

**APPRAISAL REPORT
ON
RESIDENTIAL DEVELOPMENT
ADDRESSED @
LOT NO. 11, BLOCK NO.13

ARDEN FOREST, UNIT 2

FREEPORT, GRAND BAHAMA**

**Requested by
FIDELITY BANK
FOR
SANDRA ROBERTS
of the city of Freeport,
and prepared by**

**ASTON JONES AND ASSOCIATES
Licensed Real Estate Appraisers
Nervee Professional Building.
7A, West Mall Drive,
P.O. Box F-41684
Freeport, Bahamas
tel. 242 2512061**

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.11, Block no.13, Arden Forest, Unit 2 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.11, Block no.13, Arden Forest, Unit 2 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 20th Day of May 2015, results in an appraised market value of **thirty thousand dollars (\$30,000.00)**.

Respectfully submitted,
Aston Jones & Associates


Aston Jones
Licensed Real Estate Appraiser
MBREA
#384

SUMMARY OF SALIENT FACTS & CONCLUSIONS

Subject Real Estate: Lot no.11, Block no.13,
Arden Forest Unit 2
Subdivision, Freeport

Date of Appraisal: 20th May 2015

Appraisal Requested by: Fidelity Bank
For....Sandra Roberts

Land Size: 0.34 acres Or 11,726 square feet

Forced Sale Value: \$19,500.00

Assigned Market Value: \$30,000.00

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 is the major support system with 23 hotels contributing about 2,000 rooms and 230 "time-share" villas. However, industry based about the Freeport Harbour Area is becoming more and 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 can now accommodate 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 and sells its water for 20% of Nassau's cost. The power company has a capacity of 127 megawatts with a current demand of 58.4 megawatts and this electricity is sold at a rate of 85% of Nassau's sales price.

The Grand Bahama International Airport recently redeveloped its facility to the tune of \$50 million dollars and built a new air control tower.

Freeport's Container Port has grown by "leaps and bounds" -- and continue to outdo projected business.

Memories (a hotel in the Port Lucaya area) was opened a few months ago. The sale and re-opening of a major hotel in the heart of Freeport city was made public months ago, and signs of mobilizing is evident.

NEIGHBOURHOOD

The land of this real estate is situated in one of the more recently developed subdivisions of Freeport which is zoned predominantly as single family residential, with approximately ten percent of the area zoned as multi-family residential. This subdivision is actually one which was developed for the blue collar working class. Most of this subdivision is provided with all infrastructural facilities which are available in Grand Bahama. These include paved roads, city running water, mains electricity and cables carrying boosted television reception, and telephone service. However, in the interior of the subdivision, excluding the vicinity where the subject real estate is situated, there are some unpaved roads and the water lines do not extend along all the lots.

The Ardent Forest Subdivision, Unit 2, is situated approximately twenty minutes from downtown Freeport by automobile and twenty five minutes from the International Airport. It lies to the east of the central area of the city. Churches, primary and secondary schools, medical facilities, entertainment complexes and shopping centres are all within ten minutes reach by automobile.

THE SITE

Lot no.11 is situated along the southern side of a minor street called Illyria Road which connects to Arden Forest Road on the western side and West Beach Road on the eastern side. The configuration of the lot is rectangular. The lot has a road boundary of 100 feet and a depth of 150 feet. These lot dimensions result in a land area of 15,000 square feet or 0.34 acres. The terrain of the lot slopes downwards from east to west and from north to south. Distribution lines with city water do extend about the subject lot and the road is paved.

Very little construction is visible in the immediate area to date.

Physical Condition

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

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 5th. 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 judgment 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 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 subject subdivision is easily available in Freeport. Due to the recent decrease in land value in Freeport, lots are sold proportionally for a base price of \$85,000.00/acre for single-family lots. However, adjustments are made for immediate positioning in the neighborhood, lot configuration, land elevation, surface conditions of adjacent roads, availability of city running water, etc. The land addressed at lot No. 11, Block No. 13 in Arden Forest Subdivision, Unit 2 has a **sales value of thirty thousand dollars (\$30,000.00).**

VALUE OF IMPROVEMENTS - COMPARABLE SALES APPROACH

AREA VALUES

The floor areas of existing houses in the subject subdivision range between one thousand (1,000) square feet and twenty-three hundred (2,300) square feet, but with an average size of about sixteen hundred (1,600) square feet. Values placed on individual lot developments in the subject neighborhood would range between **eighty thousand dollars (\$80,000.00) and two hundred thousand dollars (\$200,000.00).**

ANALYSIS, CORRELATION and CONCLUSIONS

The purpose of the appraisal is to arrive at a fair market value. 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 to appraising. Consequently, the writer assigns the value from comparable sales, **thirty thousand dollars (\$30,000.00).**


Aston Jones

SIDS

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Arden Forest

Unit 2

SCALE 1" = 200'

INCORPORATED
REPORT, G. B. I.



TRACT 5
LUCAYAN

LUCAYAN PRESBYTERIAN

