

**APPRAISAL REPORT**  
**on**  
**REAL ESTATE ADDRESSED**  
**@**  
**LOT NO.1, BLOCK NO.13**  
**SHANNON COUNTRY CLUB**  
**SUBDIVISION**  
**FREEPORT, GRAND BAHAMA**

Requested by  
**FIDELITY BANK (BAHAMAS) LIMITED**  
of the city of Freeport  
**FOR**

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

*JUNE 29<sup>th</sup>, 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.1, Block no.13, Shannon Country Club 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.1, Block no.13 Shannon Country Club 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 **Thirty-five Thousand (\$35,000.00) Dollars.**

Respectfully submitted,  
Aston Jones & Associates

  
Aston Jones  
Licensed Real Estate Appraiser  
MBREA

**SUMMARY OF SALIENT FACTS & CONCLUSIONS**

**Subject Real Estate:** Lot no.1, Block no.13  
Shannon Country Club Subdivision, Freeport

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

**Appraisal Requested by:** Fidelity Bank (Bahamas ) Limited for  
[REDACTED]

**Land Size:** 0.46 acres

**Assigned Market Value:** \$35,000.00

## 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.

## **NEIGHBORHOOD**

Shannon Country Club subdivision is a multi-zoned residential area which is situated approximately ten (10) miles to the southeast of downtown Freeport. Single family lots dominate, and they are in clusters which are separated by greenways. The subdivision's distance from the city, its deed restrictions as regards building setbacks, minimum house size and building material quality give a subdivision which is affordable to Freeport's middle class and lower middle class.

All infra-structural facilities available in Freeport are accessible only to the lots along the western and northern portions of this subdivision. These include city running water, mains electricity, telephone and boosted television reception service and paved roads.

In the interior, the lots are without city running water and without telephone lines. The subject real estate is situated within the western section of the subdivision, and all utilities are available. It is also situated within the single-family residential zone.

Development in the area continues at a slow pace. Less than fifteen percent of the individual lots in the subdivision are developed.

The subdivision is approximately twenty minutes away from downtown Freeport by automobile and twenty five minutes from the International Airport. Very few houses exist in the immediate vicinity. Mature Pine trees and natural shrubbery typical to the island of Grand Bahama dominate the area.

## **THE SITE**

The subject real estate is addressed at Lot No.1, Block No.13. This parcel of land lies within the interior of the Shannon Country Club Subdivision. The lot's positioning in the neighborhood is estimated to be approximately 150 yards to the east of Fortune Bay Drive ( a collector street), and about 750 yards north of Midshipman Road, a well known arterial road.

The subject lot lies within the southwestern section of the intersection of a neighborhood street called Clipper Circle and a minor street called Clipper Road. The lot fronts along Clipper Circle.

**Directions...**when traveling west along East Sunrise Highway after crossing the Casuarina Bridge , then turn left at the fourth corner (Fortune Bay Drive), then turn left at the sixth corner (Clipper Drive, the entrance street to the subject section of the neighborhood), then turn left at the "T" junction onto Clipper Circle, continue around the curve and the subject lot is within the southwestern section of the first intersection on the right hand side of the street.

The terrain of the lot is basically flat.

The configuration of the lot has four unequal sides. It has a total 283.29 feet, the western side boundary has a length of 156.69 feet and the rear boundary has a length of 133.05 feet. These lot dimensions result in a land area 0.46 acres.

Boundary monuments were not seen.

## THE APPRAISAL PROCESS

### (a) Property Rights Appraised

The property rights appraised are all rights that are existing in fee simple on the appraisal date. These rights are the legal and economic properties of the owners that may rightfully be exchanged for money or equivalent goods.

Property rights inherent in the ownership of tangible personal property, and intangible benefits of the property itself, are not the subject of this report.

### (b) Market Value

For the purpose of this appraisal, Market Value is defined as the highest price estimated in terms of money which a property will bring if exposed for sale in the open market, allowing a reasonable time to find a purchaser who buys with the knowledge of all the uses to which it is adapted, and for which it is capable of being used.

Frequently, it is referred to as the price at which a willing seller would sell and a buyer would buy, neither being under abnormal pressure. It is the price expected if a reasonable time is allowed to find a purchaser and if both seller and prospective buyer are informed. (*Appraisal Terminology And Hand Book 5<sup>th</sup>. Ed., American Institute of Real Estate, Appraisers, Chicago, 1973*).

The generally accepted method of obtaining the market value of a parcel of property is by the use of the three (3) approaches to value. These approaches are the Cost Approach, the Income Approach, and the Market Data Approach.

The value indicated by each approach is carefully reviewed and that approach, which in the judgement of the appraiser most adequately reflects all the circumstances in connection with the property under appraisal and the purposes for which the appraisal is being made, will be selected as the best indication of Market Value.

In this appraisal, we apply the **market data approach** using comparable nearby land sales to prove **land value** of the subject property.

We apply the **cost approach**, and the **comparable sales approach** with respect to the **site improvements**.

## ZONING and HIGHEST AND BEST USE

The subject lot of land exists in a vicinity which is zoned for single-family residential development. Its geographical location is such that it enjoys peace and privacy and it is not within convenient proximity to most services a resident will require in a city such as Freeport.

## LAND EVALUATION MARKET DATA APPROACH

Market data on undeveloped lots in the Shannon Subdivision is easily available in Freeport. Single-family lots in the subject subdivision are now being sold proportionally for eighty-six thousand (\$86,000.00/acre) dollars per acre, but no lot sells for less than Thirty Thousand (\$30,000.00) Dollars under normal conditions. This base sale value is affected by modifications such as land elevation, lot configuration, and immediate positioning in the neighborhood. When the above features are considered, lot no.1, Block No.13, in the Shannon Subdivision, is given an assigned market value of **Forty Thousand (\$40,000.00) Dollars**. However, the writer decreases this value to **Thirty-five Thousand (\$35,000.00) Dollars** due to the negative economy.

## PHYSICAL CONDITION

To date the subject lot has not been cleared of its natural vegetation Pine and shrubbery typical to Freeport.

## VALUE OF IMPROVEMENTS - COMPARABLE SALES APPROACH

### AREA VALUES

The real estate in question is situated in a single-family only residential neighborhood. House sizes range from 1,600 square feet to in excess of 3,000 square feet. Replacement values on single-family developments (without land value) would range between \$168,000.00 and in excess of \$700,000.00.

## 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.

In the subject appraisal the comparable sales value, or value by market data is available and this serves as the most accurate of the two approaches to appraising.

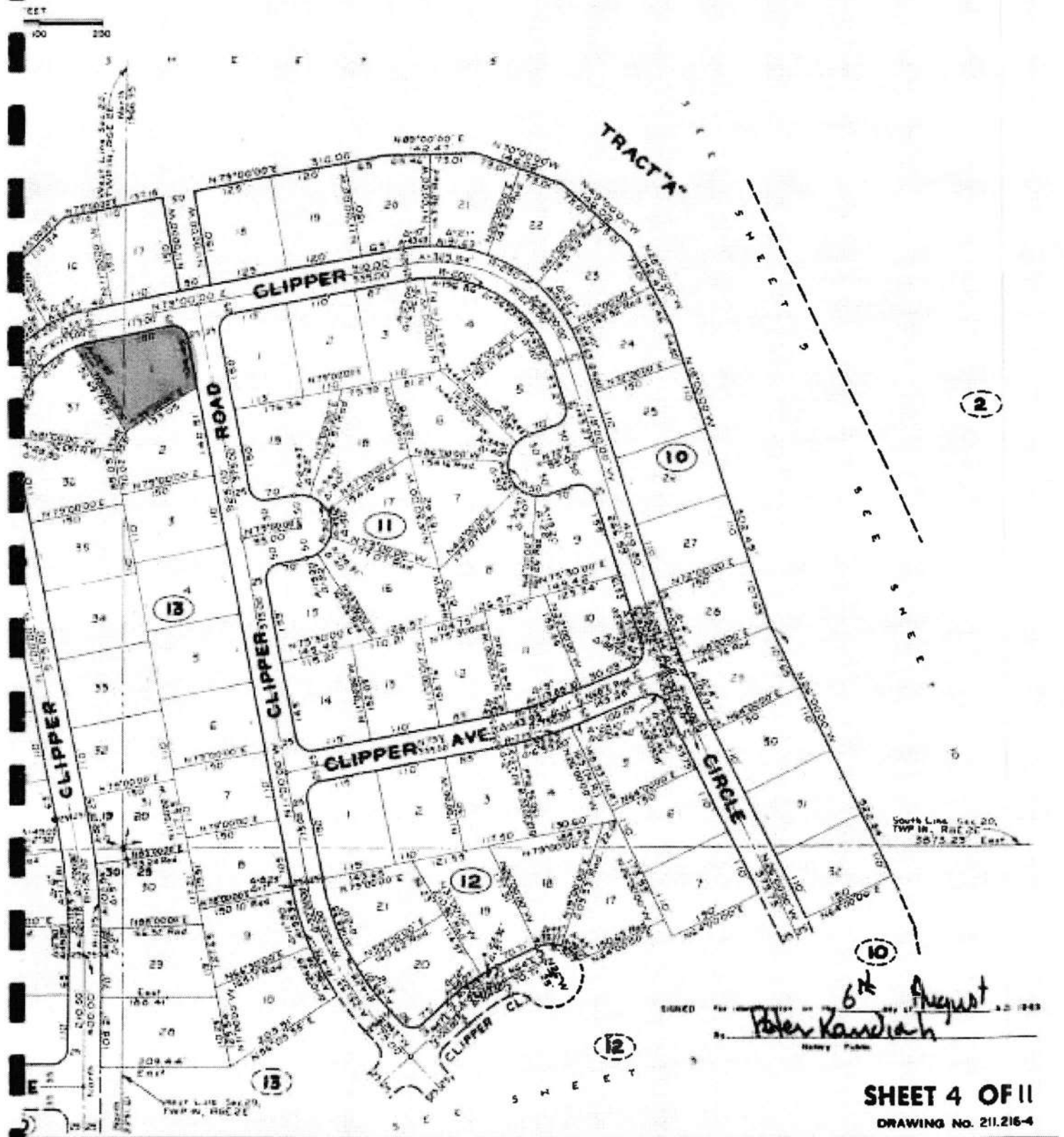
Consequently, the writer assigns a market value of **Thirty-five Thousand (\$35,000.00) Dollars**



Aston Jones

# Golf Country Club

JOB No.- 211.216  
JUNE 1969



SIGNED For the ARCHITECT on the 6<sup>th</sup> August 1969  
Peter Kandiach  
Surveyor

SHEET 4 OF 11  
DRAWING No. 211.216-4

