

## Identification of Subject

The subject is a non-functioning car wash. There are 2 automatic drive through wash bays, and 4 self-service wash bays. There are also four vacuum stations to the front of the property along Lake Washington Rd. The site has two points of access. The first is to the north west of the parcel along Lake Washington Rd., centered between the car wash and office building sharing the same lot. The other is to the south east of the parcel, along Avocado Ave. This access enters to the rear of the car wash site, which serves as the entrance to the two automatic wash bays. Self-serve bays allow for entry from the front or rear.

Currently, the subject shares a parcel with a free-standing retail building to the west. The total site size is 1.88 acres. The owner would like to split the parcel and sell the subject site independently, and commissioned a survey to include the new proposed boundary which will run along the west wall of the car wash building. The proposed boundary would create a 0.95-acre parcel for the subject at 1291 Lake Washington Rd., and a 0.93-acre parcel at the adjacent site at 1301 Lake Washington Rd., which is outside the scope of this assignment. We assume the proposed boundary is permissible given current zoning regulations. Furthermore, we have applied the hypothetical condition that the parcel has already been split and that each portion can be marketed and sold independently.



The property is further identified as 1291 Lake Washington Rd., Melbourne, Brevard County, FL 32935 and Brevard County Property Appraiser Parcel ID 27-37-08-00-771 with Tax Account ID 2731019.

## Purpose of the Appraisal

At the request of the client, the purpose of this appraisal is to estimate the Current 'As Is' Market Value of the subject property's Fee Simple interest effective June 17, 2022. "Fee Simple" interest is defined in the Addendum.

## Client

This appraisal report has been prepared for Mr. Mike Moran, Partner of M&M Tile Warehouse, located at 1301 Lake Washington Rd. Melbourne, FL 32935.

## **Intended Use and User of Appraisal**

Intended user of the report is specifically identified as the client. Parties who receive a copy of this report do not become a party to the appraiser-client relationship and do not become intended users of this report unless the parties were specifically identified as such at the time of the engagement for services. The client will rely upon this appraisal for internal use, including but not limited to, rendering a decision relative to sale of all or a portion of the property rights of the subject property.

This report is not intended for any other use or user. No one other than the named client or any other party not identified as an intended user should use or rely on this appraisal for any purpose. Such parties are advised to obtain an appraisal from an appraiser of their own choosing if they require an appraisal for their own use.

## **Existing Leases, Rentals or Use Agreements**

As of the date of this report the Car Wash is non-operational and there are no leases in place. The subject is owned fee-simple, by the client who operates their primary business out of the improvements located at 1301 Lake Washington Rd., which shares the parcel with the subject site. This portion of the parcel is currently in use as a self-serve car wash. The hypothetical assumption has been employed that the parcel is split and the properties can be marketed and sold independently.

## **Owner of Record and Sales History**

The Brevard County Property Appraiser's Record Card indicates current ownership is listed as M&M Tile Warehouse.

Based on Information obtained from the client, various recognized published data sources and / or the county assessor's records, the subject property ownership history has no prior sales in the last three years.

This information was verified with the Brevard County Property Appraiser records. We assume this information is accurate as described by ownership and public records, however, if further verification is required, we strongly suggest it be obtained via a current title search.

## Legal Description

The Legal Description immediately following the subject address was obtained via the Brevard County property card, and Clerk of Courts. That legal description describes the parcel as-is, and encompasses both 1301 and 1291 Lake Washington Rd. For the purposes of this assignment, the hypothetical assumption has been made that the parcels have been split and can be sold independently. Total subject site size has been estimated at 0.95 acres from the Brevard County Property Appraisers website, and is based on the boundaries described below and outlined in the survey obtained from ownership. Proposed boundaries are hypothetical; site size is therefore also hypothetical and estimated. Any substantial change in proposed boundaries may materially affect the estimate of value contained herein.

Address: 1291 Lake Washington Rd., Melbourne, Brevard County, FL 32935  
Parcel ID: 27-37-08-00-771

**A parcel of land lying within Section 8, Township 27 South, Range 37 East, Brevard County, Florida, being more particularly described as follows:**

**Commence at the Southeast corner of said Section 8; thence run North 02°35'18" West, along the East line of said Section 8, 774.90 feet; thence run North 31°17'50" West, along the West right-of-way line of Avocado Avenue, 399.70 feet to the Point of Beginning of the following described parcel; thence North 89°10'02" West, 524.01 feet; thence North 00°49'58" East, 175.00 feet; thence South 89°10'02" East, along the South line of Lake Washington Road, 414.10 feet; thence South 31°17'50" East, along the West right-of-way line of Avocado Avenue 206.65 feet to the Point of Beginning.**

**Subject to zoning, prohibitions and other requirements imposed by governmental authority, restrictions and matters appearing on the plat or otherwise common to the subdivision and matters appearing on the plat or otherwise common to the subdivision and public utility easements of record; this reference to said restrictions shall not operate to reimpose the same.**

Excepting that portion of the parcel containing approximately 0.93 acres, with an assigned address of 1301 Lake Washington Rd., Melbourne, FL 32935, and more precisely described as:

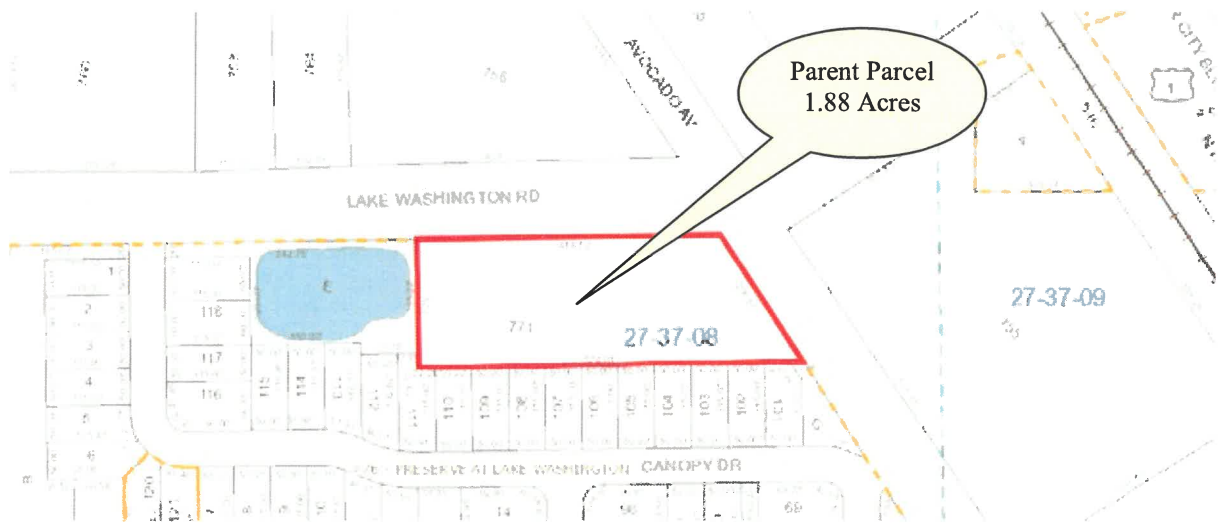
### LEGAL

THE WEST 234.00 FEET OF A PARCEL OF LAND LYING WITHIN SECTION 8, TOWNSHIP 27 SOUTH, RANGE 37 EAST, BREVARD COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE SOUTHEAST CORNER OF SAID SECTION 8; THENCE RUN NORTH 02°35'18" WEST, ALONG THE EAST LINE OF SAID SECTION 8, 774.90 FEET; THENCE RUN NORTH 31°17'50" WEST, ALONG THE WEST RIGHT-OF-WAY LINE OF AVOCADO AVENUE, 399.70 FEET TO THE POINT OF BEGINNING OF THE FOLLOWING DESCRIBED PARCEL; THENCE NORTH 89°10'02" WEST, 524.01 FEET; THENCE NORTH 00°49'58" EAST, 175.00 FEET; THENCE SOUTH 89°10'02" EAST, ALONG THE SOUTH LINE OF LAKE WASHINGTON ROAD, 414.10 FEET, THENCE SOUTH 31°17'50" EAST, ALONG THE WEST RIGHT-OF-WAY LINE OF AVOCADO AVENUE 206.65 FEET TO THE POINT OF BEGINNING.

*Source: 2019 Site Survey obtained from ownership*

## Plat Map



This is the parcel as recorded in the first legal description. Total site size is 1.88 acres.



## Aerial

This is the subject under the hypothetical condition that the parcel has been split. The area outlined in blue is the 0.95-acre subject site. The excepted 0.93-acre portion of the parcel, described above, is outlined in red.

*The aerial depictions are from the Brevard County Property Appraiser records. The property boundaries are not exact. They are for illustrative purposes only.*

## Scope of Work

According to the Uniform Standards of Professional Appraisal Practice, it is the appraiser's responsibility to develop and report a scope of work that results in credible results that are appropriate for the appraisal problem and intended user. Therefore, the appraiser must identify and consider:

- the client and intended users of the report as well as the intended use;
- assignment conditions;
- typical client expectations; and
- typical appraisal work by peers for similar assignments.

### Scope Summary - Definition of the Problem

#### **Problem**

The purpose of the appraisal is to estimate the Current Market Value of the Fee Simple interest of the subject property on an 'As Is' basis.

#### **Intended Use**

The client will rely upon this appraisal for internal use, including but not limited to, rendering a decision relative to sale of all or a portion of the property rights of the subject property.

#### **Intended User(s)**

Intended user of the report is specifically identified as the client. Parties who receive a copy of this report do not become a party to the appraiser-client relationship and do not become intended users of this report unless the parties were specifically identified as such at the time of the engagement for services.

#### **Appraisal Report**

Based on the intended users understanding of the subject's physical, economic and legal characteristics, and the intended use of this appraisal, an appraisal report format was used. This is An Appraisal Report as defined by Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2(a). As such, it presents a summary discussion of the data, reasoning, and analyses that were used in the appraisal process to develop the opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in our file. The depth of discussion contained in this report is specific to the needs of the client and the intended use of the appraisal as noted herein.

### Utilized Approaches to Value

#### **Cost Approach**

The highest and best use analysis indicates that the improvements do not significantly contribute to value, and the cost approach is not significantly weighted by market participants for valuing land for redevelopment.

#### **Sales Comparison Approach**

There is adequate data to develop a value estimate and this approach reflects market behavior for this property type. A sales approach was developed for two scenarios: redevelopment for change of use as-vacant with site improvements in place, and return to service or redevelopment incorporating the existing building improvements .

#### **Income Approach**

The subject is currently non-operational and has been for several years. As such, investors will likely not give significant weight to the income approach, and the Sales Comparison Approach provides greater clarity on buyer/seller actions with regard to non-operational facilities.

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## Scope of Work

### **Property Identification**

The subject has been identified by the assessors' parcel number, legal description, and address.

### **Is this a 'Land Only' appraisal?**

No

### **Inspection**

An inspection of the subject property has been made, with photographs.

### **Zoning**

A review of zoning and applicable land use controls has been made.

### **Market Analysis**

The subject marketing area and surrounding neighborhoods within the county were examined in order to determine factors that significantly affect the subject property. Local land use policies, community support facilities, traffic patterns, demographics, and development trends were considered. A summary of the most pertinent details is presented.

### **Highest and Best Use Analysis**

An "As Vacant" and "As Improved" H&BU analysis for the subject has been made. Physically possible, legally permissible and financially feasible uses were considered, and the most reasonably probable and maximally productive use was concluded.

### **Information Sources**

The appraiser maintains a comprehensive database for this market area and has reviewed the market for sales, rentals and listings relevant to this analysis. In addition, market data acquired in the course of previous appraisal work is retained in the appraiser's work files. Other sources include, but are not limited to the following: Multiple Listing Services, public records, interviews with brokers, buyers, and sellers, appraisal files, published articles and surveys. Information pertaining to this data was verified by one or more parties involved with, or having reliable knowledge of, each individual transaction when possible.

### **Information Not Available**

We had sufficient information to conclude a reliable value conclusion.

### **Comments**

The employed methods and level of analysis provides a credible value conclusion for the subject property.

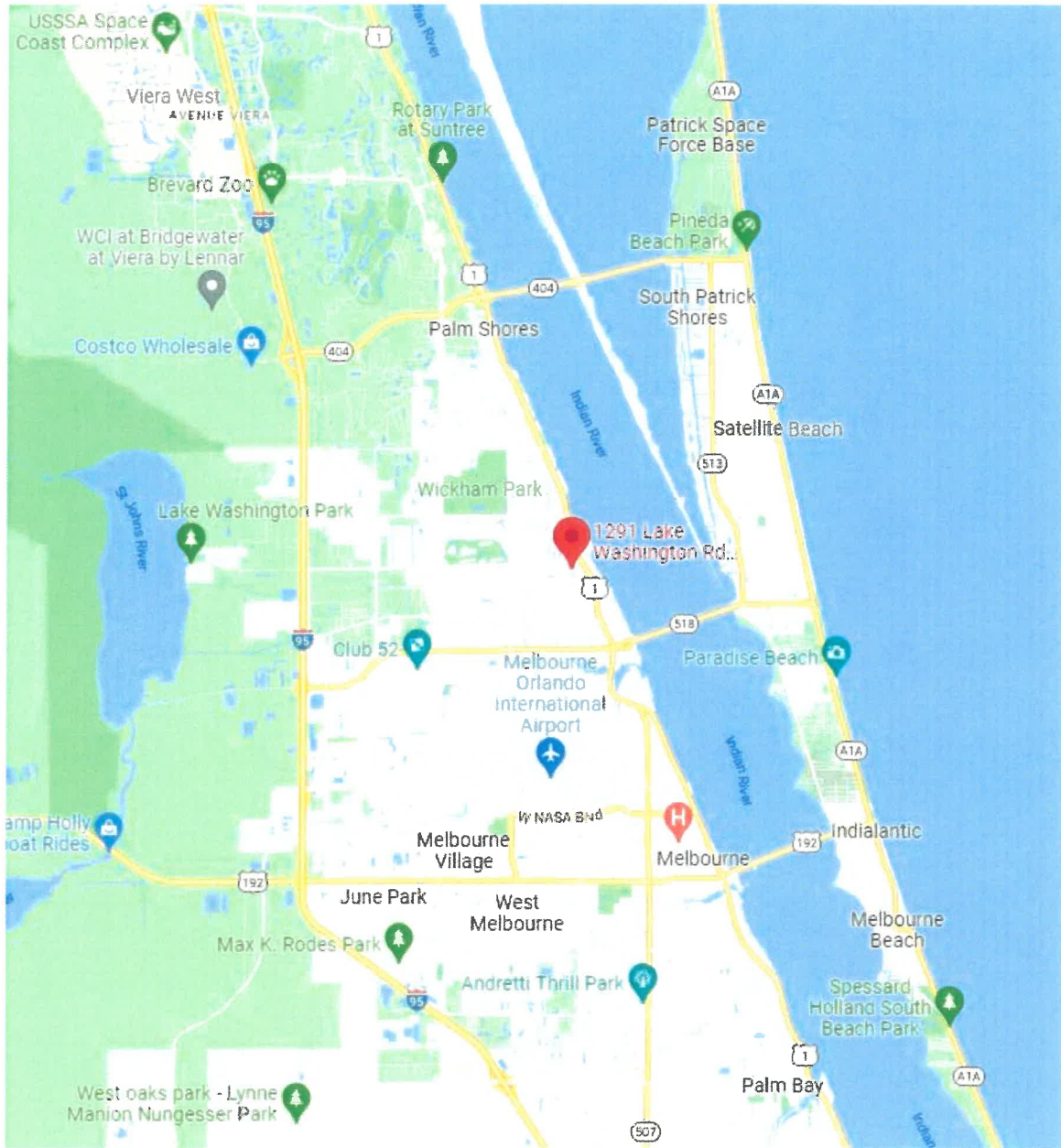
### **Competency Comment**

The person(s) signing this report are licensed to appraise real property in the state the subject is located. They affirm they have the experience, knowledge, and education to value this type property. They have previously appraised similar real estate.

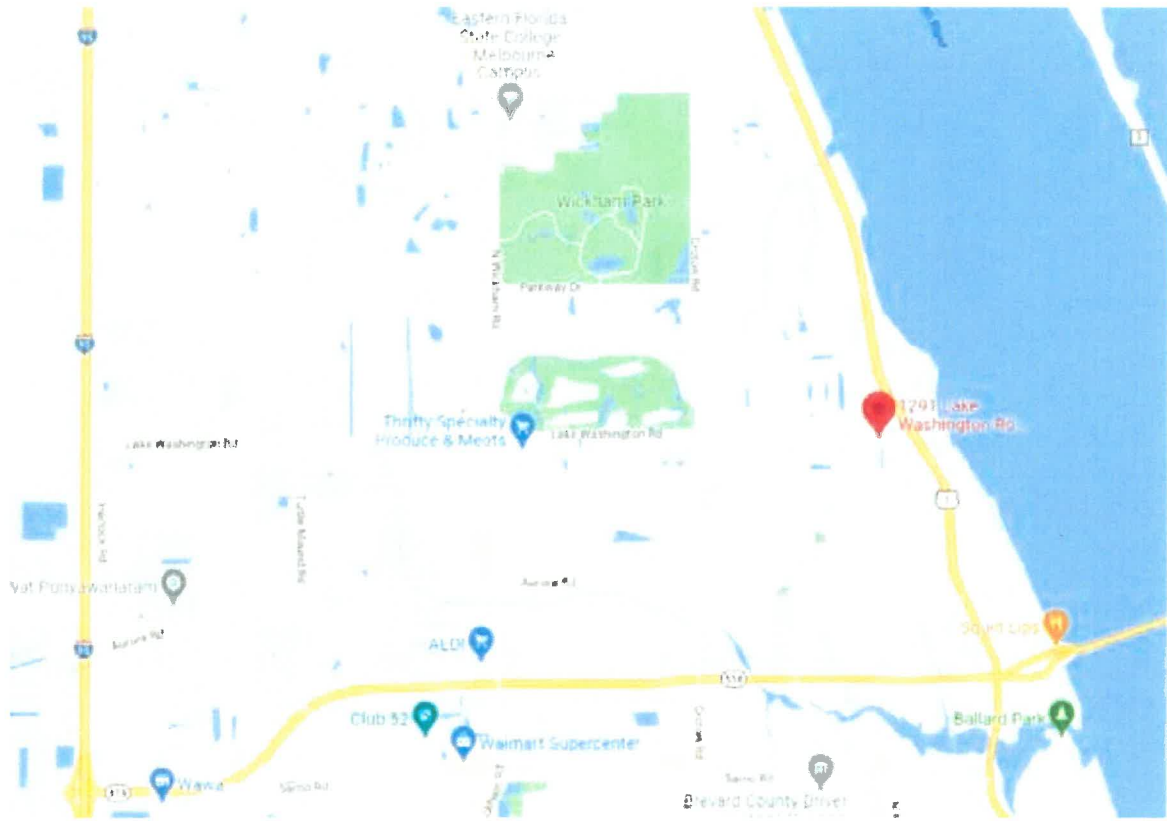
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## Location Maps

### Regional Perspective



## Neighborhood Perspective





## Neighborhood Analysis

### Location and General Data

The subject lies within the City of Melbourne, located on the coast of east central Florida. Melbourne is about an hour's drive south of the Kennedy Space Center, and 1½ hour drive due east of Disney World. Melbourne is approximately 41 square miles in size, with about 80% of this land area in use. As of April 2021, the City of Melbourne population stands at approximately 85,788, and continues to grow at a moderate rate according to data published January 31, 2022 by the Bureau of Economic and Business Research at the University of Florida.

The subject's market area is best defined by the following boundaries: Parkway Drive to the north, the Indian River to the east, SR 518 – W. Eau Gallie Boulevard to the South, and SR 509 – N. Wickham Road to the west. This defined area encompasses approximately 4.83 square miles and is approximately 95% developed.

The market area has a variety of land uses, including commercial, residential, and light/general industrial. Land uses immediately surrounding the subject are industrial to the north and east, with residential to the south and west, with several commercially zoned properties to the west of the subject along Lake Washington Rd. It is noted that the vast majority of land use to the west and south of the subject is residential.

To the best of our knowledge, the subject is not located within the Downtown Melbourne CRA, the Downtown Melbourne Activity Center (DMAC), the Melbourne Economic and Enhancement District (MEED), or any other specially designated areas of special interest within the County. Independent verification of any special designations attached to the site is recommended.

### Overview of Development and Value Trends

#### *Area Professional and Medical Office Space*

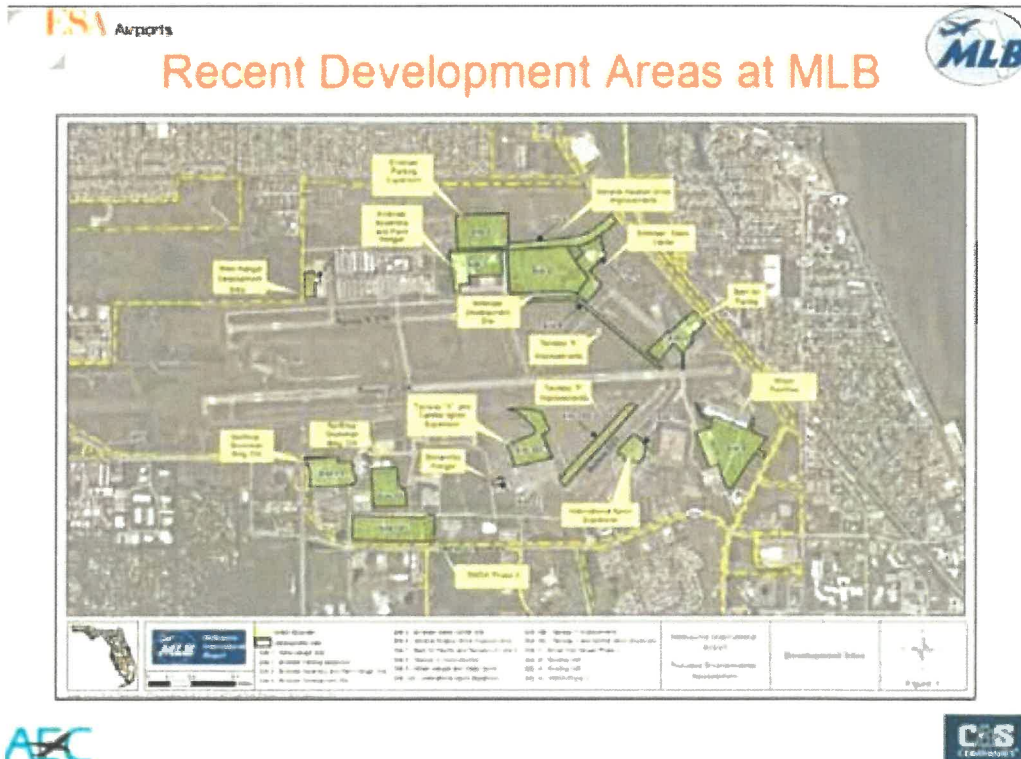
There is a mix of office, commercial and light industrial use properties located within the city of Melbourne. Most are located along the traffic arteries noted as the market area boundaries, as well as Lake Washington Road. Melbourne is the dominant city within Brevard County for professional office demand, with significant employment generators around the airport, Holmes Regional, and the commercial corridors. Most "Class A" market buildings are located along US Highway 1. It is noted that the subject is not within an area exhibiting demand for general or medical offices.

Lake Washington Road's primary neighborhood development consists of both light and medium industrial along Lake Washington Drive to the north and east, with residential and limited commercial zonings to the west along Lake Washington Rd, and immediately south of the subject.

**Melbourne-Orlando International Airport (MLB)**

The subject site has a current use as a car wash, located approximately 3-miles from the MLB. The subject has advantageous proximity to the Orlando-Melbourne International Airport (identified by the FAA as MLB) and other nearby high tech and aerospace users. MLB is the primary influence within the subject’s market area for firms operating within this industry in southern Brevard especially, as well as for much of the County. MLB serves Florida's Space and Treasure Coasts with domestic and international passengers as well as air freight service. Melbourne-Orlando International Airport is responsible for generating more than \$1 billion per year in economic activity. The airport has three runways and a 200,000-square-foot terminal. Scheduled daily passenger service is provided by Delta Air Lines and Delta Connection, along with limited service by Apex Executive Jet Center. The Melbourne-Orlando International Airport is also home to Melbourne’s Greyhound bus terminal which provides daily trips to Florida cities and beyond.

MLB is a thriving hub for aviation, aerospace, and high-technology business. The airport’s infrastructure and engineering-oriented workforce have attracted businesses that contribute over \$1 billion of annual economic impact. Brevard County has one of the largest Foreign Trade Zones in the United States, including hubs at MLB, and offers five transportation options: space, sea, highway, rail, and air. The area also boasts superior infrastructure for international trade, including easy access to one of the busiest seaports in the country (with roll-on/roll-off capability), an extensive freight railway system, major interstate highways, plus launch pads for commercial space access.



## **Recent Airport Growth and Development**

In recent years, the airport has experienced tremendous growth with new and/or expanded facilities by its major tenants, including:

**TIU Airlines** officially announced that MLB is its new international gateway for travelers from the UK and Ireland beginning in March 2022. In the first year, MLB expects 150,000 European visitors each year. MLB has embarked on an over \$61 million Terminal Renovation and Expansion project to prepare for the increase of air travelers and future air service, including new gates, increased capacity for international passenger traffic, and expanded security checkpoint and retailers. The renovation will modernize the existing terminal and add an additional 80,000 square feet of space.

**STS Aviation Group** is constructing a two-bay hangar that will be just over 62,000 square feet once completed. The hangars will house the increasing demand for aircraft maintenance and overhaul work completed by the group. The hangars are anticipated to be complete mid-2021 and is anticipated to add 100 jobs.

Sheltair Aviation – a hangar developer at MLB since 1988, has constructed numerous T-hangar buildings and several aircraft storage and maintenance hangars at the airport.

**Embraer Executive Jets** – the company selected MLB in 2008 to establish its North American Phenom 100 and Phenom 300 assembly and showroom facility. In 2012, the company announced a major expansion of its campus at MLB with the addition of new facilities and the Embraer Engineering and Technology Center USA for research and product development, in effect doubling its initial presence.

**Florida Institute of Technology Research Park (Florida Tech Research Park)** – in 2009, the Melbourne Airport Authority and FIT set aside a 100-acre parcel for use as a technology park to enhance and expand Brevard County's technology-research infrastructure and create jobs for the Space Coast. FIT actively promotes the Florida Tech Research Park to attract business, government, and academic allies to identify, facilitate, and accelerate innovation so it can more rapidly be brought to market.

**Kindred Hospital** – the long-term, acute care hospital was opened within the Airport Industrial Park (2010)

**Discovery Aviation** – since 2011, the company manufactures aircraft (Discovery XL-2 and Discovery 201) and produces aerospace composite structures at MLB

**Florida Institute of Technology (Aviation Programs)** – located at the airport since 1968, FIT Aviation relocated and modernized its education, flight training, research, and FBO facilities (2009)

**AeroMod International** – established a maintenance, repair, and overhaul (MRO) station at MLB in 2016, primarily servicing commercial service airline aircraft. They took over the recently constructed 83,000 square foot state-of-the-art hangar at MLB that MidAir USA originally occupied.

**Northrop Grumman Corporation** – located at MLB since 1987, is nearing completion of a \$500 million capital investment to expand its aerospace and defense-related research, engineering, development, testing, production facilities at MLB (ongoing)

**Harris Corporation's** continued investment in its headquarters is located adjacent to MLB. They have also completed a merger to become L3 Harris. Harris (L3 Harris) is one of the largest employers in Brevard County, with approximately 6,800 in Brevard. The merger is expected to bring more jobs to the Space Coast

**ARES Defense Systems, Inc.**, a historically small arms and outdoor gear design and manufacturing company, is expanding its business to Orlando Melbourne International Airport (MLB) with plans to enter the aviation and aerospace industries. At this morning's board meeting, the Melbourne Airport Authority approved a lease with ARES for an existing 25,200 sq. ft. airport building and an option to lease over 4 acres of airside property for a future corporate hangar.

Other notable MLB tenants include AAR Corporation (aircraft maintenance), Southeast Aerospace (aerospace components and services), Circles of Care (hospital), Rockwell-Collins (aerospace and defense), and several technology firms, such as Ricoh USA and Revolutions Technologies. New development included an apartment complex near the corner of Dairy Road and Hibiscus Blvd.

***Recent and Proposed Construction:***

Scheduled to open in 2022, the Melbourne-Orlando International Airport, in partnership with ADELON Capital broke ground on a unique fly-in hotel in October 2021. The new Hyatt Place hotel is under design and development and will include 140 rooms, a rooftop bar, and a pool. The top floor will have executive suites for the customers of the many corporations and businesses in Melbourne and beyond. The hotel will be located just west of the airport terminal and is expected to cost between \$20 million to \$25 million to complete. The location of the fly-in hotel will enable aircraft to land and taxi right outside the hotel, allowing air travelers to step straight off the tarmac and into the hotel. The new hotel will serve the general public and air travelers. A second future phase may include another hotel, additional retail and office space, and 20,000 square feet of event space.

The idea is not one you see at many airports, but the staff at MLB think it'll be a perfect fit. With the airport's heavy corporate use from federal contractors and the aerospace industry in the area, they believe a high-end hotel that they can access so easily will be a big draw. According to a statement made by Mark Busalacchi, Director of Marketing and Business Development, "This is something the major tenants at the airport have been asking for a few years. The (hotel) availability just hasn't been there for their folks, whether they're contractors or government workers%1The airport hopes to open the hotel by spring 2022, which is when the airport begins serving TUI's Central Florida gateway.



Source: Florida Today

### **Ellis Industrial Park**

The Ellis Industrial Park is an established industrial park comprised predominately of one-story, light manufacturing, and office/warehouse buildings that are a mixture of concrete block or prefabricated metal construction. Building ages range from 1978 up through 2015 with very little new construction activity between 2008-2013. We have witnessed a resurgence of new construction activity in the last few years as space has considerably tightened in availability and owner-users are finding limited options.

Primary characteristics for buildings in the park are typified by the following:

Building sizes range from approximately 4,500 square feet to approximately 250,000 square feet and exhibit a median building size of 12,000 square feet and an average of 16,000 square feet. The percentage of office space in office/warehouse buildings generally ranges from 10% to 25% of the building area.

### ***Access and Linkages***

Interstate 95 is an arterial highway that traverses the east coast of the United States from Maine southward to south Florida. This road also serves as a commuter route for local traffic from Palm Bay to Titusville and beyond. There are currently 16 interchanges serving Brevard County and three servicing Melbourne. The most proximate interchange to the subject is at S.R. 192.

Highway U.S.1 is a six-lane, north-south artery that connects the Melbourne area with Cocoa to the north, Palm Bay to the south, and points beyond. In the subject's neighborhood, this roadway is known as Harbor City Boulevard.

Babcock Street is a four-lane artery to the west of the subject, traveling north-south. With center turn lanes that connect the neighborhood with Palm Bay to the south and with U.S.1 to the northeast, traffic counts within the neighborhood were reported at an average of 29,060 vehicles per day.

Hibiscus Boulevard is a four-lane east-west collector street that extends from Evans Road to U.S. Highway 1. The street features a center turning lane, increasing access to adjacent parcels from both directions.

NASA Boulevard is a significant east-west feeder street. It runs from Evans Boulevard to U.S. Highway 1. NASA Boulevard accommodates job-related traffic and serves as a traffic-avoiding shortcut.

Apollo Boulevard is a secondary traffic artery. At its southern end, Apollo Boulevard is a two-lane road that provides access through the medical office district, just west of the regional hospital. It becomes a four-lane road to the north of NASA Boulevard and continues northwestward across the eastern portion of the Melbourne International Airport property. The road currently ends at the Eau Gallie River, just north of Sarno Road. Eventual plans are to extend the road across the Eau Gallie River to intersect with Eau Gallie Boulevard to alleviate traffic congestion on U.S. 1.

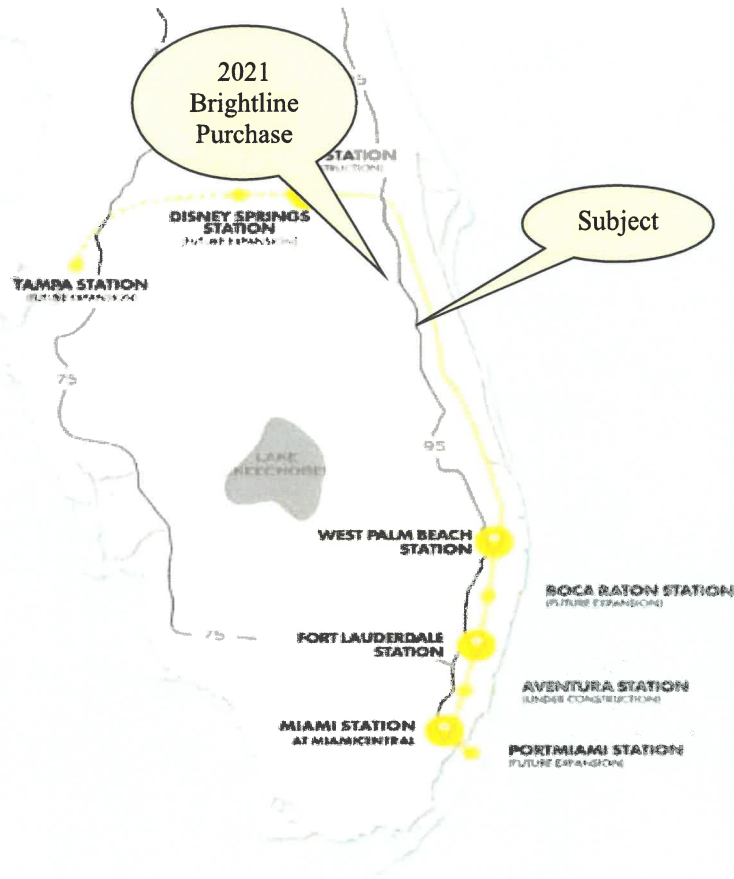
Of specific note and importance: The FDOT has recently completed and opened a new interchange with I-95 at Ellis Road, as well as widening and upgrading projects on Ellis Road from John Rhodes Blvd to Wickham Road. The project connects to NASA Blvd at the southwest corner of MLB and provides improved access between MLB and I-95. The project was funded under the State of Florida's Strategic Intermodal System (SIS) program.

#### ***Brightline High Speed Rail Line***

The F.E.C. Railway system is just west of the subject. In Brevard, crews are adding a second set of tracks along the north-south Florida East Coast Railway railbed. Construction has been completed on the Brightline-Orlando extension route. Previously named Virgin Trains, Brightline is building the second phase of its privately-owned rail network, which will lead through Brevard County.

Company officials want to launch the Orlando-to-Miami rail service in 2022. The 170-mile rail expansion to Orlando will require 225 million pounds of steel, 2.35 million tons of granite and limestone, 440,000 concrete ties, 30,000 timber ties, 20,000 steel ties, and 2 million spikes and bolts. Orlando-bound trains will traverse a tunnel beneath the Beachline (SR 528) just off U.S. 1 and a bridge over Industry Road, then follow tracks along the north side of the highway.

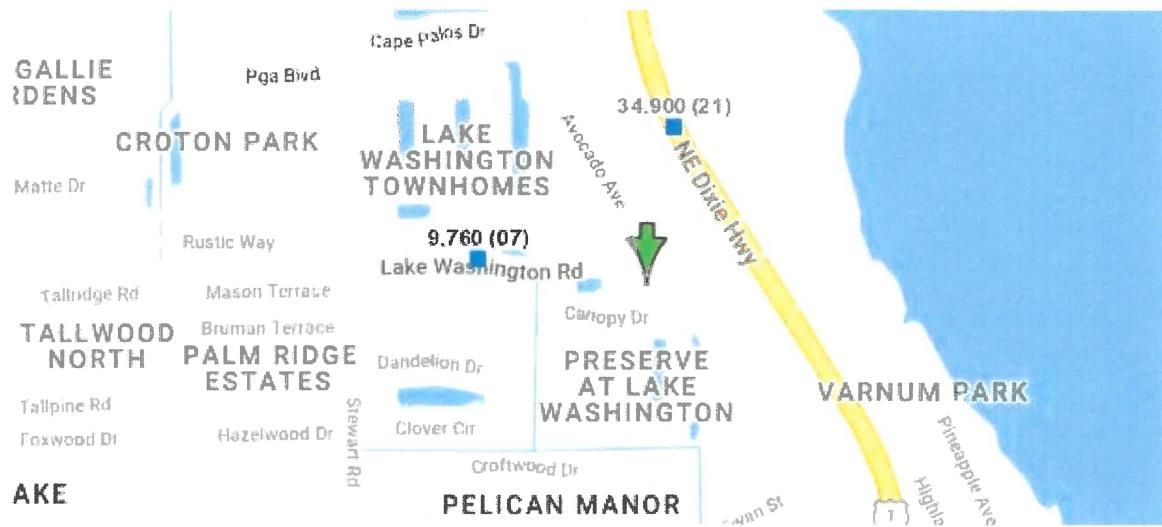
There are plans for stops in Brevard County. In April 2021 Brightline purchased approximately 33 acres in the northeast corner of the subject neighborhood. The \$12.5M purchase has fueled speculation that this will be the location of the Brevard Station. As of June 2022, the location is yet to be finalized. The Interstate 95 cloverleaf is approximately 4 miles west of the property purchased in 2021. Trains will take a second Beachline tunnel to overpasses above I-95 and Pine Street before following the south side of the expressway to an Orlando International Airport rail station.



*(Callout locations are approximate)*

## Traffic Count Map

A traffic count map for roadways in the area is located below. Along fronting street of Lake Washington Rd., the subject has passing daily traffic of 9,760 vehicles per day, counted in 2007. Within the immediate area, S. Harbor City Blvd. has the highest daily traffic count of 34,900 vehicles per day, counted in 2021 just to the north of the intersection of Lake Washington Rd. and U.S. 1 – NE Dixie Highway.





### **Area Residential Trends**

Residential properties in the subject's immediate area are located adjacent to the subject's southern boundary, and to the west along Lake Washington Rd. Areas of concentrated residential development can be found from the subject site, west past Interstate 95. These areas extend to the north and south of Lake Washington Rd. which is one of two primary roadways providing access to the developments. There are very few commercially zoned properties along the roadway west of the subject. They're located primarily at intersections, and exclusively along Lake Washington Rd. in the immediate neighborhood west of the subject.

### **MLS Statistics - May 2022**

(Released 6/20/22)

#### **A quick recap of the Brevard County Residential Report for May 2022:**

- **Closed Sales are up 1.4%** for May 2022 in which the number of units closed was 1,054 compared to 1,039 in May 2021, with an **increase in cash sales of 11.5%**.
- **New Pending Sales are up 7.4%** and New Listings are up 23.5%.
- **The Median Sales Price for Brevard Single Family homes is up 29.3%** to \$375,000 compared to a year ago, which was \$290,000.
- **Months' Supply of Inventory is up 37.5%** to 1.1 months, from 0.8 months in May 2021.
- **Traditional Sales are up 1.6%** with a median sales price of \$375,510.
- **Foreclosure/REO Sales are down -50.0%** with 3 closed sales and a median sales price of \$141,000.
- **Short Sale Closings are N/A** with 1 closed sale and a median sales price of \$248,500.

Source: Space Coast Association of Realtors "May 2022 MLS Statistics"

## Demographics in the News

The following table was obtained from FreddieMac. Published in June 2022, the table lists the Nation's Metro areas experience the highest levels of net immigration and emigration between March 2020 and February 2022. The Palm-Bay – Melbourne – Titusville MSA ranks #21 on this list for immigration to the market. Markets that are highlighted are those with the greatest increase/decrease in numerical ranking for each category during the period.

Exhibit 4 lists the top metro gainers and losers ranked by two year homebuyer net migration between March 2020 and February 2022. Net migration in the two-year period occurring before the pandemic are displayed in the columns to the right. The top three metro gainers and losers based on changes in their net migration rankings also are highlighted.

Top metro areas ranked by homebuyer net migration March 2020 - February 2022

Net migration was highest in affordable interior markets, New England regions and Florida

Rank	Metro area	Net immigration		Rank	Metro area	Net emigration	
		Mar 2020 - Feb 2022	Mar 2018 - Feb 2020			Mar 2020 - Feb 2022	Mar 2018 - Feb 2020
1	Riverside-San Bernardino-Ontario, CA	17,339	3,200	1	New York-Newark-Jersey City, NY-NJ-PA	-49,880	16,095
2	Worcester, MA-CT	5,934	1,167	2	Los Angeles-Long Beach-Anaheim, CA	-47,571	-8,320
3	North Port-Sarasota-Bradenton, FL	5,741	1,743	3	San Francisco-Oakland-Berkeley, CA	-25,061	8,370
4	Phoenix-Mesa-Chandler, AZ	5,422	4,780	4	Washington-Arlington-Alexandria, DC-MD-VA	-20,773	-6,777
5	Myrtle Beach-Conway-North Myrtle Beach, SC-NC	5,197	2,044	5	San Jose-Sunnyvale-Santa Clara, CA	-15,007	5,066
6	Tampa-St. Petersburg-Clearwater, FL	5,176	2,173	6	Boston-Cambridge-Newton, MA-NH	-13,020	3,987
7	Orlando-Fort Myers, FL	4,872	3,226	7	Seattle-Tacoma-Bellevue, WA	-11,962	3,957
8	Port St. Lucie, FL	4,826	3,385	8	San Diego-Chula Vista-Carlsbad, CA	-9,989	2,909
9	Dallas-Fort Worth-Arlington, TX	4,781	3,477	9	Miami-Fort Lauderdale-Pompano Beach, FL	-6,482	-3,750
10	Houston-The Woodlands-Sugar Land, TX	4,580	879	10	Denver-Aurora-Lakewood, CO	-6,264	-3,670
11	Orlando-Daytona Beach-Ormond Beach, FL	4,262	3,043	11	Chicago-Naperville-Elgin, IL-IN-WI	-6,121	4,515
12	Lakeland-Winter Haven, FL	4,040	3,640	12	Portland-Vancouver-Hillsboro, OR-WA	-3,820	-1,363
13	Las Vegas-Henderson-Paradise, NV	4,046	1,471	13	Minneapolis-St. Paul-Bloomington, MN-WI	-3,177	1,766
14	Sarasota-Bradenton-Ft. Myers, FL	3,793	1,610	14	Salt Lake City, UT	-3,108	1,301
15	Cincinnati, OH	3,757	5,734	15	Indianapolis, IN	-2,791	1,105
16	Jacksonville, FL	3,434	1,524	16	Detroit-Warren-Dearborn, MI	-2,204	1,003
17	Salisbury, MD-DE	3,204	1,128	17	Phillydelphia-Reading, PA-DE	-1,844	127
18	Poughkeepsie-Hudson-Middletown, NY	3,200	1,297	18	Urban Honolulu, HI	-1,826	980
19	Stockton, CA	2,768	894	19	Columbus, OH	-1,426	483
20	Columbia, SC	2,662	719	20	Milwaukee-Wisconsin, WI	-1,107	1,326
21	Palm Bay-Melbourne-Titusville, FL	2,507	857	21	New Orleans-Metairie, LA	-970	195
22	Orlando, FL	2,323	1,075	22	Sarasota-Bradenton-Ft. Myers, FL	-960	86
23	Boise City, ID	2,292	1,450	23	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	-970	416
24	Hartford-East Hartford-Middletown, CT	2,188	185	24	Madison, WI	-789	-370
25	Punta Gorda, FL	2,182	803	25	Santa Maria-Santa Barbara, CA	-733	210
26	Allentown-Bethlehem-Easton, PA-NJ	1,921	470	26	Buffalo-Cheektowago, NY	-728	286
27	San Antonio-New Braunfels, TX	1,809	859	27	Ann Arbor, MI	-726	660
28	Spartanburg, SC	1,791	870	28	Salinas, CA	-663	-322
29	Bridgewater-Stamford-Norwalk, CT	1,785	424	29	Cincinnati, OH-KY-IN	-643	187
30	New Haven-Middletown, CT	1,664	70	30	Santa Cruz-Watsonville, CA	-621	-136
31	Tucson, AZ	1,638	1,034	31	Lexington-Fayette, KY	-608	596
32	Richmond, VA	1,609	819	32	Nashville-Davidson--Murfreesboro--Franklin, TN	-530	-39
33	Birmingham, AL	1,586	286	33	Memphis, TN-MS-AR	-514	200
34	York-Hanover, PA	1,567	427	34	Pittsburgh, PA	-481	59
35	Hagerstown-Martinsburg, MD-WV	1,506	164	35	Greensboro, NC	-467	-616

Note: Highlighted metro areas saw more than a tenfold change in homebuyer net migration in the two years occurred before and after the start of the pandemic.  
Source: Freddie Mac, Loan Product Advisor

Source - [freddiemac.com/research/insight/20220622-pursuit-affordable-housing-migration-homebuyers-within-us-and-after-pandemic](https://freddiemac.com/research/insight/20220622-pursuit-affordable-housing-migration-homebuyers-within-us-and-after-pandemic).

The following is analysis of population trends based on 2020 Census data. Some portions of the 2020 Census were completed in 2021 due to the COVID-19 pandemic.



Source: CoStar “Melbourne Recognized as Magnet for New Residents”, By David Kahn, Jessica Morin and Sam Tenenbaum, June 3, 2021

Smaller to mid-sized cities and areas like Brevard County are gaining residents. Commercial real estate investors looking to diversify their portfolios are increasingly enthusiastic about these secondary and tertiary markets.

As is the case for the largest markets, the strongest regions for population growth in relation to their mid-sized cities are the greater Sun Belt and the Mountain West regions. Individuals continue to flock to these areas for their affordability, abundant job opportunities and low taxes. A common downside of moving to a mid-sized market is the lack of large, established and diverse cultural and institutional amenities, such as large universities, air and transit accessibility and major corporations. Since the pandemic, though, smaller and less-dense cities that don’t rely on public transportation have attracted plenty of new residents. The effects of the public health crisis may have at least temporarily benefited these often-overlooked metropolitan areas, especially as more companies are giving employees the flexibility to work remotely.

The big standout in the latest census data is Florida, which placed eight metropolitan areas in the top 20 for nominal population growth among mid-sized cities. While many of these cities are known as retirement havens, it’s not just the influx of retirees that is driving population growth in mid-sized Florida markets, according to Brian Alford, CoStar’s director of market analytics for North and Central Florida. “These cities are adding jobs in the medical, retail and industrial sectors in order to support increased consumer spending levels, which in turn, is boosted by the strong population growth trends,” Alford said. Tourism is also usually a huge driver, especially in Daytona and Fort Myers, added Alford. The surge of new residents to these areas produces some interesting results when separating population growth by source, including domestic net migration, international migration and net births and deaths.

Even throughout the coronavirus pandemic, "the market remains red-hot for single-family homes in Brevard County," said Scott Miller, senior vice president of sales and community development at The Viera Co.

Brevard County has a lower cost of living than many larger metropolitan areas, and despite the record-setting median sales price, buyers still can get a substantial home for a much-lower price than they can in larger markets. Plus, Florida has no state income tax, making it even more attractive for residents of many other states.

Many people are working from home or staying home more, so they are thinking more about having a roomy residence. And some people living in states that are more locked down than wide-open Florida see the Sunshine State as an attractive alternative, where they can go places without any restrictions.

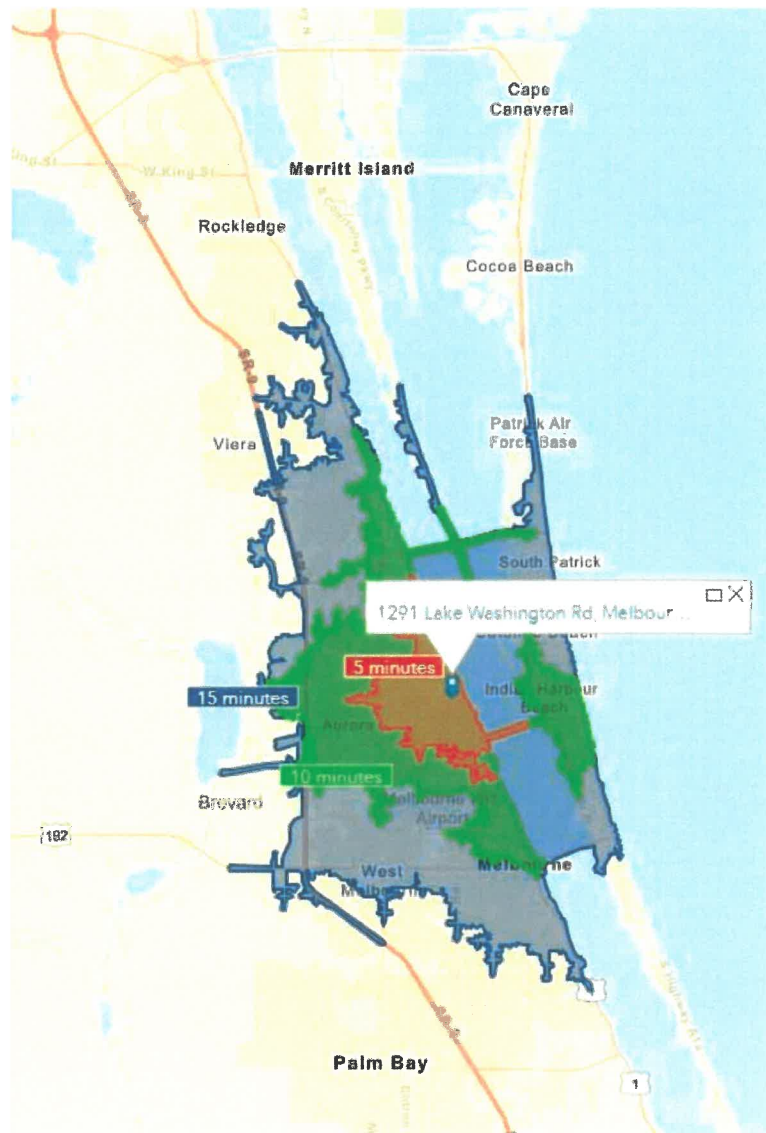
Homebuilders and people shopping for a new home now are facing the issue of rising commodity prices. Building materials also are either rising in price, in short supply or both — things like drywall, gypsum, concrete, roofing material, tile, lighting, windows and insulation.

In May 2022, Florida's housing market saw a 29.3% gain in median sale prices, an increase of 11.5% in cash sales, an increase in Pending Sales of 7.4%, and a 37.5% increase to the Months' Supply of Inventory compared to the prior year. Months' Supply of Inventory now stands at 1.1, according to the most recent residential data from the Space Coast Association of Realtors®, released June 20, 2022.

While still undoubtedly a sellers' market, this data suggests a softening of the residential real estate market. This change is likely due to macroeconomic headwinds related to near record high inflation rates, increases in borrowing costs, and looming fears of recession. Though the real estate market on a national level has clearly shifted, it is still unclear what impact softening macroeconomic indicators will have on the MSA given the high levels of immigration that continues to bolster local demand for residential real estate.

## Demographics

For demographic data, we have included a detailed analysis of the neighborhood provided by ESRI, the endorsed GIS firm utilized by both the Appraisal Institute and CCIM members. This data incorporates information reported by U.S. Bureau of the Census, Census of Population and Housing. ESRI then makes credible forecasts with converted Census and geographic data. The most appropriate study areas are 5, 10, and 15-minute drive times due to the geographic limitations inherent in coastal and island communities. Population and income information for the five, ten and fifteen-minute drive times are shown on the following tables. All three study areas show increases in population levels from 2010 and for projections through 2026. Household income is also forecast to increase over the next five years for all three study areas; the fifteen-minute drive time area has the greatest median income levels, as well as the highest projected increases to median income and population levels.





## Community Profile

1291 Lake Washington Rd, Melbourne, Florida, 32935  
 Drive Time: 5, 10, 15 minute radii

Prepared by Esri  
 Latitude: 28.14071  
 Longitude: -80.64012

	5 minutes	10 minutes	15 minutes
<b>Population Summary</b>			
2000 Total Population	23,917	71,082	143,391
2010 Total Population	23,734	72,323	149,786
2021 Total Population	26,418	79,832	166,778
2021 Group Quarters	0	391	2,359
2026 Total Population	27,993	84,460	177,139
2021-2026 Annual Rate	1.16%	1.13%	1.21%
2021 Total Daytime Population	23,534	86,931	190,052
Workers	10,002	45,952	100,241
Residents	13,532	40,979	89,811
<b>Household Summary</b>			
2000 Households	10,908	30,892	61,122
2000 Average Household Size	2.18	2.26	2.28
2010 Households	11,074	32,310	65,850
2010 Average Household Size	2.14	2.22	2.23
2021 Households	12,230	35,345	72,756
2021 Average Household Size	2.16	2.25	2.26
2026 Households	12,943	37,334	77,228
2026 Average Household Size	2.16	2.25	2.26
2021-2026 Annual Rate	1.14%	1.10%	1.20%
2010 Families	6,040	19,373	40,418
2010 Average Family Size	2.79	2.79	2.79
2021 Families	6,510	20,793	43,949
2021 Average Family Size	2.84	2.84	2.84
2026 Families	6,849	21,873	46,451
2026 Average Family Size	2.85	2.85	2.85
2021-2026 Annual Rate	1.02%	1.02%	1.11%
<b>Housing Unit Summary</b>			
2000 Housing Units	11,925	34,115	67,717
Owner Occupied Housing Units	55.4%	63.4%	64.8%
Renter Occupied Housing Units	36.1%	27.1%	25.5%
Vacant Housing Units	8.5%	9.5%	9.7%
2010 Housing Units	12,702	37,268	75,777
Owner Occupied Housing Units	51.0%	59.1%	61.1%
Renter Occupied Housing Units	36.2%	27.6%	25.8%
Vacant Housing Units	12.8%	13.3%	13.1%
2021 Housing Units	13,667	40,042	82,455
Owner Occupied Housing Units	55.2%	62.6%	64.4%
Renter Occupied Housing Units	34.3%	25.6%	23.8%
Vacant Housing Units	10.5%	11.7%	11.8%
2026 Housing Units	14,441	42,165	87,172
Owner Occupied Housing Units	56.4%	63.5%	64.8%
Renter Occupied Housing Units	33.3%	25.1%	23.8%
Vacant Housing Units	10.4%	11.5%	11.4%
<b>Median Household Income</b>			
2021	\$49,368	\$56,420	\$60,252
2026	\$54,088	\$62,993	\$68,066
<b>Median Home Value</b>			
2021	\$209,481	\$245,302	\$279,100
2026	\$249,453	\$288,751	\$313,921
<b>Per Capita Income</b>			
2021	\$31,979	\$35,995	\$38,776
2026	\$36,073	\$40,670	\$43,630
<b>Median Age</b>			
2010	42.9	45.4	46.4
2021	45.5	48.2	49.7
2026	46.0	48.6	50.1

**Data Note:** Household population includes persons not residing in group quarters. Average Household Size is the household population divided by total households. Persons in families include the householder and persons related to the householder by birth, marriage, or adoption. Per Capita Income represents the income received by all persons aged 15 years and over divided by the total population.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2021 and 2026 Esri converted Census 2000 data into 2010 geography.

June 22, 2022

1291 Lake Washington Rd

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Source: Site to Do Business, ESRI, 5-10-15-Minute Drive-Times, accessed 28 Feb. 2022.

## **Summary and Conclusion**

The defined area has a mix of uses, to include commercial, light/medium intensity industrial, and significant levels of residential. Single and multi-family uses dominate areas to the south and west of the subject. Industrial uses dominate in the subject's immediate neighborhood to the north and east, as well as along arterial boundaries and crossing thoroughfares. Much more limited commercial land uses can be found along Lake Washington Rd., west of the subject.

No adverse neighborhood conditions are known to exist (nor were any observed) that would preclude or severely limit subject utilization according to its highest and best use as determined herein.

In comparison to other areas in the region, the market area is rated as follows:

<b>MARKET AREA ATTRIBUTE RATINGS</b>	
Highway Access	Good
Demand Generators	Average
Convenience to other supporting land uses	Average
Convenience to Public Transportation	Below Average
Employment Stability	Good
Police and Fire Protection	Average
General Appearance of Properties	Average
Appeal to Market	Average
Prices/Value Trend	Increasing for Residential Increasing for Commercial Increasing for Industrial

## Zoning

Requirements noted below are not intended to represent all applicable aspects of the ordinance. They do provide the reader with knowledge of general legal parameters.

Zoning Summary	
<b>Zoning Authority</b>	City of Melbourne
<b>Zoning District</b>	M-1 - Light Industrial
<b>Zoning Intent/Summary</b>	The provisions of this district are intended to apply to an area located in close proximity to rail, air or major roadway facilities and which can serve intensive commercial uses and light manufacturing, warehousing, distribution, wholesaling and other industrial functions of the city and the region. Restrictions herein are intended to minimize adverse influences of the industrial activities on nearby non-industrial areas and to eliminate unnecessary industrial traffic through non-industrial areas.
<b>Permitted Uses</b>	The provisions of this district allow for use, including but not limited to: amusement centers, light assembly, assisted living facilities, brewpubs, building contractor and equipment storage, car washes, child care facilities, community centers convenience stores with gas, electronic assembly, hospitals, hotels/motels, kennels, laboratories, light manufacturing, mini-storage facilities, parking facilities, public service utilities, indoor recreation, restaurants, retail, schools, vehicles services, personal services, vehicle impound yards, and warehousing amongst others.
<b>Future Land Use</b>	HC - Heavy Commercial
<b>Maximum Site Coverage</b>	50%
<b>Minimum Lot Area</b>	10,000 SF
<b>Maximum Building Coverage</b>	0.5
<b>Minimum Floor Area Per Unit</b>	300 SF
<b>Minimum Lot Width</b>	100'
<b>Minimum Lot Depth</b>	100'
<b>Front Set Back Distance</b>	20'
<b>Side Yard Distance</b>	40' for Corner Lots
<b>Back Yard Distance</b>	20'
<b>Maximum Building Height</b>	4 floors or 48'. There are additional set back requirements for multi-story buildings adjacent residential land uses with heights in excess of 36'.
<b>Zoning Parking Requirements</b>	Car Wash Establishments—When associated with a gas station and convenience store, one parking space per wash unit or bay and one space per vacuum shall be required; An automatic, independent car wash establishment shall provide the following parking spaces: Two spaces per automated wash facility, plus one space per employee on the largest working shift and one space per vacuum. A self-service car wash (coin-operated type) shall provide the following parking spaces: one space per vacuum, one space per bay, plus one parking space per employee. Wash bays shall not be counted as parking spaces. Based on the subject's current use and build-out, 11 spaces are required. 6 for the bays, 4 for the vacuum's and 1 for an on-site employee.
<b>Deed Restrictions/Moratoriums</b>	To our knowledge, there are no land use regulations other than zoning that would affect the property. Further, there is no moratorium on development.
<b>Zoning Analysis</b>	The subject is adjacent to residential development along the rear property line. This requires an Additional Buffer: Notwithstanding the setbacks required as noted in the table above, new multifamily, nonresidential, and mixed-use developments, subject to formal site plan approval, shall provide a visual screen and buffer area within their yard setbacks abutting residential uses and zoning districts, per appendix D, chapter 9, article III, section 9.44.1(a).
<b>Zoning Data Source</b>	City of Melbourne Municode
<b>Zoning Comments</b>	We have received a survey completed in 2019 for the purpose of splitting the subject parcel. Ownership's discussion with the county suggest splitting would be "easy and a formality". Discussions with the zoning department show no formal application has yet to be submitted. This report makes the Hypothetical Assumption that the parcel has been split and that 1301 and 1291 Lake Washington Dr. can be marketed and sold independently.



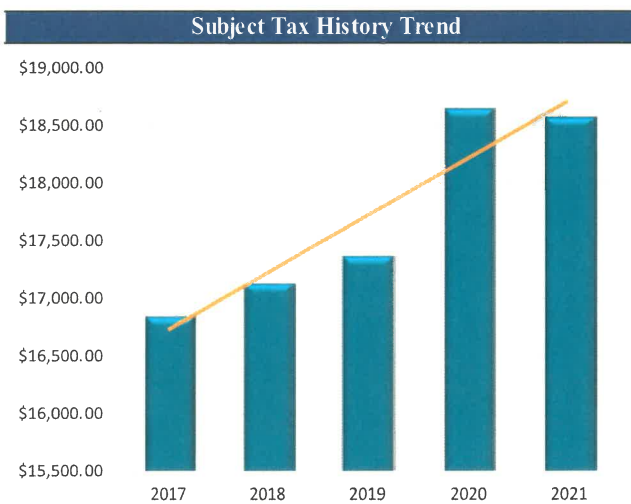
## Assessment and Taxes

Real Estate Assessment and Taxes					
Tax ID	Total Assessment	Tax Rate	Base Taxes	Special Assessments	Total Parcel Taxes
27-37-08-00-771	\$835,840	\$18.02	\$15,058.26	\$3,511.67	\$18,569.91

*Note: The subject car wash is currently sharing a parcel with a free-standing retail building that is included in this assessment, but not within the scope of our appraisal.*

The tax year runs from January 1st to December 31st. Real estate taxes in Brevard County are paid one year in arrears (2021 taxes are paid in 2022), and are due and payable November 1st of each year or as soon thereafter as the certified tax roll is received by the Tax Collector from the Property Appraiser. Properties in Brevard County are assessed Ad Valorem Taxes and Non-Ad Valorem Taxes. Ad valorem taxes, or real property taxes, are based on the value of such property. Non-ad valorem assessments are NOT based on value but are set amounts. The Non-Ad Valorem Taxes the subject is responsible for goes toward solid waste disposal and emergency medical services. According to Florida law, assessments are to be at 'Full Just Value'. This term is generally held to be 100% Market Value, less reasonable costs of sales. It has been our experience, however, that assessments vary widely in relation to market value as defined in this report. Reassessments are annual based on a calendar year.

Tax History			
Assessed Year	Total Assessment	Taxes	% Change
2017	\$710,000	\$16,848	
2018	\$745,110	\$17,139	1.7%
2019	\$773,930	\$17,386	1.4%
2020	\$835,840	\$18,656	7.3%
2021	\$835,840	\$18,570	-0.5%



Source: Brevard County