

# APPRAISAL REPORT

OF

A SINGLE-FAMILY HOME

LOCATED AT

**REGENCY PARK, UNIT 2A,  
LOT #10,  
FREEPORT, GRAND BAHAMA, BAHAMAS**

PREPARED FOR

**FIDELITY BANK  
FREEPORT, GRAND BAHAMA, BAHAMAS**

AS OF

**8th JULY 2024**

BY

**TREVOR W. JOHNSON**  
*Broker / Appraiser, BRI #118*  
**Churchill & Jones Real Estate Limited**  
*#1 QUEENS HIGHWAY, P.O. BOX F-42480,  
FREEPORT, GRAND BAHAMA*

# APPRAISAL CERTIFICATE

I hereby certify that upon application by:

**FIDELITY BANK  
OF  
FREEPORT, GRAND BAHAMA, BAHAMAS**

The undersigned personally inspected the following described property:

***ALL THAT piece parcel or lot of land containing 8,942 square feet or 0.21 acres situate in Regency Park, Unit 2A, in the Island of Grand Bahama one of the Islands of the Commonwealth of the Bahamas being Lot #10, in the said Subdivision.***

And to the best of my knowledge and belief the statements contained in this report are true and correct, and that neither the employment to make this appraisal nor the compensation is contingent upon the value reported, and that in my opinion the **MARKET VALUE** as of the 8th day of July 2024 is:

**EIGHTY THOUSAND SIX HUNDRED  
(\$80,600.00) DOLLARS**

The property was appraised as a whole, subject to the contingent and limiting conditions outlined herein.

  
Trevor W. Johnson  
Broker / Appraiser, BRI



## **SUMMARY OF FACTS**

<b>Lot Description:</b>	Lot #10, Regency Park, Unit 2A, Freeport, Grand Bahama, Bahamas
<b>Date of Appraisal:</b>	8th July 2024
<b>Appraisal Requested By:</b>	Fidelity Bank
<b>Land Size:</b>	8,942 sq. ft.
<b>Land Value:</b>	\$10,000.00
<b>Building Size:</b>	1,350 sq. ft.
<b>House Value (by sq. ft.)</b>	\$189,000.00
<b>Less Cost to Complete (20%)</b>	<u>\$ 37,800.00</u>
	\$151,200.00
<b>Site Improvements</b>	
<b>Landscaping/ Paving</b>	\$10,500.00
<b>Fencing</b>	<u>\$ 3,860.00</u>
	\$14,360.00
<b>Value of Improvements/Cost Approach + Land Value:</b>	\$175,560.00
<b>Building Replacement Value:</b>	\$189,000.00
<b>Value By Comparable Sales:</b>	\$ 80,582.00
<b>Forced Sale Vale:</b>	<b>\$ 56,420.00</b>
<b>Market Value:</b>	<b>\$ 80,600.00</b>

**UNDERLYING ASSUMPTIONS AND LIMITING  
CONDITIONS APPLICABLE TO THIS APPRAISAL**

- (a) *I assume no responsibility for matters legal in nature, nor do I render any opinions as to the title, which is assumed to be marketable. The property is appraised as though under responsible ownership.*
- (b) *The legal description used herein is assumed but is not guaranteed to be correct.*
- (c) *I have made no survey of the property, and the boundaries are taken from records believed to be reliable. The sketches in this report are included to assist the reader in visualizing the property, and I assume no responsibility for their accuracy.*
- (e) *The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. The separate valuations for land and building must not be used in conjunction with any other appraisal and are invalid if so used.*
- (f) *I assume that there are no hidden or unapparent conditions of the property, subsoil or structures which would render it more or less valuable. I assume no responsibility for such conditions or for engineering which might be required to discover such factors.*
- (g) *The information, estimates and opinions furnished to me and contained in this report were obtained from sources considered reliable and believed to be true and accurate. However, no responsibility for accuracy can be assumed by me.*
- (h) *This report is to be used in its entirety and only for the purpose it was rendered.*
- (i) *Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser or the firm with which he is connected shall be reproduced, published, or disseminated to the public through advertising media, news media, sales media, or any other public means of communication, without the prior written consent and approval of the appraiser.*

**BAHAMA ISLANDS**  
Grand Bahama

**APPRAISAL REPORT FOR  
FIDELITY BANK  
OF A RESIDENTIAL BUILDING AT  
REGENCY PARK, UNIT 2A,  
LOT #10,  
FREEPORT, GRAND BAHAMA**

In accordance with instructions from **Fidelity Bank**, the undersigned inspected the referenced property to assess the approximate '**replacement value**' and '**market value**' of the property.

A careful inspection was made of the subject property, and my evaluation, as of 8th day of July 2024 is as follows: -

**SITUATION**

The Single-Family building is located on a lot of land situated on the eastern side of St. Georges' Drive in **Regency Park, Unit 2A**. This portion of the subdivision is zoned for Single-Family residential dwellings. The roads have been paved for access to lots. The existing dwellings and lands are generally well maintained and are practical in design. This portion of the subdivision is located approximately 2 miles from the city center.

**THE HURRICANE FACTOR**

During the hurricanes of '04 & '05 this area was inundated with 4' sea water from the northern shores, this occurred throughout most of the subdivisions on or near the northern coast. This has had a tremendous impact on prospective home buyers, on future purchase and development by locals. Then again, this area was inundated with about 8' < 10' sea water from the northern shores from Hurricane Dorian. Many homes experienced severe damage **including the subject**, thus posing a greater challenge for owners and prospective buyers to the already flood prone/stigmatized area. This major factor has caused values to drop drastically in Regency Park.

**EXTENT OF PROPERTY**

ALL THAT piece parcel or lot of land containing 8,942 square feet or 0.21 acres situate in **Regency Park, Unit 2A**, in the Island of Grand Bahama one of the Islands of the Commonwealth of the Bahamas being **Lot #10**, of the said Subdivision which

said piece parcel or lot of land is delineated in the diagram or plat attached hereto and coloured pink.

### **DESCRIPTION OF PROPERTY**

The lot is generally flat and is rectangular in shape. The lot is bounded on the north by lot #9 running about 124 feet; on the east by the park running about 39.5 feet; on the south by lot #11 running about 123.7 feet; and the west boundary along St Georges' Drive running about 106.7 feet.

### **HOUSE & CONSTRUCTION**

Situated on the subject lot of land is a single-story, single-family home. The house contains a Living room, Kitchen, 3 bedrooms and 2 bathrooms and a den/ TV room. These spaces measure approximately 1,350 square feet under the roof.

The building is constructed of conventional C.B.S. (concrete block stucco) with reinforced steel. The foundation is of 4" slab with 6"x 6" 10-gauge mesh on .04 visqueen and termite treated on hard packed fill.

The pitched roof is of 5/8" C.D. plywood decking over laid with asphalt felting and finished with asphalt shingles.

The house is in the process of being gutted and mold treatment necessary after Hurricane Dorian damages, with some 6' of salt water. The kitchen base cabinets have been removed and most of the sheetrock walls have been replaced and plastered. Both bathrooms have been gutted and the drywall has been replaced with mold-proof drywall and plastered.

The flooring throughout the house is covered with ceramic tiles. The walls are of sheetrock with hard coat plaster finish, and the ceilings are textured plaster finish on sheetrock.

The yard is enclosed by chain link fencing along the boundaries and separating the back yard from the front, the front yard is open, with a concrete driveway and parking area is located at the front north side of the lot. Landscaping includes grass lawn.

## **SERVICES**

Water supply by Grand Bahama Utilities Services. Electricity is by Grand Bahama Power Company. Telephone and internet services are by BTC and Cable Bahamas. Garbage collection and disposal services are by Sanitation Services. Sewage disposal is by septic tank. There is ample closet and cupboard space.

## **HIGHEST AND BEST USE**

Highest and best use is defined by The Appraisal of Real Estate, published by the American Institute of Real Estate Appraisers, as *"The use that, at the time of appraisal, is the most profitable likely use."* It can also be defined as: *"The available use and program of future utilization that produces the highest present land value"*. However, elements affecting value that depend upon events or a combination of occurrences, which, while within the realm of possibility, are not fairly shown to be reasonably probable, should be excluded from consideration.

The subject property is in an area zoned for Single-Family residence. Therefore, the highest and best use is for a Single-Family residence.

## **LOCATION**

Travel west on West Sunrise Highway and turn right onto Regency Boulevard. Take the second left onto Richmond Avenue, take the first left onto St Georges' Drive; the subject property is the third lot on the left-hand-side.

## **GPS COORDINATES**

The subject property is located at approximately: **26.5226104093, -78.7251883636.**

## **SITE IMPROVEMENTS**

The lot is landscaped to grass lawn with paved driveway and some shrubs. There is Fencing along the two side boundaries, the rear boundary and enclosing the backyard. There is a paved driveway and walkway.



## SURVEY MONUMENTS

The permanent survey monuments are defined by fencing.

## VALUATION

In determining the market value of a property, the Cost Approach and the Sales Comparison Approach are normally used.

### **a) Cost Approach:**

The Cost Approach gives an analysis showing the fee simple value of the land, the value of the site improvements and the cost to construct the building at the current building rates. The cost approach to estimate value of a property is based on the reasoning that a purchaser will not normally pay more for a property than it would cost to purchase comparable land and have improvements of comparable utility constructed on that land without undue delay. To apply the cost approach, an estimate is made of the cost of reproducing or replacing the existing structure with a new building. Additionally, deduction of appropriate amounts for the loss in value caused by the following are also made where applicable: (1) physical depreciation in the existing structure, (2) functional and external obsolescence. The value of the depreciated improvement is then added to the estimated cost of the value of the land and any site improvements.

Physical depreciation is measured by the Straight-line method. This assumes a constant decline in the value of the property. If the total estimated cumulative depreciation is estimated at 100% and the economic life is estimated at 50 years, the rate of depreciation is two percent per annum. This rate of 2% is then multiplied by the effective age of the building. **The effective age of the building is how old the building appears to be when considering the standard of maintenance.**

Functional obsolescence is a loss in value from the market's response to the item. Outmoded or unacceptable physical or design features that are no longer considered desirable by purchasers are considered curable if they can be replaced or redesigned at a cost that would be deducted from the value.



External obsolesces are depreciations caused by factors not on the subject property, such as environmental, social or economic forces, they are always incurable.

**Cost Approach:**

Size of House	1,350 sq. ft.
Approx. Cost of new Construction	\$140.00 per/sq. ft.
<b>Total</b>	<b>\$189,000.00</b>
Less Cost to Complete (20%)	\$37,800.00
	<b>Total: \$151,200.00</b>
Land Value	\$ 10,000.00
Fencing @ \$9.25/lin.ft	\$ 3,860.00
Driveway & Landscaping	\$ 10,500.00
	<b>Total: \$175,560.00</b>

The **Present-Day Replacement cost** of this property containing approximately One Thousand Three Hundred and Fifty (1,350) square feet is estimated a total rounded value of **ONE HUNDRED EIGHTY-NINE THOUSAND (\$189,000.00) DOLLARS** for the entire property.

**b) Sales Comparison Approach:**

The sales comparison approach is used when there are known recent sales of comparable properties. In the sales comparison approach the most appropriate comparable from a detailed market analysis are selected. The sales are analyzed, and market-based value adjustments are applied to reflect differences in location, size, physical characteristics, and economic factors.

The value adjustment is a dollar amount added or subtracted from the sales price of a comparable property. If the comparable property has a feature superior to or that is missing from the subject property, the comparable property is worth more than the subject property regarding that item. In that case, the sale price of the comparable is adjusted down to account for the contributory value of the superior feature and its effect upon the sale price of the property.

Alternately, if the comparable property has a feature that is inferior to the subject property or if the comparable property is lacking a feature that the subject has, the comparable is worth less than the subject regarding that item. In that case, the sale price of the comparable is adjusted up to account for that difference.

The table below indicates the recent comparable sales in Freeport for the subject property.

### **Sales Comparison Chart**

Single-Family	Subject Property	Comp. 1	Adj.	Comp. 2	Adj.	Comp. 3	Adj.	Average
Property	Regency Park 2A	Heritage		Estates at Sunrise		Explorers Way		
Description	Lot #10	Lot 15		Lot 51		Lot 177		
Sold Listed		\$160,000.00		\$75,000.00		\$95,000.00		
Date Of Sale		2018		2021		2019		
Size of House (sq.ft.)	1,350	1,800		1,400		1,550		
Size of lot	8942	11761		9770		14600		
Bedroom	3	3		3		3		
Bath	2	2		2		2		
Condition	Renovations	Good		Poor		Good		
Canal interior	Interior	Interior		Interior		Interior		
Landscaping	Good	Good		Good		Good		
Sold @ (per sq.ft.)		\$88.89		\$53.57		\$61.29		\$67.92
Prestige	Renovations	Less	0%	Similar	0%	Similar	0%	
Land Size		More	0%	More	0%	More	0%	
Building Size		More	0%	Similar	0%	More	0%	
Quality		Similar	0%	Similar	0%	Similar	0%	
Condition		Similar	-20%	Less	10%	Similar	-20%	
Amenities		Similar	0%	Similar	0%	Similar	0%	
Forced Sale		Yes	0%	Yes	0%	Yes	0%	
Total			-20%		10%		-20%	
Adj Value		\$ 71.11		\$ 58.93		\$ 49.03		
Average Value								\$59.69
Adjusted Value			\$96,000.00		\$79,553.57		\$66,193.55	
Subject value	<b>\$80,582.37</b>							

The **Market Value** of a property may be defined as the highest possible price obtainable on an open market in an arm's length transaction, i.e. where the buyer and seller are not under duress, the advantages and disadvantages are known to both parties and the property is offered on the market for a reasonable period. In my opinion, the '**As-Is**' **Market Value** of this property, along with land etc., (based on the comparable market approach) is **EIGHTY THOUSAND SIX HUNDRED (\$80,600.00) DOLLARS.**

#### **LIKELIHOOD OF DISPOSAL/ FORCED SALE VALUE**

The home is in a developing area with homes in an attractive condition. The major negative effect is that the sluggish economy of Grand Bahama is causing the real estate market to remain slow, additionally Hurricane Dorian's severe flooding of this subdivision further loss of confidence in the market. The Disposition Value of the subject property over the next 6 to 12-month period is estimated at a (20%) discounted value, because of the uncertainty of the economic climate in this area. Therefore, the Forced Sale Value is **Fifty-six Thousand Four Hundred and Twenty (\$56,420.00) Dollars.**

Fixed appliances are included in this valuation, but household contents are excluded.

I trust that the above report meets with your requirements.

Yours truly,

**CHRUHILL & JONES REAL ESTATE LTD.,**

  
Trevor W. Johnson  
Broker / Appraiser, BRI

TJ/ac


## **QUALIFICATIONS OF THE APPRAISER**

*Trevor Johnson is a citizen of the Commonwealth of the Bahamas who graduated from Freeport High School in 1980. He joined the family firm of Churchill & Jones in 1985. Initially, he worked as an Inspector, overseeing work in the Property Management Division. During this time, the division was involved in renovating apartments. Later, he took on the responsibility of supervising the planning and renovation of the current office, warehouse, and store building located on Queens Highway.*

*Trevor Johnson has also pursued professional development by attending specialist courses to become an Appraiser. As an Appraiser, he has evaluated numerous residences, land, and apartments throughout the Bahamas. Over the years, he progressed within the company, moving from the role of Sales Director to becoming the President of Churchill & Jones. He has also obtained a Contractor's License, indicating his authority and expertise in construction-related matters.*

*One of Trevor Johnson's notable achievements is his in-depth experience in the Grand Bahama Market. This experience is particularly important when conducting property valuations to support bank and institutional loans. His familiarity with the local real estate market and his various roles within Churchill & Jones have equipped him with the skills and knowledge necessary to carry out accurate valuations that contribute to loan decisions.*

**DATED this 8th day of JULY AD 2024**



*Trevor W. Johnson*  
Broker / Appraiser, BRI  
CHURCHILL & JONES REAL ESTATE LIMITED



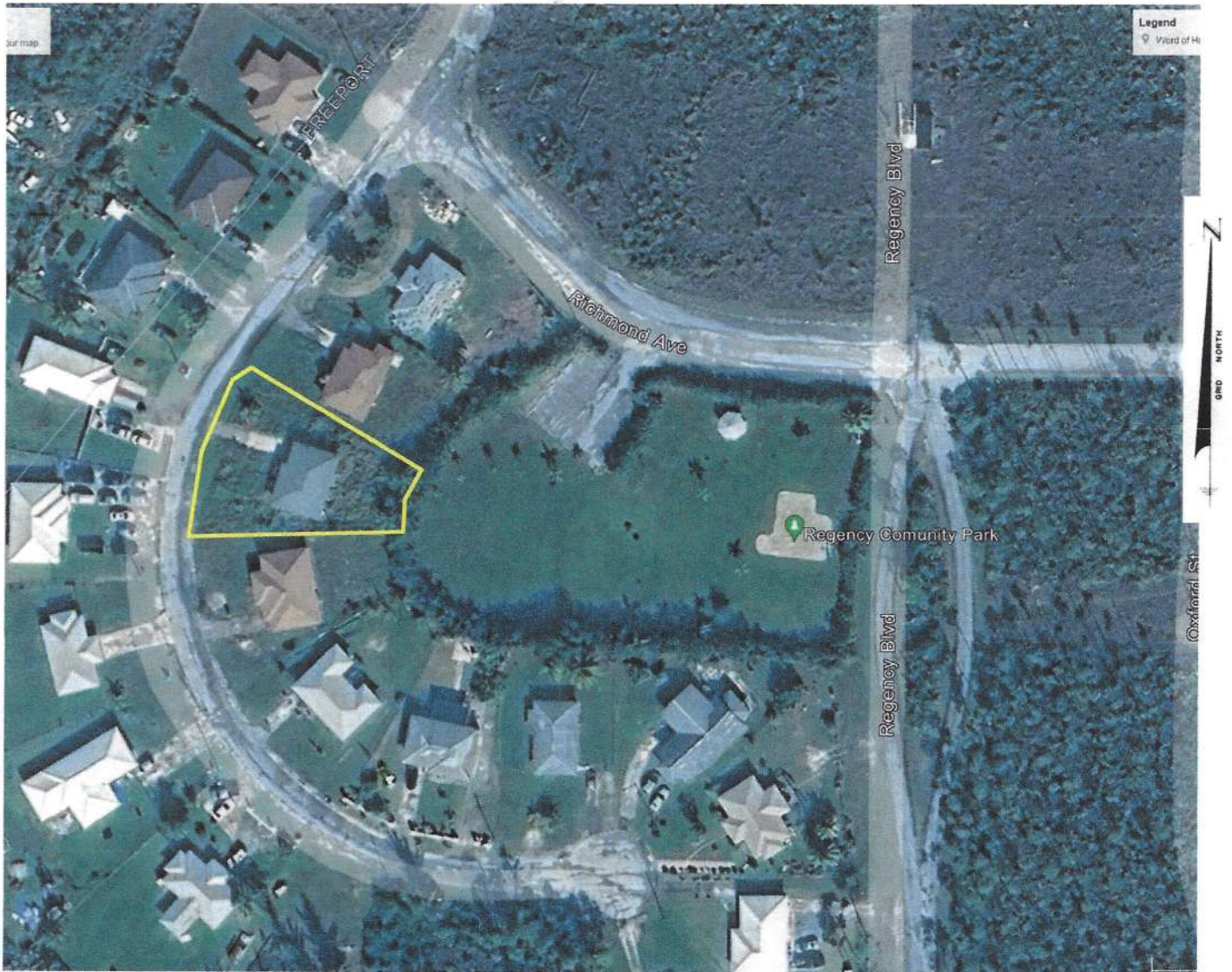
GRAPHIC SCALE

( IN FEET )





**Google Earth Image of Subject Property**  
**Lot #10, Regency Park, Unit 2A, Freeport, Grand Bahama**





**Photographs of Subject Property Exterior**



(1)



(2)



(3)

**Photographs of The Subject Property Interior**



(4)



(5)





(6)



(7)



(8)



(9)



(10)



(11)