



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

# APPRAISAL REPORT REAL ESTATE APPRAISAL

Of

Vacant Acreage (Thames Property)

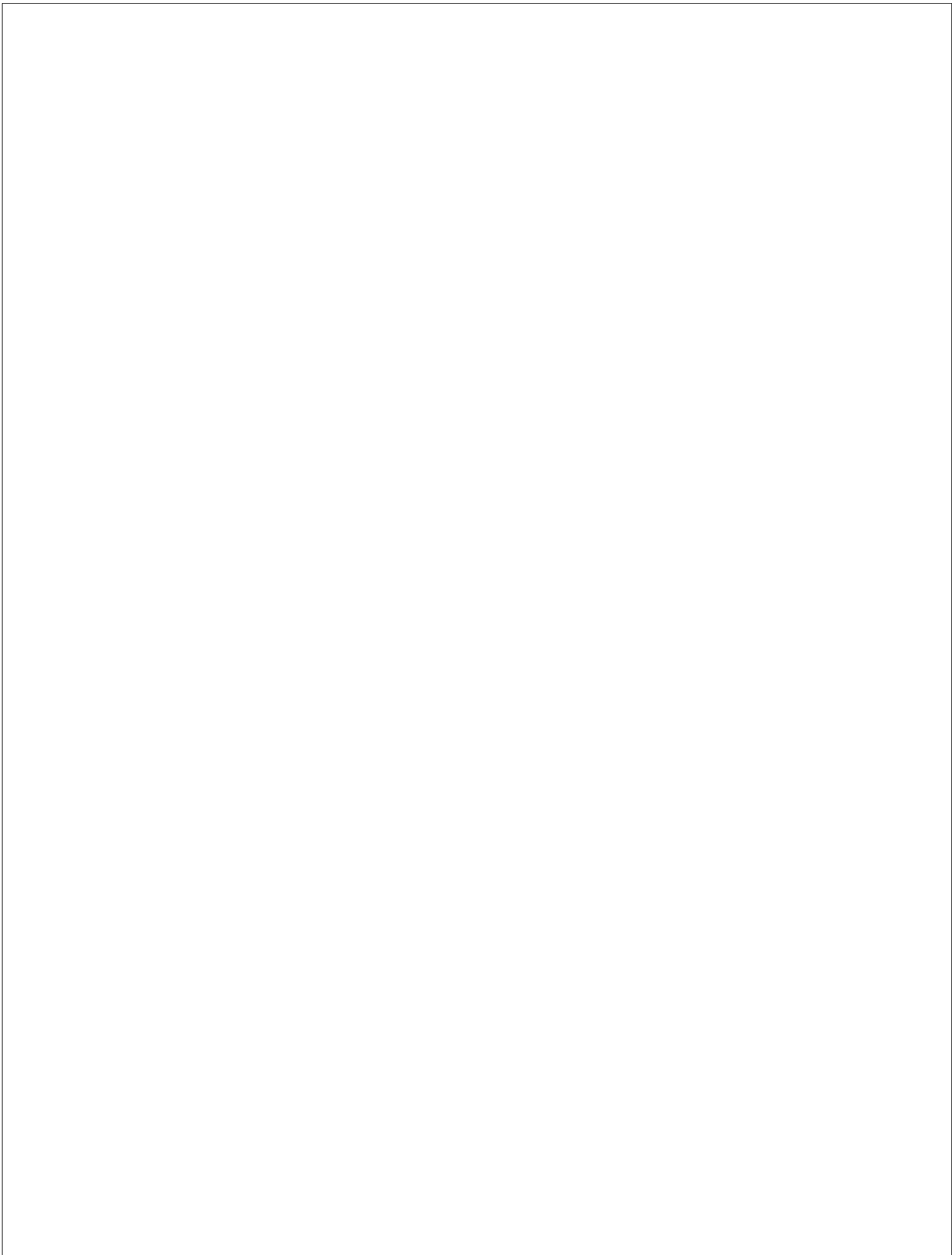


SW Corner of Willard Norris Rd and Tanglewood Dr., Milton  
Santa Rosa County  
Florida, 32570

**As of**  
December 1, 2020

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

**Prepared by**  
HOFFMAN & ASSOCIATES, P. A.  
Kirsten Hoffman Philip  
FL-State-Certified General Real Estate Appraiser RZ2661  
Terry G. Hoffman, MAI  
FL-State-Certified General Real Estate Appraiser RZ46



# HOFFMAN & ASSOCIATES, P. A.



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

**Commercial Real Estate Appraisers & Consultants**

*1550 Creighton Road, Suite 4*

*Pensacola, FL, 32504*

Phone: 850-478-7818

Fax: 850-478-1922



Terry G. Hoffman, MAI

*State-Certified General Real Estate Appraisers (FL)*

Terry G. Hoffman, MAI RZ #46

Kirsten Hoffman Philip RZ #2661

Jennifer L. Hoffman, GAA RZ #2978

December 17, 2020

February 18, 2021 (Revised)

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

Re: Appraisal Report, Real Estate Appraisal  
Vacant Acreage (Thames Property)  
SW Corner of Willard Norris Rd and Tanglewood Dr., Milton,  
Santa Rosa County, Florida, 32570

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 property does not have final dimensions, but according to the client it will be between 30-40 acres at the southwest corner of Willard Norris Road and Tanglewood Drive. For the purpose of this appraisal, we will use 30 acres for valuation. In addition, the client only requested a per acre value for the subject property.

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.

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:



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

Mr. Harrell  
School Board of Santa Rosa County  
December 17, 2020  
February 18, 2021 (Revised)  
Page 2

#### Hypothetical Conditions:

- **We are making a hypothetical assumption that the zoning classification will be changed to R1 and that sewer will be readily available to the site. If these assumptions can not be made, then the final value of the subject property could significantly be affected.**

#### Extraordinary Assumptions:

- A current survey was not provided to the appraisers; therefore, certain estimates were made to determine the boundaries and dimensions of the subject property. If a current survey should render different from what has been reported within this appraisal then the final value may be affected.
- The final unit price determined within this appraisal is subject to the subject property being a corner lot at Willard Norris Road and Tanglewood Drive with frontage on both right-of-ways.

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 December 1, 2020, is

**(\$30,000/AC)**

**Thirty Thousand Dollars per Acre**

The market exposure time preceding December 1, 2020 would have been 4 to 6 months and the estimated marketing period as of December 1, 2020 is 4 to 6 months.

**The final valuation does not include any personal property or FF&E.**

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.



Kirsten Hoffman Philip  
FL-State-Certified General Real Estate  
Appraiser RZ2661



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

## TABLE OF CONTENTS

Summary of Important Facts and Conclusions .....	7
Limiting Conditions and Assumptions .....	9
Scope of Work .....	11
Sales History .....	13
Current Listing/Contract(s) .....	13
Property Rights Appraised .....	13
Market Area Analysis .....	14
Location Map .....	15
Property Description .....	16
Site Plan .....	18
Subject Photographs .....	20
Assessment and Taxes .....	23
Zoning .....	24
Highest and Best Use .....	27
Valuation Methodology .....	29
Analyses Applied .....	29
Sales Comparison Approach – Land Valuation .....	30
Land Comparables .....	30
Comparables Map .....	35
Analysis Grid .....	35
Comparable Land Sale Adjustments .....	36
Sales Comparison Approach Conclusion – Land Valuation .....	37
Value Conclusion .....	38
Certification Statement .....	39
Addenda .....	41
Engagement Letter .....	42
Qualifications .....	43
Glossary .....	50

## Summary of Important Facts and Conclusions

### GENERAL

**Subject:** Vacant Acreage (Thames Property)  
SW Corner of Willard Norris Rd and Tanglewood Dr.,  
Milton, Santa Rosa County, Florida, 32570

The subject property does not have final dimensions, but according to the client it will be between 30-40 acres at the southwest corner of Willard Norris Road and Tanglewood Drive. For the purpose of this appraisal, we will use 30 acres for valuation. In addition, the client only requested a per acre value for the subject property.

**Owner:** Gale H Thames, Trustee

**Legal Description:** A 30-40 acre parcel at the southwest corner of Willard Norris Road and Tanglewood Drive of the following  
Legal Description: NE4 AS DES IN OR 1212 PG 238  
LESS R/WLESS OR 165 PG 636 LESS OR 1023 PGS  
574 & 772LESS OR 1226 PG 554

**Census Tract:** 12113-0105.04

**Date of Report:** December 17, 2020  
February 18, 2021 (Revised)

**Intended Use:** The intended use is for portfolio management.

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

### Assessment:

Real Estate Assessment and Taxes							
Tax ID	Land	Improvements	Special	Total	County	Tax	Taxes
			Assessment	Rate	Rate		
30-2N-28-0000- 00204-0000	\$33,801	\$0	\$0	\$33,801	\$12.18	\$12.18	\$412

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

**Current Listing/Contract(s):** The subject is not currently listed for sale, or under contract.

**Land:**

Land Summary						
Parcel ID	Gross Land Area (Acres)	Gross Land Area (Sq Ft)	Frontage - Primary Street (Feet)	Average Depth (Feet)	Topography	Shape
Willard Norris Rd &	30.00	1,306,800	Unknown	Unknown	Level	Unknown

**Zoning:** R1, Single Family Residential

**Highest and Best Use of the Site:** The highest and best use of the site, as vacant would be for single family residential development or community supported facilities such as a school.

**Type of Value:** Market Value

VALUE INDICATIONS	
-------------------	--

<b>Land Value:</b>	\$30,000
--------------------	----------

<b>Reconciled Value(s):</b>	<b>As Is</b>
Value Conclusion(s)	\$30,000
Effective Date (s)	December 1, 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, or 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, School Board of Santa Rosa County. The problem to be solved is to estimate the current 'As Is' market value for purchasing purposes. The intended use is for portfolio management. 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 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 this approach is not applicable in the valuation of vacant land.

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 this approach is not applicable in valuing vacant land.

Hypothetical Conditions:

- We are making a hypothetical assumption that the zoning classification will be changed to R1 and that sewer will be readily available to the site. If these assumptions can not be made, then the final value of the subject property could significantly be affected.

Extraordinary Assumptions:

- A current survey was not provided to the appraisers; therefore, certain estimates were made to determine the boundaries and dimensions of the subject property. If a current survey should render different from what has been reported within this appraisal then the final value may be affected.
- The final unit price determined within this appraisal is subject to the subject property being a corner lot at Willard Norris Road and Tanglewood Drive with frontage on both right-of-ways.

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. These are considered to be extraordinary assumptions which, if proven false, could impact the opinions and conclusions expressed herein.

## **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 not currently listed for sale, or under contract. It is our understanding the Santa Rosa School Board is in negotiations with the owner to possibly purchased between 30-40 acres. There are no known contracts or offers known to the appraiser.

## ***Property Rights Appraised***

The subject property is appraised as a fee simple ownership of the title holder as of the date of the appraisal. It is assumed that the ownership is competent and that the property is free and clear of all encumbrances.

# Market Area Analysis

## Area Description & Boundaries

The neighborhood boundaries extend from Jay, Fl to Milton, Fl on a north south axis and from Highway 87 to Glover Lane on an east west axis. This is a centrally located area of Milton with easy access to other commercial and residential areas of north Santa Rosa County.

## Area & Property Use Characteristics

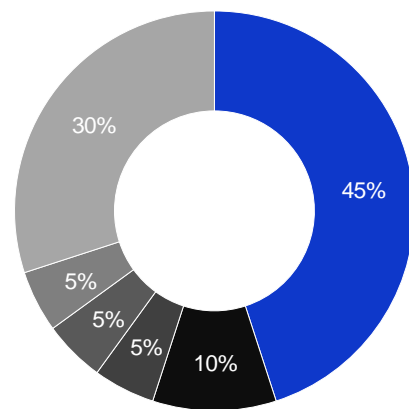
Location	<input type="checkbox"/> Urban	<input checked="" type="checkbox"/> Suburban	<input type="checkbox"/> Rural	Population Trend	<input type="checkbox"/> Up	<input checked="" type="checkbox"/> Stbl	<input type="checkbox"/> Dn
Build Up	<input type="checkbox"/> Over 75%	<input checked="" type="checkbox"/> 25% to 75%	<input type="checkbox"/> Under 25%	Employment Trend	<input type="checkbox"/> Up	<input checked="" 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 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 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

Present Land Use		Supply/Demand			Vacancy
		Under	In Bal.	Over	
45%	1 Family	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	5%
10%	Retail	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	10%
5%	Multifamily	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	5%
5%	Office	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	10%
5%	Industrial	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	5%
30%	Vacant	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
100%					

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

Land Use



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

Land uses in the neighborhood consist of commercial uses east of the subject on Highway 87 (Stewart Street) and south along Berryhill Road. Residential use is scattered throughout the neighborhood with several new residential projects to the west and southwest.

This area of Milton has been slower developing in the past due to lack of strong interest for new development in the area due to various reasons. It is in close proximity to the Santa Rosa Medical Hospital. There is a professional medical park in the area. Further to the west is newer residential developments. More commercial developments are near "5 Points". The immediate area has easy access to Milton to the east and Pace to the west with additional access to the major commercial developments along Highway 90 to the south. Overall, this area is slower to develop as compared to areas to the south along Highway 90, but with the continued growth of the Pace area to the west, this area will begin to show renewed interest.

## Location Map



## Property Description

The subject property does not have final dimensions, but according to the client it will be between 30-40 acres at the southwest corner of Willard Norris Road and Tanglewood Drive. For the purpose of this appraisal, we will use 30 acres for valuation. In addition, the client only requested a per acre value for the subject property.

SITE	
Location:	The subject property will be approximately 30 acres at the southwest corner of Willard Norris Road and Tanglewood Drive. There is not an exact legal description or survey for the subject parcel, since it is still in negotiations.
Site Size:	Total: 30.00 acres; 1,306,800 square feet (approximately)
Shape:	Unknown
Frontage/Access:	<p>The subject property has average access with frontage as follows:</p> <ul style="list-style-type: none"><li>• Willard Norris Road: Unknown feet</li><li>• Tanglewood Drive: Unknown feet</li></ul> <p>The site has an average depth of Unknown feet. It is a corner lot.</p>
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 of the region and adequate to support development.
Utilities:	<p>Electricity: The site is served by public electricity.</p> <p>Sewer: <b>Public sewer (Hypothetical assumption)</b></p> <p>Water: Public water</p> <p>Natural Gas: None</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>• No public street lights</li><li>• No public sidewalks</li><li>• No concrete curb or gutters</li><li>• The subject has natural vegetations.</li></ul>



Flood Zone: 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.

FEMA Map Number: 12113C0312G  
FEMA Map Date: December 19, 2006

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.

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.

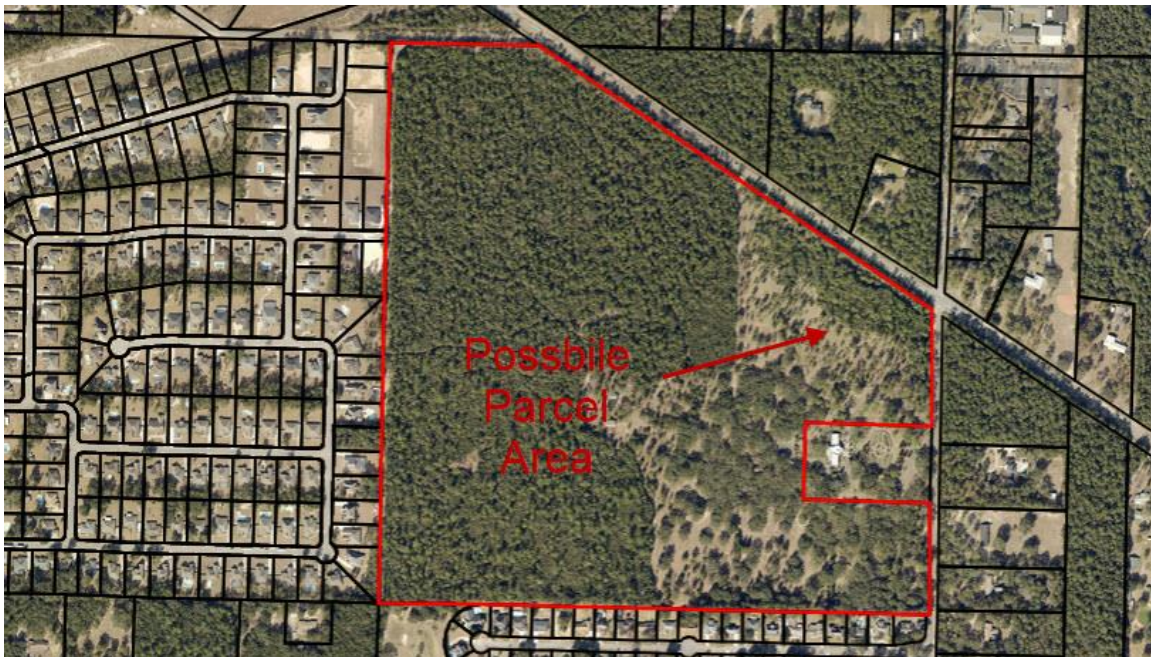
Encumbrance /  
Easements: There are no known adverse encumbrances or easements. Please reference Limiting Conditions and Assumptions.

Site Comments: The subject property is located at the southwest corner of Willard Norris Road and Tanglewood Drive. According to the client, specific boundaries and size of the site have not been determined yet. It was instructed to the appraiser to estimate between 30-40 acres at the corner of Willard Norris Road and Tanglewood Drive. For valuation purposes we have used 30 acres for comparison. The site is high and dry, level, adequate in size for a variety of uses and has good exposure and access from both roadways. **We are making a hypothetical assumption that the zoning classification will be changed to R1, Single Family Residential and that sewer will be readily available to the site.**

## Site Plan



Possible Parcels



Larger Parent Parcel

### **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.



## ***Subject Photographs***



Subject Property



Subject Property





Willard Norris Looking East



Willard Norris Looking West



Tanglewood Drive Looking North



Tanglewood Drive Looking South

## Assessment and Taxes

**Taxing Authority** Santa Rosa County

**Assessment Year** 2020

Real Estate Assessment and Taxes							
Tax ID	Land	Improvements	Special Assessment	Total	County Rate	Tax Rate	Taxes
30-2N-28-0000- 00204-0000	\$33,801	\$0	\$0	\$33,801	\$12.18	\$12.18	\$412

### Comments

The assessment as shown is typical of properties in the surrounding areas. The subject has an agricultural assessment of \$33,801. It also has a \$155 non ad valorem fire assessment which is typical of properties in the county. This does not affect the marketability of the subject properties in the county. No major changes are expected in the near future with the exception of the taxes waived if Santa Rosa School Board purchases the property. There are no delinquent taxes due on the subject property.



## Zoning

LAND USE CONTROLS	
Zoning Code	R1, Single Family Residential
Current Use Legally Conforming	The subject property is vacant land and is available for a variety of uses allowed in the zoning classification.
Zoning Comments	

### *R-1, Single-Family Residential District*

A. *Purpose.* This district is designed to provide suitable areas for low density residential development where appropriate urban services and facilities are provided or where the extension of such services and facilities will be physically and economically facilitated. This district will be characterized by single-family detached structures and such other structures as are accessory thereto. This district also may include, as specifically provided for in these regulations conditional uses for community facilities and utilities which service specifically the residents of this district, or which are benefited by and compatible with a residential environment. Such facilities should be accessibly located and appropriately situated in order to satisfy special requirements of the respective community facilities.

It is the express purpose of this Section to exclude from this district all building or other structures and uses having commercial characteristics, whether operated for profit or otherwise, except those home occupations and conditional uses specifically provided for in this ordinance.

B. *Permitted Uses.* In this district as a permitted use, a building or premises may be used only for the following purposes: detached single-family residential structures, group homes, and accessory structures and facilities. Mobile homes are prohibited.

C. *Conditional uses.* In this district as a conditional use, a building or premises may be used only for the following purposes, upon determination by the county Board of Adjustment (Zoning Review and Appeals Board) that the respective use complies with site plan review requirements listed in [Section 4.04.00](#): educational institutions; golf courses; places of worship; recreation and park areas; public and private utilities and public facilities; recreational activities; placement of an accessory building on a lot directly across the right-of-way from lot where the principle [principal] single family dwelling is located.

D. *Site plan review.* Site plan review is required for all subdivision proposals.

E. *Subdivision conformance.* Any lot within a plat of record as of the effective date of this ordinance shall not be re-divided into two (2) or more lots unless the provisions of the Subdivision Regulations are satisfied (reference [Article 4](#)).



F. *Density*. For residential development, property in this district may be developed at the option of the owner, to a maximum of four (4) units per acre.

G. *Lot size*: The minimum width of any lot used for single family dwelling units shall be seventy (70) feet when measured at the minimum front setback line. The minimum lot width shall be maintained through the rear of the residential structure. The minimum width at the street right-of-way line shall be no less than fifty (50) feet when measured in a straight line from front lot corner to front lot corner. The total square footage shall not be less than 10,890 for lots which are created through metes and bounds subdivision. There shall be no minimum lot size for lots which are created through the platting process.

The minimum lot width may be reduced on dead-end cul-de-sac lots. In no case shall a lot width be less than fifty (50) feet when measured at the top of the arc of the street right-of-way line. The lot width of a cul-de-sac lot shall not be less than seventy (70) feet when measured at the top of the arc of the minimum front setback line.

The dividing of a parent parcel resulting in a parcel(s) which will not possess the required road frontage may be allowed as a special exception upon determination by the County Board of Adjustments that the resulting parcel complies with the provisions listed in [Section 2.04.00\(C\)\(6\)](#) or [Section 2.04.00\(C\)\(9\)](#).

H. *Building height*: No building or structure shall exceed thirty-five (35) feet above the lowest habitable floor elevation, exclusive of chimneys, elevator shafts, air conditioning condensing units or cooling towers, except as provided in Section 2.10.01.

I. *Minimum required setbacks*:

1. *Setbacks along collector or arterial roads*: The minimum required building setback along a collector or arterial road, as described in Section 4.04.03(D), shall be as follows:

a) Along a collector road, the minimum required building setback shall be twenty-five (25) feet.

b) Along an arterial road, the minimum required building setback shall be fifty (50) feet.

If any other setback requirement of this Code conflicts with the above requirements, the more restrictive requirement will apply.

2. *Front setback*: Except as provided in Section 4.03.03(B)(2)(b) and Section 2.10.02, there shall be a front building setback on every lot of not less than twenty-five (25) feet.

3. *Side setback*: There shall be a side building setback of seven (7) feet on each side of every main building when measured at the minimum front setback line for lots having widths between seventy (70) and ninety (90) feet. For lots wider than ninety (90) feet and narrower than seventy (70) feet, there shall be a side building setback of no less than ten percent (10%) of the lot width to a maximum requirement of fifteen (15) feet on each side of every

main building. Modifications to this requirement shall be in accordance with Section 2.10.04. Lot widths shall be determined at the minimum front setback line.

4. *Rear setback:* There shall be a rear building setback on every lot of not less than twenty-five (25) feet, except as provided in Section 2.10.03.

J. *Performance standards.* Refer to [Article 7](#) of this ordinance.

## 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 subject property is currently zoned RR-1, Rural Residential. We are making a hypothetical assumption that the zoning classification will be changed to R1, Single Family Residential as per discussion with the client. This classification allows for adequate density for residential development and other community uses such as churches or schools are permitted. The density for this zoning classification is four dwelling units per acre.

The site is located at the southwest corner of Willard Norris Road and Tanglewood Drive. We do not have an exact size and specific location and dimensions; but discussions with the client indicated that it would be approximately 30-40 acres. It is level, high and dry with good access from Willard Norris Road and Tanglewood Drive. All utilities are available with the exception of sewer, but are making a ***hypothetical assumption that sewer would be readily available to the site***. We have contacted the City of Milton regarding any future plans for sewer in the area and was told none were known at this time. However, with the increased population and development in North Santa Rosa county, it is possible that sewer would become available in this area.

Observing surrounding uses and new development in the area is helpful to determine a financially feasible use. North Santa Rosa county has continued to show strong residential growth. The Pace community has shown stronger demand than the Milton area, due to good schools and easier access to Pensacola. With the continued population growth in our general area of Escambia, Santa Rosa and Okaloosa counties, residential development has continued to show strong growth with new subdivision development indicating absorption rates from 3 to 8 units per month. As will be seen in the sales comparison approach, large acreage parcels in the Milton area have been purchased for new residential developments. Along with the increased residential demand, commercial demand will follow as well as a demand for community support such as schools.

The subject has easy access and exposure for a variety of uses allowed in the zoning classification. The site is large enough to accommodate 120+ units with sewer available. The maximally productive use of the site would be for residential use or community support such as a school to support the increased population in North Santa Rosa county.

The highest and best use of the site, as vacant would be for single family residential development or community supported facilities such as a school.

## 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 this approach is not applicable in the valuation of vacant land.

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 this approach is not applicable in valuing vacant land.

## **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 several vacant commercial land sales in the subject's market area and competing market areas and have selected the following four comparables for this analysis; these are documented on the following pages followed by a location map and analysis grid. All sales have been researched through numerous sources, inspected and verified by a party to the transaction.

### Land Comparable 1



### Transaction

<b>ID</b>	3113	<b>Date</b>	2/20/2020
<b>Address</b>	Willard Norris Rd	<b>Price</b>	\$675,000
<b>City</b>	Milton	<b>Financing</b>	Conv.
<b>State</b>	Florida		
<b>Tax ID</b>	33-2N-28-0000-01100-0000; 0000-		
<b>Grantor</b>	Scott A & Lance B. Young	<b>Price Per Acre</b>	\$16,588
<b>Grantee</b>	CJS Roth LLC	<b>Official Records Book</b>	3922
<b>Verification Source</b>	Public Records	<b>Recorded Page</b>	1195

### Site

<b>Acres</b>	40.7	<b>Topography</b>	Level
		<b>Shape</b>	Rectangular
<b>Road Frontage</b>	187	<b>Zoning</b>	R-1, RR1
<b>Depth</b>	--	<b>Utilities</b>	No sewer

### Comments

This is an assemblage of two parcel on the south side of Willard Norris Road just west of Dogwood Drive.

## Land Comparable 2



### Transaction

<b>ID</b>	3115	<b>Date</b>	7/20/2020
<b>Address</b>	Kembro Rd & Oakland	<b>Price</b>	\$686,000
<b>City</b>	Milton	<b>Financing</b>	Conv.
<b>State</b>	Florida		
<b>Tax ID</b>	21-2N-28-0000-00600-0000		
<b>Grantor</b>	Cadence Place LLC	<b>Price Per Acre</b>	\$31,526
<b>Grantee</b>	Holiday Builders, Inc.	<b>Official Records Book</b>	3985
<b>Verification Source</b>	Public Records	<b>Recorded Page</b>	138

### Site

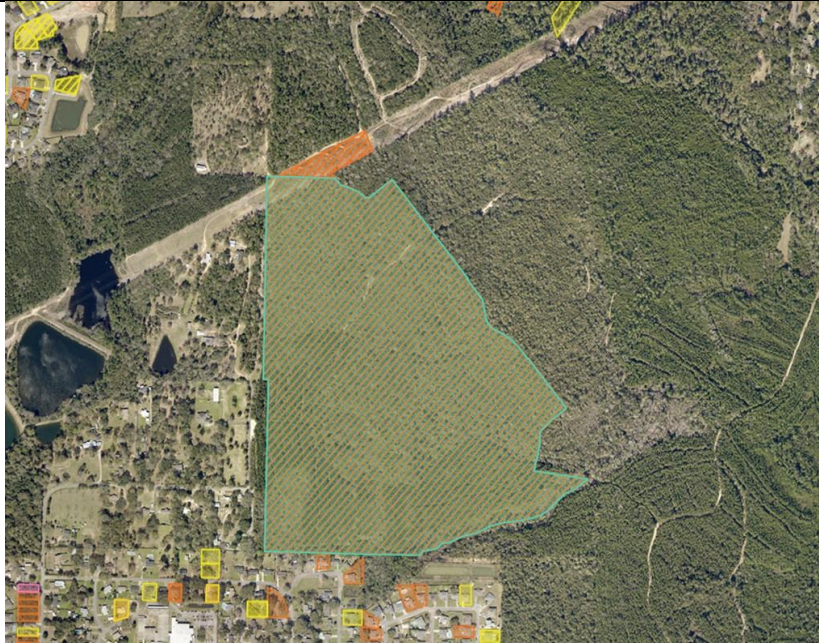
<b>Acres</b>	21.8	<b>Topography</b>	Level
		<b>Shape</b>	Flag shaped
<b>Road Frontage</b>	--	<b>Zoning</b>	R1
<b>Depth</b>	--	<b>Utilities</b>	All

### Comments

This is an acreage parcel located at Kembro Road and Oakland Drive west of Highway 87. This property is currently under development for a residential subdivision.



### Land Comparable 3



#### Transaction

<b>ID</b>	3130	<b>Date</b>	8/26/2020
<b>Address</b>	Pea Ridge Connector	<b>Price</b>	\$3,240,000
<b>City</b>	Pace	<b>Financing</b>	Conv.
<b>State</b>	Florida		
<b>Tax ID</b>	12-1N-29-0000-00506-0000		
<b>Grantor</b>	R & B Investments NFI, LLC	<b>Price Per Acre</b>	\$31,560
<b>Grantee</b>	DB Sentinel Ridge, LLC	<b>Official Records Book</b>	3997
<b>Verification Source</b>	Seller/ Public Records	<b>Recorded Page</b>	2080

#### Site

<b>Acres</b>	102.7	<b>Topography</b>	Somewhat level
		<b>Shape</b>	Irregular
<b>Road Frontage</b>	--	<b>Zoning</b>	R-1A
<b>Depth</b>	--	<b>Utilities</b>	All

#### Comments

This is a large acreage parcel purchased for future development. A new corridor connecting Highway 90 to the south to Hamilton Bridge Road to the north is currently being developed. This acreage will run along that corridor and will have future residential and/or commercial development.

### Land Comparable 4



#### Transaction

<b>ID</b>	3131	<b>Date</b>	11/24/2020
<b>Address</b>	Sterling Way	<b>Price</b>	\$579,000
<b>City</b>	Milton	<b>Financing</b>	Cash
<b>State</b>	Florida		
<b>Tax ID</b>	28-1N-29-0000-00500-0000		
<b>Grantor</b>	Charles Lamar Estes, Trustee	<b>Price Per Acre</b>	\$22,269
<b>Grantee</b>	Breland Homes Coastal, LLC	<b>Official Records Book</b>	4035
<b>Verification Source</b>	Public Records	<b>Recorded Page</b>	1339

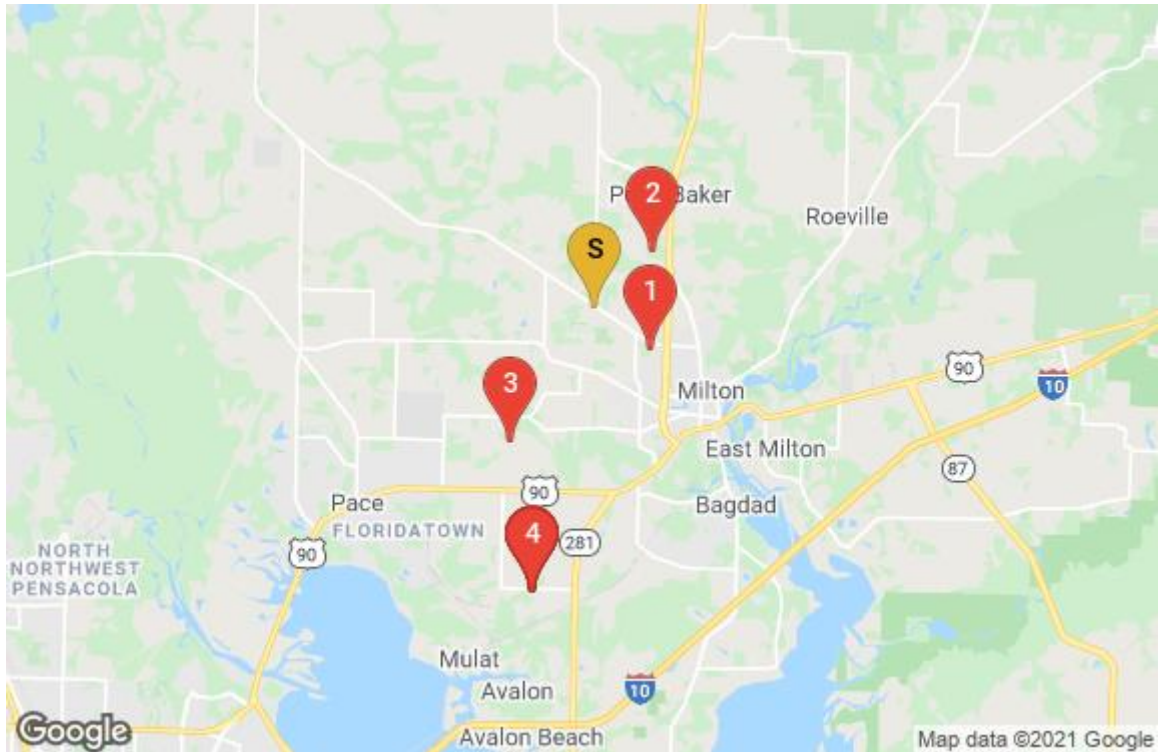
#### Site

<b>Acres</b>	26.0	<b>Topography</b>	Level
		<b>Shape</b>	Rectangular
<b>Road Frontage</b>	1,313	<b>Zoning</b>	R1
<b>Depth</b>	720	<b>Utilities</b>	All

#### Comments

This is an acreage parcel located on the south side of Sterling Way just west of Mulat Road. The property was purchased by a residential developer that has been building homes in the general area. It is unknown at this time the size of the subdivision.

## ***Comparables Map***



## ***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.

The four sales shown are comparables located in the immediate area or in areas considered an alternative.

Land Analysis Grid		Comp 1		Comp 2		Comp 3		Comp 4	
Address	SW Corner of Willard Norris	Willard Norris Rd		Kembro Rd &		Pea Ridge		Sterling Way	
City	Milton	Milton		Milton		Pace		Milton	
State	Florida	Florida		Florida		Florida		Florida	
Date	12/1/2020	2/20/2020		7/20/2020		8/26/2020		11/24/2020	
Price	--	\$675,000		\$686,000		\$3,240,000		\$579,000	
Acres	30.00	40.69		21.76		102.66		26.00	
Acre Unit Price	\$0	\$16,589		\$31,526		\$31,560		\$22,269	
<b>Transaction Adjustments</b>									
Property Rights	Fee Simple	Fee Simple	0.0%	Fee Simple	0.0%	Fee Simple	0.0%	Fee Simple	0.0%
Financing	Conventional	Conv.	0.0%	Conv.	0.0%	Conv.	0.0%	Cash	0.0%
Conditions of Sale	Cash	Typical	0.0%	Typical	0.0%	Typical	0.0%	Typical	0.0%
<b>Adjusted Acre Unit Price</b>		<b>\$16,589</b>		<b>\$31,526</b>		<b>\$31,560</b>		<b>\$22,269</b>	
Market Trends Through	12/1/2020	0.0%	0.0%	0.0%		0.0%		0.0%	
<b>Adjusted Acre Unit Price</b>		<b>\$16,589</b>		<b>\$31,526</b>		<b>\$31,560</b>		<b>\$22,269</b>	
Location	Good	Similar		Similar		Similar		Similar	
% Adjustment		0%		0%		0%		0%	
\$ Adjustment		\$0		\$0		\$0		\$0	
Acres	30.00	40.69		21.76		102.66		26.00	
% Adjustment		0%		0%		0%		0%	
\$ Adjustment		\$0		\$0		\$0		\$0	
Zoning	R1, Single Family Residential	R-1, RR1		R1		R-1A		R1	
% Adjustment		0%		0%		0%		0%	
\$ Adjustment		\$0		\$0		\$0		\$0	
Utilities	No sewer	No sewer		All		All		All	
% Adjustment		0%		0%		0%		0%	
\$ Adjustment		\$0		\$0		\$0		\$0	
<b>Adjusted Acre Unit Price</b>		<b>\$16,589</b>		<b>\$31,526</b>		<b>\$31,560</b>		<b>\$22,269</b>	

## Comparable Land Sale Adjustments

### Transitional Adjustments

The four sales shown occurred between February 2020 and November 2020. We have seen increased real estate activity and demand, but we have not seen significant data to make an appropriate time adjustment. Reviewing these sales indicated no significant change in the price within this time frame; therefore, no time adjustment will be made.

All the sales are arms length transactions and do not require a condition of sale adjustment.

### Location

Sales 1 and 4 are considered most similar in location as the subject property. They are in the immediate area and along main roadways in the area or just removed off main roadways. Sale 3 is a larger parcel between Highway 90 and Hamilton Bridge Road. Although this acreage is removed at this time, there is a new roadway being developed along its eastern border. This site would be considered a superior location than the subject. Sale 4 is located in the Avalon area and would be considered an alternative location and considered similar to the subject location and no adjustment would be necessary.

## **Acres**

All of the sales are similar in size to the subject with the exception of Sale 3 which is approximately 100 acres. This sale would require an upward adjustment for the larger size; however, it is our opinion that this adjustment and the downward adjustment needed for its superior location off set each other.

## **Zoning**

All of the sales had similar zoning classifications with the exception of Sale 1. This property had a zoning classification of R-1 and RR-1. This sale indicated the lowest unit rate.

## **Utilities**

Sales 2 through 4 had sewer available. Sale 1 does not have sewer available and indicated the lower unit rate.

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

The adjusted values of the comparable properties range from \$16,589 to \$31,560; the average is \$25,486. All of the value indications have been considered with more emphasis on Sales 2, 3 and 4 and the subject having dual frontage. It is our opinion that a unit rate of \$30,000 per acre is applicable.

---

### **As Is Market Value**

**Indicated Value per Acre:** \$30,000/AC

**Subject Size:** 30 acres

**Thirty Thousand Dollars per Acre**

---

### **Value Conclusion**

The sales comparison approach utilized the direct comparison method. The Milton area is continuing to show signs of growth with the increase of residential development in the general area. The price per acre from similar sales was used in arriving at an estimate of value by this approach. Ample data was available and the sales comparison approach should be well reflective of the value for the subject property. *NOTE: As per the client, the valuation per acre was requested and this unit price is based on the potential acreage having frontage along Willard Norris Road and Tanglewood Drive and made an extraordinary assumption within this appraisal.*

Based on the data and analyses developed in this appraisal, we have reconciled to the following value conclusion(s), as of December 1, 2020, subject to the Limiting Conditions and Assumptions of this appraisal.

**Reconciled Value(s):**   Premise: As Is  
                                  Interest: Fee Simple  
                                  Value Conclusion: \$30,000/AC  
                                  Thirty Thousand Dollars/ acre

**The final valuation does not include any personal property or FF&E.**



## ***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.
- Kirsten Hoffman Philip 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.

*Kirsten Hoffman Philip*



Kirsten Hoffman Philip  
FL-State-Certified General Real Estate  
Appraiser RZ2661

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.ThamesProperty

**PO# 731587**

11/20/2020

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 06/30/2021.  
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 services for Thames Property - Northeast 30-40 acres at the corner of Tanglewood and Willard Norris Road	1		1,900.00	1,900.00
<b>Total</b>					<b>1,900.00</b>

Fund	Function	Object	Facility	Project	Program	Amount
379	7420	660	9987	340019		1,900.00

Cindy Lambeth  
Purchasing Manager

**Comments for vendor:**

Timeline of 3-4 weeks

## 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://srsdhumanresources.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.

## **Qualifications**

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

**REAL ESTATE APPRAISERS - CONSULTANTS**  
1550 CREIGHTON ROAD, STE. 4  
PENSACOLA, FLORIDA 32504

## **QUALIFICATIONS** **KIRSTEN HOFFMAN PHILIP**

### **STATE CERTIFICATION**

April 29, 2003 I was state certified for Florida as a "State-Certified General Real Estate Appraiser RZ2661" after successfully completing the required courses and examinations by the Department of Professional Regulation, Florida Real Estate Appraisal Board.

### **EDUCATION BACKGROUND**

University of West Florida, Pensacola, Florida. Senior in Science Degree in Marketing with a minor in Communication Arts, 1994; Successfully completed three real estate classes within the marketing department

Successfully completed "Real Estate Appraisal Principles" given by the Appraisal Institute in Gainesville, Florida, February 1990.

Successfully completed "Basic Valuation Procedures" given by the Appraisal Institute in Winter Park, Florida, October, 1990.

Successfully completed "Standards of Professional Practice Parts A and B" given by the Appraisal Institute in Orlando, Florida, August 1993.

Successfully completed "RREAB Residential Appraisal-AB1" given by the Ed Klopfer Schools of Real Estate in Pensacola, Florida, June 1999.

Successfully completed "RREAB Residential Appraisal-ABII and ABIIB" given by the Real Estate Education Specialists in Orlando, Florida, July 2000.

Attended "The Good, The Bad, The Board" Seminar in Panama City Beach, Florida, November 1999.

Attended "Florida State Law and USPAP Review for Real Estate Appraisers" Seminar in Tallahassee, Florida, September 2000.

Attended "Data Confirmation & Verification" Seminar in Tallahassee, Florida, March 2001

Attended "State of the Profession", given by the Northwest Florida Chapter of the Appraisal Institute, April 2001.

Successfully completed "Basic Income Capitalization" given by the Appraisal Institute in Tampa, Florida, August 2001.

Successfully completed "Highest & Best Use and Market Analysis" given by the Appraisal Institute in Tampa, Florida, April 2002.

Attended "The Emerging Market Valuation for Financial Reporting Purposes" given by the Northwest Florida Chapter of the Appraisal Institute, November 2003.

Attended "Course 400: National USPAP Course Update" given by the Northwest Florida Chapter of the Appraisal Institute, November 2003.

Attended "Florida Law" given by the Northwest Florida Chapter of the Appraisal Institute, November 2003.

Successfully completed "Communicating the Appraisal" given by Bert Rodgers Schools, November 2004.

Successfully completed "Neighborhood Analysis: Residential Applications" given by Bert Rodgers Schools, November 2004.

Successfully completed "Residential Subdivision Analysis" given by Bert Rodgers Schools, November 2004.

Successfully completed “Sales Comparison Approach: General Applications” given by Bert Rogers Schools, November 2004.

Attended “Reappraising, Readdressing, Reassigning” given by the Northwest Florida Chapter of the Appraisal Institute, November 2005.

Attended “Scope of Work” given by the Northwest Florida Chapter of the Appraisal Institute, November 2005.

Attended “Uniform Standards of Professional Appraisal Practice” given by the Northwest Florida Chapter of the Appraisal Institute, August 2006.

Attended “Florida State Law for Real Estate Appraisers” given by the Northwest Florida Chapter of the Appraisal Institute, August 2006.

Attended “Basic Income” given by the Northwest Florida Chapter of the Appraisal Institute, September 2006.

Attended “Highest and Best Use Applications” given by the Northwest Florida Chapter of the Appraisal Institute, September 2007.

Attended “Real Estate Investing & Development - A Valuation Perspective” given by the Northwest Chapter of the Appraisal Institute, September 2007.

Attended “Hypothetical Conditions & Assumptions” given by the Northwest Florida Chapter of the Appraisal Institute in Destin, Florida, May 2008.

Attended “Florida Law Update” given by the Northwest Florida Chapter of the Appraisal Institute in Destin, Florida, May 2008.

Attended “7-Hour National USPAP Update Course” given by the Northwest Florida Chapter of the Appraisal Institute in Destin, Florida, May 2008.

Attended “Analyzing the Effects of Environmental Contamination on Real Property”, given by the Northwest Florida Chapter of the Appraisal Institute in Pensacola, Florida, September 2010.

Successfully completed “Online Analyzing Operating Expenses” given by the Appraisal Institute, November 2010.

Successfully completed “Online Analyzing Distressed Real Estate” given by the Appraisal Institute, November 2010.

Attended “Florida Law Update” given by the West Florida Chapter of the Appraisal Institute in Tallahassee, Florida, March 2012.

Attended “7-Hour National USPAP Update Course” given by the West Florida Chapter of the Appraisal Institute in Tallahassee, Florida, March 2012.

Successfully completed “Real Estate Finance, Statistics and Valuation Modeling” given by the Florida Gulf Coast Chapter of the Appraisal Institute in Tampa, Florida, October 2012.

Successfully completed “Online Using Your HP12C Financial Calculator” given by the Appraisal Institute, November 2012.

Successfully completed and passed “General Appraiser Report Writing and Case Studies” given by the Appraisal Institute, October 2013.

Successfully completed “Advanced Income Capitalization” given by the Atlanta Chapter of the Appraisal Institute in Atlanta, GA, April 2016.

Successfully completed “Florida Appraisal Laws and Regulations” given by McKissock Appraisal School in October 2016.

Successfully completed “National USPAP Update (2018-2019)” given by McKissock Appraisal School in April 2018.

Successfully completed “Florida Appraisal Laws and Regulations Update” given by Mc Kissock Appraisal School in April 2018

Successfully completed “the Dirty Dozen” given by Mc Kissock Appraisal School in November 2018

Successfully completed “Supporting Your Adjustments: Methods for Residential Appraisers” given by Mc Kissock Appraisal School in November 2018

Successfully completed “Residential Property Inspection for Appraisers” given by Mc Kissock Appraisal School in November 2018

Successfully completed “Understanding Residential Construction” given by Mc Kissock Appraisal School in November 2018

Successfully completed “Florida Appraisal Laws and Regulations” given by Mc Kissock Appraisal School in November 2020.

Successfully completed “The Income Approach: An Overview” given by Mc Kissock Appraisal School in November 2020.

Successfully completed “Income Approach Case Studies for Commercial Appraisers” given by Mc Kissock Appraisal School in November 2020.

Successfully completed “That’s a Violation” given by Mc Kissock Appraisal School in November 2020

Successfully completed “Residential Report Writing: More Than Forms” given by Mc Kissock Appraisal School in November 2020

Successfully completed “2020-2022 7 hour National USPAP Update Course” given by Mc Kissock Appraisal School in November 2020

### PROFESSIONAL EXPERIENCE

Employed by Terry Hoffman from 1992 to 1993; Served as a researcher with duties including verifying sales data and assisting with the completion of appraisals.

January 1994 I was employed by the firm of Swaine, Hoffman & Vallimont, a real estate appraisal company specializing in appraising real estate properties. I was specializing in commercial properties and sponsored by Terry G. Hoffman, MAI up to December 1995.

November 1998 I was employed by the firm Hoffman & Associates, a real estate appraisal company specializing in appraising real estate properties.

I have had appraisal experience in single family residences, multi-family residential properties, townhouses, condominiums, warehouses, retail stores, office buildings, churches, various commercial properties, vacant acreage, and vacant and improved commercial and industrial properties.

### COMPLETED APPRAISALS FOR

Bank of America

BB&T Bank

Beach Community Bank, Pensacola, Florida

Centennial Bank, Pensacola, Florida

Charter Bank, Pensacola and Milton, Florida

City First National Bank

Coastal Bank and Trust, Pensacola, Florida

Gulf Coast Community Bank, Pensacola, Florida

Hancock Bank

Harvester’s Federal Credit Union

RBC Bank

Regions Bank

ServisFirst Bank

Synovus Bank

SunBank, Pensacola, Florida

Wells-Fargo Bank

United Bank, Atmore, Alabama and 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

**PHILIP, KIRSTEN HOFFMAN**

1550 CREIGHTON ROAD  
SUITE 4  
PENSACOLA FL 32504

**LICENSE NUMBER: RZ2661**

**EXPIRATION DATE: NOVEMBER 30, 2022**

Always verify licenses online at [MyFloridaLicense.com](http://MyFloridaLicense.com)



Do not alter this document in any form.

This is your license. It is unlawful for anyone other than the licensee to use this document.

# 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.

## 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 (form work). Our primary clients are local and national banks including Bank America, Wells Fargo Bank, BB&T Bank, Beach Community Bank, Centennial Bank, Pen Air Federal Credit Union, Navy Federal Credit Union, Smart Bank, Harvesters Federal Credit Union, United Bank, First Community 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 trends and market conditions. We belong to the commercial and residential 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 other regional and national data sources 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. Our concerns and business practices have always been to be as accurate as possible in valuing property, reasonable in the fees we charge for our services and timely in producing the results of our appraisals not risking any one at the expense of the other.





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, TERRY GENE**

1550 CREIGHTON RD STE 4  
PENSACOLA FL 32504

**LICENSE NUMBER: RZ46**

**EXPIRATION DATE: NOVEMBER 30, 2022**

Always verify licenses online at [MyFloridaLicense.com](http://MyFloridaLicense.com)



Do not alter this document in any form.

This is your license. It is unlawful for anyone other than the licensee to use this document.

## 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)