

**APPRAISAL REPORT**  
**on**  
**REAL ESTATE**  
**@**  
**LOT NO.22, BLOCK NO.17**  
**SECTION 6**  
**QUEENS COVE SUBDIVISION**  
**FREEPORT, GRAND BAHAMA**

Requested by  
FIDELITY BANK (BAHAMAS) LIMITED  
FOR

[REDACTED]  
of in the city of Freeport,  
and prepared by

JUNE 29, 2013

**ASTON JONES & ASSOCIATES**  
**Licensed Real Estate Appraisers**  
**Nervee Professional Building,**  
**7A, West Mall Drive**  
**P.O. Box F-41684**  
**Freeport, Bahamas**  
**tel. 242 3512061**

## **PURPOSE OF APPRAISAL**

This appraisal was made for the purpose of estimating market value of the subject real estate to assist a financial institution.

## **LEGAL DESCRIPTION**

All that piece parcel or tract of land legally referred to as Lot no.22, Block no.17 in the Queens Cove, Section 6 Subdivision in the city of Freeport, Grand Bahama.

## **STATEMENT OF LIMITING CONDITIONS & ASSUMPTIONS**

No responsibility has been assumed for matters which are legal in nature, and this appraisal assumes marketable title. Liens and encumbrances, if any, have been disregarded and the property is valued as though free from indebtedness.

The valuation is in Bahamian Dollars. The Bahamian dollar is on par with the U.S. dollar.

No investigation was carried out to determine the magnitude, nature and strength of the strata forming the subject land.

The areas and dimensions indicated in this report are assumed to be correct.

The appraiser has made no land survey of the property and assumes no responsibility in connection with such matters. Any related drawings or identified survey of the property included in this report is only for the purpose of assisting the reader to visualize the property.

The appraiser is not required to give testimony or attendance in court by reason of this appraisal unless arrangements have been previously made.

## CERTIFICATION AND MARKET VALUE

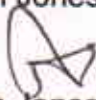
I hereby certify that I have inspected the land as it physically exists at the present time, whose address is herein described as Lot no.22, Block no.17, Queens Cove, Section 6 subdivision, Freeport, Grand Bahama, and that the fair value has been developed from verified information.

I further certify that:

The reported analysis, opinions and conclusions are limited only by the reported assumptions and limiting conditions;  
the appraiser has no interest, present or prospective, direct or indirect, financial or otherwise, in the property that is the subject of this appraisal; and is not associated with any of the parties involved with the subject real estate;  
the appraiser's compensation is not contingent upon an action or event resulting from the analysis, opinions or conclusions in or the use of, the appraisal.

Assessment of the real estate, whose address is given at caption, made this 29th Day of June 2013, results in an appraised market value of **twenty-six thousand (\$26,000.00) dollars.**

Respectfully submitted,  
Aston Jones & Associates



Aston Jones  
Licensed Real Estate Appraiser  
MBREA

## **SUMMARY OF SALIENT FACTS & CONCLUSIONS**

**Subject Real Estate:** Lot no.22, Block no.17, Queens Cove Section 8  
Subdivision, Freeport

**Date of Appraisal:** 29th June 2013

**Appraisal Requested by:** 

**Land Size:** 0.34 acres

**Assigned Market Value:** \$26,000.00

## AREA PROFILE

### **The Island of Grand Bahama**

Grand Bahama is the fourth largest island among the archipelago of islands which make up the Commonwealth of the Bahamas. It is the second most populous island. It lies 100 miles north of the island of New Providence which accommodates the capital city of the nation, Nassau; and it is 87 miles to the southeast of the coast of Florida. Freeport is the main city on Grand Bahama.

### **The City of Freeport**

Freeport occupies approximately the middle third of Grand Bahama and has a land area exceeding 233 square miles. The community is supported by a relatively broad economic base of industry, commerce and tourism. Tourism has been the major support system for the last few decades, but industry based about the Freeport Harbour Area has become more supportive to Freeport's economy. The city is known as an important transshipping point for traders, covering markets in Latin America and the Caribbean.

Freeport's harbour accommodates the largest ships in the world and its airport's runway can accommodate the world's largest aircraft. It can supply 6.5 million gallons of potable water per day. The power company has a capacity of about 60 megawatts with a current demand of 58.4 megawatts. The electricity power company has developed serious challenges with reliability and production cost---to the extent where most local businesses are concerned that it affects their competitiveness to do business compared with other regional companies.

The economy of the city of Freeport is poor. Although tourism is thought of as the major industry in the city the industrial activity based around the Lucayan Harbour (Freeport's only harbour) is what keeps the city's economy afloat: ship care facilities, crude petroleum storage, chemical manufacturing, rock and aggregate mining, container porting. The city does have in excess of two thousand hotel rooms, four active golf courses, lots of water sports, daily flights from about half a dozen cities in North America, and daily cruise ship visits. However, with a population of over fifty thousand, unemployment is presently pegged at almost twenty (20%) percent.

Freeport's strength is in its potential for business activity. Its strategic geographical position (in the midst of the best shipping route in the western hemisphere), its proximity to the mainland of the United States of America, and its existing infrastructure---roads, water, harbour and airport facilities, and communications are attractive. The Bahamas' pending membership in the World Trade Organization could easily multiply Freeport's business advantages.

Construction of a government complex valued at eighteen million dollars (\$18,000,000.00) is recently completed. Construction of additional storage facilities for crude petroleum to the tune of two hundred million dollars (\$200,000,000.00) is underway. Hopefully these projects will sustain the local economy until the world's economic recession improves to the point of causing an increase in tourist visits. Nonetheless, hope of quick economic improvement has been waning.

## **THE GENERAL VICINITY**

Queens Cove Subdivision was developed by private developers. Bahamas Developers Limited. This Company continues to provide and control the basic infrastructural facilities such as water, garbage collection, etc. Telephone service is controlled by the Bahamas Telecommunications Corporation.

The subject section of Queens Cove is zoned for single family developments. Shaped almost like the cross sectional plan view of a conch shell, Queens Cove Subdivision is surrounded by water, except for its one point of continuous land access to the mainland. All of the area is flat, and roads have been built along the perimeter of the tract of land to create a maximum number of lots with water frontage.

The area is sparsely populated along its northern perimeter by residents who belong to the higher middle class of Freeport's society. Residents from the middle class and lower middle class occupy lots in the interior.

The subdivision is located close to the runway path of aircraft which use the Freeport International Airport. This area is situated along the northern coast of Grand Bahama in the Hawksbill Creek.

The subject property is situated along the southeastern section of the subdivision and has canal frontage. The neighborhood appears very clean and quiet except in areas that have no development. Some of these areas are used as dumping grounds. This is not the case of the immediate vicinity.

There are a few occupied buildings and one in the under the early stage of construction in the immediate area. The remaining lots remain covered with their natural vegetation.

Utilities available in the city of Freeport include electricity, telephone lines and t.v. cables for boosted reception, city running water and paved roads. The subject has these utilities.

### **THE SITE (LOT #22, BLOCK #17)**

The subject lot is addressed as Lot No.22, Block No.17, Section 6. This parcel of land is situated in the interior of the Queens Cove Subdivision. The lot fronts along the southern side of a minor unpaved road called Berkshire Road. Berkshire Road connects to Yorkshire Road which connects to Royal Scot Drive a paved road, which connects to Queens Cove Drive, the entrance street to the subdivision.

The individual lots in the immediate area are dominated by the mature growth of natural vegetation. However, there is an occupied house within 450 yards of the subject site.

The terrain of the lot is flat. Its configuration has four unequal sides. Its front curve-linear boundary has a total length of 97 feet, the canal frontage is 147 feet long, the southeastern side boundary has a length of 124 feet and the northwestern side boundary has a length of 122.7 feet. These dimensions give a land area of 0.34 acres. Lots in the subject vicinity are without canal bulkhead.

The site is not serviced with the infrastructural facilities mentioned above. Electricity is however, about 300 yards away.

**Boundary monuments were not seen.**

## LAND EVALUATION MARKET DATA APPROACH

Canal lots in the vicinity have been stabilized at a sales price of about seventy-eight thousand dollars per acre (\$78,000.00/acre) for the past two years. At the present time, there is much publicity concerning easy flooding in the Queens Cove Subdivision due mainly to its low land elevations and some allegedly external influences. This matter of flooding has an adverse effect on real estate value. Consequently, the writer assigns a value of twenty-six thousand (\$26,000.00) dollars to lot #22.

### Physical condition

To date the lot has not been is cleared of its natural vegetation pine and shrubbery.

## VALUE OF IMPROVEMENTS - COMPARABLE SALES APPROACH

### AREA VALUES

The real estate in question is situated in a single-family residential neighborhood. House sizes range from 1,400 square feet to in excess of 2,500 square feet. Replacement values on single-family developments (without land value) would range between \$100,000.00 and \$350,000.00.

## ANALYSIS, CORRELATION and CONCLUSIONS

The purpose of the appraisal is to arrive at a fair market value.

The cost approach is usually a useful guide to replacement value but gives no consideration to neighborhood influences. Unless comparable value and/or income value is known, one cannot determine whether a property is underdeveloped or overdeveloped.

The income approach, when available, serves as a good comparison with the cost approach when comparable sales data is not available.

In the subject appraisal, because the comparable sales value, or value by market data is available, this serves as the most accurate of the three approaches. Consequently the writer assigns the value from comparable sales of **twenty-six thousand (\$26,000.00) dollars to the subject lot.**



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Aston Jones



