Acceptance of and/or use of this report constitutes acceptance of the following limiting conditions and assumptions; these can only be modified by written documents executed by both parties.

This appraisal is to be used only for the purpose stated herein. While distribution of this appraisal in its entirety is at the discretion of the client, individual sections shall not be distributed; this report is intended to be used in whole and not in part.

No part of this appraisal, its value estimates or the identity of the firm or the appraiser(s) may be communicated to the public through advertising, public relations, media sales, or other media.

All files, work papers and documents developed in connection with this assignment are the property of Hoffman & Associates, P. A.. Information, estimates, and opinions are verified where possible, but cannot be guaranteed. Plans provided are intended to assist the client in visualizing the property; no other use of these plans is intended or permitted.

No hidden or unapparent conditions of the property, subsoil, or structure, which would make the property more or less valuable, were discovered by the appraiser(s) or made known to the appraiser(s). No responsibility is assumed for such conditions or engineering necessary to discover them. Unless otherwise stated, this appraisal assumes there is no existence of hazardous materials or conditions, in any form, on or near the subject property.

Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated biphenyl, petroleum leakage, or agricultural chemicals, which may or may not be present on the property, was not called to the attention of the appraiser nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser, however, is not qualified to test for such substances. The presence of such hazardous substances may affect the value of the property. The value opinion developed herein is predicated on the assumption that no such hazardous substances exist on or in the property or in such proximity thereto, which would cause a loss in value. No responsibility is assumed for any such hazardous substances, nor for any expertise or knowledge required to discover them.

Unless stated herein, the property is assumed to be outside of areas where flood hazard insurance is mandatory. Maps used by public and private agencies to determine these areas are limited with respect to accuracy. Due diligence has been exercised in interpreting these maps, but no responsibility is assumed for misinterpretation.

Good title, free of liens, encumbrances and special assessments is assumed. No responsibility is assumed for matters of a legal nature.

Necessary licenses, permits, consents, legislative or administrative authority from any local, state, or Federal government or private entity are assumed to be in place or reasonably obtainable.

It is assumed there are no zoning violations, encroachments, easements, or other restrictions which would affect the subject property, unless otherwise stated.

The appraiser(s) are not required to give testimony in Court in connection with this appraisal. If the appraisers are subpoenaed pursuant to a court order, the client agrees to pay the appraiser(s) Hoffman & Associates, P. A.'s regular per diem rate plus expenses.

Appraisals are based on the data available at the time the assignment is completed. Amendments/modifications to appraisals based on new information made available after the appraisal was completed will be made, as soon as reasonably possible, for an additional fee.

**Americans with Disabilities Act (ADA) of 1990**

A civil rights act passed by Congress guaranteeing individuals with disabilities equal opportunity in public accommodations, employment, transportation, government services, and telecommunications. Statutory deadlines become effective on various dates between 1990 and 1997. Hoffman & Associates, P. A. has not made a determination regarding the subject's ADA compliance or non-compliance. **Non-compliance could have a negative impact on value; however this has not been considered or analyzed in this appraisal.**

## Scope of Work

According to the Uniform Standards of Professional Appraisal Practice, it is the appraiser's responsibility to develop and report a scope of work that results in credible results that are appropriate for the appraisal problem and intended user(s). Therefore, the appraiser must identify and consider:

- the client and intended users;
- the intended use of the report;
- the type and definition of value;
- the effective date of value;
- assignment conditions;
- typical client expectations; and
- typical appraisal work by peers for similar assignments.

This appraisal is prepared for Mr. Joey Harrell, Assistant Superintendent for the School Board of Santa Rosa County. The problem to be solved is to estimate the current 'As Is' market value for marketing purposes. The intended use is for personal marketing purposes. This appraisal is intended for the use of the client and only the client.

SCOPE OF WORK	
Report Type:	This is an Appraisal Report as defined by Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2(a). This format provides a summary or description of the appraisal process, subject and market data and valuation analyses.
Property Identification:	The subject has been identified by the legal description and the assessors' parcel number provided by the County Property Assessor's Office.
Inspection:	An inspection of the subject site from a public street has been made and photographs have been taken. We have also review aerial photographs of the site.
Market Area and Analysis of Market Conditions:	A complete analysis of market conditions has been made. The appraiser maintains and has access to comprehensive databases for this market area and has reviewed the market for sales and listings relevant to this analysis.
Highest and Best Use Analysis:	A complete as vacant and as improved highest and best use analysis for the subject has been made. Physically possible, legally permissible, and financially feasible uses were considered, and the maximally productive use was concluded.

Type of Value:

Market Value

Valuation Analyses

Cost Approach:

A cost approach was not applied as the advanced age of the improvements makes the depreciation difficult to accurately measure and this approach does not reflect the market behavior of a typical buyer.

Sales Comparison Approach:

A sales approach was applied as there is adequate data to develop a value estimate by this approach. This approach reflects the typical market behavior for this type property and is therefore a good indicator of potential value of the subject property.

Income Approach:

An income approach was not applied as although the subject property is currently leased, it is not the typical type property that an investor would consider for its income producing potential. Therefore, the income approach was not considered necessary for a credible result.

Hypothetical Conditions:

- There are no hypothetical conditions for this appraisal.

Extraordinary Assumptions:

- Site dimensions were obtained from the county property appraiser's records since no survey was provided at the time of this report. If proven incorrect, this could adversely affect the final value as stated.
- We are unaware of any contaminants on the site which may adversely affect the marketability of the subject property.
- An extraordinary assumption has been made that the subject parcel could be rezoned in a timely manner from the P - Public zoning classification to either C-1 or C-2 zoning classification by the City of Pensacola.

## **Comments**

The scope of this appraisal requires the gathering of material facts affecting the value of the property appraised as of the date of the appraisal. This includes gathering and analyzing regional, neighborhood, and economic trends and characteristics which might affect the value of the property. Also, specific features and characteristics of the property are analyzed.

Comparable land sales and listing information of similar properties are gathered and analyzed and compared to the property using indicated unit prices as demonstrated by market actions.

Sources used for gathering data include personal office files and records maintained in computer data bases, the public records of the appropriate county, Metro Market Trends, Inc. (public records recordings), personal interviews with property owners, sellers, buyers, and brokers. An attempt is made to verify each sale and lease used in this report with a party to the transaction. If verification by the parties involved is not available, public records recordings are relied upon.

## ***Sales History***

The subject has not sold in the last three years, according to public records.

## ***Current Listing/Contract(s)***

The subject is currently listed for \$1,150,000 with Danny Zimmern with Scoggins Commercial Real Estate according to the Gulf Coast Multiple Listing Service ID# 30602503. Discussions with Danny Zimmern indicated there are two offers that have been submitted on the property as of the date of this report that the Santa Rosa County School District is considering. We have been told one offer submitted is for \$850,000 and the other offer submitted is for \$1,150,000.

# Market Area Analysis

## Area Description & Boundaries

The neighborhood boundaries extend from Pensacola Bay to Santa Rosa Sound on a north south axis and from the eastern city limits line to Pensacola Bay on an east west axis. This is an area known as Gulf Breeze Proper which is a bedroom community. It is located south of Pensacola three miles across Pensacola Bay.

## Area & Property Use Characteristics

Location	<input type="checkbox"/> Urban	<input checked="" type="checkbox"/> Suburban	<input type="checkbox"/> Rural	Population Trend	<input type="checkbox"/> Up	<input checked="" type="checkbox"/> Stbl	<input type="checkbox"/> Dn
Build Up	<input checked="" type="checkbox"/> Over 75%	<input type="checkbox"/> 25% to 75%	<input type="checkbox"/> Under 25%	Employment Trend	<input checked="" type="checkbox"/> Up	<input type="checkbox"/> Stbl	<input type="checkbox"/> Dn
Built Up <input type="checkbox"/> Fully Dev.	<input type="checkbox"/> Rapid	<input checked="" type="checkbox"/> Steady	<input type="checkbox"/> Slow	Personal Income Level	<input checked="" type="checkbox"/> Up	<input checked="" type="checkbox"/> Stbl	<input type="checkbox"/> Dn
Property Values	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining	Retail Sales	<input checked="" type="checkbox"/> Up	<input checked="" type="checkbox"/> Stbl	<input type="checkbox"/> Dn
Demand/Supply	<input type="checkbox"/> Shortage	<input checked="" type="checkbox"/> In Balance	<input type="checkbox"/> Over Supply	New Construction	<input type="checkbox"/> Up	<input checked="" type="checkbox"/> Stbl	<input type="checkbox"/> Dn
Vacancy Trend	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining	Vacancy Trend	<input type="checkbox"/> Up	<input checked="" type="checkbox"/> Stbl	<input type="checkbox"/> Dn
Change in Economic Base	<input type="checkbox"/> Likely	<input checked="" type="checkbox"/> Unlikely	<input type="checkbox"/> Taking Place	Rental Demand	<input type="checkbox"/> Up	<input checked="" type="checkbox"/> Stbl	<input type="checkbox"/> Dn

## Land Use Trends

		Supply/Demand			Vacancy
Present Land Use		Under	In Bal.	Over	
65% 1 Family	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10%
15% Retail	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10%
10% Multifamily	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10%
5% Office	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10%
0% Industrial	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10%
5% Vacant	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
100%					

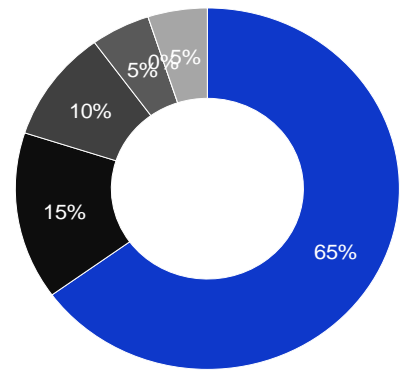
Change in Land Use	Likely	<input checked="" type="checkbox"/>
	Not Likely	<input type="checkbox"/>
	Taking Place	<input type="checkbox"/>

Land uses in the neighborhood consist of single family homes ranging in value from \$150,000 to \$500,000 with the waterfront homes ranging from \$800,000 to several million dollars. The age of these homes range from 4 to 45 years with the trend to buy some of the older homes raze them for new for new construction. Commercial development consists of three main open shopping centers with Public grocery the anchor of the newest, a Walmart neighborhood store the anchor in one of the older ones and discount stores in the third. There are a number of commercial uses along US Hwy. 98 also known as Gulf Breeze Parkway. These are retail, shops, banks, restaurants, and other similar businesses catering to the heavy traffic for this area.

## Adjacent Property Use

Adjacent property uses include an older open retail center known as Gulf Breeze Shopping Center with a new neighborhood Wal-mart and various other small retail shops and stores. A CVS store along with various shops is located just north of the subject. There are a number of restaurants, retail businesses, banks, and offices along with the elementary, middle, and high school located along the highway. This area is an upscale community of Escambia and Santa Rosa counties with higher than average income and property values compared to the metropolitan area of Pensacola which includes Escambia and Santa Rosa Counties. The most recent development has been a Chick-fi-la and retail strip center with a Dunkin' Donuts, Mattress Firm and AT&T Store located across the street and a Panera Bread adn Dairy Queen at out parcels of the new shopping center to the south along with the Sacred Heart Pediatric Clinic. Current developemnts include two hotels, one at the front of Sea Shell Collections and on along Daniel Cirlee.

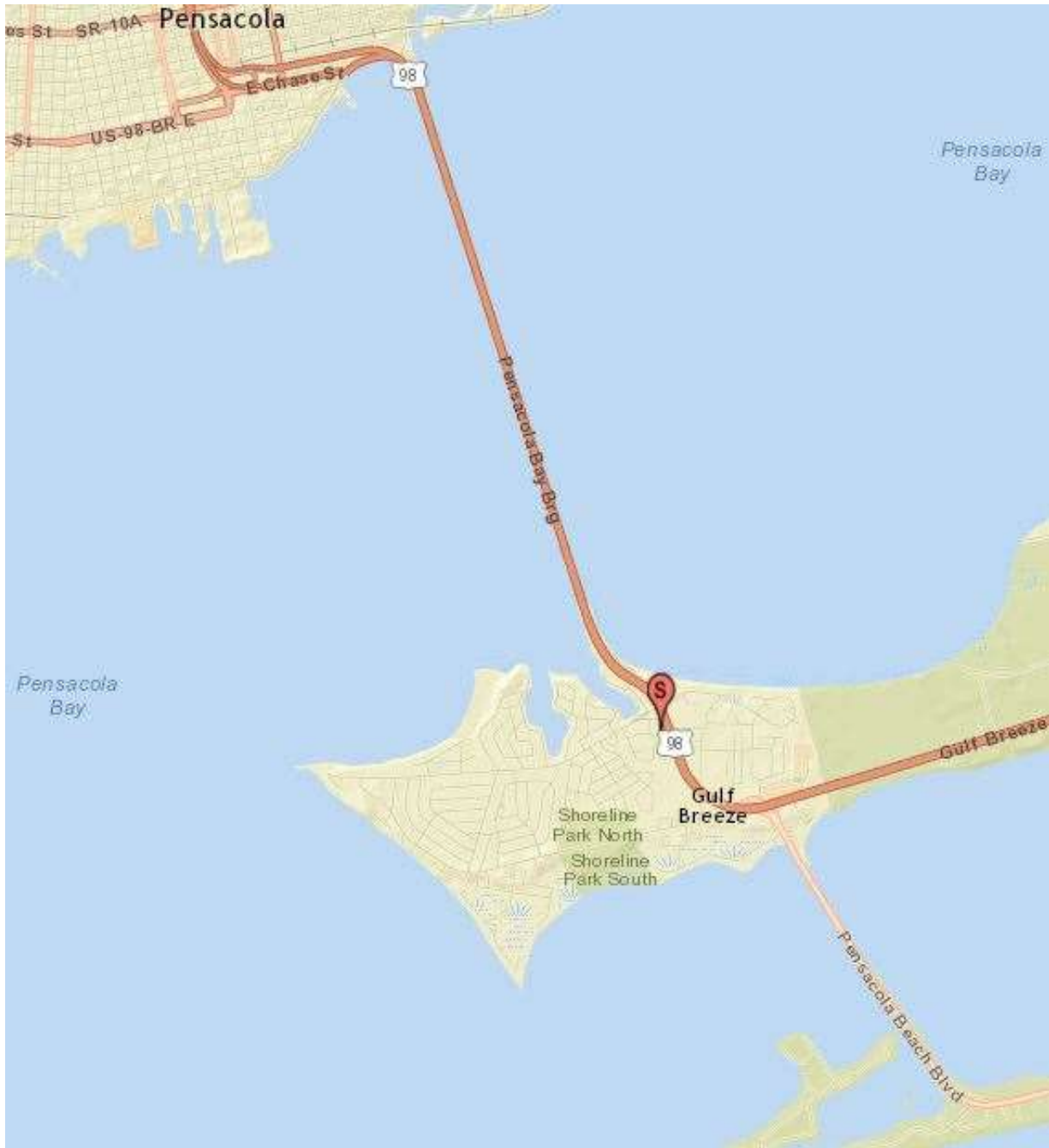
Land Use



■ 1 Family    ■ Retail    ■ Multifamily  
 ■ Office    ■ Industrial    ■ Vacant

**COVID-19 Disclaimer:** As of the effective date, both long and short term impacts on the market from the COVID-19 virus are ambiguous; however, it is reasonable to assume restrictions in market activity due to the virus and subsequent economic shutdowns will extend marketing times beyond the current levels. This assumption has been taken into consideration with regards to the estimate of reasonable exposure time. The appraiser assumes delays in market activity, but not a significant long-term shift in demand or supply which would result in a change in market price.

## ***Location Map***





## Property Description

The subject site is currently improved with a small brick and frame building approximately 1,923 square feet. The building was constructed in 1979, indicating an age of 31 years. Due to the increasing land values in the immediate area and the smaller size and current age of the subject improvements, the improvements are considered to contribute no value to the overall property; therefore, will not be considered in the final valuation.

SITE	
Location:	The subject is located on the west side of Gulf Breeze Parkway, in the central area of the Gulf Breeze downtown commercial district.
Current Use of the Property:	Small brick building located on the site is presently used by the Gulf Breeze Chamber of Commerce.
Site Size:	Total: 1.03 acres; 44,867 square feet  The commercial location of the site with a traffic light at Fair Point Dr. and Gulf Breeze Parkway, just north of the subject, lends itself to good exposure and easier access for the subject site because the traffic light slows traffic down.
Shape:	The site is irregular with frontage on Gulf Breeze Parkway (227') with an average depth of 217 feet. We have estimated the effective frontage of 210' due to the shape.
Frontage/Access:	The subject property has good access with frontage as follows: <ul style="list-style-type: none"><li>• Gulf Breeze Parkway: 210 feet</li></ul> The site has an average depth of 217 feet. It is not a corner lot.  The subject site is located on Gulf Breeze Parkway which is a six lane divided highway with grass median and turn lanes. There is not a median cut in front of the subject site; therefore, north bound and west bound traffic must make a U-turn to access the site. In addition one must also make a U-turn to travel north bound from the subject site since the only egress from the site is to travel south. Note the aerial photograph.
Visibility:	Good
Topography:	The subject has level topography at grade and no areas of wetlands.
Soil Conditions:	The soil conditions observed at the subject appear to be typical

Utilities:	<p>of the region and adequate to support development.</p> <p>Electricity: The site is served by public electricity.</p> <p>Sewer: Sewer</p> <p>Water: Public water</p> <p>Natural Gas: Gas</p> <p>Utility Service: The site is serviced by above ground cable lines.</p> <p>Adequacy: The subject's utilities are typical and adequate for the market area.</p>
Site Improvements:	<ul style="list-style-type: none"> <li>• Public street lights</li> <li>• Public concrete sidewalks</li> <li>• Concrete curbs and gutters</li> <li>• The site has some landscaping and vegetation which would be of little use considering that a typical buyer would raze the present building and clear the site for new construction.</li> </ul>
Flood Zone:	<p>The subject is located in an area mapped by the Federal Emergency Management Agency (FEMA). The subject is located in FEMA flood zone X, which is not classified as a flood hazard area.</p> <p>FEMA Map Number: 12113C0606G</p> <p>FEMA Map Date: December 19, 2006</p> <p>The subject is outside the 500 year flood plain. The appraiser is not an expert in this matter and is reporting data from FEMA maps.</p>
Wetlands/Watershed:	No wetlands were observed during our site inspection.
Environmental Issues:	There are no known adverse environmental conditions on the subject site. Please reference Limiting Conditions and Assumptions.
Encumbrance / Easements:	There are no known adverse encumbrances or easements. Please reference Limiting Conditions and Assumptions.
Site Comments:	<p>This site has good exposure to Gulf Breeze Parkway, but limited access to only the southbound lanes since there is no median cut for access from the north bound lanes; however the central location in the main retail and business area of Gulf Breeze Proper is very appealing. The site is one of only several locations available for potential commercial users in the area. It has reasonable access with exposure along Gulf Breeze Parkway. The traffic light at Fairpoint Drive and Gulf Breeze Parkway does slow traffic down to provide better exposure and easier access to the subject site.</p>

## Tax Maps



### **Americans With Disabilities Act**

Please reference the Limiting Conditions and Assumptions section of this report on page 10.

### **Hazardous Substances**

Please reference the Limiting Conditions and Assumptions section of this report on page 10.

### **Improvement Description**

The subject site is currently improved with a small brick and frame building approximately 1,923 square feet. The building was built in 1979, indicating an age of 31 years. Due to the increasing land values in the immediate area and the smaller size and current age of the improvements, the improvements are considered to contribute no value to the overall property; therefore, will not be considered in the final valuation.

## Subject Photographs



Subject Property



Parking Lot



View of Property from Rear of Site



Gulf Breeze Parkway Looking North



Gulf Breeze Parkway Looking South

## ***Assessment and Taxes***

**Taxing Authority**      Santa Rosa County

**Assessment Year**      2019

<b>Real Estate Assessment and Taxes</b>								
<b>Tax ID</b>	<b>Land</b>	<b>Improvements</b>	<b>Special</b>	<b>Total</b>	<b>City</b>	<b>County</b>	<b>Other</b>	<b>Tax</b>
			<b>Assessment</b>		<b>Rate</b>	<b>Rate</b>	<b>Rate</b>	<b>Taxes</b>
04-3S-29-0000-00501-0000	\$492,000	\$71,706	\$0	\$576,206	\$14.19	\$0.00	\$0.00	\$14.19 \$0

### **Comments**

The assessment as shown is typical of surrounding properties; however, we would expect the assessment to increase when the property is sold and the improvements are razed. With the quickly increasing demand for vacant commercial property in the Gulf Breeze Proper area, the assessments have been slow to reflect the changes. There are no delinquent taxes due on the subject property. Since the subject property is owned by the City of Gulf Breeze no taxes are due. However, for a possible new owner the estimated taxes would be approximately \$8,800. Of course a new owner would most likely raze the existing building and develop a new commercial building; therefore, the improvement assessment would change.



## Zoning

### LAND USE CONTROLS

Zoning Code	P - Public
Zoning Description	Permitted uses within the P public lands district include public parks, playgrounds, schools, municipal and civic buildings, and public utility facilities. Publicly owned lands not designated for conservation use are included in the P district. Public buildings located within the P district shall be subject to the zoning requirements for the C-1 district except in the case of a public gymnasium which may be up to 45 feet in height.
Current Use Legally Conforming	The subject property's current use is a legal and conforming use.
Zoning Comments	The subject property is located within the city limits of Gulf Breeze and is presently zoned P - Public because it is presently owned by the County School Board. Properties surrounding the subject are generally zoned C-1 - General Retail District, which is reasonable considering the traffic and property uses and demand in the area. Other possible commercial zoning could be C-2 - Limited Commercial District, which primarily allows business and professional offices. This appraisal is therefore subject to the rezoning of the property to either C-1 or C-2 zoning which is considered a reasonable expectation based on the uses of surrounding properties.

See land use codes for C-1 and C-2 in the addendum of this report.

## Highest and Best Use

Highest and best use may be defined as the reasonably probable and legal use of vacant land or improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.

1. **Legally Permissible:** What uses are permitted by zoning and other legal restrictions?
2. **Physically Possible:** To what use is the site physically adaptable?
3. **Financially Feasible:** Which possible and permissible use will produce any net return to the owner of the site?
4. **Maximally Productive.** Among the feasible uses which use will produce the highest net return, (i.e., the highest present worth)?

## Highest and Best Use of the Site

The highest and best use of the subject, as vacant, is for a commercial use catering to the prime location within Gulf Breeze just south of one of two major intersections. Such use could be retail or restaurant or even professional office use.

The prime commercial location lends itself to high density commercial use or even professional office use catering to the surrounding businesses. Access is less desirable as compared to properties located at corner locations or with direct median cuts since the only access to the site is by way of the southbound lanes; however, due to the limited commercial sites available in Gulf Breeze Proper this access could be tolerable for some commercial uses. A traffic light at the corner of Fair Point and Gulf Breeze Parkway to the north of the subject slows traffic and provides better exposure and easier access.

Surrounding uses along Gulf Breeze Parkway are commercial oriented ranging from professional offices, strip shopping centers, fast food restaurants and other commercial uses catering to the traffic along Gulf Breeze Parkway. A large section of Gulf Breeze Parkway is developed with the Gulf Breeze Elementary, Middle and High Schools and is located just south of the subject. The most recent development in the area has been a Chick-fil-A restaurant, Panera Bread restaurant, Ascension Sacred Heart Pediatric Offices as well as the retail strip center at Gulf Breeze Parkway and Northcliff Drive with Dunkin' Donuts, AT&T Store and a Mattress Firm. Current construction in the area include two hotels, one on Gulf Breeze Parkway and one on Daniel Circle. It is our opinion that the highest and best use of the subject site would be for commercial use catering to the exposure along Gulf Breeze Parkway. This would require a rezoning of the site to either C-1 GENERAL COMMERCIAL or C-2 LIMITED COMMERCIAL use. The results of this appraisal report are subject to the rezoning to commercial use.

## Valuation Methodology

Three basic approaches may be used to arrive at an estimate of market value. They are:

1. The Cost Approach
2. The Income Approach
3. The Sales Comparison Approach

### Cost Approach

The Cost Approach is summarized as follows:

$$\begin{array}{r} \text{Cost New} \\ - \text{Depreciation} \\ + \text{Land Value} \\ = \text{Value} \end{array}$$

### Income Approach

The Income Approach converts the anticipated flow of future benefits (income) to a present value estimate through a capitalization and or a discounting process.

### Sales Comparison Approach

The Sales Comparison Approach compares sales of similar properties with the subject property. Each comparable sale is adjusted for its inferior or superior characteristics. The values derived from the adjusted comparable sales form a range of value for the subject. By process of correlation and analysis, a final indicated value is derived.

### Final Reconciliation

The appraisal process concludes with the Final Reconciliation of the values derived from the approaches applied for a single estimate of market value. Different properties require different means of analysis and lend themselves to one approach over the others.

### *Analyses Applied*

A **cost analysis** was considered and was not developed because the advanced age of the improvements makes the depreciation difficult to accurately measure and this approach does not reflect the market behavior of a typical buyer.

A **sales comparison analysis** was considered and was developed because there is adequate data to develop a value estimate by this approach. This approach reflects the typical market behavior for this type property and is therefore a good indicator of potential value of the subject property.

An **income analysis** was considered and was not developed because although the subject property is currently leased, it is not the typical type property that an investor would consider for its income producing potential. Therefore, the income approach was not considered necessary for a credible result.

## **Sales Comparison Approach – Land Valuation**

The Sales Comparison Approach is based on the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership. It is based on the principles of supply and demand, balance, substitution, and externalities. The following steps describe the applied process of the Sales Comparison Approach.

- The market in which the subject property competes is investigated; comparable sales, contracts for sale and current offerings are reviewed.
- The most pertinent data is further analyzed and the quality of the transaction is determined.
- The most meaningful unit of value for the subject property is determined.
- Each comparable sale is analyzed and where appropriate, adjusted to equate with the subject property.
- The value indication of each comparable sale is analyzed and the data reconciled for a final indication of value via the Sales Comparison Approach.

### ***Land Comparables***

We have researched the Greater Pensacola market to identify sales that would be the best alternative for the subject site since there have been limited sales in the Gulf Breeze Proper area. We have identified the following six comparables for this analysis; these are documented on the following pages along with a location map and analysis grid. All sales have been researched through numerous sources, inspected, and verified by a party to the transaction when possible.

### Land Comparable 1



### Transaction

<b>ID</b>	2109	<b>Date</b>	4/27/2016
<b>Address</b>	NW Gulf Breeze Pkwy & Daniel	<b>Price</b>	\$850,000
<b>City</b>	Gulf Breeze	<b>Financing</b>	Cash
<b>State</b>	Florida	<b>Price Per Front Foot</b>	\$3,617
<b>Tax ID</b>	04-3s-29-0000-00502-0000	<b>Price Per SF</b>	\$23.60
<b>Grantor</b>	Crimson Daniel Holdings	<b>Price Per Acre</b>	--
<b>Grantee</b>	NNGS LLC	<b>Official Records Book</b>	3515
<b>Verification Source</b>	Public Records	<b>Recorded Page</b>	1402

### Site

<b>Acres</b>	0.8	<b>Topography</b>	Level
<b>Land SF</b>	36,024	<b>Shape</b>	Triangular
<b>Road Frontage</b>	235	<b>Zoning</b>	C-2 Com
<b>Depth</b>	293	<b>Utilities</b>	All

### Comments

This is a triangular site with 400' of actual frontage but 235' of usable frontage along Gulf Breeze Parkway and 320' along Daniel Drive just east of the Sea Shell Collections shopping center with Publix as an anchor tenant within an 89,265 SF modern open shopping center built in approximately 2008. Due to the irregular shape of the site, there is a total of 36,024 SF of truly usable area, which the unit rates were based. This is one of the few vacant commercial sites in Gulf Breeze Proper available for commercial development.

### Land Comparable 2



#### Transaction

<b>ID</b>	2328	<b>Date</b>	10/28/2016
<b>Address</b>	729 Gulf Breeze Pkwy.	<b>Price</b>	\$750,000
<b>City</b>	Gulf Breeze	<b>Financing</b>	Assumption
<b>State</b>	Florida	<b>Price Per Front Foot</b>	\$5,000
<b>Tax ID</b>	--	<b>Price Per SF</b>	\$24.63
<b>Grantor</b>	Gulf Coast Petroleum #116		
<b>Grantee</b>	Hanumann Corp	<b>Official Records Book</b>	3571
<b>Verification Source</b>	Public Records	<b>Recorded Page</b>	1249

#### Site

<b>Acres</b>	0.7	<b>Topography</b>	Level
<b>Land SF</b>	30,450	<b>Shape</b>	Irregular
<b>Road Frontage</b>	194	<b>Zoning</b>	C-1
<b>Depth</b>	146	<b>Utilities</b>	All

#### Comments

Though this is improved with a 3,500 SF service station built in 1985 it is of questionable contributory value and this property sale was analyzed as a vacant land sale. This is a corner location with good frontage and exposure.

### Land Comparable 3



### Transaction

<b>ID</b>	2997	<b>Date</b>	3/15/2017
<b>Address</b>	20 Daniel Dr.	<b>Price</b>	\$670,000
<b>City</b>	Gulf Breeze	<b>Financing</b>	Cash
<b>State</b>	Florida	<b>Price Per Front Foot</b>	\$5,630
<b>Tax ID</b>	04-3S-29-4937-00000-0020	<b>Price Per SF</b>	\$30.76
<b>Grantor</b>	SF III Pensacola LLC		
<b>Grantee</b>	SAG 1 LLC	<b>Official Records Book</b>	3608
<b>Verification Source</b>	Public Records	<b>Recorded Page</b>	550

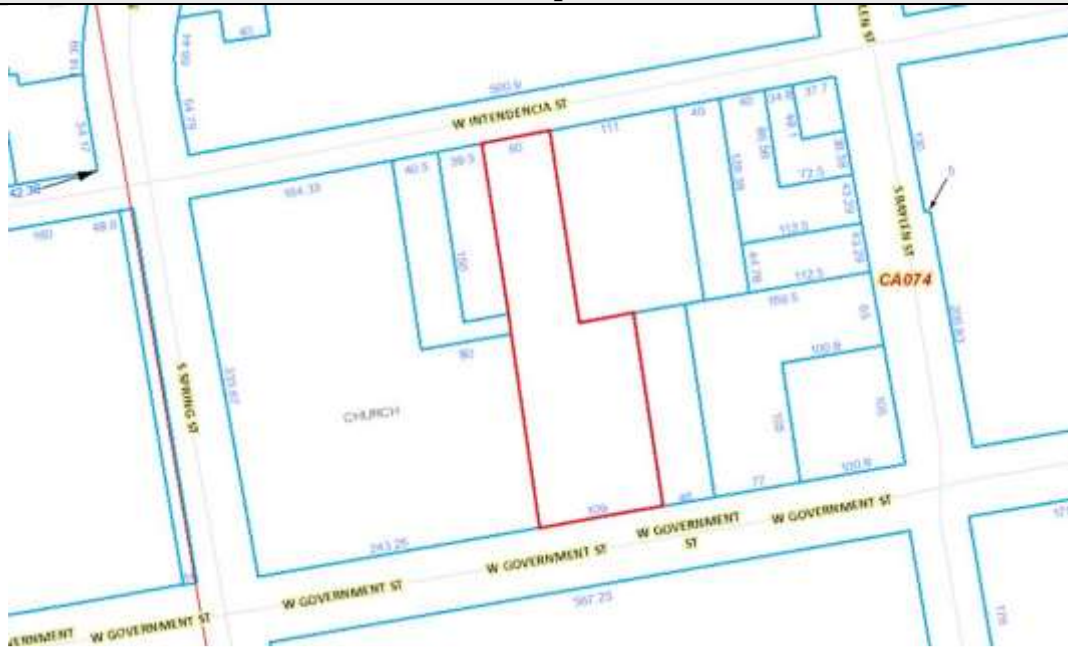
### Site

<b>Acres</b>	0.5	<b>Topography</b>	Above street
<b>Land SF</b>	21,780	<b>Shape</b>	Rectangular
<b>Road Frontage</b>	119	<b>Zoning</b>	C-1
<b>Depth</b>	186	<b>Utilities</b>	All

### Comments

This is a sale of a site on the east side of Daniel Drive, north of Gulf Breeze Parkway. It is an out parcel of Sea Shell Collections. The site was purchased for the development of a Dairy Queen drive-thru restaurant.

### Land Comparable 4



### Transaction

<b>ID</b>	2525	<b>Date</b>	1/8/2018
<b>Address</b>	120 W Government St	<b>Price</b>	\$720,000
<b>City</b>	Pensacola	<b>Financing</b>	Cash
<b>State</b>	Florida	<b>Price Per Front Foot</b>	\$6,605
<b>Tax ID</b>	00-0S-00-9001-020-120	<b>Price Per SF</b>	\$25.40
<b>Grantor</b>	Community Redevelopment		
<b>Grantee</b>	GSquared Pensacola, LLC	<b>Official Records Book</b>	7835
<b>Verification Source</b>	Public Records	<b>Recorded Page</b>	887

### Site

<b>Acres</b>	0.7	<b>Topography</b>	Level
<b>Land SF</b>	28,349	<b>Shape</b>	Irregular
<b>Road Frontage</b>	109	<b>Zoning</b>	C-2
<b>Depth</b>	333	<b>Utilities</b>	All

### Comments

This sale is of a vacant site currently used as a parking lot with expectations of professional offices in the future. It has frontage along Intendencia (60') and W. Government St. (109'). It is located 1.5 blocks from the main commercial district along Palafox Street.



### Land Comparable 5



### Transaction

<b>ID</b>	2765	<b>Date</b>	8/7/2018
<b>Address</b>	4400 Bayou Blvd.	<b>Price</b>	\$1,300,000
<b>City</b>	Pensacola	<b>Financing</b>	Conv.
<b>State</b>	Florida	<b>Price Per Front Foot</b>	\$5,417
<b>Tax ID</b>	3-1S-30-7101-081-001	<b>Price Per SF</b>	\$30.77
<b>Grantor</b>	ARC HR5STP3002, LLC		
<b>Grantee</b>	Jupiters Gold, LLC	<b>Official Records Book</b>	7948
<b>Verification Source</b>	Public Records	<b>Recorded Page</b>	814

### Site

<b>Acres</b>	1.0	<b>Topography</b>	Level
<b>Land SF</b>	42,253	<b>Shape</b>	Rectangular
<b>Road Frontage</b>	240	<b>Zoning</b>	C-1
<b>Depth</b>	162	<b>Utilities</b>	All

### Comments

This is a site located at the northeast corner of Bayou Boulevard and Grande Drvie. The site was developed with a bank building which was razed for the new development of a Culver's Restaurant. This site is located at the entrance of Cordova Square just east of the main Cordova Mall commercial district. This is one of the primary districts in Pensacola with the site located on the eastern border of this district.

## Land Comparable 6



### Transaction

<b>ID</b>	2998	<b>Date</b>	6/4/2020
<b>Address</b>	1143 Gulf Breeze Pkwy	<b>Price</b>	\$675,000
<b>City</b>	Gulf Breeze	<b>Financing</b>	--
<b>State</b>	Florida	<b>Price Per Front Foot</b>	\$5,153
<b>Tax ID</b>	04-3S-29-2317-00000-0010	<b>Price Per SF</b>	\$29.24
<b>Grantor</b>	Exposition Propoerties LLC		
<b>Grantee</b>	LISTING	<b>Official Records Book</b>	--
<b>Verification Source</b>	GCMLS 30044736	<b>Recorded Page</b>	--

### Site

<b>Acres</b>	0.5	<b>Topography</b>	Above street
<b>Land SF</b>	23,087	<b>Shape</b>	Rectangular
<b>Road Frontage</b>	131	<b>Zoning</b>	C-1
<b>Depth</b>	175	<b>Utilities</b>	All

### Comments

This is a current listing of an out parcel of the Live Oak Village Shopping Center across from Andrews Institute in Gulf Breeze Proper. Anchors within the project include Bealls Outlet, Office Depot and Navy Federal Credit Union. There is a lighted intersection for easy access into and out of the shopping center.

## ***Comparables Map***



Note: Location pins for Sales 1 and 3 are located under Sale 2 pin due to close proximity

## ***Analysis Grid***

The above sales have been analyzed and compared with the subject property. We have considered adjustments in the areas of:

- Property Rights Sold
- Financing
- Conditions of Sale
- Market Trends
- Location
- Physical Characteristics

On the following page is a sales comparison grid displaying the subject property, the comparables and the adjustments applied.

Land Analysis Grid		Comp 1	Comp 2	Comp 3	Comp 4	Comp 5	Comp 6
Address	409 Gulf Breeze	NW Gulf Breeze Pkwy & Daniel	729 Gulf Breeze Pkwy.	20 Daniel Dr.	120 W Government St	4400 Bayou Blvd.	1143 Gulf Breeze Pkwy
City	Gulf Breeze	Gulf Breeze	Gulf Breeze	Gulf Breeze	Pensacola	Pensacola	Gulf Breeze
State	Florida	Florida	Florida	Florida	Florida	Florida	Florida
Date	5/28/2020	4/27/2016	10/28/2016	3/15/2017	1/8/2018	8/7/2018	6/4/2020
Price	--	\$850,000	\$750,000	\$670,000	\$720,000	\$1,300,000	\$675,000
Land SF	44,867	36,024	30,450	21,780	28,349	42,253	23,087
Land SF Unit Price	\$0.00	\$23.60	\$24.63	\$30.76	\$25.40	\$30.77	\$29.24
Transaction Adjustments							
Property Rights	Fee Simple	Simple	0.0%	Fee Simple	0.0%	Simple	0.0%
Financing	Conventional	Cash	0.0%	Assumption	0.0%	Cash	0.0%
Conditions of Sale	Cash	Typical	0.0%	mortg.	0.0%	Typical	0.0%
						LISTING	-10.0%
Adjusted Land SF Unit Price		\$23.60	\$24.63	\$30.76	\$25.40	\$30.77	\$26.31
Market Trends Through	5/28/2020	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Adjusted Land SF Unit Price		\$23.60	\$24.63	\$30.76	\$25.40	\$30.77	\$26.31
Location	Good	Good/Corner	Good/Corner	Better/Outparcel	Good	Better/Corner	Average/Outparcel
% Adjustment		-10%	-10%	-10%	0%	-10%	0%
\$ Adjustment		-\$2.36	-\$2.46	-\$3.08	\$0.00	-\$3.08	\$0.00
Land SF	44,867	36,024	30,450	21,780	28,349	42,253	23,087
% Adjustment		0%	0%	-5%	-5%	0%	-5%
\$ Adjustment		\$0.00	\$0.00	-\$1.54	-\$1.27	\$0.00	-\$1.32
Road Frontage	210	235	194	119	109	240	131
% Adjustment		0%	0%	0%	0%	0%	0%
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Depth	217	293	146	186	333	162	175
% Adjustment		0%	0%	0%	0%	0%	0%
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Price Per Front Foot	\$0	\$3.617	\$5.000	\$5.630	\$6.605	\$5.417	\$5.153
% Adjustment		0%	0%	0%	0%	0%	0%
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Zoning	P - Public	C-2 Com	C-1	C-1	C-2	C-1	C-1
% Adjustment		0%	0%	0%	0%	0%	0%
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Distance	0	0.31	0.47	0.32	4.24	7.49	0.93
% Adjustment		0%	0%	0%	0%	0%	0%
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Adjusted Land SF Unit Price		\$21.24	\$22.17	\$26.15	\$24.13	\$27.69	\$25.00

## Comparable Land Sale Adjustments

The five sales and one active listing shown are the most current sales/activity in the Gulf Breeze Proper area or the best alternatives for the subject property in alternate locations such as downtown Pensacola and the Cordova Mall area. These sales occurred from April 2016 to August 2018 and are considered the best comparables for comparison to the subject property at this time.

The first adjustment is to the current active listing. This comparable was adjusted downward 10% to reflect the anticipated selling price below listed price.

The next adjustment considered is location. Although the subject and Sales 1-3 are all located in Gulf Breeze Proper, the three sales are considered to be superior due to corner locations and/or being out-parcels of shopping centers with better exposure and easier access. A 10% downward adjustment was applied to all three sales and to Sale 5 for its corner location.

The last adjustment applied was for size. Typically, the smaller the size site, a higher unit rate is indicated. Sales 3, 4 and 6 (Listing) all required downward 5% adjustments for their smaller size.

After a review of the sales and the limited availability of developable sites along Gulf Breeze Parkway in Gulf Breeze Proper, we do not see a significant difference in sales prices for properties with C-1 or C-2 zoning classifications. Therefore, no adjustments were applied since they are considered comparable to each other.

### ***Sales Comparison Approach Conclusion – Land Valuation***

The adjusted values of the comparable properties range from \$21.24 to \$27.69; the average is \$24.39. All of the value indications have been considered; however with the increasing demand for commercial sites in Gulf Breeze Proper and the increasing prices, we have reconciled at the upper end of the value range in arriving at our final reconciled per square foot value of \$26.00.

<b>As Is Market Value</b>	
<b>Indicated Value per Square Foot:</b>	\$26.00
<b>Subject Size:</b>	44,867 SF
<b>Indicated Value:</b>	\$1,166,542
<b>Rounded:</b>	<b>\$1,175,000</b>
<b>One Million One Hundred Seventy Five Thousand Dollars</b>	

### ***Value Conclusion***

Based on the data and analyses developed in this appraisal, we have reconciled to the following value conclusion(s), as of May 28, 2020, subject to the Limiting Conditions and Assumptions of this appraisal.

**Reconciled Value(s):** Premise: As Is  
Interest: Fee Simple  
Value Conclusion: **\$1,175,000**  
**One Million One Hundred Seventy Five Thousand Dollars**

## Certification Statement

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

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions and conclusions.
- We have no present or prospective future interest in the property that is the subject of this report, and have no personal interest with respect to the parties involved.
- We have no bias with respect to the property that is the subject of this report, or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP).
- No one provided significant real property appraisal assistance to the person(s) signing this certification.
- We certify sufficient competence to appraise this property through education and experience, in addition to the internal resources of the appraisal firm.
- We 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.
- Jennifer L. Hoffman has made an inspection of the subject property. Terry G. Hoffman has not made an inspection of the subject property.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, Terry G. Hoffman **has** completed the continuing education program for Designated Members of the Appraisal Institute.
- As of the date of this report, Terry G. Hoffman **has** completed the Standards and Ethics Education Requirements for Designated Members of the Appraisal Institute.
- Neither our engagement to make this appraisal (or any future appraisals for this client), nor any compensation therefore, are contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
- It is assumed that all water, sewer facilities and utilities (existing or proposed) are or will be in good working order, are safe for use and are or will be sufficient to serve the current or proposed use of the subject property or any structures or other improvements. Determining and reporting on such matters were not part of the scope of work for this assignment.
- Unless otherwise stated in this report, the past or current existence of hazardous materials or environmental contamination on, below or near the subject property was not observed or known by the appraiser. The appraiser, however, is not qualified to detect such substances or to make determinations about their presences. No responsibility is assumed for such possible conditions or for any expertise or engineering assistance required to discover them. The intended user is urged to retain an expert in this field, if desired.

- Use of or reliance on this appraisal or appraisal report, regardless of whether such use or reliance is known or authorized by the appraiser, constitutes acknowledgment and acceptance of the general assumptions and limiting conditions, any extraordinary assumptions or hypothetical conditions and any other terms and conditions stated in this report.



Jennifer L. Hoffman  
FL-State-Certified General Real Estate  
Appraiser RZ2978



Terry G. Hoffman, MAI  
FL-State-Certified General Real Estate  
Appraiser RZ46

## **Addenda**



# Engagement Letter



**State Tax Exemption #**  
858012622341C0  
**Federal Employer Identification #**  
596000845

**SANTA ROSA COUNTY**  
**SCHOOLS**  
**Purchase Order**  
Blanket -  
Hoffman.GB.Prop.Appraisal

**PO# 730678**  
05/19/2020  
Vendor (V000016982)

Show P.O. Number on all shipping containers,  
packing lists, correspondences, and invoices.

**Center/School Contact:** Cathy Ward

☐ Checked box indicates order must be fully received and invoiced by 06/30/2020.  
Cancellations must be in writing. No backorders without buyer approval.

HOFFMAN & ASSOCIATES PA  
1550 CREIGHTON RD STE 4  
PENSACOLA, FL 32504

**Ship To**  
GENERAL ADMINISTRATION  
6544 FIREHOUSE ROAD  
MILTON, FL 32570

**Bill To**  
GENERAL ADMINISTRATION  
6544 FIREHOUSE ROAD  
MILTON, FL 32570  
850-983-5123

Item #	Description	Quantity	UOM	Unit Price	Amount
	Appraisal for property located at 409 Gulf Breeze Parkway, Gulf Breeze	1850		1.00	1,850.00
<b>Total</b>					<b>1,850.00</b>

Fund	Function	Object	Facility	Project	Program	Amount
100	7200	390	9020	902		1,850.00

Comments for vendor:

Two week timeline-June 3, 2020

## Terms & Conditions:

- Do not exceed quantities or price without prior approval.
- No substitutions without prior approval.
- Purchase Order void if not filled within 60 days.
- Payment will not be made until an order is completed in full.
- Payment will be made only to the vendor listed above.
- Collect shipments will be refused.
- The Jessica Lunsford Act: The Santa Rosa County School District reserves the right to refuse to accept services from any personnel deemed by the Santa Rosa County School District to be unqualified, disorderly, or otherwise unable to perform assigned work. This law, effective September 1, 2005, affects your business if you, your employees or your agents will have access to school grounds when students are present, have direct contact with students or have access to or control of school funds. A copy of House Bill 1877, which was approved by the Governor on May 2, 2005 (Chapter 2005-28, L.O.F., section 21) may be found by accessing the following link on the internet:  
[http://laws.flrules.org/files/Ch\\_2005-028.pdf](http://laws.flrules.org/files/Ch_2005-028.pdf). The requirements of this new law must be met in order for the School Board to continue working with you. The implementation procedures for this new law, as well as the amendment of July 2007, are posted on our website, at:  
<http://srcsdhumanresources.weebly.com/jessica-lunsford.html>
- (Service proposals only) Insurance required to be carried shall include (for specific limits contact Risk Management at (850) 983-5006): a. The Company shall furnish proof of the following insurance to the Board by Certificate of insurance. b. The Certificate of Insurance shall state that the School Board, including its agents and employees, are additional insureds under the policy or policies. c. Workers' Compensation Insurance. d. Comprehensive General Liability Insurance. e. Business Automobile Liability.
- It is a condition of this Purchase Order that the vendor will comply with all Federal, State and Local laws, ordinances and rules, including but not limited to self-reporting if listed on the Federal Suspension and Debarment list and if convicted of Public Entity Crimes.

## **C-1 – General Commercial District**

### **Permitted uses**

Land and buildings within the C-1 commercial district shall be used only for the following purposes:

- (1) Nonindustrial mercantile business.
- (2) Business and professional offices, and any other uses allowed in the C-2 district.
- (3) Hotels, motels and tourist courts.
- (4) Medical clinics (including nursing homes as defined in [section 21-191](#)) and animal clinics, properly designed so as not to cause odor, sanitary and sound annoyances to adjacent properties and the public.
- (5) Mechanical repair shops, building materials and supplies and warehousing. The above uses are to be properly screened or fenced so as to prevent an unsightly appearance from adjacent properties or rights-of-way.
- (6) Churches, religious institutions, private or parochial schools and fraternal organizations.
- (7) Nursery schools and kindergartens.
- (8) Theater, bowling alleys.
- (9) Gasoline service stations with the following provisions:
  - a. The minimum distance, as measured along the right-of-way, between the nearest motor fuel dispensing equipment of each service station on the same or common side of any street shall be 1,500 linear feet, this minimum distance to apply only to service stations erected from and after September 21, 1964 (original zoning ordinance adoption date).
  - b. All motor fuel dispensing equipment, aboveground tanks, and any structure or canopy designed or used in whole or in part to cover, house, contain or provide any service to or for motor vehicles shall be placed not less than 25 feet from any side or rear property line, excepting one self-service equipment station per lot which supplies compressed air, radiator and battery water and vacuum services for motor vehicles. If a corner site is used, minimum setback lines for both streets shall be observed. Setback requirements of this paragraph shall not apply to detached structure on the premises used for other purposes allowed in the C-1 zoning district such as retail business.
  - c. All buildings or structures including gas tanks and pumps shall at a minimum comply with the setback requirements of any abutting street.

d. If on a corner lot, the means of ingress and egress shall be provided not less than 15 feet from the intersection of street right-of-way lines. Ingress and egress shall be arranged and designed so as to minimize the interference with the flow of traffic.

(10) Self-service laundries and laundry pickup stations.

(11) Municipal, county, state, federal and public buildings.

(12) Marina and accessory facilities, subject to the approval of the city council.

(13) Any retail business or retail service establishment providing conveniences or shopping that are required by neighboring residents.

*(Ord. No. 8-99, § 1, 6-7-99)*

### **Height of buildings**

In the C-1 district building height shall not exceed a total height of 35 feet.

*(Ord. No. 03-12, § 1, 4-2-12)*

### **Setback requirements**

In the C-1 zoning district, no building or any portion thereof shall be erected nearer than 15 feet from any street right-of-way.

## **C-2 – Limited Commercial District**

### **Uses permitted**

Land and buildings within the C-2 limited commercial district shall be used for business offices and/or professional offices. The intent is to limit the use of buildings in a C-2 district to general types of occupancies as follow:

- (1) Real estate or mortgage loan offices.
- (2) Insurance agency.
- (3) Finance company.
- (4) Doctor's office and/or clinic.
- (5) Dentist's office and/or clinic.
- (6) Architectural planning or engineering office.
- (7) General business or professional offices.
- (8) Churches.
- (9) Banking facilities.

*(Ord. No. 5-93, § 1, 5-3-93; Ord. No. 08-06, § 1, 6-19-06)*

### **Prohibited uses**

The following uses or substantially similar uses shall be specifically prohibited from the C-2 district:

- (1) Retail or wholesale merchandising or warehousing.
- (2) Beauty shops, barbershops or stores.
- (3) Vehicle service stations.
- (4) Laundries or laundry pickup stations.
- (5) Hotels or motels.
- (6) Funeral homes.
- (7) Day nurseries or nursing homes.
- (8) Theaters.
- (9) Bowling alleys.
- (10) Repair shops.

### **Uses allowed as a special exception**

The following uses and substantially similar uses shall be allowed in a C-2 district as a special exception:

Specialty retail shops, such as flower shops, bakery shops and gift shops where such shops are determined to be compatible with and enhance the general character of the district

### **Building height; parking; screening**

Business and professional offices in a C-2 limited commercial district shall not exceed 35 feet in height and must provide for adequate off-street parking as provided in [section 24-51](#)(6). A C-2 district is to be screened by privacy fences or shrubbery from any surrounding residential property in an R-ES, R-1-AA, R-1-A or R-1 district. Maximum fence heights shall be eight feet unless otherwise approved by the city council.

*(Ord. No. 06-02, § 1, 3-4-02)*

### **Storage of materials, machinery, vehicles**

No construction materials, merchandise, trucks and commercial vehicles or machinery shall be stored overnight on the grounds of a site in a C-2 district, except temporarily while a building in the C-2 district is under construction, or being remodeled on the site.

### **Setback requirements**

The minimum setback from the front lot line to any building or structure in a C-2 district shall be 30 feet; the minimum side yard required shall be eight feet; the minimum rear yard requirements shall be 30 feet; the minimum setback from side streets shall be 20 feet, and the minimum from rear streets shall be 30 feet.

## Flood Map

409 GULF BREEZE PKWY GULF BREEZE, FL 32561-4457

LOCATION ACCURACY: Excellent

### Flood Zone Determination Report

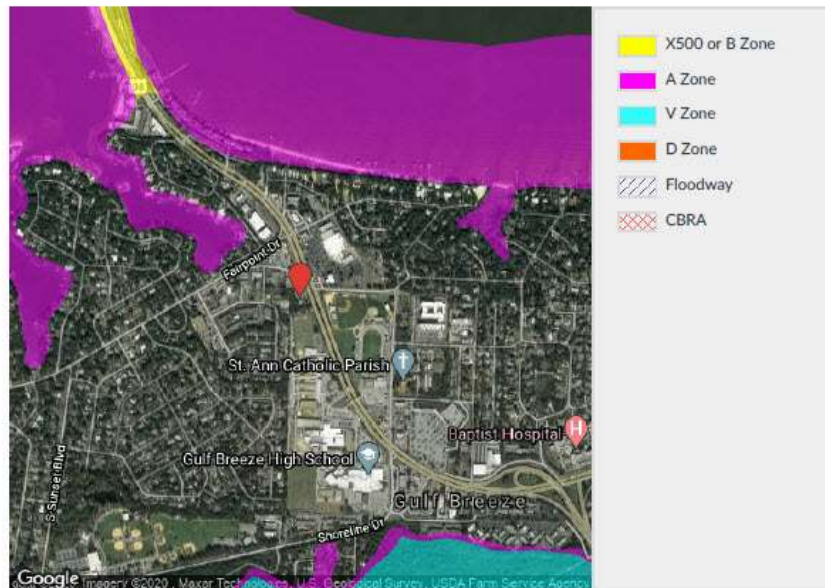
Flood Zone Determination: **OUT**

PANEL DATE

December 19, 2006

MAP NUMBER

121130606G



## **Qualifications**

### **Hoffman & Associates, P. A.**

*REAL ESTATE APPRAISERS - CONSULTANTS*

CREIGHTON OFFICE PARK  
1550 CREIGHTON ROAD SUITE 4  
PENSACOLA, FLORIDA 32504

[hoffmanappraiser.com](http://hoffmanappraiser.com)

#### **QUALIFICATIONS**

**Jennifer L. Hoffman, GAA**



#### **STATE CERTIFICATION**

State of Florida, Department of Professional Regulation, Florida Real Estate Appraisal Board, Certified General Real Estate Appraiser RZ#2978.

#### **PROFESSIONAL DESIGNATION**

Awarded the GAA - General Accredited Appraiser designation by the National Association of Realtors

#### **MEMBER or AFFILIATIONS**

National Association of Realtors  
Florida Association of Realtors  
Pensacola Association of Realtors

#### **EDUCATION BACKGROUND**

- Attended the University of West Florida, Pensacola, Florida. Fall 1991 - Fall 1994
- Successfully completed "RREAB Residential Appraisal-AB1" given by the Ed Klopfer Schools of Real Estate in Pensacola, Florida, October 1998.
- Successfully completed "RREAB Residential Appraisal-ABII and ABIIB" given by the Real Estate Education Specialists in Orlando, Florida, July 2000.
- Attended "Florida State Law and USPAP Review for Real Estate Appraisers" Appraisal Institute Seminar in Tallahassee, Florida, September 2000.
- Attended "State of the Profession", given by the Northwest Florida Chapter of the Appraisal Institute, April 2001.
- Attended "Supporting Sales Comparison Grid Adjustments" given by the Northwest Florida Chapter of the Appraisal Institute, August 2001.
- Attended "Appraisal Valuation Modeling" given by the Northwest Florida Chapter of the Appraisal Institute, August 2002.
- Attended "Real Estate Fraud" given by the Northwest Florida Chapter of the Appraisal Institute, November 2002.
- Attended "Effective Appraisal Writing" given by the Northwest Florida Chapter of the Appraisal Institute, August 2003.

- Attended “Florida Law” given by the Northwest Florida Chapter of the Appraisal Institute, November 2003.
- Attended “USPAP Update” given by the Northwest Florida Chapter of the Appraisal Institute, November 2003.
- Attended “The Emerging (Mark To) Market Valuation for Financial Reporting Purposes” given by the Northwest Florida Chapter of the Appraisal Institute, November 2003.
- Successfully completed “Appraisal Board Course III” given by the Real Estate Education Specialists in Orlando, Florida, December 2004.
- Successfully completed “Basic Appraisal Principles” offered by the Atlanta Chapter of the Appraisal Institute, January 2006.
- Successfully completed “Basic Appraisal Procedures” offered by the Atlanta Chapter of the Appraisal Institute, February 2006.
- Successfully completed “15-Hour National USPAP Course” offered by the Atlanta Chapter of the Appraisal Institute, February 2006.
- Attended “Highest and Best Use Applications” given by the Northwest Florida Chapter of the Appraisal Institute in Destin, Florida, September 2007.
- Attended “Real Estate Investing & Development-A Valuation Perspective” given by the Northwest Florida Chapter of the Appraisal Institute in Destin, Florida, September 2007.
- Attended “Hypothetical Conditions & Assumptions” given by the Northwest Florida Chapter of the Appraisal Institute in Destin, Florida, May 2008.
- Successfully completed “General Appraiser Income Approach (Part I)” offered by the East Florida Chapter of the Appraisal Institute, January 2009.
- Successfully completed “General Appraiser Income Approach (Part II)” offered by the East Florida Chapter of the Appraisal Institute, February 2009.
- Successfully completed “General Appraiser Report Writing & Case Studies” given by the Atlanta Chapter of the Appraisal Institute in Atlanta, GA, October 2013.
- Successfully completed “Advanced Income Capitalization” given by the Atlanta Chapter of the Appraisal Institute in Atlanta, GA, April 2016.

## **PROFESSIONAL EXPERIENCE**

- I became a Florida licensed salesperson #0637353 in early 1996.
- Employed by a local franchise of Arthur Rutenberg Homes (a custom builder in Florida) selling custom homes and assisting buyers in selecting floor plans and amenities for the home.
- Employed by JME Realty in October 1997 as a salesperson assisting in the purchase and listing of residential homes and vacant lots and acreage.
- Employed by Terry Hoffman from 1996 to 1998. Served as a part time researcher with duties including verifying sales data and assisting with the research, measuring of homes, and assembling of appraisal reports.
- November 1998 the firm Hoffman & Associates, a real estate appraisal company specializing in appraising real estate properties, as a State Register Real Estate



Appraiser #0005054, employed me. I was directly supervised by Terry G. Hoffman, MAI for over two years.

- In April 2001, I passed my State Certification exam and became a State Certified Residential Appraiser (RD#3499).
- I have had appraisal experience in single-family residences, multi-family residential properties, town homes, condominiums, and vacant residential and commercial lots.
- January 2004, I expanded into appraising commercial oriented properties with the close supervision of Terry G. Hoffman, MAI.
- In November 2006, I passed my State Certification exam and became a State Certified General Appraiser (RZ#2978).
- In September 2008, I was awarded the GAA, General Accredited Appraiser designation by the National Association of Realtors.

**Approved Appraiser and Completed Appraisals For:**

BB&T Bank, Pensacola, Florida

Bank of America, Jacksonville, Tampa and Pensacola, Florida

Beach Community Bank, Pensacola, Florida

Compass Bank, Pensacola, Florida

Charter Bank, Pensacola, Florida

Hancock Bank, Gulfport, Mississippi and Pensacola, Florida

Harvesters Federal Credit Union, Pensacola, Florida

Pen Air Federal Credit Union, Pensacola, Florida

ServisFirst Bank, Pensacola, Florida

Smart Bank, Florida

United Bank, Atmore, Alabama

Well Fargo, Florida, North Carolina, Ohio

Various attorneys, individuals, and firms in the Pensacola area.



Ron DeSantis, Governor

Halsey Beshears, Secretary



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

**FLORIDA REAL ESTATE APPRAISAL BD**

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

**HOFFMAN, JENNIFER L**

1550 CREIGHTON ROAD SUITE 4  
PENSACOLA FL 32504

**LICENSE NUMBER: RZ2978**

**EXPIRATION DATE: NOVEMBER 30, 2020**

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# Hoffman & Associates, P.A.

Real Estate Appraisers – Consultants  
1550 Creighton Road Ste. #4  
Pensacola, Florida 32504  
hoffmanappraiser.com

## QUALIFICATIONS TERRY G. HOFFMAN, MAI



### STATE CERTIFICATION

April 7, 1990 I was state certified for Florida as "State Certified General Real Estate Appraiser #RZ46" after successfully completing the required courses and examinations. I am also a Certified General Real Property Appraiser for Alabama #G00817.

### MEMBER

National Association of Realtors  
Florida Association of Realtors  
Pensacola Association of Realtors  
Baldwin County Association of Realtors  
Pensacola Area Chamber of Commerce  
Appraisal Institute-MAI (Designated 1992)

### EDUCATION BACKGROUND

I was awarded a Bachelor of Science Degree in Business Management and Administration by the University of West Florida, Pensacola, Florida, in June 1970.

I have taken real estate and real estate appraising courses (70+) from the winter of 1969 to most recently as part of my continuing education and required courses in pursuit of the MAI designation which I received in November 1992. Most of the courses were sponsored by the American Institute of Real Estate Appraisers and later the Appraisal Institute. I continue to stay current with available courses to meet the 20 hour and 18 hour per every two year requirement of Florida and Alabama and the 100 hour requirement every four years by the Appraisal Institute.

I have served as an instructor at Pensacola Jr. College teaching the required salesman's course for licensing in the State of Florida.

I have served as an instructor for the "Metro-Merica" school, "Real Estate for the New Practitioner", a required course for all prospective real estate salesmen in the State of Florida.

I also taught real estate course "REE 4810 Principles of Real Estate Marketing" at the University of West Florida.

I received the MAI designation from the Appraisal Institute November 25, 1992 (MAI, Member: 9731).

## **PROFESSIONAL EXPERIENCE**

- Employed by the Escambia County Tax Assessor's office from September 1965 until June 1970 in the Land Department. Three years of this time was spent in full time appraising.
- I entered the real estate profession in Pensacola, Florida in October 1970 employed as a real estate salesman with Better Homes Realty.
- I was employed with Adkinson and Associates, under the supervision of F. Earle Adkinson, MAI for one and one half years, specializing in appraisals of commercial and investment properties.
- January 1974 I became a partner in the firm of Swaine, Hoffman & Associates, a real estate appraisal company specializing in all aspects of real estate appraising.
- January 1997 I formed Hoffman & Associates, P.A., I hold a broker's license with the Florida Real Estate Commission and state-certification general real estate appraiser certificate with the Florida Real Estate Appraisal Board.
- I have had appraisal experience in single-family residences, multi-family residential properties, town homes, condominiums, warehouses, retail stores, shopping centers, restaurants, office buildings, vacant acreage, and vacant and improved commercial and industrial properties.
- I served as Vice Chairman of the Associate Realtors of the Pensacola Board of Realtors in 1973, Director for the Board in 1974, Treasurer in 1975, 1st Vice President of the Board in 1976, President of the Board in 1977, and Director of the Board in 1978.
- I have served as a Director for the Florida Association of Realtors for the years 1976 and 1977 and National Director for the year 1977.
- I was awarded the MAI designation by the Appraisal Institute in November 1992 (#9731).
- I was the candidate's guidance chairman and Vice President of the Northwest Florida Chapter of the Appraisal Institute for 1994.
- I was president of the Northwest Florida Chapter of the Appraisal Institute for 1995. At that time, the district extended from the Florida/Alabama line east approximately 50 miles east of Tallahassee. Total membership in the chapter was approximately 200.

## **BUSINESS OVERVIEW**

The majority of our work is within a 60 mile radius of Pensacola, Florida. The metropolitan area of Pensacola is slightly more than 450,000 people and cover Escambia and Santa Rosa County. We specialize in commercial work doing no individual residential appraisals. Our primary clients are local and national banks including Bank America, Wells Fargo Bank, Royal Bank of Canada, BB&T Bank, Hancock Bank, and most of the local banks within our working area. We also do work for individual banks outside our area upon request along with local clients including individuals, Realtors, attorneys, CPA, etc. We work closely with the local commercial brokers and developers to keep abreast of the changing market and market conditions. We belong to MLS services extending from Baldwin County, Alabama to Panama City, Florida (150 miles of the Gulf Coast). We subscribe to Metro Market Data providing sales data for these areas along with Loopnet for both regional and local data.

Our office is staffed by three State Certified General Appraisers with a total of over 70 years full time appraisal experience.

## **REFERENCES**

**Gregg Beck, President**  
Beck Property Company, Inc.

850-477-7044

**Robert Fair, Exec. SVP**  
ServisFirst Bank

850-266-9100

**Keith Hodges, MAI**  
Escambia County Property Appraiser's  
Office  
850-434-2735

**John Griffing, President**  
NAI Halford Company  
850-433-0577

**Johnnie Wright, Senior VP**  
Smart Bank  
850-857-0324

**Brian Bell, SVP**  
Navy Federal Credit Union  
850-384-5834



RICK SCOTT, GOVERNOR

JONATHAN ZACHEM, SECRETARY



**STATE OF FLORIDA**  
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## Glossary

This glossary contains the definitions of common words and phrases, used throughout the appraisal industry, as applied within this document. Please refer to the publications listed in the **Works Cited** section below for more information.

### Works Cited:

- Appraisal Institute. *The Appraisal of Real Estate*. 13th ed. Chicago: Appraisal Institute, 2008. Print.
- Appraisal Institute. *The Dictionary of Real Estate Appraisal*. 5th ed. 2010. Print.

### Band of Investment

A technique in which the capitalization rates attributable to components of a capital investment are weighted and combined to derive a weighted-average rate attributable to the total investment. (Dictionary, 5th Edition)

### Common Area

1. The total area within a property that is not designed for sale or rental but is available for common use by all owners, tenants, or their invitees, e.g., parking and its appurtenances, malls, sidewalks, landscaped areas, recreation areas, public toilets, truck and service facilities.
2. In a shopping center, the walkways and areas onto which the stores face and which conduct the flow of customer traffic. (ICSC) (Dictionary, 5th Edition)

### Common Area Maintenance (CAM)

1. The expense of operating and maintaining common areas; may or may not include management charges and usually does not include capital expenditures on tenant improvements or other improvements to the property.
  - CAM can be a line-item expense for a group of items that can include maintenance of the parking lot and landscaped areas

and sometimes the exterior walls of the buildings.

- CAM can refer to all operating expenses.
- CAM can refer to the reimbursement by the tenant to the landlord for all expenses reimbursable under the lease. Sometimes reimbursements have what is called an administrative

load. An example would be a 15% addition to total operating expenses, which are then prorated among tenants. The administrative load, also called an administrative and marketing fee, can be a substitute for or an addition to a management fee.

2. The amount of money charged to tenants for their shares of maintaining a center's common area. The charge that a tenant pays for shared services and facilities such as electricity, security, and maintenance of parking lots. The area maintained in common by all tenants, such as parking lots and common passages. The area is often defined in the lease and may or may not include all physical area to be paid for by all tenants. Items charged to common area maintenance may include cleaning services, parking lot sweeping and maintenances, snow

removal, security, and upkeep. (ICSC)  
(Dictionary, 5th Edition)

**Debt Coverage Ratio (DCR)**

The ratio of net operating income to annual debt service ( $DCR = NOI/Im$ ), which measures the relative ability of a property to meet its debt service out of net operating income; also called debt service coverage ratio (DSCR). A larger DCR indicates a greater ability for a property to withstand a downturn in revenue, providing an improved safety margin for a lender. (Dictionary, 5th Edition)

**Discount Rate**

A yield rate used to convert future payments or receipts into present value; usually considered to be a synonym for yield rate. (Dictionary, 5th Edition)

**Effective Age**

The age of property that is based on the amount of observed deterioration and obsolescence it has sustained, which may be different from its chronological age. (Dictionary, 5th Edition)

**Effective Date**

1. The date on which the analyses, opinion, and advice in an appraisal, review, or consulting service apply.
2. In a lease document, the date upon which the lease goes into effect. (Dictionary, 5th Edition)

**Exposure Time**

1. The time a property remains on the market.
2. The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the

appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market. (Dictionary, 5th Edition)

**External Obsolescence**

An element of depreciation; a diminution in value caused by negative externalities and generally incurable on the part of the owner, landlord, tenant. (Dictionary, 5th Edition)

**Extraordinary Assumption**

An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinions or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP, 2010-2011 ed.) (Dictionary, 5th Edition)

**Fee Simple Estate**

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat. (Dictionary, 5th Edition)

**Functional Obsolescence**

The impairment of functional capacity of a property according to market tastes and standards. (Dictionary, 5th Edition)

**Functional Utility**

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



traffic patterns, and the size and type of rooms. (The Appraisal of Real Estate, 13th Edition)

**Gross Building Area (GBA)**

Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the region. (Dictionary, 5th Edition)

**Gross Leasable Area (GLA)**

Total floor area designed for the occupancy and exclusive use of tenants, including basements and mezzanines; measured from the center of joint partitioning to the outside wall surfaces. (Dictionary, 5th Edition)

**Highest & Best Use**

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. (Dictionary, 5th Edition)

**Highest and Best Use of Land or a Site as Though Vacant**

Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination. The use of a property based on the assumption that the parcel of land is vacant or can be made vacant by demolishing any improvements. (Dictionary, 5th Edition)

**Highest and Best Use of Property as Improved**

The use that should be made of a property as it exists. An existing improvement should be renovated or retained as is so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one. (Dictionary, 5th Edition)

**Hypothetical Condition**

That which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (Dictionary, 5th Edition)

**Leased Fee Interest**

A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship (i.e., a lease). (Dictionary, 5th Edition)

**Market Area**

The area associated with a subject property that contains its direct competition. (Dictionary, 5th Edition)

**Market Rent**

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



improvements (TIs). (Dictionary, 5th Edition)

### **Market Value**

The major focus of most real property appraisal assignments. Both economic and legal definitions of market value have been developed and refined.

1. The most widely accepted components of market value are incorporated in the following definition: The most probable price that the specified property interest should sell for in a competitive market after a reasonable exposure time, as of a specified date, in cash, or in terms equivalent to cash, under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, for self-interest, and assuming that neither is under duress.
2. Market value is described in the Uniform Standards of Professional Appraisal Practice (USPAP) as follows: A type of value, stated as an opinion, that presumes the transfer of a property (i.e., a right of ownership or a bundle of such rights), as of a certain date, under specific conditions set forth in the definition of the term identified by the appraiser as applicable in an appraisal. (USPAP, 2010-2011 ed.) USPAP also requires that certain items be included in every appraisal report. Among these items, the following are directly related to the definition of market value:
  - Identification of the specific property rights to be appraised.
  - Statement of the effective date of the value opinion.
  - Specification as to whether cash, terms equivalent to cash, or other precisely described financing terms are assumed as the basis of the appraisal.
- If the appraisal is conditioned upon financing or other terms, specification as to whether the financing or terms are at, below, or above market interest rates and/or contain unusual conditions or incentives. The terms of above—or below—market interest rates and/or other special incentives must be clearly set forth; their contribution to, or negative influence on, value must be described and estimated; and the market data supporting the opinion of value must be described and explained.
3. The following definition of market value is used by agencies that regulate federally insured financial institutions in the United States: The most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and the seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:
  - Buyer and seller are typically motivated;
  - Both parties are well informed or well advised, and acting in what they consider their best interests;
  - A reasonable time is allowed for exposure in the open market;
  - Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
  - The price represents the normal consideration for the property sold unaffected by special or creative

financing or sales concessions granted by anyone associated with the sale. (12 C.F.R. Part 34.42(g); 55 Federal Register 34696, August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992; 59 Federal Register 29499, June 7, 1994)

4. The International Valuation Standards Council defines market value for the purpose of international standards as follows: The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion. (International Valuation Standards, 8th ed., 2007)
5. Market value is the amount in cash, or on terms reasonably equivalent to cash, for which in all probability the property would have sold on the effective date of the appraisal, after a reasonable exposure of time on the open competitive market, from a willing and reasonably knowledgeable seller to a willing and reasonably knowledgeable buyer, with neither acting under any compulsion to buy or sell, giving due consideration to all available economic uses of the property at the time of the appraisal. (Uniform Standards for Federal Land Acquisitions) (Dictionary, 5th Edition)

### **Marketing Time**

An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of the appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal.

(Advisory Opinion 7 of the 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). (Dictionary, 5th Edition)

### **Net Operating Income (NOI)**

The actual or anticipated net income that remains after all operating expenses are deducted from effective gross income but before mortgage debt service and book depreciation are deducted. (Dictionary, 5th Edition)

### **Obsolescence**

One cause of depreciation; an impairment of desirability and usefulness caused by new inventions, changes in design, improved processes for production, or external factors that make a property less desirable and valuable for a continued use; may be either functional or external. (Dictionary, 5th Edition)

### **Parking Ratio**

A ratio of parking area or parking spaces to an economic or physical unit of comparison. Minimum required parking ratios of various land uses are often stated in zoning ordinances. (Dictionary, 5th Edition)

### **Rentable Area**

For office buildings, the tenant's pro rata portion of the entire office floor, excluding elements of the building that penetrate through the floor to the areas below. The rentable area of a floor is computed by measuring to the inside finished surface of the dominant portion of the permanent building walls, excluding any major vertical penetrations of the floor. Alternatively, the amount of space on which the rent is based;

calculated according to local practice. (Dictionary, 5th Edition)

using modern materials and current standards, design, and layout. (Dictionary, 5th Edition)

**Replacement Cost**

The estimated cost to construct, at current prices as of the effective appraisal date, a substitute for the building being appraised,

**Scope of Work**

The type and extent of research and analyses in an assignment. (Dictionary, 5th Edition)

**Stabilized Occupancy**

An expression of the expected occupancy of a property in its particular market considering current and forecasted supply and demand, assuming it is priced at market rent. (Dictionary, 5th Edition)

**Tenant Improvements (TIs)**

1. Fixed improvements to the land or structures installed and paid for use by a lessee.
2. The original installation of finished tenant space in a construction project; subject to periodic change for succeeding tenants. (Dictionary, 5th Edition)

**Vacancy and Collection Loss**

A deduction from potential gross income (PGI) made to reflect income reductions due to vacancies, tenant turnover, and non-payment of rent; also called vacancy and credit loss or vacancy and contingency loss. Often vacancy and collection loss is expressed as a percentage of potential gross income and should reflect the competitive market. Its treatment can differ according to the interest being appraised, property type, capitalization method, and whether the property is at stabilized occupancy. (Dictionary, 5th Edition)