

**Appraisal Report**

**Wire Ranch Multifamily Land Tract**

24.80 ± Gross Acres Of Vacant Land  
Entitled for 334 Multifamily Units

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**Wire Ranch Multifamily Land Tract**

24.80 ± Gross Acres Of Vacant Land  
Entitled for 334 Multifamily Units

For:

**Wire Ranch Investors, LLC.**

Attn:

David Waronker

Principal

P.O. Box 470176

Celebration FL 34747-0176

Effective Date(s) of Appraisal:

**December 17, 2016 (As Is Market Value)**

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Prepared by:

Philip R. Hobby

State Certified General Real Estate Appraiser RZ813

# Eagle Realty Advisors, Inc.

January 9, 2017

Wire Ranch Investors, LLC  
P.O. Box 470176  
Celebration FL 34747-0176  
[dw@gocbd.com](mailto:dw@gocbd.com)

Attn: David Waronker  
Principal

RE: **Wire Ranch Multifamily Land Tract**  
**24.80± Gross Acres of Vacant Land Entitled for 334 Multifamily Units**  
Zephyrhills, Pasco County, Florida  
File No.: 16-129

Dear Mr. Waronker:

As requested, we have conducted the necessary investigations and analyses in preparing an appraisal of the above referenced property and providing this report. The purpose of the appraisal is to develop an opinion of:

**The as is market value of the fee simple interest in the 24.80± gross acres entitled for 334 multifamily units as of December 17, 2016, the effective date of appraisal**

The subject property is more fully described in the following report.

This Appraisal Report is intended to comply with the reporting requirements set forth under Standards Rules 2-1 and 2-2(a) of the Uniform Standards of Professional Appraisal Practice (USPAP). It presents a summary of the data, and analyses that were used in the appraisal process to develop our opinion of value. Supporting documentation concerning the data, reasoning and analysis is retained in our files.

Important Assumptions concerning the valuation can be found in the General Assumptions, Limiting Conditions and Extraordinary Assumptions sections of the report. One such condition is that neither all nor any part of the contents of this report, including the value conclusion, market research, comparables, etc. shall be distributed or copied without the prior written consent and approval of Eagle Realty Advisors, Inc. We strongly recommend that you read the General Assumptions, Limiting Conditions and Extraordinary Assumptions sections of this report.

The as is market value of the fee simple interest in the 24.80± gross acres entitled for 334 multifamily units as of December 17, 2016, the effective date of appraisal was

**\$3,340,000**

The following report was prepared in conformance with the Uniform Standards of Professional Appraisal Practice promulgated by the Appraisal Foundation. It also complies with the appraisal guidelines FIRREA and appraisal regulations of the State of Florida. Our compensation for completing this assignment is not contingent upon the development or reporting of predetermined values or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, a requested minimum valuation, a specific valuation, approval of a loan or the occurrence of a subsequent event directly related to the intended use of this appraisal.

Should you have any questions regarding the attached report, please do not hesitate to contact the author.

Respectfully Submitted,

**EAGLE REALTY ADVISORS, INC.**



Philip R. Hobby  
Florida State-Certified General Real Estate Appraiser RZ813  
President

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Eagle Realty Advisors, Inc.

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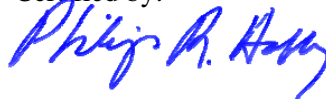
**CERTIFICATION OF APPRAISAL**

The undersigned certify that to the best of our knowledge and belief:

- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- The statements of fact contained in this report are true and correct.
- The reported analyses, opinion, and conclusions are limited only by the reported assumptions, limiting conditions and special assumptions, and are our personal, unbiased professional analyses, opinion, and conclusions.
- We have no present or prospective interest in the property that is the subject of this report, and we 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 opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- The reported analyses, opinion and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Uniform Standards of Professional Appraisal Practice as promulgated by the Appraisal Foundation.
- Philip R. Hobby has made a personal inspection of the property that is the subject of this report.
- As of the date of this report, Philip R. Hobby has completed the requirements of the continuing education program for the applicable state of licensure.
- No one provided significant real property appraisal assistance to the person signing the certification.
- We have performed services regarding the subject property, as an appraiser, within the three year period immediately preceding acceptance of this appraisal assignment.

Important “General Assumptions, Limiting Conditions and Extraordinary Assumptions” affecting the aforementioned value estimate can be found within this section of the report.

Certified by:



Philip R. Hobby  
Florida State-Certified General Real Estate Appraiser RZ813  
President

**GENERAL ASSUMPTIONS AND LIMITING CONDITIONS**

**This appraisal report has been made with the following general assumptions:**

- The legal description used in this report is assumed to be correct.
- No survey of the property has been made by the appraisers and no responsibility is assumed in connection with such matters. Sketches in this report are included only to assist the reader in visualizing the property.
- No responsibility is assumed for matters of legal nature affecting title to the property nor is an opinion of title rendered. The title is assumed to be good and merchantable.
- Information and data furnished by others is usually assumed to be true, correct and reliable. When such information and data appears to be dubious and when it is critical to the analysis, a reasonable effort has been made to verify all such information; however, no responsibility for its accuracy is assumed by the appraisers.
- All mortgages, liens, encumbrances, leases, and servitudes have been disregarded unless so specified within the report. The property is analyzed as though under responsible ownership and competent management.
- It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which may be required to discover them.
- It is assumed that there is full compliance with all applicable federal, state and local environmental regulations and laws unless noncompliance is stated, defined and considered in this report.
- It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless nonconformity has been stated, defined and considered in this report.
- It is assumed that all required licenses, consents or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
- It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted within this report.
- The date of value to which the opinion in this report applies is reported herein. The appraisers assume no responsibility for economic or physical factors occurring at some later date which may affect the opinion stated herein.
- Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraisers. The appraisers have no knowledge of the existence of such materials on or in the property. The appraisers, however, are not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The reader is urged to retain an expert in this field, if desired.

- **This report is for the exclusive use of the client and reportedly will be used for decision making purposes associated with asset management. As such, neither all nor any part of the contents of this report including conclusions to value, market research, comparables, etc. shall be distributed or copied without the prior written consent of Eagle Realty Advisors, Inc.**

**This appraisal report has been made with the following limiting conditions:**

- Acceptance of and/or use of this report constitutes acceptance of the General and Extraordinary Assumptions and General Limiting Conditions.
- The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
- Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraisers, and in any event only with proper written qualification and only in its entirety.
- The appraisers herein by reason of this appraisal are not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.
- Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or the firm with which the appraisers are connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraisers.
- The Americans with Disabilities Act ("ADA") became effective January 26, 1992. Since subject is vacant land, ADA standards are not applicable.

### **EXTRAORDINARY ASSUMPTIONS**

**The following Extraordinary Assumptions are of particular importance when considering the value conclusion of the subject property identified herein. The use of extraordinary assumptions might have affected the assignment results.**

- We were provided information from the client that we have assumed is correct and have relied upon in this appraisal which delineates specific subject property information such as land size and dimensions, entitlements / development potential, zoning, access, availability of utilities, upland/wetland ratio, soil types and other pertinent data. We assume this data as provided by the client is true and correct and if found to be incorrect or different may have an impact on value. We therefore reserve the right to revise the appraisal based on receipt of new/different property specific information or data.

### **HYPOTHETICAL CONDITIONS**

**The following Hypothetical Conditions are of particular importance when considering the value conclusion of the subject property identified herein. The use of hypothetical conditions might have affected the assignment results.**

- None noted.



SUMMARY OF APPRAISAL - WIRE RANCH MULTIFAMILY LAND TRACT			
<b>Type of Property:</b>	24.80± gross acres of vacant land entitled for 334 units		
<b>Location:</b>	East side of US Highway 301, 0.64 miles north of Kossik Road, 0.25 miles west of Wire Road Zephyrhills, Pasco County, Florida		
<b>Site Size:</b>	Gross Acres	Wetland Acres	Upland Acres
<b>Subject</b>	24.80±	0.00±	24.80±
<b>Zoning:</b>	R-4: Multifamily Residential (Max 14 UPA)		
<b>Future Land Use:</b>	RU: Residential Urban (Density Range 7.50 UPA to 14.00 UPA)		
<b>Flood Zone Information:</b>	Zone "X"		
<b>Subject Ownership:</b>	Wire Ranch Investors, LLC.		
<b>Property Rights Appraised:</b>	Fee simple		
<b>Highest and Best Use:</b>	<p>As Vacant: Engineer and perfect entitlements for development as currently entitled (334 MF units)</p> <p>As Proposed: Engineer and perfect entitlements for development as currently entitled (334 MF Units)</p>		
<b>Date of Report:</b>	January 7, 2017		
<b>Last Date of Inspection:</b>	December 17, 2016		
<b>Date of Value:</b>	December 17, 2016		

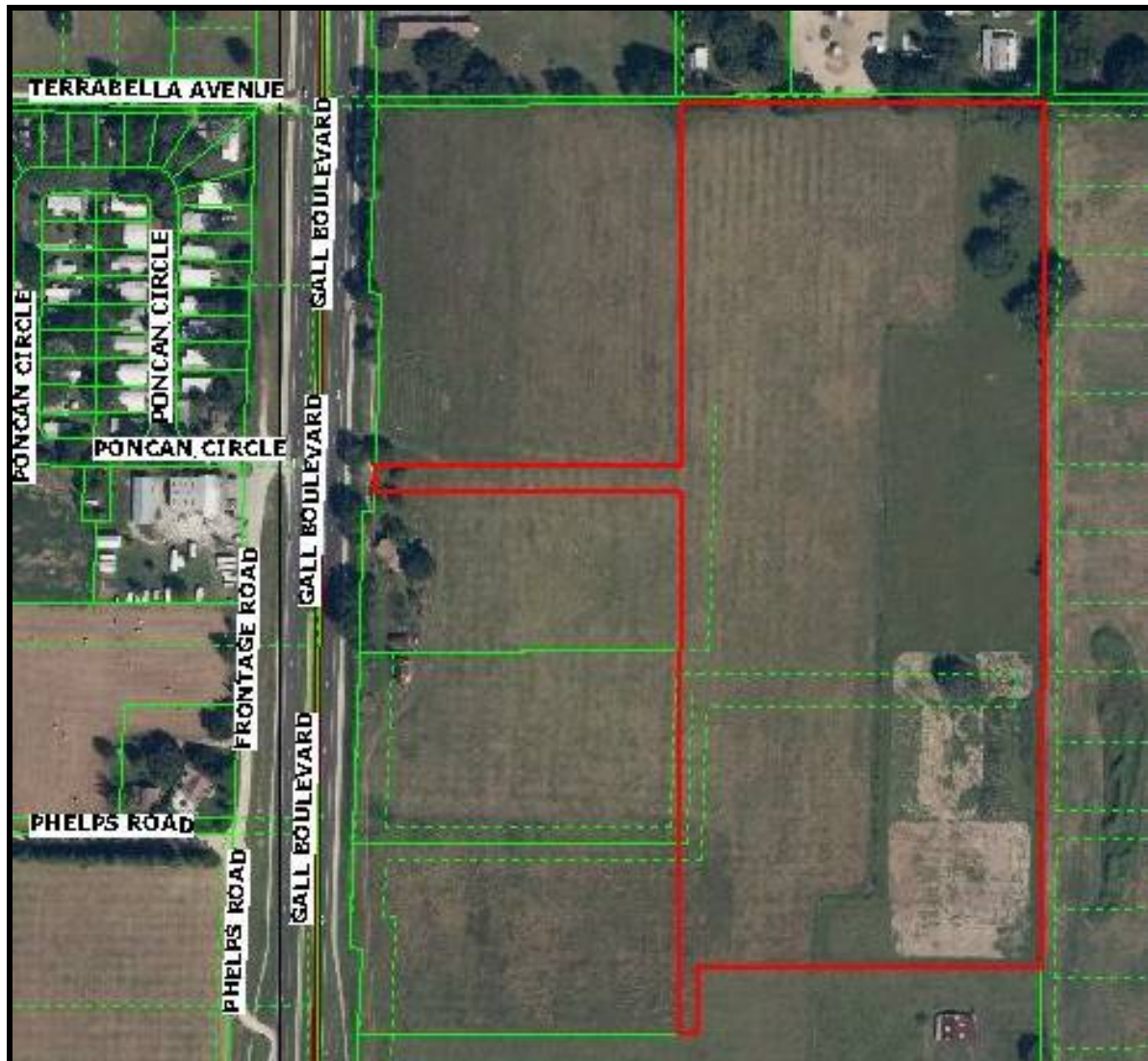
VALUE INDICATIONS AND CONCLUSION		
Description	Valuation Date	Value Conclusion
As Is Value of the Fee Simple Interest 24.80± Acres Entitled with 334 Multifamily Units	December 17, 2016	
Sales Comparison Approach	December 17, 2016	\$3,340,000
<b>Overall Conclusion</b>	<b>December 17, 2016</b>	<b>\$3,340,000</b>

**INTRODUCTION**

**Identification of Subject**

The subject of this report is a vacant parcel of land located on the east side of US Highway 301 approximately 0.64 miles north of Kossik Road and 0.25 miles west of Wire Road within the City of Zephyrhills, Pasco County, Florida. The site is located just north of the new commercial development at Kossik Road and immediately west and north of Metro Development's planned residential development known as Zephyr Lakes. The site is located south of US Highway 98 in the north high growth area of Zephyrhills.

At date of value the site is entitled under the R-4 zoning for 334 multifamily residential units. The tract is reportedly 24.80± gross acres. The property fronts 50.03 feet on the east side of US Highway 301. The 50' access corridor containing 0.64± acres extends to the east 560'± where it opens up to the "development portion" containing 24.16± acres. Reference the aerial photo below which depicts the subject site. Additional identifying ground photographs can be found in the Addenda.



**Aerial (Pasco County Property Appraiser)**

**Legal Description**

The legal description for the subject property was provided by the client as follows:

**Development Portion**

A parcel of land lying within Lots 1, 2 and 3, WHEELER FARMS, as per the plat thereof recorded in Plat Book 66, Page 100, of the public records of Pasco County, Florida, being more particularly described as follows:  
For a POINT OF BEGINNING commence at the Northeast corner of said Lot 1; thence along the East boundary of said WHEELER FARMS, the following two (2) courses and distances: 1) S.00°12'57"W., 1,322.58 feet to the Southeast corner of the Southwest 1/4 of the Northwest 1/4 of Section 26, Township 25 South, Range 21 East, Pasco County, Florida; 2) S.00°11'29"W., 259.50 feet to the Southeast corner of said Lot 3; thence along the South boundary of said Lot 3, The following three (3) courses and distances: 1) S.89°54'43"W., 627.23 feet; 2) S.01°43'11"W., 121.02 feet; 3) S.89°54'43"W., 32.91 feet to the Southerly extension of the West boundary of the aforementioned Lot 1; thence along the Southerly extension of the West boundary of said Lot 1, and continuing along the West boundary of said Lot 1, N.00°13'36"E., a distance of 1,701.14 feet to the Northwest corner of said Lot 1; thence along the North boundary of said Lot 1, N.89°44'51"E., a distance of 662.90 feet to the POINT OF BEGINNING.  
Containing 24.16 acres, more or less.

**Access Corridor**

A strip of land 50.00 feet in width lying within Lot 1, WHEELER FARMS, as per the plat thereof recorded in Plat Book 66, Page 100, of the public records of Pasco County, Florida, being more particularly described as follows:  
For a POINT OF BEGINNING commence at the Northwest corner of said Lot 1, said point being on the East right-of-way of U.S. Highway 301; thence along the North boundary of said Lot 1, N.89°47'33"E., a distance of 559.63 feet; thence S.00°13'36"W., a distance of 50.00 feet to a line being 50.00 feet South of and parallel with the North boundary of said Lot 1; thence along a line being 50.00 feet South of and parallel with the North boundary of said Lot 1, S.89°47'33"W., a distance of 560.94 feet to the aforementioned East right-of-way of U.S. Highway 301; thence along said East right-of-way of U.S. Highway 301, N.01°43'11"E., a distance of 50.03 feet to the POINT OF BEGINNING.  
Containing 0.64 acres, more or less.

**Purpose and Effective Date of Appraisal**

The purpose of the appraisal is to develop an opinion of:

The as is market value of the fee simple interest in the 24.80± gross acres entitled and proposed for development of a 334 unit multifamily project as of December 17, 2016, the effective date of appraisal

**Intended Use, Client and User of Appraisal**

The intended use of this appraisal is for internal decision making purposes and asset management purposes for the Wire Ranch Investors, LLC ownership group. The intended user and client of this report is Wire Ranch Investors, LLC, their respective assigns and potential legal representatives. There are no other intended users.

**Property Rights Appraised**

The fee simple interests in the subject prooperty have been appraised.

**Scope of Work**

The scope of work involved inspections of the market area, the subject property and comparable market data. Specific property research with regard to the subject property's market area was analyzed with respect to location specific, physical, economic and various other relevant factors and characteristics. The subject property's specific information was researched and analyzed, based on data/information provided by the property contact person and obtained from public records. Information concerning comparables was obtained from various sales research publications, MLS, Loopnet, trade publications, national and local brokers active in the market area and various public

records. All of this was used in the development of a highest and best use analysis of the subject property as vacant and as entitled/proposed.

We have thoroughly searched throughout the Tampa Bay Market including Zephyrhills, Dade City, Wesley Chapel, Hillsborough County and other areas deemed comparable for sales of tracts of land entitled or purchased for multifamily development.

In this instance, since the subject property is vacant land entitled for 334 multifamily units, and since this entitlement represents the Highest & Best Use of the property we have used the Sales Comparison Approach utilizing sales of similar vacant land tracts in the relevant market area. Again, since the site is vacant we have specifically omitted the Cost Approach and Income Approach as those valuation techniques are not appropriate or relevant to valuing this tract of vacant land.

In preparing this appraisal, we have:

- Inspected the subject and surrounding market area and considered those influencing elements in our valuation process;
- Considered those elements pertinent in determining the property's highest and best use;
- Since the subject property is vacant land entitled for 334 multifamily units, and since this entitlement represents the Highest & Best Use of the property we have used the Sales Comparison Approach utilizing sales of similar vacant land tracts in the relevant market area.
- Interviewed market participants, including brokers, developers, buyers/sellers of land tracts active in the relevant market, return rate requirements of the market participants, overall market conditions, and other factors influencing pricing (value) and the ultimate value of similar land tracts and the subject property, etc.
- Particular attention has been given to recent market data in the Pasco and Hillsborough County market which have similar development potential and competing properties in the general market area;
- Considered all pertinent elements in concluding to value indications.

### **Ownership of Subject**

Based on information obtained from Pasco County public records the subject property is presently under the ownership of Wire Ranch Investors, LLC, whom obtained title via a Fee Simple Deed dated September 18, 2015 as recorded in OR Book 9259 Page 3547 of the public records of Pasco County, Florida.

### **History of Subject**

Based on our verification, the following represents the most recent transaction and the current listing held by Nye Commercial Advisors.

SUBJECT HISTORY - SALE	
Sale Price	\$966,400
Units	24.8
Price Per Acre	\$38,968
Adjustments	\$0
Adj. Price	\$966,400
Adj. Price Per Acre	\$38,968
Grantor	Calvin Russell Purvis Jr., Successor Trustee, et-al
Grantee	Wire Ranch Investors, LLC
Closing Date	September 18, 2015
Recorded Document	OR Book 9259 Page 3547

SUBJECT HISTORY - LISTING	
Listing Price	\$3,700,000
Units	334
Price Per Unit	\$11,078
Adjustments	\$0
Adj. Price	\$3,700,000
Adj. Price Per Unit	\$11,078
Grantor	Wire Ranch Investors, LLC
Grantee	N/A
Date Listed	November 1, 2016
Days on Market	90

Based on interviews with the ownership representative, the listing is active however there are no pending offers and the property is not under contract.

#### **Marketing Time Estimate**

One of the requirements of this report is to discuss the typical market participants and the availability of financing i.e., who would constitute the typical purchaser, the typical of lending institution that would be principally involved in providing financing, and what criteria is available to finance the subject property. Based on all these factors, the most probable purchaser of the subject land tract is a multifamily developer interested in near term development.

We have interviewed members of the real estate community including brokers, investors, and land developers active in the market area. Furthermore, many of the questions posed to these market participants can be answered by looking at the market data developed and reported in the land sales used in the Sales Comparison Approach. While the multifamily residential market in the relevant competing area in which the subject is located is considered to be stable but gaining strength, conventional financing availability for purchasing land for near term multifamily development is available. Based on our conversations with market participants and analysis of the comparable sales,



we have estimated a marketing period for the various subject sites of 12 months at the aforementioned market value opinion.

### **Exposure Time**

Per the Appraisal Standards Board statement on Appraisal Standards No. 6, exposure time may be defined as the estimated length of time of 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 opinion based on an analysis of past events assuming a competitive open market. Thus, reasonable exposure time is not synonymous with a marketing time estimate, as it is assumed to have occurred prior to the date of valuation. Inherent in the market value estimate is not that the property will sell within the estimated marketing time, but that it would have sold assuming prudent marketing within some reasonable exposure time prior to the date of valuation. In this instance, we have concluded that the reasonable exposure time occurring prior to the date of valuation that would have resulted in a consummation of a sale at the market value opinion would be less than 12 months at the aforementioned as is market value estimate.

**DEFINITION OF IMPORTANT TERMS**

**Market Value**

Market value, as defined by the December 2, 2010 Interagency Appraisal and Evaluation Guidelines, is the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeable, 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 the title from seller to buyer under conditions whereby:

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

**Fee Simple Interest**

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.<sup>1</sup>

**Bulk Value**

The value of multiple units, subdivided lots, or properties in a portfolio as though sold to a single buyer in one transaction.<sup>2</sup>

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<sup>2</sup> Appraisal Institute, *The Dictionary of Real Estate Appraisal*, Fifth Edition, 2010, Page 24





## Population

Pasco County is the state's 12<sup>th</sup> most populous county. The majority of the county's population is concentrated along the western portion bordering the Gulf of Mexico; however there is extensive growth in central part of the county, just west of Zephyrhills in Wesley Chapel. This growth is extending north and east into the Zephyrhills community increasing demand for land and driving up prices. The county, as a whole, has experienced tremendous population growth since the 1970's, outpacing that of the state itself. As the population continues to grow more of the growth will take place further east within county, specifically Zephyrhills, which is largely underdeveloped as compared to Hillsborough and Pinellas Counties to the south.

Population characteristics relative to the subject property are presented in the following table:

Population						
Area	2000	2010	Annual % Change 2000 - 10	Estimated 2016	Projected 2021	Annual % Change 2016 - 21
United States	281,421,906	308,745,538	1.0%	323,580,626	337,326,118	0.8%
Florida	15,982,378	18,801,310	1.8%	20,108,440	21,436,087	1.3%
Pasco County, FL	344,743	464,697	3.5%	494,700	526,787	1.3%
Zephyrhills, FL	12,234	13,879	1.3%	14,331	14,933	0.8%
Source: Site-to-Do-Business (STDB Online)						

## Employment

Pasco County is currently experiencing robust growth, in terms of both employment and housing. This growth is attracting many small and medium size businesses as well as developers seeking to provide housing and commercial space to the growing area. Construction is one of the county's largest industries. Also, due to the relatively large portion (25%+) of the population over 65 years of age, medical and assisted living services also makes up a large percentage of overall employment base. Retail and hospitality employment is also a major component, like most of other areas of Florida.

The following table shows the total number of employees by industries and the total percentage employed by each industry in Pasco County.

Employment by Industry - Zephyrhills, FL		
Industry	2016 Estimate	Percent of Employment
Agriculture/Mining	91	1.8%
Construction	348	6.9%
Manufacturing	267	5.3%
Wholesale trade	166	3.3%
Retail trade	777	15.4%
Transportation/Utilities	222	4.4%
Information	151	3.0%
Finance/Insurance/Real Estate Services	328	6.5%
Services	2,532	50.2%
Public Administration	166	3.3%
Total	5,044	100.1%
Source: Site-to-Do-Business (STDB Online)		

### Unemployment

The following table shows current and past unemployment rates as obtained from the Bureau of Labor Statistics. The state of Florida and Pasco County were one of the hardest hit areas both during and after the Great Recession of 2007-09. In recent years, Pasco County has enjoyed a large decrease in its unemployment rate, yet it still lags behind both the state of Florida and the nation. The year-to-date unemployment rate for Pasco County is 5.3%.

Unemployment Rates								
Area	YE 2009	YE 2010	YE 2011	YE 2012	YE 2013	YE 2014	YE 2015	2016 YTD
United States	9.9%	9.3%	8.5%	7.9%	6.7%	5.6%	5.0%	4.9%
Florida	11.2%	10.7%	9.0%	7.8%	6.6%	5.8%	5.1%	4.8%
Pasco County, FL	12.7%	11.6%	9.8%	8.4%	6.8%	6.0%	5.1%	5.3%
Source: Bureau of Labor Statistics - Year End - National & State Seasonally Adjusted								

### Median Household Income

Total median household income for the region is presented in the following table. Overall, Pasco County has a lower median income than that of the state of Florida and the nation. The median income in Zephyrhills is even lower than Pasco County as a whole.

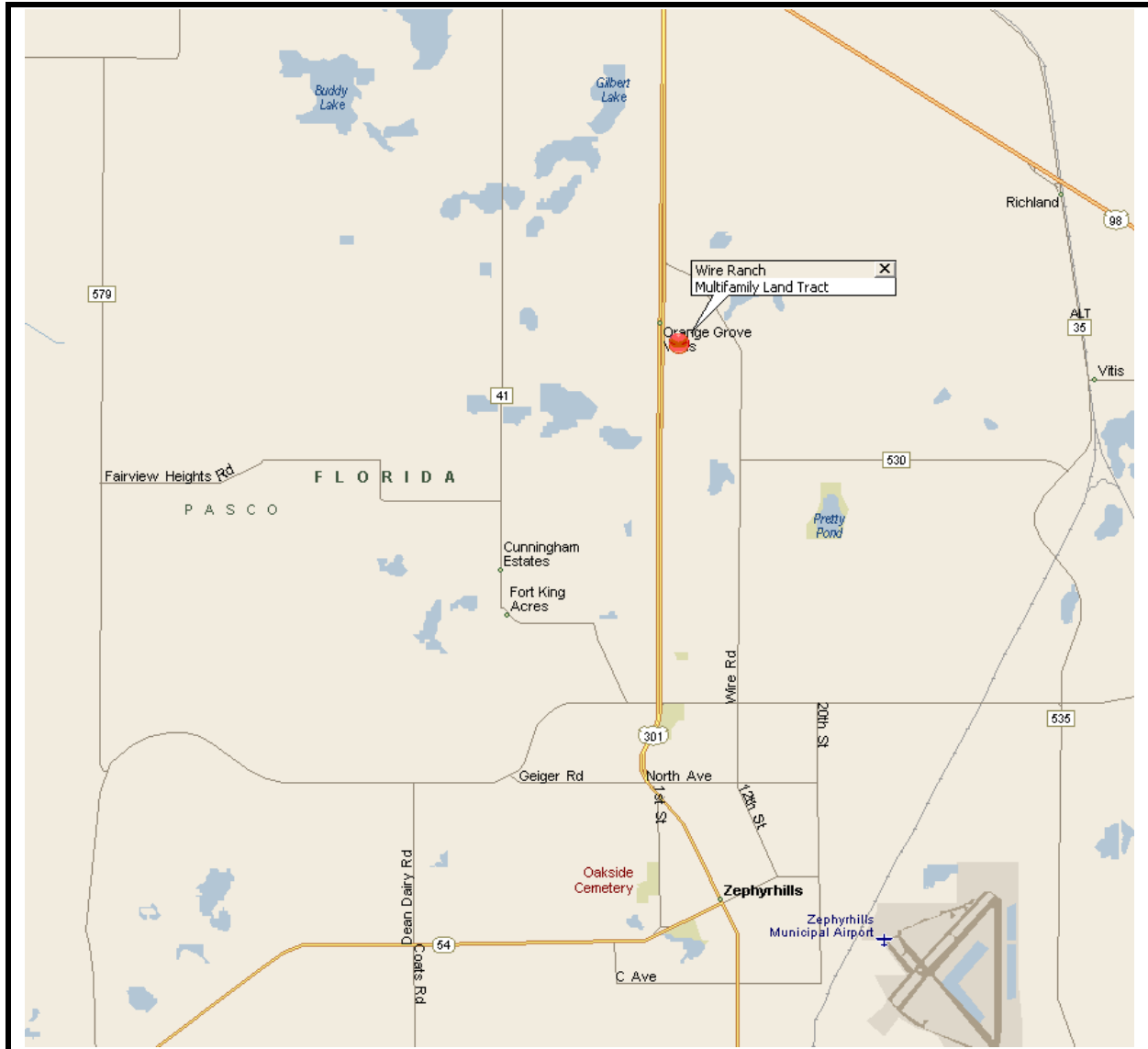
Median Household Income			
Area	Estimated 2016	Projected 2021	Annual % Change 2016 - 21
United States	\$54,149	\$59,476	2.0%
Florida	\$48,377	\$54,799	2.7%
Pasco County, FL	\$45,854	\$52,266	2.8%
Zephyrhills, FL	\$36,568	\$37,471	0.5%
Source: Site-to-Do-Business (STDB Online)			

### Conclusions

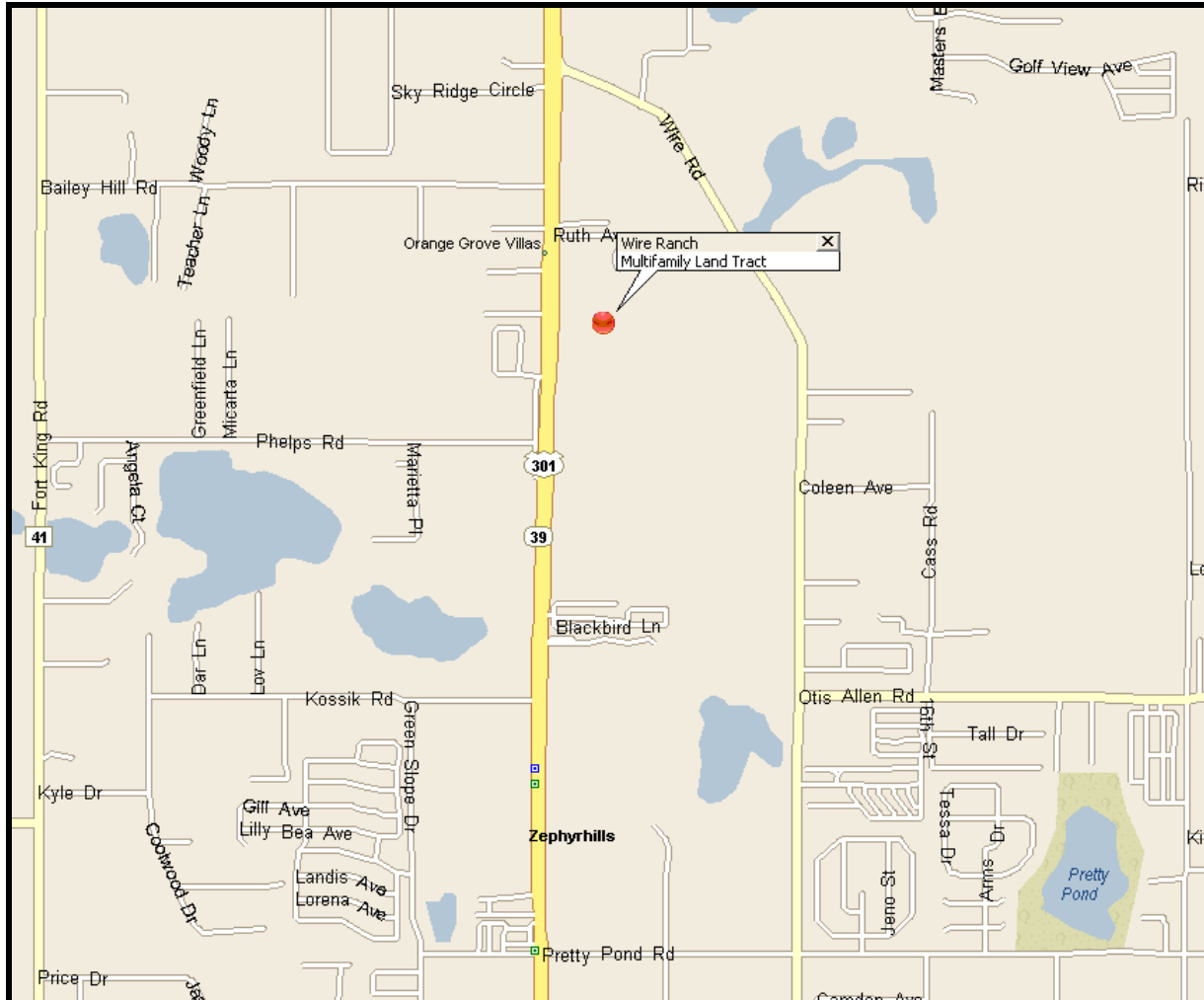
The trends in the County over the past decade have been increases in population, housing, employment, family income and general real estate values. This has been primarily due to its location on the Gulf of Mexico and its subtropical climate that attracts new residents.

The availability of vacant land has resulted in tremendous growth in housing being a bedroom community to the major employment centers of Tampa and St. Petersburg/Clearwater to the south. The economy of Pasco County is growing with the population and increased tourist/retirement activities. The economy is highly dependent on the service trade and retail sectors. A more diversified economic base with light industry is desirable and would create a more stable economy that is less dependent on the county being a bedroom community to the major employment centers to the south. Nevertheless, the physical, social, governmental and economic influences throughout Pasco County have provided a positive atmosphere over the past two decades. The long-term future expectations are for the upward trends to continue, enhancing the value and desirability of all types of properties.

Neighborhood Map



**Immediate Area (Neighborhood) Map**



## **MARKET AREA OVERVIEW**

A market area is a separately identifiable, cohesive area within a community with some interests typically shared between occupants. Most market areas have recognizable natural or man-made boundaries. While physical boundaries are stipulated in order to define the market area, they are often less significant than other boundaries of influence. A market area may be further defined as a grouping of complementary uses affected in a similar manner by social, economic, governmental and/or environmental factors. In addition, to physical boundaries, a market area may be delineated by perceptible changes in land use and the architectural style and condition of the area improvements. Finally, a market area is subject to influence by the greater abutting or surrounding community or metropolitan area.

### **Location**

The subject is located in the city of Zephyrhills and is considered a suburban location. The city of Zephyrhills is situated in south-central Pasco County, about 30 miles northeast of the Tampa Central Business District.

### **Boundaries**

The neighborhood boundaries are detailed as follows:

North: Clinton Avenue in Dade City  
South: Eiland Blvd. / County Road 54  
East: County Road 535 / Chancey Road  
West: Eiland Blvd. / Handcart Road (CR 579)

### **Land Use**

The dominant land uses in the subject neighborhood include residential, retail and office uses, with virtually all other forms of development dispersed throughout the area including industrial and other various forms of light commercial development. The primary retail districts in the neighborhood are Gall Boulevard (US Highway 301), SR 56 and SR 54 corridors. The retail area along US Highway 301 is primarily concentrated to the south of the subject and includes multiple shopping centers and free-standing retail buildings. Existing retail service providers in the area include Lowe's, Walmart, Tractor Supply, Bealls, Staples and Publix. A new Publix is located to the north of the subject at US Highway 301 and Clinton Avenue in Dade City.

There are several medical facilities located to the south of the subject along US Highway 301. The most prominent being Florida Hospital Zephyrhills, which is located on the east side of US Highway 301 south of Pretty Pond Road. Florida Hospital Zephyrhills is a 154 bed acute care, not-for-profit, community hospital situated on a 28-acre campus. The hospital is a Christian, not-for-profit facility and is a member of Adventist Health System. AHS owns 38 hospitals in 10 states and is the largest not-for-profit, Protestant healthcare system in the United States. Established in 1985, Florida Hospital Zephyrhills, formerly East Pasco Medical Center, has experienced more than 35 additions or renovations, growing to a present day capacity of 154 beds, 450,000 square foot full-service healthcare facility.

The majority of the single-family residential development within a three-mile radius of the subject may be described as homes in the \$125,000 - \$250,000 price range.

### Growth Patterns

The subject is located along the US Highway 301/Gall Boulevard corridor, the major north/south commercial thoroughfare serving the City of Zephyrhills and connecting Tampa to the south and Dade City and Ocala to the north. The majority of the growth has occurred to the south of the subject property, closer to the city's center. Growth continues to push north. The subject property is clearly in the immediate path of growth and is poised to take advantage of anticipated residential demand. Tremendous growth has taken place in Wesley Chapel to the west, which is now positively influencing land values in the west part of Zephyrhills. The immediate area surrounding the subject is becoming a growth area in terms of retail and commercial development, as this commercial development is following the growing residential market.

### Access

Primary access to the subject neighborhood is provided by Gall Boulevard (US Highway 301), which is two lanes in each direction with designated left and right turn lanes and a center median. This arterial connects the subject neighborhood to Hillsborough County to the south and Dade City and Ocala and the northern portion of Florida to the north.

### Demographics

Selected neighborhood demographics in 1-, 3-, and 5-mile radii from the subject are shown in the following table:

Neighborhood Demographics			
Radius	1 mile	3 miles	5 miles
<b>Population Summary</b>			
2000 Population	1,707	19,069	42,898
2010 Population	2,145	22,104	50,454
2016 Population	2,287	22,917	52,395
2021 Population Estimate	2,440	24,000	54,855
Annual % Change (2016 - 2021)	1.3%	0.9%	0.9%
<b>Household Summary</b>			
2000 Households	711	8,596	19,522
% Owner Occupied	63.0%	64.1%	62.5%
% Renter Occupied	9.0%	14.1%	13.0%
2010 Households	895	9,964	22,607
% Owner Occupied	58.6%	61.5%	59.5%
% Renter Occupied	14.9%	15.8%	14.7%
2016 Households	945	10,217	23,140
% Owner Occupied	54.7%	57.7%	56.1%
% Renter Occupied	17.9%	18.9%	17.7%
2021 Households Estimate	1,002	10,627	24,037
% Owner Occupied	53.4%	57.1%	55.7%
% Renter Occupied	18.9%	19.5%	18.1%
Annual % Change (2016 - 2021)	1.2%	0.8%	0.8%
<b>Income Summary</b>			
2016 Median Household Income	\$50,026	\$39,588	\$38,437
2021 Median Household Income Estimate	\$54,033	\$43,695	\$41,272
Annual % Change	1.6%	2.0%	1.4%
2016 Per Capita Income	\$24,521	\$24,634	\$23,371
2021 Per Capita Income Estimate	\$26,335	\$26,137	\$24,864
Annual % Change	1.4%	1.2%	1.2%
Source: Site-to-Do-Business (STDB Online)			

**SITE DATA – WIRE RANCH MULTIFAMILY LAND TACT**

The following description is based on our physical inspections as well as information provided by the client and other public record resources.

PHYSICAL ATTRIBUTES	
<b>Land Area and Features</b>	
Gross Land Area	24.80± Acres
Wetlands/Lowlands/Etc.	0.00± Acres
Upland Area	24.80± Acres
Developable Units	334 Apartment Units
Site Shape	Rectangular
Terrain	The site is well above road grade of US Highway 301. The rectangular development portion of the site slopes downward from west to east. The total drop in elevation of the rectangular development area is estimated at approximately 45 feet (west to east).
Stormwater Retention	On-Site
Comments	<p>The site fronts 50.03 feet on the east side of US Highway 301. The 50'± of road frontage is owned in fee by Wire Ranch Investors, LLC, subject to an easement to others for ingress/egress/access. The 50' corridor extends to the east an average of 560.29' and reportedly contains 0.64± acres. At the terminus of the access corridor, the property opens up to the "developable portion" of the property. The developable area of the site contains a reported 24.16± acres. The developable area of the site has an average length (north/south) of 1,641.46'± and an average width (east/west) of 661.52'±. In summary, the site has a total area of 24.80± acres with the developable area containing 24.16± acres and the access corridor containing 0.64± acres.</p> <p>The developable portion of the site has an elevation estimated at approximately 135 feet near the west boundary line and slopes downward to the east approximately 45 feet, where the elevation at the east property line is estimated at approximately 90 feet.</p> <p>Based on our analysis, the elevation characteristics of the site allow for future apartment units that may be constructed on the west portion to have attractive and desirable unobstructed views to the east over the lower elevations of the site and areas further to the east. Therefore the elevation characteristics do not adversely impact the marketability or value of the site, rather they provide for a natural and desirable view amenity.</p> <p>The property recently gained entitlements for 334 multifamily units which is a density of 13.47 units per acre based on the total area of 24.80± acres and 13.82 units per acre based on the developable portion of 24.16± acres. The density is typical for multifamily land tracts in the area and is market related.</p>



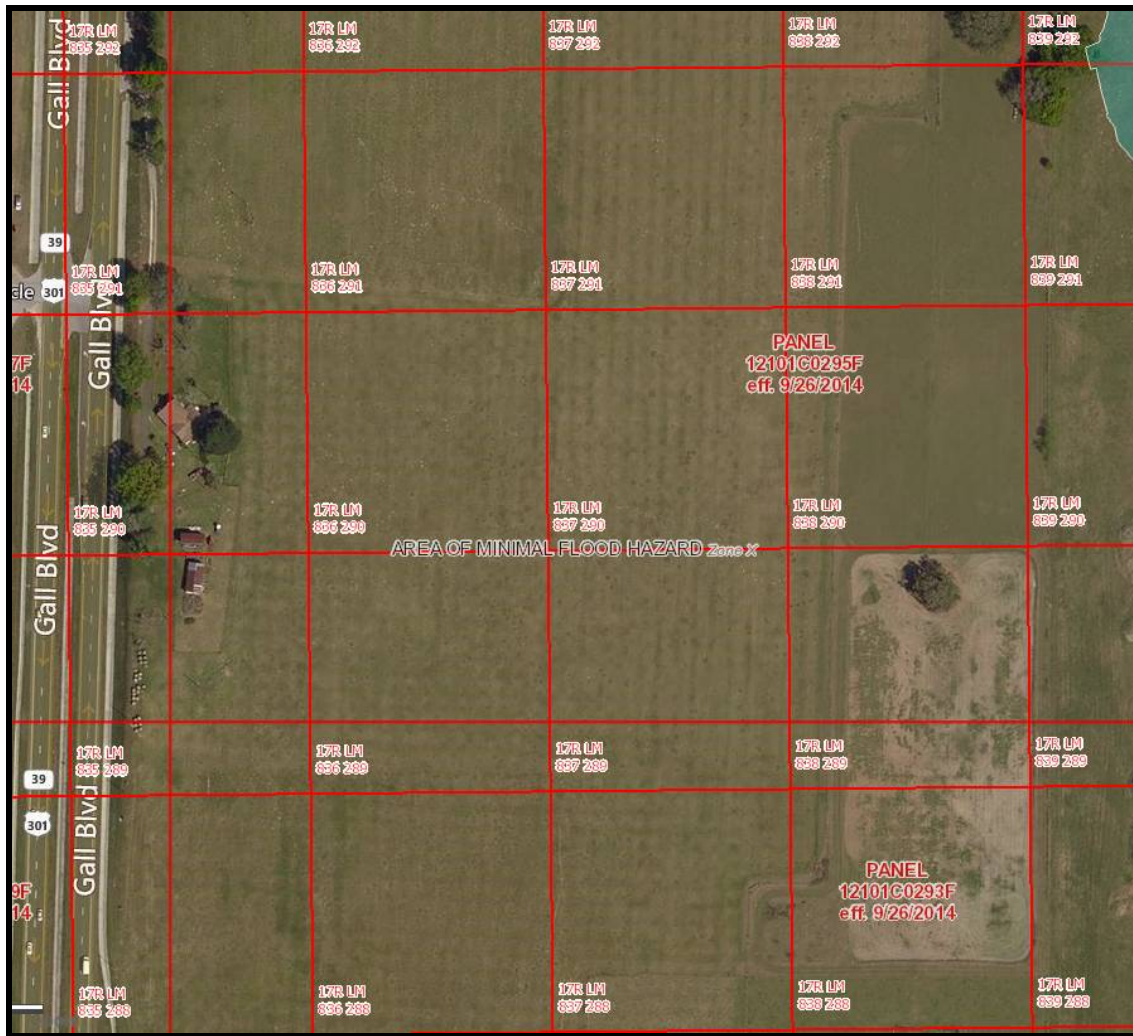
FRONTAGE, ACCESS AND VISIBILITY			
<b>Frontage</b>	<b>Distance</b>	<b>Road</b>	
Primary Frontage	50± Feet	US Highway 301	
<b>Traffic Counts</b>	<b>Count</b>	<b>Road</b>	<b>Survey Year</b>
Primary Traffic Count	22,000	US Highway 301	2015
<b>Paving</b>	The overall site has 50.03 feet of frontage on US Highway 301, which is a 4 and 6 lane median divided, north/south arterial road through this part of Pasco County, connecting Zephyrhills with Dade City to the north.		
<b>Access</b>	Existing access to the subject site is from its 50'± of frontage on the east side of US Highway 301. Access to the development portion of the site is from the 50' corridor that extends 560'± to the east. This access corridor is owned in fee by Wire Ranch Investors, LLC and is subject to easement rights granted to others for ingress/egress/access. This type of access is typical for mixed use developments similar to that planned for the subject and adjacent lands, where commercial uses are established or planned for the land on each side of an access corridor fronting the "commercial road" (US Highway 301) and residential uses are planned or established on the rear lands (developable portion of the subject site). This is the precise case for the overall development plan for the subject property and adjacent lands and is market related.		
<b>Corner Situs</b>	The Subject Property is an "interior" site with no corner potential.		
<b>Median Status</b>	The 50' access corridor is situated at a median opening on US Highway 301, across from a local road known as Poncan Circle.		
<b>Visibility</b>	Visibility is considered excellent from its US Highway 301 frontage at the top of a hill.		
<b>Comments</b>	The subject is a 24.80± acre vacant tract of land with a 50' access corridor located on the east side of US Highway 301. The access corridor contains a reported 0.64± acres. The access corridor opens up to the development portion of the site, which is located 560'± to the east of the US Highway 301 frontage. The development portion is rectangular in shape and contains a reported 24.16± acres. While the development portion of the site slopes downward to the east 45'± over its 662'± of width, the elevation characteristics do not have an adverse impact, rather the topography allows for future residential units constructed on the west portion of the development tract to have full attractive and desirable unobstructed views for miles over the lower elevated lands situated to the east of the subject. Overall, the physical characteristics of the site are desirable and have positive influences on land value.		

ZONING AND FUTURE LAND USE	
<b>Zoning</b>	R-4 (Multifamily Residential)
<b>Zoning Description</b>	Multifamily Residential: Maximum Density of 14 Units Per Acre
<b>Zoning Jurisdiction</b>	City of Zephyrhills
<b>Future Land Use</b>	Residential Urban (RU)
<b>FLU Description</b>	Residential - Density ranges from 7.5 Units Per Acre to 14 Units Per Acre
<b>FLU Jurisdiction</b>	City of Zephyrhills
<b>Permitted Uses</b>	Residential - Maximum of 14 Units Per Acre
<b>Density</b>	Entitled for 334 Apartment Units 13.47 UPA/Gross Area (Entire site of 24.80± acres): 13.82 UPA / Net Developable Area (24.16± acres)
<b>Entitlements/Approvals</b>	The subject tract is zoned R-4 by the City of Zephyrhills which allows for residential development at a maximum of 14 units per acre. The FLU is Residential Urban (RU) which permits residential development at a density range from 7.5 UPA to 14 UPA. The property has entitlements by the City of Zephyrhills for 334 apartment units which represents a density of 13.47 units per acre and is within the constraints of both the zoning and the Future Land Use designation and is market related.



UTILITIES AND SERVICES	
Water	City of Zephyrhills
Sewer	City of Zephyrhills
Electric	Duke Energy
Telecommunications	Verizon and/or other various providers
Police	City of Zephyrhills
Fire	City of Zephyrhills

FLOOD DATA	
Flood Map ID	12101C0289F & 0295F
Flood Map Date	September 26, 2014
Flood Zone Code	"X"
Code Description	areas of low flood risk, located outside of the 100-year flood hazard zone
Data Source	<a href="http://www.fema.gov">www.fema.gov</a>
Comments	Reference the following Flood Map



### Environmental

We were provided with a Phase I Environmental Site Assessment Report prepared by Andreyev Engineering Inc. dated July 22, 2015.

Based on review of the ESA: *No “Recognized Environmental Conditions” were identified for the subject property as a result of the historical source review.*

However, we assume no responsibility for hidden or unapparent conditions beyond our area of expertise as appraisers. However, during our inspections we did not observe any obvious hazardous materials or conditions. **This appraisal expressly assumes that the subject property is suitable for the planned development and that no environmental contamination exists.**

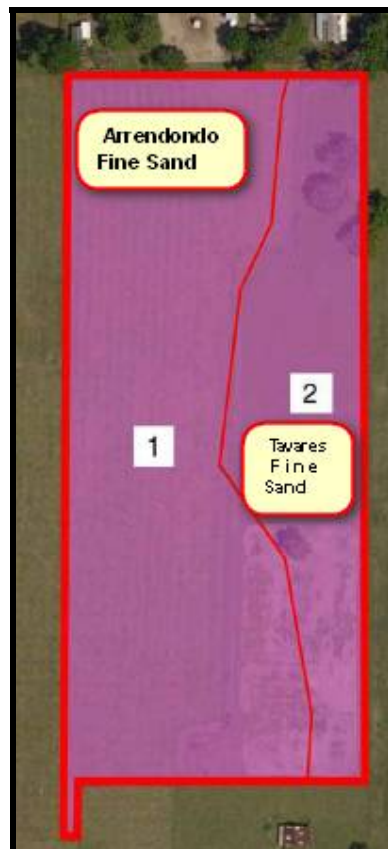
#### **Soil and Subsoil**

Based on the ESA noted above, the soil types found on the subject are as follows:

*According to the USDA “Soil Survey of Pasco County”, two soil types were identified for the subject site, as follows:*

- a. Tavares fine sand, which has 0 to 5 percent slopes, is moderately well drained.*
- b. Arrendondo fine sand, 0 to 5 percent slopes, which has 0 to 1 percent slopes, is well drained.*

Reference the Soil Map below.

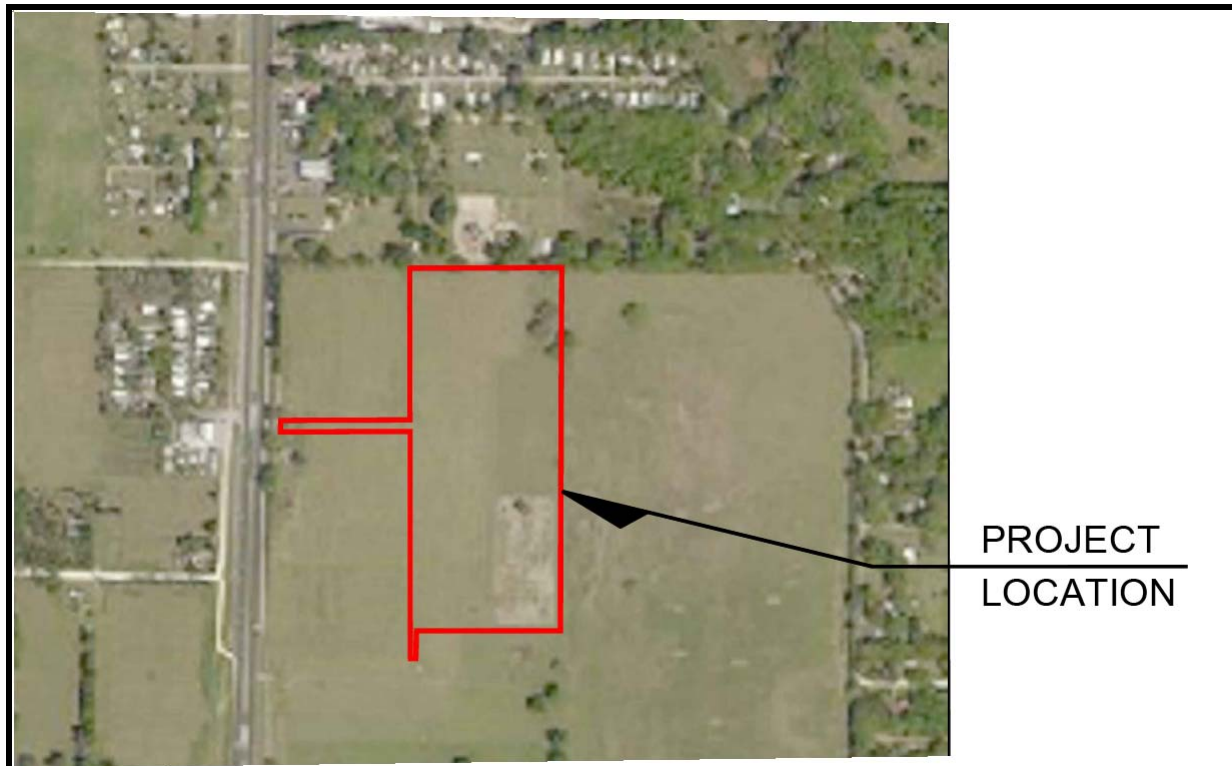


We assume no responsibility for hidden or unapparent conditions beyond our area of expertise as appraisers. Only limited visual surface inspections of the property were made and no soil or subsoil problems were apparent at the time of our inspections. We assume the site is suitable for future development as planned. If any soil or subsoil issues are discovered on the site, we reserve the right to amend our value conclusion.

**Easements, Encumbrances, Encroachments and Moratoria**

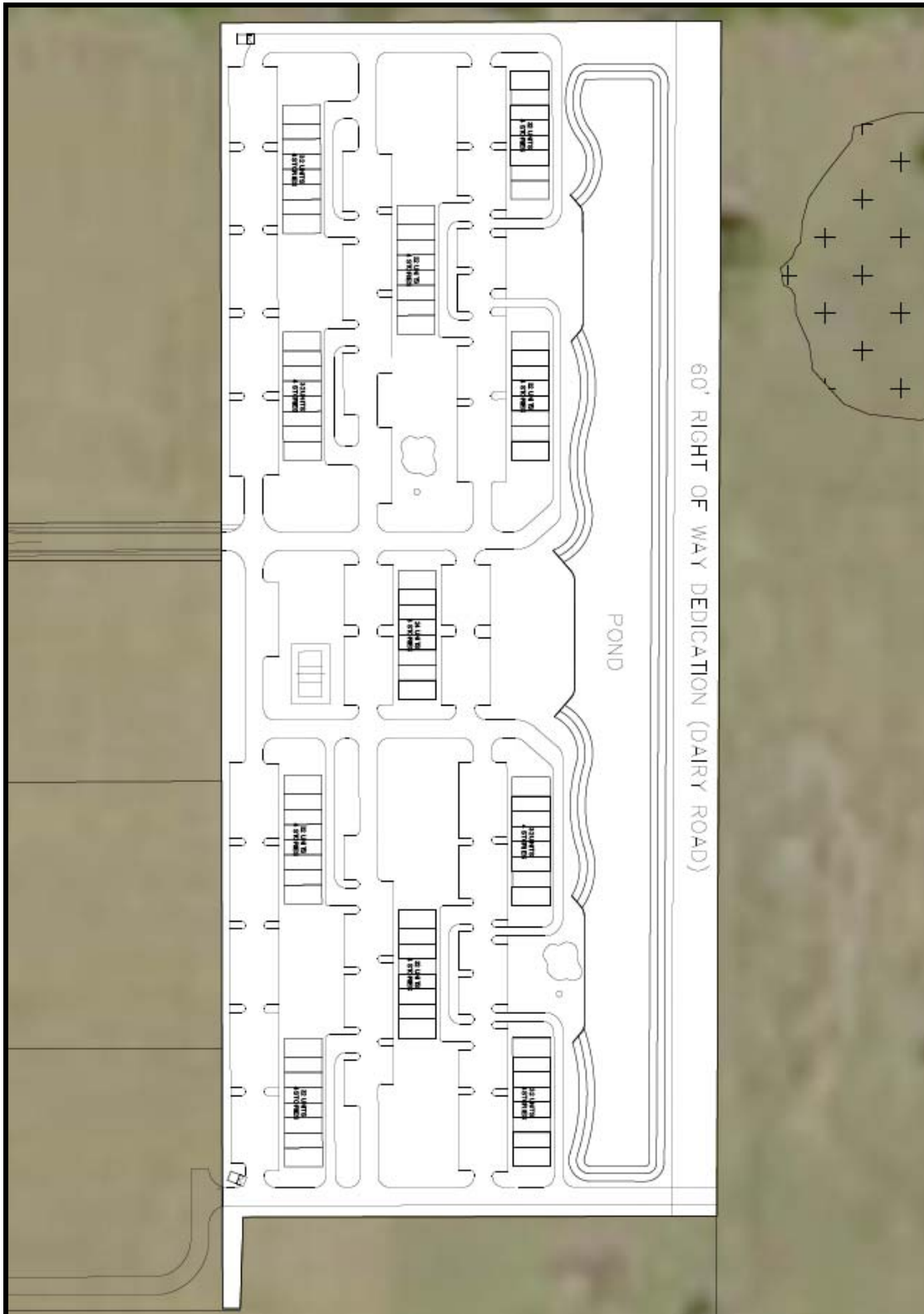
Based on the information provided it appears the subject is encumbered by typical easements for access, utilities, etc. However, we are not aware of any adverse easements, encumbrances, or restrictions that negatively impact the use of the site. There are no known moratoriums.

**Wire Ranch Multifamily Land Tract Aerial**





Conceptual Site Plan Overlay on Aerial



**REAL ESTATE TAXES**

The subject is identified on the following table by parcel number in the Pasco County Property Appraiser's Office, having the following 2016 assessment and corresponding gross tax liability.

2016 ASSESSMENT AND TAX LIABILITY						
Name	Folio / Parcel ID / Strap No.	Market Value	Assessed Value	Ad Valorem Taxes	Non-Ad Valorem	Gross Taxes
Wire Ranch Investors, LLC	26-25-21-0060-00000-0011	\$394,064	\$394,064	\$8,390	\$0	\$8,390
Millage 21.2917		\$394,064	\$394,064	\$8,390	\$0	\$8,390

The county sets the millage rate in calculating the tax bill in September or October of each year. The county tax collector issues the tax bills providing for a 4% discount for payment in November, with a 1% monthly discount for the following 3 months. All taxes are delinquent after March 31 of each year. There are currently no delinquent taxes. The tax bill is due and payable. If paid by January 31, 2017, the discounted amount due is \$8,222.49



**HIGHEST AND BEST USE**

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

As the foregoing definition implies, the highest and best use of a site, as if vacant, may differ from the highest and best use as improved. Estimation of highest and best use is influenced by the judgment of an appraiser and his analytical skill. The ultimate determination of highest and best use is shaped by the competitive forces within the market where the property is located. Thus, the analysis and interpretation of highest and best use is an economic study of market forces focused on the subject property. The four steps applied in order to develop adequate support for the highest and best use of the property, as if vacant and as improved are:

- Legally Permissible
- Physically Possible
- Financially Feasible
- Maximally Productive

**Highest and Best Use - As Vacant**

**Legally Permissible**

The subject tract is zoned R-4, Multifamily Residential which allows a maximum density of 14 units per acre. The site is located within the Residential Urban (RU) Future Land Use designation which permits residential development at density range from 7.50 units per acre to 14.00 units per acre. The R-4 zoning category is compatible with the RU Future Land Use designation. The subject property has entitlements for 334 multifamily dwelling units which represents 13.47 units per acre based on the gross land size of 24.80± acres and 13.82 units per acre based on the “developable site” of 24.16± acres. The entitlements are consistent with the zoning and FLU and are market related.

**Physically Possible**

The subject tract appears to be physically adapted to support a wide variety of residential improvements. The subject tract has 50± feet of frontage on the east side of US Highway 301. The access corridor extends to the east 560'± where the property opens up to the 24.16± acre “development portion”. All of the property is uplands. The developable portion of the site slopes downward approximately 45' from west to east. This grade allows for future residential units constructed on the west portion of the developable area to have full, attractive and desirable views over the lower elevated east portion of the site as well as across other lower elevated lands further to the east. Overall the site has strong physical features which will provide for natural view amenities that has positive influences on marketability and hence value.

**Financially Feasible**

The subject property is located within Zephyrhills a submarket of the greater Tampa Bay MSA. Based upon extensive research the Zephyrhills multifamily submarket appears to be in demand. There has been a recent sale for a 96 unit affordable housing apartment project on Fort King Road, just north of Eiland Blvd. There is a site located to the east of the subject at the northwest corner of Wire Road and Pretty Pond Road that is entitled for 168 multifamily units on 12 acres. This site is reportedly under

contract by a multifamily housing developer for near term development. Data suggests that rental rates and occupancies are strong such that new development is ripe for multifamily product in the Zephyrhills market area. Therefore a prudent land owner / developer would perfect entitlements and complete permitting the subject tract to meet ongoing demand for affordable residential rental product.

### **Maximally Productive Conclusion - As Vacant**

Based on the foregoing considerations, we conclude the maximally productive use of the subject property as vacant, is to engineer, site plan, permit and develop a 2-phase affordably priced multifamily (apartment) project similar to the site plan containing 334 units commissioned by the Wire Ranch Investors, LLC ownership group. The subject site is estimated to have an Exposure Time of 12± months from the date of value.

### **Highest and Best Use - As Vacant**

Develop the 24.80± acres with a 2-phase multifamily project containing 334 units as entitled.

### **Highest and Best Use - As Proposed**

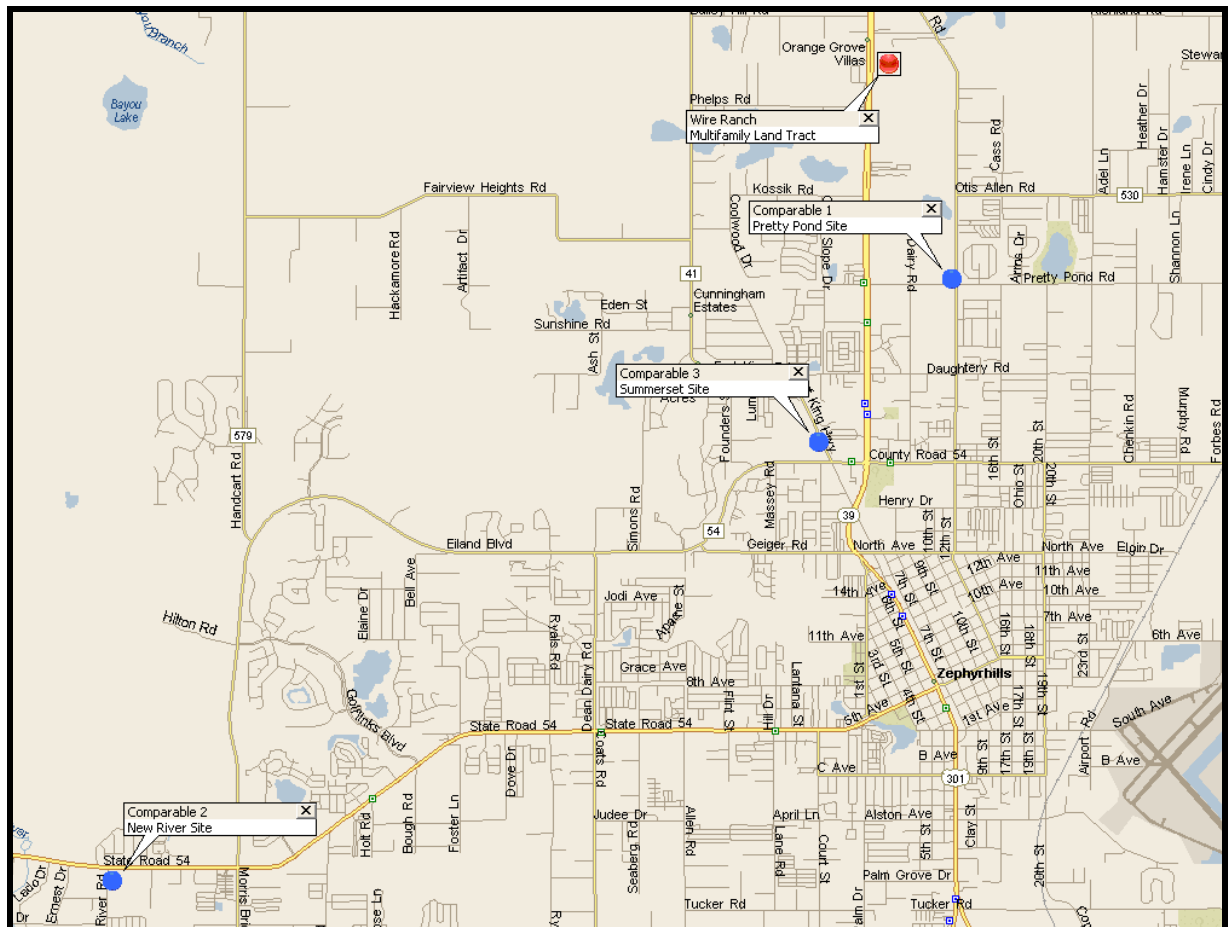
The highest and best use as proposed is the same as the highest and best use as vacant, develop the 24.80± acres with a 2-phase multifamily project containing 334 units as entitled.



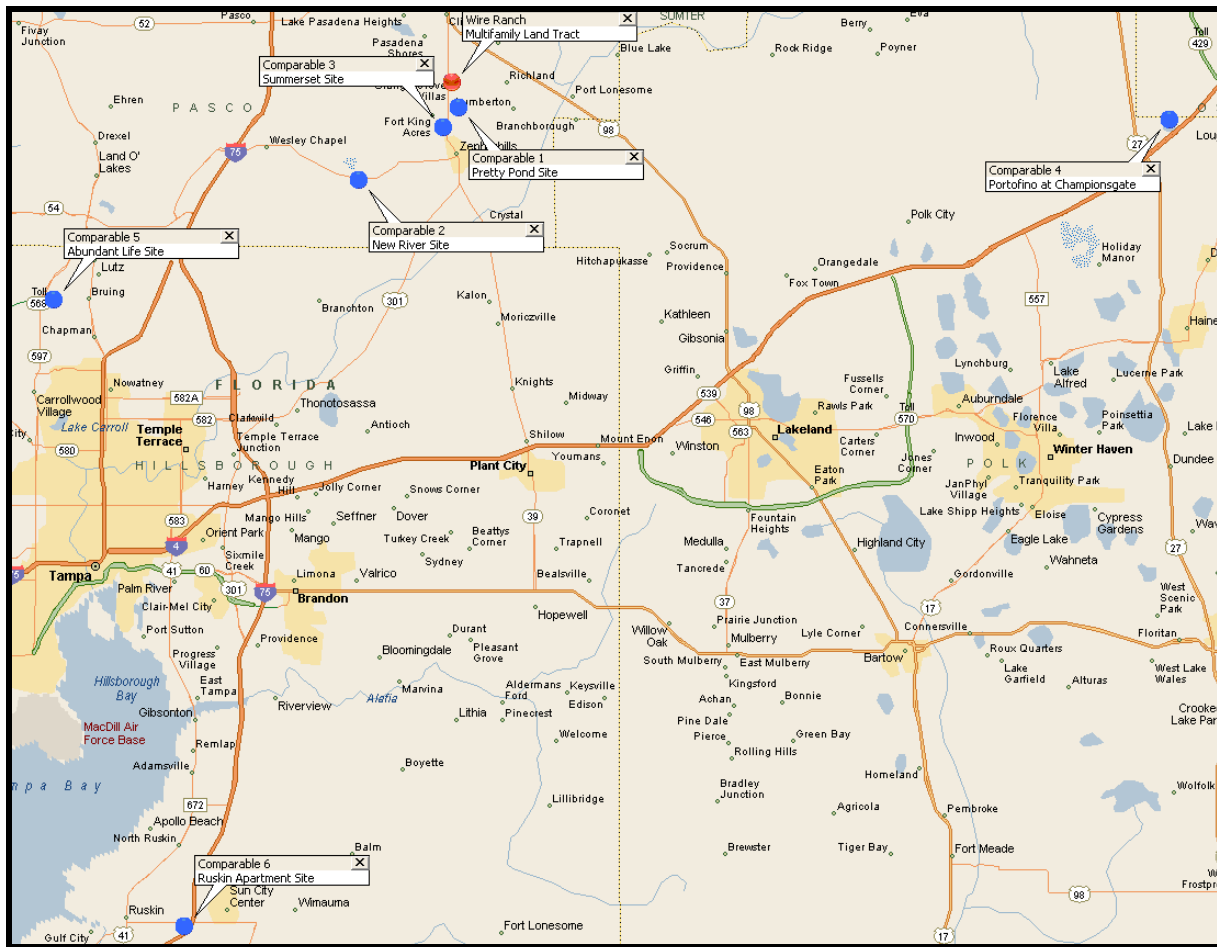
## SALES COMPARISON APPROACH

The Sales Comparison Approach involves a comparison of the subject property with similar properties that have recently transacted in the locally competitive and/or broader market. This approach is based on the premise that the market value of a property is directly related to the prices of comparable properties. The basic procedure in applying the Sales Comparison Approach follows:

1. Research the market to obtain information concerning listings, sales, and/or other transactions involving similar properties.
2. Verify the terms and conditions of the transactions to ensure that they are arm's length in nature and are reliable for analysis purposes.
3. Compare the comparables to the subject, making adjustments for differences to those pertinent elements that influence value.
4. Reconcile to a value indication(s) derived from the analysis of the sales.



**Pasco County Sales Location Map**



**Overall Land Sales Location Map**

County O.R. Page	Pasco <u>SUBJECT</u>	Pasco - 1 <u>N/A - Contract</u>	Pasco - 2 <u>9416/3436</u>	Pasco - 3 <u>9287/425</u>	Polk - 4 <u>9334/1043</u>	Hillsborough - 5 <u>22906/726</u>	Hillsborough - 6 <u>22717/1734</u>
Grantee	N/A	Confidential	LBD Wesley Chapel, LLC	Summerset Apts	Portofino at Championsgate	Atzenhoffer Trustee of Abundant Life Family	DMMD XXVII, LLC
		Pretty Pond Apt Site	New River Apt Site	Summerset Apt Site	Summerset Apt Site North Side of Ronald	Abundant Life Senior Housing	Ruskin Apt Site
Location	E/S US Hwy 301, North of Kossik Road and South of US 98	NWC Pretty Pond Road and Wire Road	West Side of New River Road, South of SR 54	W/S of Fort King Road North of Eiland Blvd.	Reagan Parkway Between US 27 (West) and Champions Gate Blvd (East)	South Side of Exciting Idlewild Blvd at Crystal Lake Road west of Dale Mabry Highway	E/S 33rd Street East south of SR 674, in the SWQ of I-75 & SR 674
	Zephyrhills Pasco	Zephyrhills Pasco	Zephyrhills Pasco	Zephyrhills Pasco	Davenport Polk	Lutz Hillsborough	Ruskin Hillsborough
Date of Sale	N/A	12/01/16	08/17/16	11/17/15	09/05/14	11/05/14	07/31/14
Sale Price		\$1,850,000	\$1,368,000	\$1,025,000	\$1,200,000	\$1,450,000	\$850,000
Land Size (Acres)							
Gross(Acres)	24.800	12.000	13.820	6.860	13.540	16.360	19.820
Less Wetlands	0.000	0.000	0.000	0.000	4.500	6.720	11.950
Less Other		0.000	0.000	0.000	0.000	0.000	0.000
Net Upland	24.800	12.000	13.820	6.860	9.040	9.640	7.870
Entitled Lots	334	168	228	96	120	140	120
Density (Upland Acre)	13.47	14.00	16.50	13.99	13.27	14.52	15.25
Zoning	R-4	AR	C-2	R-4	RC	PD	PD
Future Land Use	RU	RES-6	RES-6	RU	RES	MU	RES
Utilities	All Avail	All Avail	All Avail	All Avail	All Avail	All Avail	All Avail
Unit Sale Price (\$/TH lot)	\$0	\$11,012	\$6,000	\$10,677	\$10,000	\$10,357	\$7,083
Sale Adjustments							
Ppty Rts Conv	Fee Simple	0%	0%	0%	0%	0%	0%
Financing	Cash to Seller	0%	0%	0%	0%	0%	0%
Cond of Sale	Arm's Length	0%	20%	0%	0%	0%	0%
Mkt Cond (Time)		0%	0%	0%	0%	0%	0%
Total Adjustment		0.00%	20.00%	0.00%	0.00%	0.00%	0.00%
Adjusted Unit Price (\$/AC)		\$11,012	\$7,200	\$10,677	\$10,000	\$10,357	\$7,083
Physical Adjustments							
Location		Similar 0%	Inferior 15%	Inferior 10%	Similar 0%	Superior -15%	Inferior 20%
Size (Number of Units/Lots)		Smaller (Lower Units) -10%	Smaller (Lower Units) -5%	Smaller (Lower Units) -15%	Smaller (Lower Units) -10%	Smaller (Lower Units) -10%	Smaller (Lower Units) -10%
Zoning/FLU		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Access		Similar 0%	Inferior 10%	Similar 0%	Similar 0%	Similar 0%	Inferior 20%
Density (Per Upland Acre)		Similar 0%	Inferior 5%	Similar 0%	Similar 0%	Similar 0%	Inferior 5%
Available Utilities		Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Topography		Similar 0%	Similar 0%	Similar 0%	Inferior 15%	Inferior 20%	Inferior 10%
Other		N/A 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%	Similar 0%
Net Adjustments		-10%	25%	-5%	5%	-5%	45%
Adjusted Value (Price/Unit)		\$9,911	\$9,000	\$10,143	\$10,500	\$9,839	\$10,270

The sales research was focused on sales of similar multifamily sites in similar market areas. Due to the lack of a sufficient number of recent sales of multifamily land in Zephyrhills we expanded our search to other market areas that had similar characteristics to Zephyrhills.

We found two (2) closed sales and one current contract of a site in Zephyrhills. The current contract is very close to the subject. The owner/seller is a related party to the ownership group of the Wire Ranch Multifamily Land Tract, which is the subject of this appraisal. We found one sale in Davenport (North Polk County) and two in Hillsborough County. One sale in Hillsborough County was located in the Lutz area. The final sale was located in the Ruskin area in South Hillsborough County. All the sales were analyzed on the basis of the price paid per entitled or planned multifamily unit, the appropriate unit of comparison for multifamily land sales.

The sales used in direct comparison were all smaller than the subject and ranged in size from 6.86 upland acres entitled for 96 MF units to 13.82 acres entitled for 228 MF units. The entitlements on the sales ranged from 96 MF units to 228 MF units. Density of the sales ranged from 13.27 UPA to 16.50 UPA, all analyzed on an upland basis. **The unadjusted unit prices ranged from \$6,000/unit to the current contract at \$11,012/unit.**

No adjustments were indicated for Property Rights, Financing, or Market Conditions. Only one sale (Comparable 2) required an adjustment for Conditions of Sale.

**Comparable 2** was listed for sale for \$2,750,000. The property had been on the market for an extended period of time and reportedly had been under contract several times near the asking price. Those contracts never closed. The seller was becoming anxious and during a very tough negotiation by the buyer, the seller finally acquiesced to a price well below the asking price. Therefore, based on the verification an upward adjustment of 20% was warranted for Conditions of Sale.

Adjustments for Physical Factors such as Location, Land Size (Number of Entitled Units), Zoning, Access, Density, Availability of Utilities, Topography and other factors were considered and made where appropriate.

**Comparable 1** is the current contract to purchase the Pretty Pond Apartment Site located at the northwest corner of Pretty Pond Road and Wire Road. This comparable is located in the City of Zephyrhills and has all utilities (water and sewer) available. The site is entitled for 168 multifamily units. This comparable warrants adjustment for Size/Number of Entitled Units at 168 versus the 334 units under which the subject is entitled.

While there was not sufficient data for a paired sales analysis, based on unit count I have estimated a 10% downward adjustment is supported. This adjustment was made on the lower unit count on the sale property versus that of the subject, as the absorption period is considerably shorter than that expected for the subject.

The net adjustment to Comparable 1 was -10% and **the adjusted unit price of Comparable 1 is \$9,911/unit.**

**Comparable 2** is the New River Apartment Site located on the east side of New River Road south of SR 54 in the “west Zephyrhills” area of unincorporated Pasco County. This sale was adjusted for the following factors:

- Inferior Location
- Smaller Size / Number of units
- Access (New River Road is a local road)
- Inferior Density

Regards location, the subject is located in a growth area just north of major new retail development along the east side of US Highway 301. While there was not sufficient data available for a paired sales analysis, we have recognized the inferior general location of Comparable 2 and an upward adjustment of 15% was warranted.

Similar to the logic applied to Unit Count of Comparable 1, a downward adjustment of 5% was warranted for the lower number of units entitled for Comparable 2.

Comparable 2 is located on New River Road, south of SR 54. New River Road is a 2-lane local road, which is significantly inferior to the US Highway 301 frontage the subject enjoys and an upward adjustment of 10% was warranted for comparison.

The density of Comparable 2 was 16.50 units per acre, which is greater than that of the subject. Based on our discussions with developers and investors, a 5% upward adjustment is supported for this inferior characteristic on the sale property.

The net adjustment to Comparable 2 was +25% and **the adjusted unit price of Comparable 2 is \$9,000/unit.**

**Comparable 3** is the purchase of the land for the Summerset Apartments located on the west side of Fort King Road, north of Eiland Blvd. This sale was adjusted for the following factors:

- Inferior Location
- Smaller Size / Number of units

Regards location, the subject is located in a growth area just north of major new retail development along the east side of US Highway 301. While there was not sufficient data available for a paired sales analysis, we have recognized the inferior general location of Comparable 3 and an upward adjustment of 10% was warranted.

Similar to the logic applied to Unit Count of Comp 1, a downward adjustment of 15% was warranted for the lower number of units entitled for Comparable 3 (96 units versus the 334 units on the subject).

The net adjustment to Comparable 3 was -5% and **the adjusted unit price of Comparable 3 is \$10,143/unit.**

**Comparable 4** is the purchase of the Portofino at Championsgate site in the Davenport area of unincorporated north Polk County. The sale property was located on the north side of Ronald Reagan Parkway between Championsgate Blvd. to the east and US Highway 27 to the west. This sale was adjusted for the following factors:

- Smaller Size / Number of units
- Inferior Topography

Similar to the logic applied to Unit Count of Comparable 1, a downward adjustment of 10% was warranted for the lower number of units entitled for Comparable 4.

Comparable 4 had considerable wetlands that require a higher level of permitting and typically higher development costs. Recognizing this inferior topographic characteristic, an upward adjustment of 15% was warranted for comparison.

The net adjustment to Comparable 4 was +5% and **the adjusted unit price of Comparable 4 is \$10,500/unit.**

**Comparable 5** was the purchase of the site for the Abundant Life Senior Housing located on the south side of Exciting Idlewild Blvd. at Crystal Lake Road, east of Dale Mabry Highway in the Lutz area of unincorporated Hillsborough County. This sale was adjusted for the following factors:

- Superior Location
- Smaller Size / Number of units
- Inferior Topography

Comparable 5 is located in the Lutz area of North Hillsborough County near upper scale housing and is much closer to high end shopping and also proximate to major employment centers and superior road linkages. Recognizing the superior location of Comparable 5 versus the Zephyrhills location of the subject a downward adjustment of 15% is warranted.

Similar to the logic applied to Unit Count of Comparable 1, a downward adjustment of 10% was warranted for the lower number of units entitled for Comparable 5.

Comparable 5 had considerable wetlands that require a higher level of permitting and typically higher development costs. Recognizing this inferior topographic characteristic, an upward adjustment of 20% was warranted for comparison.

The net adjustment to Comparable 5 was -5% and **the adjusted unit price of Comparable 5 is \$9,839/unit.**

**Comparable 6** is the land sale for the Ruskin Apartment Site located on the west side of 33<sup>rd</sup> Street East, south of SR 674 within the southwest quadrant of the I-75 / SR 674 Interchange in the Ruskin area of unincorporated South Hillsborough County. This sale was adjusted for the following factors:

- Inferior Location
- Smaller Size / Number of units
- Inferior Access (33<sup>rd</sup> Street East is a local road and the site is located “within” the interchange)
- Inferior Density
- Inferior Topography

Regards location, the subject is located in a growth area just north of major new retail development along the east side of US Highway 301. While there was not sufficient data available for a paired sales analysis, we have recognized the inferior general location of Comparable 6 in the Ruskin area of South Hillsborough County proximate to the I-75 / SR 674 interchange and an upward adjustment of 20% was warranted.

Similar to the logic applied to Unit Count of Comparable 1, a downward adjustment of 10% was warranted for the lower number of units entitled for Comparable 6.

Comparable 6 is located on the west side of 33<sup>rd</sup> Street East, south of SR 674 within the I-75 / SR 674 interchange. Thirty-third Street East is 2-lane local road, which is significantly inferior to the US Highway 301 frontage the subject enjoys and an upward adjustment of 20% was warranted for comparison.

The density of Comparable 6 was 15.25 units per acre, which is greater than that of the subject. Based on our discussions with developers and investors, a 5% upward adjustment is supported for this inferior characteristic on the sale property.

Comparable 6 had considerable wetlands and submerged land that requires a higher level of permitting and typically higher development costs. Recognizing this inferior topographic characteristic, an upward adjustment of 10% was warranted for comparison.

The net adjustment to Comparable 6 was +45% and **the adjusted unit price of Comparable 6 is \$10,270/unit.**

### **Reconciliation and Final Value Estimate**

Comparable 1 is the current contract of a site located at the northwest corner of Pretty Pond Road and Wire Road, in close proximity to the subject. This sale only required an adjustment for the lower number of entitled units. The adjusted unit price of this comparable at \$9,911/unit is given considerable weight in this analysis.

Comparable 2 was also located in the Zephyrhills area, however is situated well west of the US Highway 301 corridor. While this sale required a rather large overall adjustment, since it is located in the Zephyrhills area it is also given significant weight in this analysis. The adjusted unit price of this comparable at \$9,000/unit is given considerable weight in this analysis.

Comparable 3 is located in the Zephyrhills area as well, however is situated well west of the US Highway 301 corridor. While this sale required several adjustments, since it is located in the Zephyrhills area it is also given significant weight in this analysis. The adjusted unit price of this comparable at \$10,143/unit is given considerable weight in this analysis.

**The adjusted unit prices of these three comparables in Zephyrhills provide a range of value for the subject from \$9,000/unit to approximately \$10,150/unit.**

After adjustment, the three other comparables provide excellent support to the three Zephyrhills comparables at a range from **\$9,839/unit to \$10,500/unit.**

The adjusted unit prices of the comparables are presented in the table below:

<b>Land Sale</b>	<b>Date of Sale Closing</b>	<b>Adj. Price per Entitled Lot</b>
<b>N/A - Contract</b>	<b>Dec-16</b>	<b>\$9,911</b>
<b>9416/3436</b>	<b>Aug-16</b>	<b>\$9,000</b>
<b>9287/425</b>	<b>Nov-15</b>	<b>\$10,143</b>
<b>9334/1043</b>	<b>Sep-14</b>	<b>\$10,500</b>
<b>22906/726</b>	<b>Nov-14</b>	<b>\$9,839</b>
<b>22717/1734</b>	<b>Jul-14</b>	<b>\$10,270</b>
<b>Average (Mean)</b>		<b>\$9,944</b>
<b>Median</b>		<b>\$10,027</b>

Considering the location of the subject, the entitlements, characteristics of the land and giving considerable weight to the three sales located in Zephyrhills with secondary support provided by the other three comparables, a unit value for the Wire Ranch Multifamily Land Tract is well supported at **\$10,000/unit.**

$$334 \text{ Units} \times \$10,000/\text{unit} = \$3,340,000$$

**24.80± Gross Acres Entitled For Development of 334 Multifamily Units**

**AS-IS MARKET VALUE**

**AS OF DECEMBER 17, 2016**

**VIA THE SALES COMPARISON APPROACH**

**(FEE SIMPLE INTEREST)**

**(ROUNDED) \$3,340,000**



**RECONCILIATION AND FINAL VALUE ESTIMATE**

Value indications were arrived at for the subject through the Sales Comparison Approach. The relative merits of this approach follows:

The **SALES COMPARISON APPROACH** is a reliable indication when the analysis relies on comparable properties that have recently sold. In this instance, we were able to locate several recent sales of similar multifamily land tracts in relevant and comparable market areas.

Considering the relative merits of the foregoing approach to value, we present our value conclusion below:

VALUE INDICATIONS AND CONCLUSION		
Description	Valuation Date	Value Conclusion
As Is Value of the Fee Simple Interest 24.80± Acres Entitled with 334 Multifamily Units	December 17, 2016	
Sales Comparison Approach	December 17, 2016	\$3,340,000
Overall Conclusion	December 17, 2016	\$3,340,000



**ADDENDA**

Subject Photos



**View South on US Highway 301, Subj on Left**



**View North on US Highway 301, Subj on Right**



**View East at Subject (50' Access Corridor)**



**View East at Subject Along 50' Access Corridor**



**View East Across Subject Tract**



**View East Across Subject Tract**

Subject Photos



View East Across Subject Tract



View West at Access Corridor



View West From Subject at US Highway 301



View North From Subj along US Highway 301



View Southwest From Subj at US Highway 301





**Professional Qualifications**

**QUALIFICATIONS**

**PHILIP R. HOBBY  
APPRAISAL / CONSULTANT / BROKERAGE**

345 18<sup>th</sup> Avenue Northeast  
St Petersburg, Florida 33704  
(727) 515-3413  
[phobby1@gmail.com](mailto:phobby1@gmail.com)

**GENERAL EDUCATION**

- |   |                                   |
|---|-----------------------------------|
| • Canterbury School of Florida (Preparatory School) | St. Petersburg, Florida, 1977     |
| • Mercer University                                 | Macon Georgia, 1977-1979          |
| • University of South Florida                       | B.S. Finance / Real Estate – 1985 |

**SPECIALIZED PROFESSIONAL EDUCATION**

**REAL ESTATE APPRAISAL**

Courses completed under the direction of the American Institute of Real Estate Appraisers or Appraisal Institute.

- |                          |   |      |
|--------------------------|---|------|
| • Appraisal Course 1A-1: | Real Estate Appraisal Principles          | 1987 |
| • Appraisal Course 1A-2: | Basic Valuation Procedures                | 1987 |
| • Appraisal Course 1B-A: | Capitalization Theory & Techniques Part A | 1988 |
| • Appraisal Course 1B-B: | Capitalization Theory & Techniques Part B | 1988 |
| • Appraisal Course SPP:  | Standard of Professional Practice         | 1989 |
| • Appraisal Course 2-1:  | Case Studies and Real Estate Valuation    | 1992 |
| • Appraisal Course 2-2:  | Report Writing and Valuation Analysis     | 1992 |
- Continuing Education - Completed numerous seminars and continuing education classes

**REAL ESTATE SALES / BROKERAGE**

- |   |                       |        |
|---|-----------------------|--------|
| • Completed BERT ROGERS SCHOOL OF REAL ESTATE | Sales License Course  | (1988) |
| • Completed BERT ROGERS SCHOOL OF REAL ESTATE | Broker License Course | (1989) |
- Completed numerous seminars and continuing education classes to maintain and supplement Real Estate Broker License

**LICENSES/MEMBERSHIPS**

- Certified General Appraiser, State of Florida - License Number 813
- Florida Real Estate Broker's License - BK0493979
- Member Greater Tampa Association of Realtors / My Florida Regional Multiple Listing Service

**EMPLOYMENT EXPERIENCE**

1983-1985	Florida Federal S & L - Residential Loan Underwriter	St Petersburg, Florida
1986-2002	Knight Appraisal Services – Appraiser / Owner	Tampa, Florida
2002-2003	Florida Acquisition & Appraisal - Director of Appraisal	Tampa, Florida
2003-2005	Trigg Catlett & Associates – Senior Appraiser	Tampa, Florida
2005-2011	Tropical Realty Appraisal Services – Senior Appraiser	Tampa, Florida
2011- 2014	CB Richard Ellis, Inc. – Senior Appraiser	Tampa, Florida
2005-	Eagle Realty Advisors, Inc- Owner/Director	St, Petersburg
2014 -	Independence Acquisition & Appraisal & Eagle Realty Advisors	Tampa/St Petersburg

**EXPERIENCE OVERVIEW**

Appraisal and consulting assignments have consisted of commercial, industrial, residential and special purpose properties including office buildings, shopping centers, apartments, warehouses, distribution centers, convenience stores, subdivisions, vacant land, and mixed use properties.

Specialized appraisal experience is concentrated in land/subdivision valuation and consulting including large agricultural tracts, citrus groves, farms, large mixed use, residential, industrial and commercial sites and subdivision analysis.

Related real estate experience includes brokerage; sales and leasing of commercial and residential properties.

Additional related experience includes extensive appraisal review and appraisal for eminent domain purposes.

Eminent domain experience includes assignments in Hillsborough, Collier, Pasco, Hernando, Marion, Manatee, Polk, Sumter, Okaloosa, Duval, Palm Beach and Pinellas Counties.

Contract Consultant to FDOT District 7 as Appraisal Project Manager and Review Appraiser

**COURT TESTIMONY/EXPERT WITNESS:**

Qualified as an expert witness in Hillsborough, Polk, Pasco, Hernando and Sumter Counties, having testified in numerous Order of Taking Hearings and Valuation Trials

**STATE OF FLORIDA APPRAISAL CERTIFICATION**

