

Appraisal of
A 31-Room Motel “The Scottish Inn”

Located at
4341 SW 13th Street
Gainesville, FL 32608
In Section 19, Township 10 South, Range 20 East
Alachua County, Florida

Prepared for
The Alachua County Board of County Commissioners
And
C. Perry Peeples, Real Property Coordinator
Public Works Transportation Improvement
5620 NW 120th Lane
Gainesville, FL 32653

Purchase Order 2023-2205

Date of Value
September 8, 2023
(Effective Date of Value)

Santangini Appraisals, LLC
Gainesville, Florida

SANTANGINI APPRAISALS, LLC
REAL ESTATE APPRAISER AND CONSULTANT
1109 NW 23rd Avenue, Ste B
Gainesville, Florida 32609
352-376-3351

State-Certified General Real Estate Appraiser
Laura L. Rutan, Manager RZ3706
LauraRutan@gmail.com

September 14, 2023

C. Perry Peeples, Real Property Coordinator
Public Works Transportation Improvement
5620 NW 120th Lane
Gainesville, FL 32653

RE: Appraisal of: A 31-Room Motel
Located: 4341 SW 13th Street, Gainesville, FL 32608
Tax Parcel ID: 07218-001-000
Present use: Motel
Apparent owner: Lotus Enterprises, Inc.

Dear Mr. Peeples:

As per your request, an opinion of market value of the fee simple title of the above-referenced property has been developed. This report complies with the reporting requirements of the Uniform Standards of Professional Appraisal Practice for an appraisal report. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated. The appraiser is not responsible for unauthorized use of this report.

**Based on my analysis, my opinion of market value of the subject property is
\$1,900,000**

Following this introductory letter is our appraisal report that conforms to the Uniform Standards of Professional Appraisal Practice.

Respectfully submitted,



Laura L. Rutan
State-Certified General Real Estate Appraiser RZ3706

Table of Contents

Letter of Transmittal.....	2
Table of Contents	3
Summary of Important Facts and Conclusions	4
Subject Maps and Photographs	5-12
Assumptions and Limiting Conditions.....	13-15
Certification	16
Purpose of Appraisal, Intended Use, and Intended User	17
Personal Property	17
Definitions	18
Legal Description, Assessments, Taxes, and Five-Year Title History.....	19
Scope of the Appraisal.....	20
Market Area Data	21-22
Zoning and Future Land Use	22-23
Site Data	24-26
Description of the Improvements.....	27
Highest and Best Use	28
Sales Comparison Approach.....	29-40
Cost Approach to Value	41
Income Capitalization Approach.....	42
Reconciliation	43
Exposure Time	44

Addendum

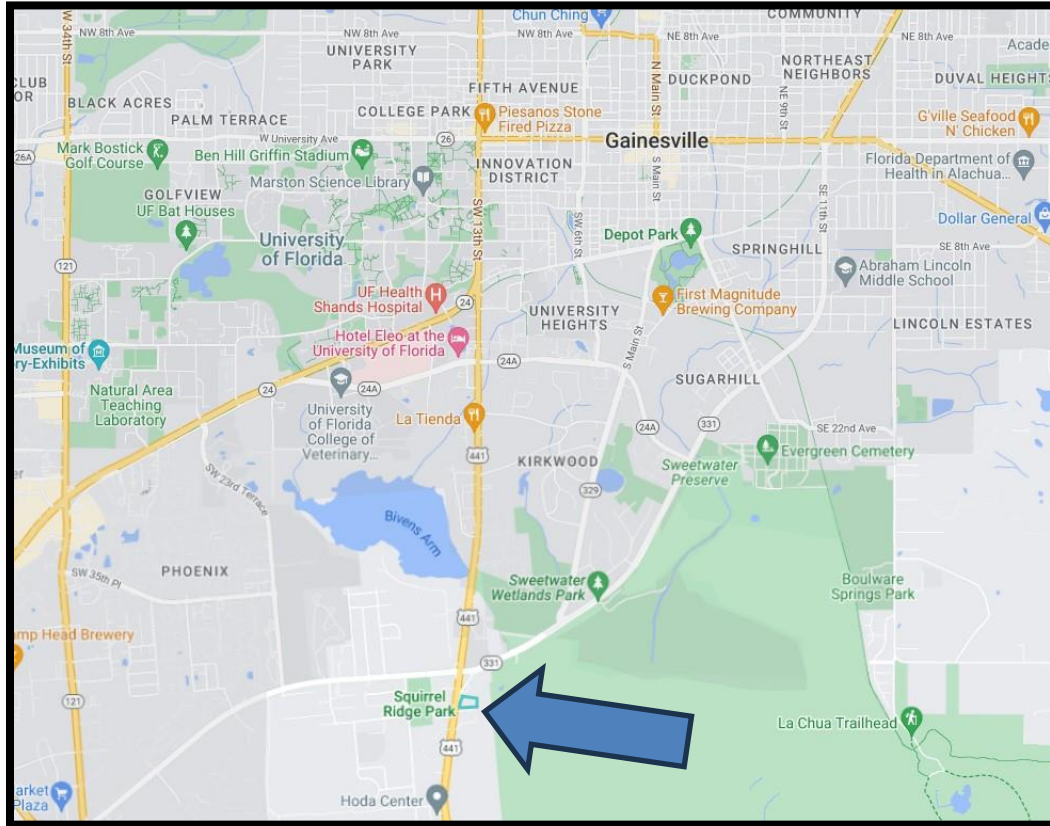
Income/Expense Data provided by Property Owner

Appraiser's Qualifications

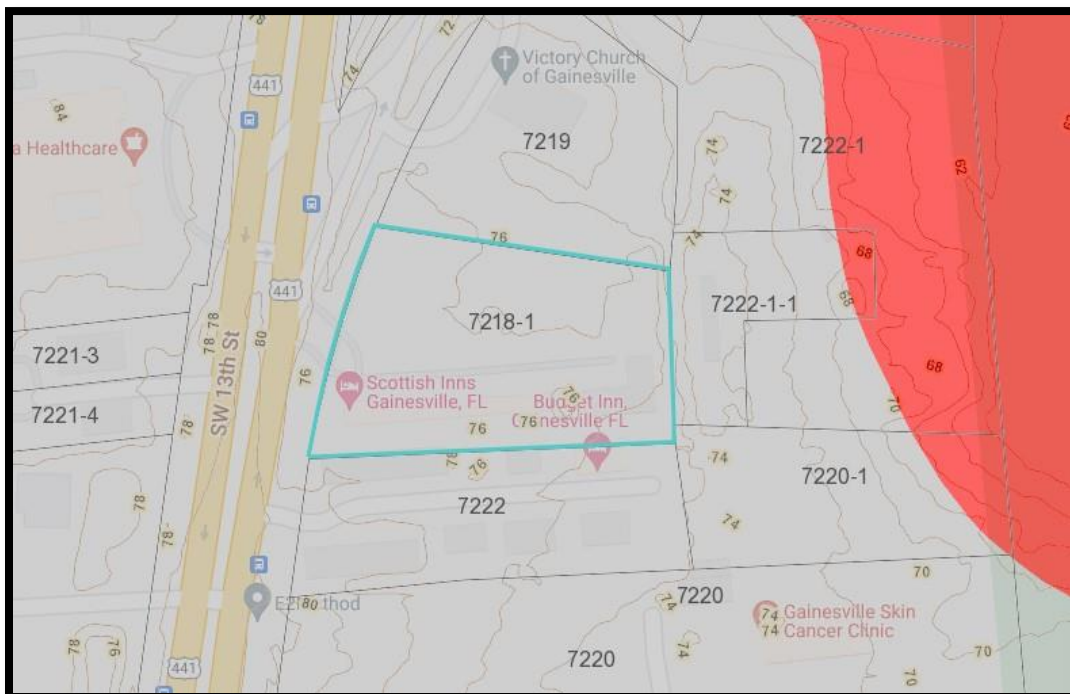
Summary of Important Facts and Conclusions

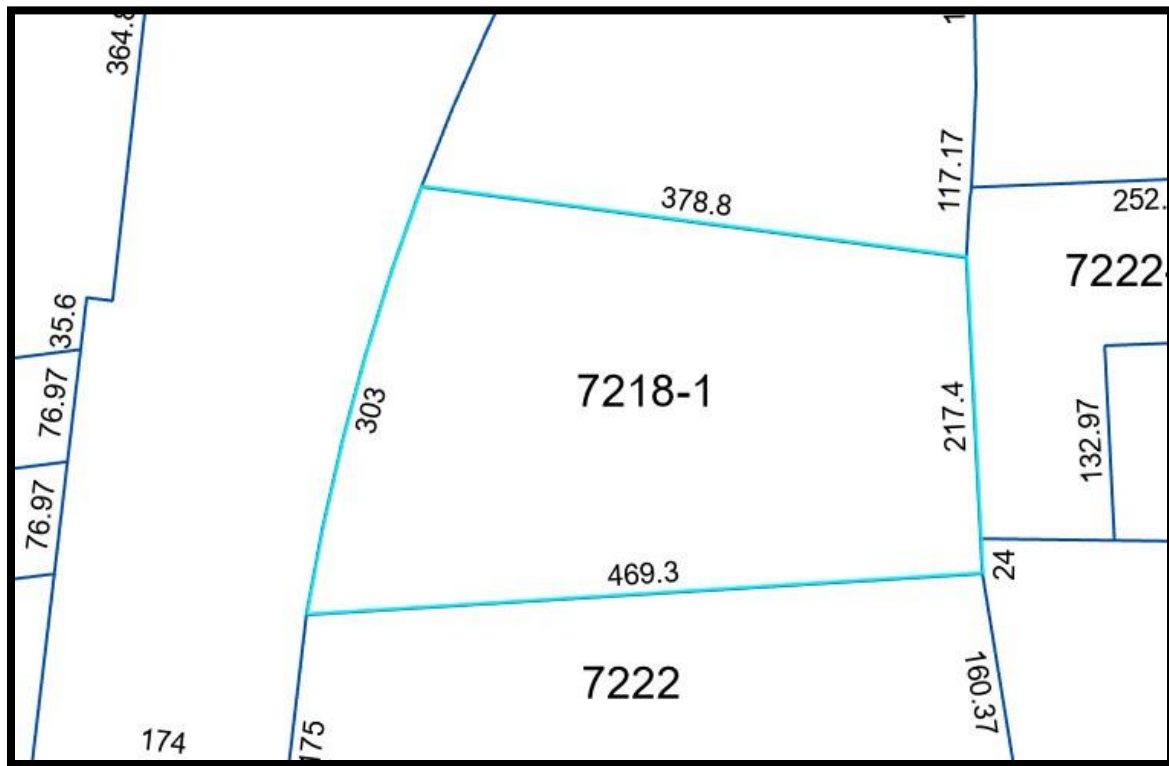
Location:	4341 SW 13 th Street, Gainesville, FL 32608
Apparent Owner:	Lotus Enterprises, Inc.
Purpose of the Appraisal:	To estimate market value for purchase making decisions
Land Size:	2.5 acres
Land Shape:	Wide cone shape due to the curve of SW 13 th Street/US Highway 441.
Zoning/FLU:	Business Highway BH and Commercial FLU
Improvements:	Two-story, two building motel
Assessed Value of Parcel:	\$1,350,600, 2023 proposed assessment
Taxes:	\$17,427.38 paid in 2022
Date of Value: (Effective Date of Value)	September 8, 2023
Date of Report:	September 14, 2023
Highest and Best Use:	Continued hospitality, future redevelopment
Personal Property:	Included within this appraisal report, although furniture and fixtures are typically included within motel sales, contributory values are not estimated individually.
Market Value Opinions:	
Cost Approach	\$1,650,000
Sales Comparison Approach	\$1,800,000
Income Capitalization Approach	\$2,000,000
Final Market Value Opinion:	\$1,900,000

Subject Maps



The street map above shows the location of the subject with the topography/FEMA flood zone map below shows relatively level land outside of the floodzone.





**The lot dimensions map shows 2.5 acres
(2.5 acres MOL more or less – per the legal description)**



**Google aerial map of the subject showing wetlands east of the subject at the
Sweetwater Wetlands Park**

Subject Photographs



US Highway 441/SW 13th Street facing north,



SW 13th Street facing south – as it leads to Payne's Prairie and Micanopy

Subject Photographs



This undated aerial above was obtained online showing the subject and the adjacent Budget Motel also purchased by Alachua County.



This is the subject property taken from the west side of SW 13th St/US 441

Subject Photographs



Office area and manager 2/1 apartment



The original wing of the motel with ten rooms

Subject Photographs



View of the two-story section built in 1987



The pool has been drained and is not in use

Subject Photographs



A sample king-sized room



Bathroom with tub/shower

Subject Photographs



The older single-story 10 room building with office and manager's apartment



The newer two-story 21 room building

Assumptions and Limiting Conditions

1. No responsibility is assumed for the legal description or for matters including legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated. The services of an attorney are suggested regarding any issues legal in nature prior to use of the appraisal.
2. The property is appraised free and clear of any or all liens or encumbrances unless otherwise stated.
3. Responsible ownership and competent property management are assumed.
4. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy. The appraiser assumes no responsibility for independently verifying this information. If the client has any question regarding this information, it is the client's responsibility to seek whatever independent verification is deemed necessary prior to use of the appraisal.
5. All engineering is assumed to be correct. The plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them. If the client has any questions regarding these items, it is the client's responsibility to order the appropriate inspections prior to use of the appraisal. The appraiser does not have the skill or expertise needed to make such inspections. The appraiser assumes no responsibility for these items.
7. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the appraisal report.
8. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless nonconformity has been stated, defined, and considered in the appraisal report.
9. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is used.
10. **This appraisal, unless otherwise noted, is not intended for third party use.** Should any third party obtain a copy of this appraisal or any part thereof, it is the responsibility of that party to obtain the permission of the appraisers prior to any use whatsoever of the appraisal. Should any third party use the appraisal without doing so, they do so at their own risk.

11. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless noted in the report.
12. Possession of this report, or a copy thereof, does not carry with it the right of publication.
13. The appraiser, by reason of this appraisal, is not required to give further consultation, testimony, or be in attendance in court with reference to the property in question unless arrangements have been previously made.
14. 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 the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales or other media without the prior written consent and approval of the appraiser.
15. The client shall notify the appraiser of any error, omission, or invalid data herein within ten days of receipt and return the report to the appraiser for revision prior to any use whatsoever.
16. An appraisal is the product of a professionally trained mind but nevertheless is an opinion only, and not a provable fact. As such values may vary between appraisers based on the same facts. Thus, appraiser warrants only that the value conclusions are her best estimates as of the date or dates of value.
17. The forecasts, projections, or operating estimates and value estimate (or estimates) are based upon current market conditions. These forecasts and market conditions, as is the value estimate or estimates are, therefore, subject to changes in future conditions.
18. Sizes were obtained from the public records or from available surveys. Should a subsequent survey indicate different sizes, the value estimates herein may require changes.
19. Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraiser. The appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, radon, or other potentially hazardous materials may affect the value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.
20. No non-public or confidential information provided by the client for the purpose of completing this appraisal report is released or made available to the public in compliance with the Gramm-Leach-Bliley (GLB) Act, a federal law.

21. The appraisers do not accept responsibility for legal matters. This includes, but is not limited to, the correctness of any title information, any survey information including size of the property and/or configuration boundary lines. As a standard appraisal procedure, it is recommended that the services of an attorney-at-law and of a registered surveyor be obtained in order to determine the correctness of all such matters.
22. The outlining of maps such as the FEMA, NRCS soil map, and NWI Wetland map require the appraiser to manually outline the subject property. There are variances and are deemed accurate within a percentage range of error, but not deemed to be exact in the outline. However, for the purpose of the appraisal report, these outlines serve the purpose and are shown as estimations.
23. Real estate does not always follow predictable courses; real estate sales are impacted highly by buyer emotions and by the knowledge of both buyers and sellers of the market. The data available is what it is, where it is, when it is. The appraiser takes the most recent data available – investigates and analyzes this data – and creates an opinion of value based on this data.
24. Should a hypothetical condition be deemed appropriate for this appraisal report, the report resultant opinion of value may be based on this condition. This is clearly and conspicuously stated herein. The usage of this condition may affect the assignment results and the outcome of this report.
25. The Income Approach to value is estimated based on information provided by the subject property owner. This information is deemed accurate and the basis for valuation through this approach.
26. The subject property owner mentioned a 2.5% franchise fee for the Scottish Inn sign, but that he was going to do away with this as they provided no support to his business.
27. As an example, the Budget Motel next door to the subject was purchased by Alachua County as a low-income help for residence, there were certain upgrades required before the motel could be converted, and it is currently fenced in and boarded up. There is evidence of people breaking through those barricades seeking shelter. This motel likely will have similar code upgrades required, but the appraiser is not qualified to perform this type of code compliance inspection.

Appraiser's Certification

I certify that, to the best of my knowledge and belief the statements of fact contained in this report are true and correct. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions. I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment. My engagement in this assignment was not contingent upon developing or reporting predetermined results. Compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Standards of Professional Practice of the Appraisal Institute, the Uniform Standards of Professional Appraisal Practice (USPAP) and the State of Florida for State-Certified General Appraisers. I made a personal inspection of the property that is the subject of this report. No one has provided significant professional assistance to the person signing this report. The use of this report is subject to the requirements of the Institute relating to review by its duly authorized representatives. The use of this report is subject to the requirements of the State of Florida. The undersigned member participates in the State's continuing education program and as of the date of the report, the undersigned has completed the requirements of the continuing education program and is currently licensed through November 30, 2024. As required under the Competency Provision of the USPAP, the appraiser has appropriate knowledge and experience to complete the assignment competently. This firm has performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

The real property which is the subject of this appraisal report has an estimated value,
as of, September 8, 2023, at \$1,900,000

A handwritten signature in blue ink, reading "Laura L. Rutan", with a stylized flourish at the end.

Laura L. Rutan
State-Certified General Real Estate Appraiser RZ3706

Purpose of Appraisal, Intended Use, and Intended User

The purpose of this appraisal is to develop an opinion of market value of the fee simple title of the subject as of September 8, 2023. The definitions for market value are included in the following section of the report. This report is being prepared to assist the client, Alachua County Public Works Department, Alachua County Board of County Commissioners, and Alachua County Administration, in the estimation of market value for financial planning and potential purchase decision making purposes. In federal acquisitions, the purpose of an appraisal—whether prepared for the government or a landowner—is to develop an opinion of market value that can be used to determine just compensation. It has been deemed that market value equates to just compensation.

Personal Property

There is personal property included within this appraisal report, but it is not appraised separately. The appraisal estimates market value for the land and the building improvements. Motels typically sell rooms furnished with furniture and fixtures, and thus the furniture and fixtures are included within the prices paid per room. Each room is furnished with a bed(s), television, bedside tables and lamps, table/chair, dresser, along with linens for the beds and bathrooms and window covers. Each unit has an individual built in wall unit heat/air conditioner. Other items of personal property included are the washing machines and dryers associated with housekeeping and the necessary linens.

Definitions

Fee Simple - A fee simple estate implies absolute ownership unencumbered by any other interest or estate.

Current Effective Date of Value - The current effective date of value occurs when the effective date of the appraisal is contemporaneous with the date of the report. In this appraisal, the current effective date of value is the date of inspection of the subject property.

Market Value

Per the Uniform Standards of Professional Appraisal Practice - USPAP: **Market Value** - A type of value, stated as an opinion, that presumes the transfer of a property (i.e., a right of ownership or a bundle of such rights), as of a certain date, under specific conditions set forth in the definition of the term identified by the appraiser as applicable in an appraisal.

Per Federal Treasury Regulation Section 1.170A-1(C)(2) - Fair **Market Value** is the price at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of the relevant facts.

Per the Interagency Land Acquisition Uniform Appraisal Standards for Federal Land Acquisitions: **Market Value** - The amount in cash, or on terms reasonably equivalent to cash, for which in all probability the property would have sold on the effective date of value, after a reasonable exposure time on the open competitive market, from a willing buyer, with neither acting under any compulsion to buy or sell, giving due consideration to all available economic uses of the property.

Per the Appraisal Institute's Dictionary of Real Estate Appraisal and the 15th Edition - **Market Value** – The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently, knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- a. buyer and seller are typically motivated;
- b. both parties are well informed or well advised, and acting in what they consider their own best interests;
- c. a reasonable time is allowed for exposure in the open market;
- d. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- e. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

*Definitions are contained within "The Appraisal of Real Estate, 15th Edition" and
"The Dictionary of Real Estate Appraisal, Seventh Edition"
"The Uniform Standard of Professional Appraisal Practice (USPAP) 2020-2023"
"Uniform Appraisal Standards for Federal Land Acquisitions – 2016"*

Legal Description, Assessments, Taxes, 5-Year Sales History

The subject property is designated as tax parcel number 07218-001-000. The assessed value of the subject property is \$1,350,600. Annual taxes for 2022 are \$17,427.38 and are shown as paid on 3/31/23. The owner of record is Lotus Enterprises, Inc. There have been no known arm's length changes in title to the property within the past five years. The current owners purchased the property in August 2002, for an indicated \$600,900, per OR 2503/550. There are no indications that the property is currently listed for sale; however, it is under contract per the client, but did not provide a copy to the appraiser for inspection. The legal description of each parcel of the subject property, per recorded deed and the Alachua County Tax Collector's records, is as follows:

COMMENCE AT THE NORTHEAST CORNER OF SERENOLA PLANTATION AS RECORDED IN THE DEED BOOK 'L', PAGE 480 OF THE PUBLIC RECORDS OF ALACHUA COUNTY, FLORIDA; THENCE RUN SOUTH 85°30' WEST 85 FEET TO THE EAST RIGHT OF WAY OF STATE HIGHWAY NO 329; THENCE RUN SOUTHWESTERLY ALONG SAID RIGHT OF WAY 3°30' CURVE 994.2 FEET TO THE POINT OF BEGINNING; THENCE RUN SOUTH 85°30' EAST 378.8 FEET TO THE WEST SIDE OF OLD T&J RAILROAD RIGHT OF WAY; THENCE RUN SOUTH 0°37' EAST ALONG SAID RIGHT OF WAY 217.4 FEET; THENCE RUN SOUTH 84°0' WEST 469.5 FEET TO THE EAST SIDE OF SAID STATE HIGHWAY RIGHT OF WAY; THENCE RUN NORTHEASTERLY ALONG SAID RIGHT OF WAY 303.0 FEET TO THE POINT OF BEGINNING, CONTAINING 2.5 ACRES MORE OR LESS, ALL LYING AND BEING IN LOT 22 OF SERENOLA PLANTATION, TOWNSHIP 10 SOUTH, RANGE 20 EAST, ALACHUA COUNTY, FLORIDA.

Per the Alachua County Property Appraiser's office, the legal description is shown:

D L CLINCH GRANT SERENOLA DB L-480 COM NE COR SERENOLA PLANS 85 DEG W 85 FT TO E R/W SR 329 SWLY 3 DEG 994.2 FT POB S 85 DEG E 378.8 FT TO W SIDE OLD T & J RR R/W S ALG R/W 217.4 FT S 84 DEG W 469.5 FT TO E R/W SR 25 NELY ALG E R/W 303.0 FT POB OR 2503/0550

The subject property assessments and annual taxes are shown below:

2023 Proposed Assessment Values	
Improvement Value	\$ 719,951
Land Value	\$ 630,639
Just Market Value	\$1,350,600
Assessed/Taxable Value	\$ 794,610
Save our Homes	\$ 555,990
Taxes (2022)	\$ 17,427

Scope of the Appraisal

The purpose of this appraisal is to estimate market value of the subject property in the fee simple title. The approaches to value available are the Sales Comparison Approach, the Cost Approach to Value, and the Income Approach. After reviewing the subject, the determination was made that the Sales Comparison Approach is the most common approach to value and the comparisons are performed on a price per key or room. The Cost Approach is less reliable with aging buildings as the subject, but the Cost Approach is a way of breaking out the market value of the underlying land from the improvements, so this approach is developed, but given less emphasis. Data was provided by the property owner on the motel's income and expenses; thus the Income Approach is developed, with the disclaimer that all information provided may be relied upon to develop an estimated value based on the income stream. The appraiser researches the market for sales that may be deemed comparable to the subject, inspects the subject property with the property owner, and views the comparable sales utilized in this analysis.

The purpose of this appraisal is to form an opinion of the subject's market value based on market influences current in the subject's market area. This process involves researching, evaluating and analysis of multiple properties considered to be similar to, or substitutes for, the subject, and are incorporated in this appraisal as the comparable properties. Consistent with appraisal requirements, the market area is researched based on the subject's location, plus the physical, legal and economic characteristics. The market area is not confined to specific distances from the subject property, although close proximity is generally considered to be a more accurate indicator of the subject's market value. And the development of market value can be based on comparable property sales with extended sale dates prior to the report Effective Date without being confined to a specific date range. However, sale dates closer to the Effective Date are generally considered more accurate determinants of the current Market Value. If extended sale date properties are needed, this may include a 'market value adjustment' to compensate for the extended time period. In no case is the racial component of the market area (such as from Census Tract data), or current or future occupants of the subject property, researched or included in this analysis, or used as a basis to determine the opinion of market value. Secondly, the appraiser has not based the value opinion in this report relative to any protected personal characteristics - per federal, state or local laws or regulations - of any persons connected by any means to this report - unless laws and regulations expressly permit or otherwise allow the consideration of such characteristics, the reliance on such characteristics is essential for credible assignment results, and the consideration is not based on bias, prejudice or stereotype. The appraiser has reviewed MLS listing photos and data when available, utilized other sales services along with the public records, made drive by observations of the comparable properties. Discussions with unbiased third-party sources as to the condition and characteristics of the comparable sales/listings in this report, as well as verifying the sales as being arm's length transactions. These details were used to help analyze quality and condition, and to make a decision about the comparable sales applicability to this assignment. Each of these comparables is considered to have appropriate similarities to the subject property, and are presumed to appeal to typical buyers due to their location, design and amenities, from which the subject's opinion of market value can be reported.

Market Area Data

The market area is considered Alachua County and surrounding counties, such as Marion County, where motels have recently sold. The subject property is in unincorporated Alachua County. The County government seat is situated in Gainesville. Gainesville is located 70 miles southwest of Jacksonville, 129 miles southeast of Tallahassee, 140 miles northeast of Tampa - St. Petersburg and 109 miles northwest of Orlando. Alachua County has a population of almost 280,000 and a regional airport. The County consists of 969 square miles. Alachua County is governed by a Board of five elected County Commissioners and operates under the established County Manager Charter form of government. There are five elected Constitutional Officers: Supervisor of Elections, Sheriff, Clerk of the Court, Tax Collector, and the Property Appraiser. The Alachua County Attorney also reports to the Board. The most recent accolade for Gainesville is tied to the Wall Street Journal naming UF as the #1 public university in the country in its “2024 Best Colleges in the US” report.

All Topics	Q Florida	Q Alachua County, Florida	Q Gainesville city, Florida
Population Estimates, July 1 2021, (V2021)	21,781,128	279,238	140,398
PEOPLE			
Population			
Population Estimates, July 1 2021, (V2021)	21,781,128	279,238	140,398
Population estimates base, April 1, 2020, (V2021)	21,538,187	278,468	139,835
Population, percent change - April 1, 2020 (estimates base) to July 1, 2021, (V2021)	1.1%	0.3%	0.4%
Population, Census, April 1, 2020	21,538,187	278,468	141,085
Population, Census, April 1, 2010	18,801,310	247,336	124,354

The motel industry along US Highway 441 has been ongoing since the early 1950s. The area is in a revitalization cycle especially notable in the blocks north of the subject property north of SW Williston Road. This is a period of renewal, redevelopment, modernization, and increased demand. In this process, older motels have been demolished and large developments of multi-family housing geared towards the University of Florida students are built. These developments have replaced the smaller motels, commonly called “Mom & Pop” motels. They are typically run by a family who live on site. There is usually accommodation for the owner or manager on site with an apartment behind the check-in desk. The national report on the hospitality market for midyear 2023, produced by Marcus & Millichap, shows that economy and mid-scale assets, limited-service hotels, accounted for nearly half of all trades during the past four quarters ending in June 2023. Sales activities continue to be strongest in Florida, California, and Texas. Recurring problems of many industries, and the lodging/hospitality industry is not exempt, revolve around labor shortages. Accommodations employment remains 250,000 positions below the pre-pandemic level as of June 2023, while operating expenses have increased due to inflation.

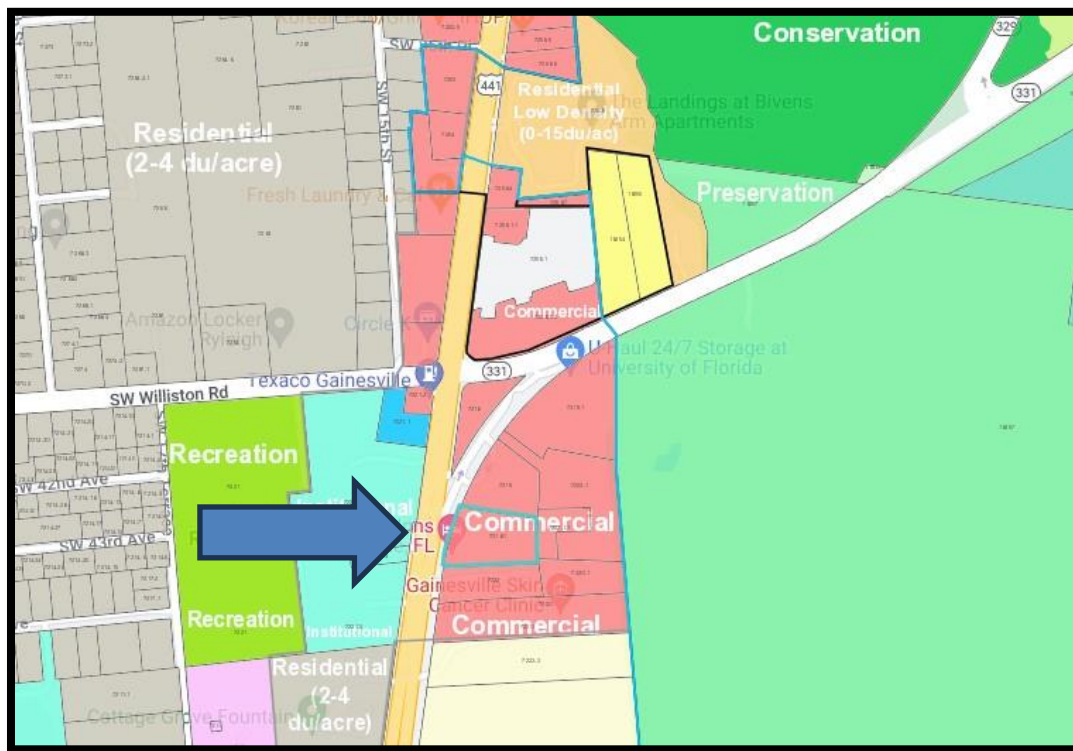
The owner indicated that there were no weekly rentals; however, it did appear to have longer term tenants with a house cat observed in a window and plants being grown outside of the room; not typical for overnight rentals. The owner stated that he accepts governmental vouchers – “they pay slow, but they pay good.” This should not detract from motel valuations – where the rental money originates. However, longer term tenants do tend to generate more police activity. A review of the Alachua County Sheriff’s log for this address indicates multiple calls a day ranging from proactive policing, quality of life visits that are general incidents related to drugs, liquor, and disorder; suspicious activity or person visits – engaging criminals or violators before they commit a crime; incomplete 911 calls, and medical emergency calls.

Zoning and Future Land Use

The subject property is zoned BH – Business Highway and the associated Future Land Use is Commercial. The Highway Oriented Business Services District implements the commercial and tourist/entertainment policies of the Comprehensive Plan. The BH zoning minimum lot area is 5,000 square feet, with a 50-foot minimum width at the front building line, and 100-foot minimum depth. Required minimum setbacks are 25 feet front; five-foot rear and side; and 25-foot street side. A zoning and FLU map are presented.



The subject property Zoning Map shows BH zoning.

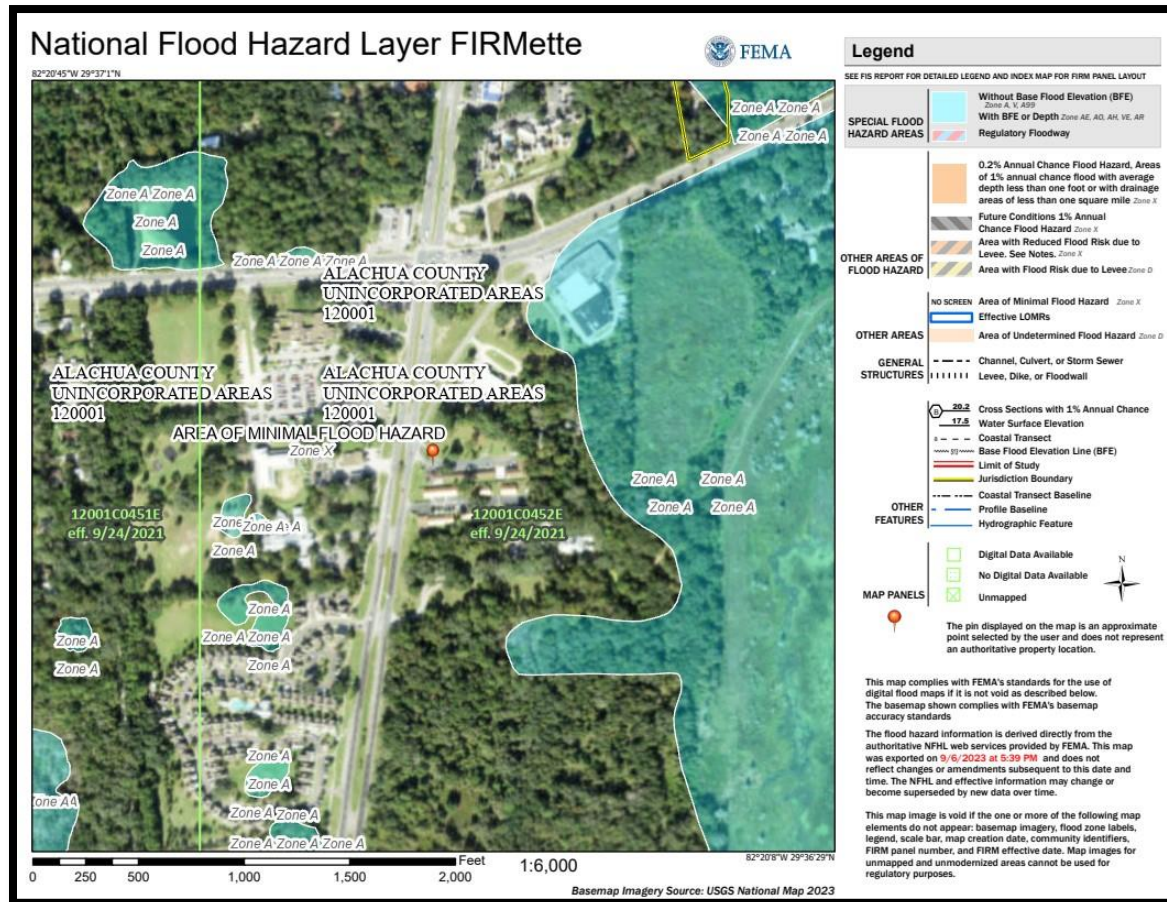


The Future Land Use Map shows Commercial land use for the subject property

Site Data

The subject property is level land ranging from 72-76 feet above mean sea level. The property is grassy and improved with a motel with asphalt drive and parking, with scattered perimeter trees. The property is located on a major thoroughfare of the area with high traffic counts. The property is located on the RTS bus line path Route 13, public transport.

According to Flood Map panel 12001C0452E, dated September 24, 2021, the property is located within Zone "X," which is an area of minimal flood hazard, specifically located outside of the 0.2% chance flood plain.



The USDA Natural Resources Conservation Services maps indicate that the site consists of soils as are shown in the map below.



Map Unit Symbol	Map Unit Name	Acres in AOI	Percent of AOI
7	Kanapaha sand, 0 to 5 percent slopes	0.0	0.7%
44	Blichton-Urban land complex, 0 to 5 percent slopes	2.6	99.3%
Totals for Area of Interest		2.6	100.0%

The majority of the subject property has Blichton-Urban land complex with 0-5% slopes soil with a small portion of the southeastern corner with Kanapaha sand, 0-5% slopes. Both soils are shown as poorly drained soils by the USDA soil data.

The National Wetlands Inventory map below shows there are no wetlands associated with the subject property.



Description of the Improvements

The subject property is a 31-room motel located on an important thoroughfare of southern Alachua County. The improvements were built between 1954 and 1987. The Alachua County Property Appraiser's property card for the subject property indicates 11,835 heated square feet and 17,237 square feet total. Building #1 was built in 1954 with routine updates, without major renovations. This building has an 804-square foot apartment for the manager to reside in while running the motel. In this instance, the owner has hired a manager team to live onsite. There are 10 rooms in this building. The second L-shaped building has two stories, and 21 rooms. This building was constructed in 1987. All rooms are exterior corridor rooms. There is a swimming pool on site but has been drained. Additionally, there is a covered entrance in front of the office and unfinished storage to the rear of the apartment. A laundry room is used for cleaning linens, a typical necessity for a motel. Site improvements include fencing, asphalt paving, along with concrete walkways and canopies covering the walkways in front of the rooms. These are masonry buildings with asphalt shingle roof covering, metal entry doors into the rooms, stucco covering concrete block exterior walls, hard coat painted interior walls with smooth finish painted ceilings. Each room has an in-wall heating/cooling unit, but the manager's office and apartment have central heat and air conditioning. Floor coverings are of vinyl tile planks that the property owner replaced to eliminate carpeting. The furnishings are minimal but suffice for the function of an economical motel. It is unknown the age of the roof, but the owner indicated that there were no leaks. There were permits pulled for roof repairs in 2020, 2008, and 1994. There was also a permit for a fire sprinkler system in 2000. A surveillance system is set up for security. The owner provided expenses and property improvements that were spent, totaling \$86,652. These include new gas and sewer lines to the older one-story building, vinyl plank to replace carpeting in the rooms. New gas water heaters, fence repairs, sign upgrade to LED, and nine new air conditioning units. The list provided is included within the Addendum section of this appraisal report.

Highest and Best Use

Highest and Best Use may be defined as “The reasonably probable and legal use of vacant land or an improved property which is physically possible, appropriately supported, financially feasible, and that results in the highest value.”

The highest and best use of both land as though vacant and property as improved must meet four criteria. The highest and best use must be: physically possible, legally permissible, financially feasible, and maximally productive.

Physically Possible

The utility of land depends on physical characteristics such as size, shape, area, terrain, and the capacity and availability of utilities. For improved properties, physical considerations include size, design, and condition.

Legally Permissible

A determination of what uses are legally permissible must be made. Private restrictions, government and/or environmental regulations may preclude many potential highest and best uses.

Financially Feasible

Uses that meet the first two criteria are analyzed further to determine uses that are expected to produce a positive return. Financial feasibility is a function of supply and demand.

Maximally Productive

Of the financially feasible uses, the use that produces the highest price, or value, consistent with the rate of return required by the market for that use is the highest and best use.

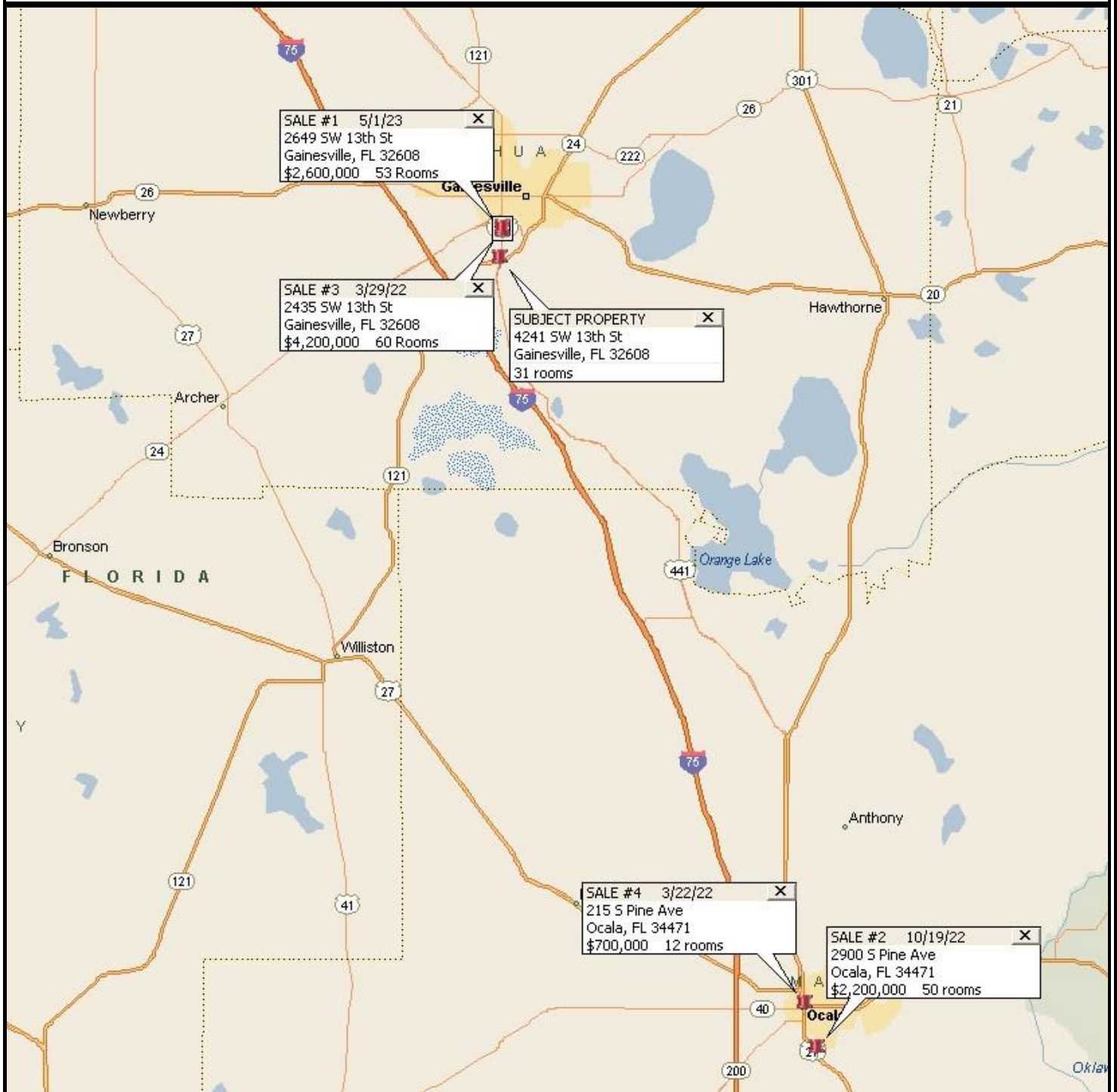
The subject property is an established motel in southern Alachua County. The property is located on a major thoroughfare of the area with an estimated daily traffic count of 15,700 vehicles passing in front of the subject. There is very good visibility. The property is 2.5 upland acres. The road frontage is ample, and parking and entrance are considered good. The property has a Commercial Future Land Use with Business Highway Zoning. The motel improvements conform to the legally permissible allowable uses of the site. There is a demand for accommodations within the Alachua County/Gainesville area. Generally, visitors come for medical reasons with Shands Teaching Hospital and the VA hospital in close proximity to the subject. Other visitors attend recreation related to the University of Florida sporting events. There is also a need for affordable living accommodations within the area. These types of motels often rent on a weekly basis and may fulfill some of this need. This is an older motel in an area with drug/alcohol and mental health treatment centers located nearby. Along SW 13th Street, many of the older motels have been demolished to give way to multiple-story student housing developments. The highest and best use is considered continued use as a motel with a high future redevelopment potential. The future redevelopment to consider is combining both adjacent motels, demolition, and building exactly to suit the needs of the population.

Sales Comparison Approach

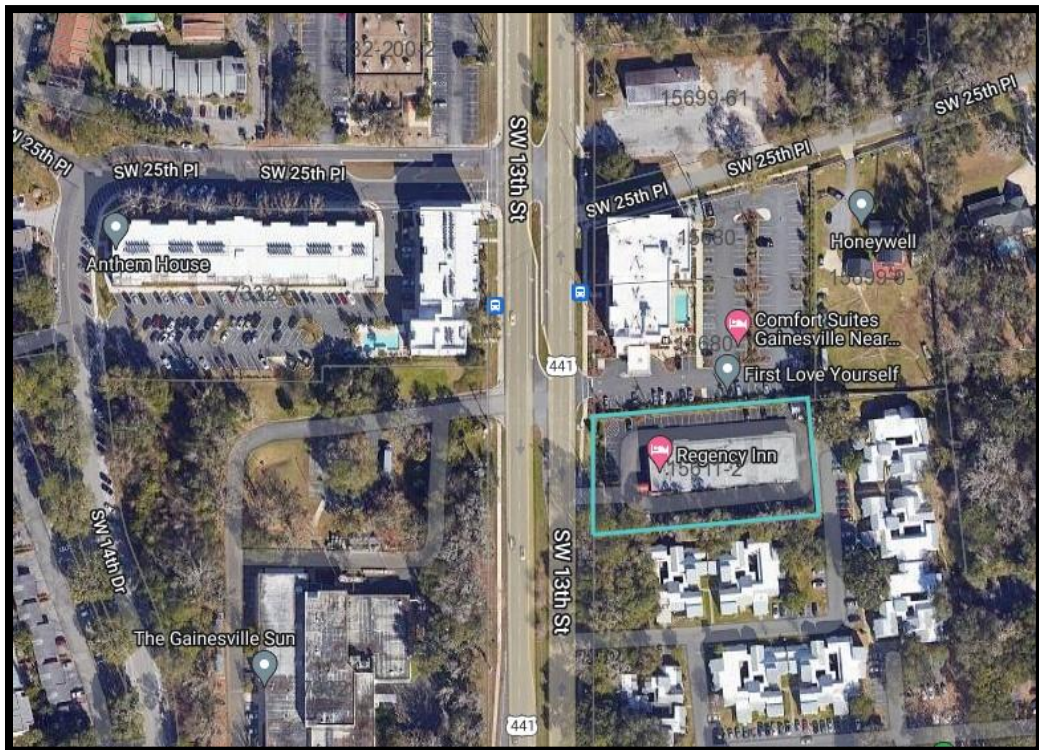
In the Sales Comparison Approach, the appraisers develop an opinion of value by analyzing similar properties and comparing properties with the subject property. The comparative techniques of analysis applied in the Sales Comparison Approach are fundamental to the valuation process. In the Sales Comparison Approach, an opinion of value is developed by comparing properties similar to the subject property that have recently sold, applying appropriate units of comparison, and making adjustments to the sale prices of comparables based upon the elements of comparison. The major premise of the Sales Comparison Approach is that the value of the property is related to the prices of comparable, competitive properties. The Sales Comparison Approach is applicable when sufficient data on recent market transactions is available. A systematic procedure for applying the Sales Comparison Approach includes the following steps: 1) researching transactional data, 2) verifying the data as accurate and representative of arm's length transactions, 3) selecting relevant units of comparison, 4) determining how the comparable sales differ from the subject and adjusting their prices for differences in various elements of comparison, and 5) reconciling multiple value indications into a single value. The best common denominator in this instance is the indicated price per key or room.

I have found five sales that may be considered comparable to the subject improved property. These motel sales closed between September 2021 and May 2023. These sales were selected as the most comparable to the subject property. The sales are all located in either Alachua or Marion County, as the subject is in Alachua County and Marion County is the adjacent county to the south. The subject property has 31 rooms, and the comparable sales range from 12 to 60 rooms in size. All of these motels have good visibility and road frontage. Some of these motels have weekly residents. All of these motels have an onsite apartment for the manager or owner. Some of these motels have pools, some are functional and some are not, these are pools that are not often used.

Sale	Sale Date	Sale Price	# Rooms	Price paid per Room	Address	Tax Parcel ID	Year Built	Site Size	Hotel Name
Subj	8/1/2002	\$600,900	31	\$19,383.87	4341 SW 13th St, GNV	07218-001-000	1954 1987	2.5	Scottish Inn
1	5/1/2023	\$2,600,000	53	\$49,056.60	2649 SW 13th St, GNV	15611-002-000	1973	0.97	Regency Inn
2	10/19/2022	\$2,200,000	50	\$44,000.00	2900 S Pine Ave, Ocala	30302-000-00	1957	2.47	Royal Inn
3	3/29/2022	\$4,200,000	60	\$70,000.00	2435 SW 13th St, GNV	15692-002-000	1988	1.56	Quality Inn
	8/23/2021	\$3,500,000	60	\$58,333.33	2435 SW 13th St, GNV	15696-002-000			
4	3/22/2022	\$700,000	12	\$58,333.33	215 S Pine Ave, Ocala	02853-013-03	1960	0.29	Shamrock Cove Inn



Motel Sale #1



Motel Sale #1

<u>Motel Name</u>	Regency Inn (former Econo Lodge)
<u>Tax Parcel Number</u>	15611-002-000
<u>Location</u>	2649 SW 13 th Street, Gainesville, FL 32608
<u>Legal Description</u>	<i>D L CLINCH GRANT COM NE COR LOT 1 MILLERS PLAT DB L-448 S 85 DEG W 175 FT POB CONTINUE S 85 DEG W 273.52 FT TO E R/W U S 441 S ALONG R/W 150 FT N 85 DEG E 288.03 FT N 5 DEG W 149.52 FT POB OR 4593/0791</i>
<u>Grantor</u>	Shrinath BJM Inc.
<u>Grantee</u>	Shaaravi LLC, Javlant and Mariyah Patel
<u>Date of Sale</u>	May 1, 2023
<u>Recorded</u>	Official Records Book 5087/1506
<u>Site Size</u>	0.97 acres
<u>Building size in HSF</u>	17,813
<u>Zoning</u>	U7
<u>Sale Price</u>	\$2,600,000
<u>Room/Key Count</u>	53
<u>Price per Room/Key</u>	\$49,056.60
<u>Average Daily Rate</u>	\$87
<u>Financing</u>	\$1,800,000 private financing total due on June 1, 2038, 15-year note
<u>Comments</u>	This hotel sold this year and will operate as the Regency Inn. The 53-room motel was built in 1973, appears of similar quality construction as the subject property. This motel is located just north of the subject on SW 13 th Street on the same eastern side of this important thoroughfare. This motel does not have a pool and is a two-story block structure.

Motel Sale #2



Motel Sale #2

<u>Motel Name</u>	Royal Inn
<u>Tax Parcel Number</u>	30302-000-00
<u>Location</u>	2900 S Pine Ave, Ocala, FL 34471
<u>Legal Description</u>	<i>SEC 29 TWP 15 RGE 22 COM N 33-42-55 W 455 FT FROM INTERSECTION OF SW RWY LINE OF NEW HWY NO 441 WITH NE RWY LINE OF OLD HWY NO 441 FOR POB TH S 56-07-05 W 175.88 FT TO NE RWY LINE OF OLD HWY NO 441 TH N 54-50-55 W ALONG HWY RWY LINE 449.61 FT TH N 56-07-05 E 337.98 FT TO SW RWY LINE NEW HWY NO 441 TH S 33-42-55 E ALONG HWY RWY LINE 419.37 FT TO POB BEING PART OF LOTS 11 & 34 GILLIAMS SUB NE PT SANCHEZ GRANT</i>
<u>Grantor</u>	Mei Yun Liu and Rong Hwa Wong
<u>Grantee</u>	PBJ Hotels LLC
<u>Date of Sale</u>	October 14, 2022
<u>Recorded</u>	Official Records Book 7904/640
<u>Site Size</u>	2.47 acres
<u>Building size in HSF</u>	18,122 in five buildings
<u>Zoning</u>	B4
<u>Sale Price</u>	\$2,200,000
<u>Room/Key Count</u>	50
<u>Price per Room/Key</u>	\$44,000
<u>Average Daily Rate</u>	\$70
<u>Financing</u>	Seller mortgage for \$1,700,000, recorded in OR 7904/644
<u>Comments</u>	This hotel was originally built in 1957, and is undergoing repairs noted by construction dumpsters, blue tarps on roofs, but has what appears to be weekly/monthly renters in the back of the five-building complex. This motel is located along a busy thoroughfare of Ocala. There are three additional rooms used for storage as well as a 192-sf office manager/owner apartment. The swimming pool was demo'd in 2016. There is a billboard on site and laundry facility for additional monthly income.

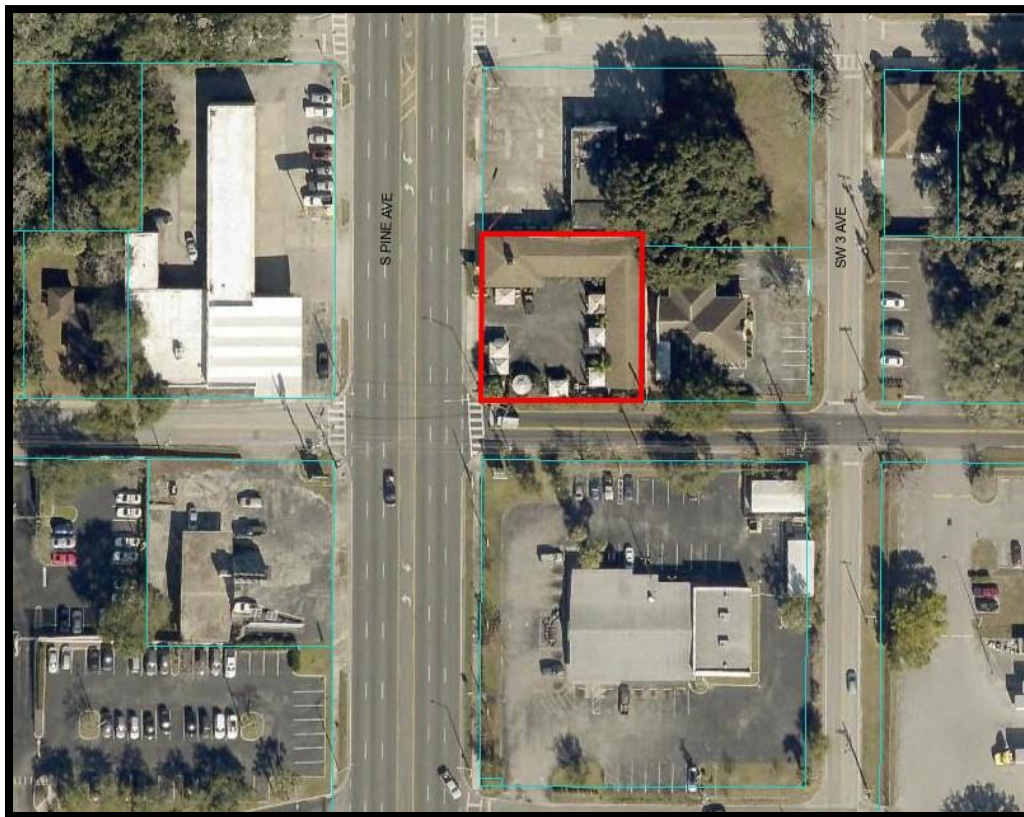
Motel Sale #3



Motel Sale #3

<u>Motel Name</u>	Quality Inn
<u>Tax Parcel Number</u>	15696-002-000
<u>Location</u>	2435 SW 13 th Street, Gainesville, FL 32608
<u>Legal Description</u>	<i>D L CLINCH GRT COM NE COR NAPIER GRT N 85 DEG 30 MIN 00 SEC E 211.70 FT N 00 DEG 02 MIN 00 SEC W 296.77 FT N 00 DEG 02 MIN 00 SEC W 179.30 FT POB N 00 DEG 02 MIN 00 SEC W 213.67 FT N 87 DEG 48 MIN 09 SEC E 190.76 FT N 02 DEG 11 MIN 51 SEC W 19.94 FT N 85 DEG 28 MIN 25 SEC E 201.12 FT S 05 DEG 11 MIN 40 SEC E 124.76 FT S 85 DEG 22 MIN 11 SEC W 101.93 FT S 00 DEG 02 MIN 00 SEC E 100 FT S 85 DEG 22 M IN 11 W 300.97 FT POB OR 4990/1843</i>
<u>Grantor</u>	Brahmas Hotels LLC
<u>Grantee</u>	Virpur, LLC, Puranjay and Vaishali Patel
<u>Date of Sale</u>	March 29, 2022
<u>Recorded</u>	Official Records Book 4990/1834
<u>Site Size</u>	1.56 acres
<u>Building size in HSF</u>	23,689
<u>Zoning</u>	U7
<u>Sale Price</u>	\$4,200,000
<u>Room/Key Count</u>	60
<u>Price per Room/Key</u>	\$70,000
<u>Average Daily Rate</u>	\$77
<u>Financing</u>	\$2,261,800 seller note, verified but did not find recorded documents
<u>Comments</u>	This two-story motel has 60 rooms, a swimming pool, and is a 35-year-old motel. There have been renovations and standard upkeep. The property sold less than a year earlier, 8/23/21, as recorded in OR Book 4924/1635, for \$3,500,000 or \$58,333.33 per room. This motel is located just north of the subject on the same important thoroughfare, SW 13 th Street/US Highway 441 in Gainesville.

Motel Sale #4



Motel Sale #4

<u>Motel Name</u>	Shamrock Cove Inn
<u>Tax Parcel Number</u>	02853-013-03
<u>Location</u>	215 S Pine Avenue, Ocala, FL 34471
<u>Legal Description</u>	<i>SEC 18 TWP 15 RGE 22 PLAT BOOK E PAGE 001 OLD SURVEY OCALA BLK 13 LOT 3 ALSO DESCRIBED AS FOLLOWS: BEG AT THE SW COR OF BLK 13 TH N 112 FT TH E 112 FT TH S 112 FT TH W 112 FT TO THE POB</i>
<u>Grantor</u>	Diana S. Trans fka Diana S. Piccione
<u>Grantee</u>	Shamrock Cove Inn, LLC, Francisco Galluccio, Kissimmee
<u>Date of Sale</u>	March 22, 2022
<u>Recorded</u>	Official Records Book 7731/1262
<u>Site Size</u>	0.29 acres
<u>Building size in HSF</u>	4,062
<u>Zoning</u>	FBC
<u>Sale Price</u>	\$700,000
<u>Room/Key Count</u>	12
<u>Price per Room/Key</u>	\$58,333.33
<u>Average Daily Rate</u>	\$55-67
<u>Financing</u>	None noted, purchased by investors as a cash deal
<u>Comments</u>	Built in 1960, this 12-room motel with a 687 heated square foot manager office/living quarters. This one-story 12-room motel is located on a major thoroughfare of Ocala and located at a traffic signal intersection. The rooms are decorated as a vintage boutique style motel. The property was purchased by an investment group in Kissimmee, Florida.

Sales Comparison Analysis Summary

The sales within this analysis are all considered recent sales as they have all closed between March 2022 and May 2023. The sales are all verified as 'Arm's Length Transactions' within the open real estate market. The motel sizes varied and the number of rentable rooms also varied from as low as 12 rooms up to 60 rooms, with the subject having 31 rentable rooms. All of the sales included the basic furniture, fixtures, and equipment for motels of this type. The sales collected were all from motels that rent for less than \$100 per night. The motels ranged in age being built from 1957 to 1973, whereas the subject was built in two phases 1954 and 1987. The property appears to be maintained from the inspection; however, not all rooms were viewed. The appraisers were shown a representative of rooms to observe the quality and condition of the room interiors and furnishings. A complete and thorough inspection of each room was not possible as there were customers present during the inspection. But the overall condition of the subject property is considered fair for the age of the structures.

The comparable sale properties were analyzed both on the price paid per room/key and price paid for heated square feet. The range for price paid per room ranged from \$44,000 to \$70,000. The price paid per heated square foot ranged from \$114 to \$172.

A qualitative analysis was performed giving inferior, similar, and superior ratings to certain features of the comparable sales in comparison to the subject.

Sale #1 is the most recent sale of a motel in the market area. Superior features include more rentable rooms, higher traffic count, and higher daily room rates. Inferior features are smaller lot size and has no pool. Sale #1 is larger in heated square feet but is of similar age overall and similar location being located north of the subject on the same roadway. This sale is considered superior although an upward adjustment is needed for the smaller site size. The property was financed with private lenders, an inferior transactional characteristic.

Sale #2 is located in Ocala and has ongoing renovations after the purchase. This sale has more rooms, higher traffic counts – superior features. Sale #2 is on a similar sized lot as the subject and is of similar age. The pool previously was demolished, so this is a somewhat similar characteristic to an unused pool. This motel also has a very similar room rate. This motel is considered inferior in comparison due to the evidence of needed repairs and ongoing construction. The property was financed with private lenders, an inferior transactional characteristic.

Sale #3 is the sale a motel also located on the same roadway as the subject. This motel has 60 rooms but is located on a site an acre smaller than the subject. Higher traffic counts, newer building, swimming pool are more superior characteristics. The property was financed with private lenders, an inferior transactional characteristic.

Sale #4 is the sale of the smallest motel with the lowest number of 12 rentable rooms. This is the oldest sale in the collection, smaller land size, similar age and no pool, but is the only sale recorded as a cash sale.

There was a sale of the Budget Motel next door to the south to Alachua County. This sale included excess land and was negotiated at \$35,000 per room. This sale is not included as it was purchased by a governmental entity, although it was an arm's length transaction.

All of the sales have similarities and the room rates are near each other, all being less than \$100 per night per room. They are all considered economy motels with limited services. These economy motels indicate prices paid per room rounded at #1, \$49,000; Sale #2, \$44,000; Sale #3, \$70,000; and Sale #4 at \$58,500 – giving all comparables equal weight in price paid per room and taking the average of \$55,347 per room indicates a value for the subject at \$1,716,000 rounded. The prices paid per heated square foot rounded shows: Sale #1, \$146; Sale #2, \$114; Sale #3, \$177; and Sale #4, \$172. Again, giving equal emphasis to each sale and putting the average price paid per heated square foot of \$152.37, indicates a value of \$1,803,341. This approach analysis indicates the estimated subject property at \$1,800,000 rounded.

Sale	Subj	Sale #1	Sale #2	Sale #3	Sale #4
Sale Date	8/1/2002	5/1/2023	10/19/2022	3/29/2022	3/22/2022
Price Paid	\$ 600,900	\$2,600,000	\$2,200,000	\$4,200,000	\$ 700,000
# Rooms	31	53	50	60	12
		Superior	Superior	Superior	Inferior
Price paid per Room	\$19,383.87	\$49,056.60	\$44,000.00	\$70,000.00	\$58,333.33
Bldg HSF	11,835	17,813	19314	23689	4062
Price per HSF	\$ 50.77	\$145.96	\$113.91	\$177.30	\$172.33
Site Size -Acres	2.5	0.97	2.47	1.56	0.29
		Inferior	Similar	Inferior	Inferior
FL DOT Traffic Ct	15,700	20,500	30,000	20,500	39,500
		Superior	Superior	Superior	Superior
Year Built/Age	1954/1987	1973	1957	1988	1960
		Similar	Similar	Superior	Similar
Pool	Drained	None	Demo	Yes	None
		Inferior	Similar	Superior	Inferior
Financing	Cash	Pvt Fin	Pvt Fin	Pvt Fin	Cash
Average Daily Rate	62-70	87	70	77	55
		Superior	Similar	Similar	Inferior

Cost Approach

The Cost Approach is based upon the principle of substitution which states that a prudent purchaser will pay no more for a property than the cost of acquiring a similar site and constructing similar building improvements. The first step in this valuation method is to develop an opinion of value for the site “as vacant.” A common denominator unit of comparison is derived from these comparable site sales and then applied to the subject. The best common denominator unit of comparison was found to be the indicated price per square foot.

The next step after estimating land value via the Vacant Land Comparison Approach is to utilize the Marshall & Swift (M&S) cost estimating service that estimates replacement cost new, figures in depreciation for age/quality/condition, and the current estimated value of the improvements only. The land and depreciated improvements are added together for a resultant estimated Depreciated Replacement Cost value via the Cost Approach. The Cost Approach is not always as reliable when the buildings age. However, the approach gives us data to show the land value ‘as if vacant.’

	Sale Date	Sale Price	Site Size	Price per Acre	Price per SF	Tax Parcel ID	Zoning	Address
						07240-400-003		
1	6/29/2022	2070400	6.84	\$302,690.06	\$6.95	07240-400-004	U7/UMU	3349 SW Williston Rd
2	11/30/2021	300000	1.05	\$285,714.29	\$6.56	16854-013-000	BH/C	17100 SE CR 234, Mic
3	11/15/2018	200000	0.66	\$303,030.30	\$6.96	07256-004-000	BH/C	3921 SW 13th St
4	3/10/2017	1475000	5	\$295,000.00	\$6.77	07176-005-000	OF/Ofc	SW Williston Rd

Research indicates that a commercial site such as the subject, with BH commercial zoning, is estimated at the price per square foot of \$7 per square foot or an estimated \$304,920 per acre for the 2.5-acre parcel. Depreciation is estimated and deducted from the replacement cost new of the improvements on an age/life basis at 57% or \$1,075,454 depreciation. Replacement cost new is estimated by the M&S at \$2,795,698. This adds in the site improvements including paving, concrete walks, pool, and signage.

Replacement Cost New	\$ 2,795,698
Less Depreciation –	<u>(\$1,075,454)</u>
	\$ 1,650,244

Thus, the value based on the Cost Approach to value is estimated at \$1,650,244, that would be rounded to \$1,650,000. This is based on the motel being analyzed in “Fair” condition, or lower than “Good.”

Income Capitalization Approach

The Income Capitalization Approach to value is an appraisal technique in which the value of property is estimated based upon the income the property is capable of producing. The income is converted into a value indication by capitalization. The Income Capitalization Approach is based on the economic principles of “anticipation” and “substitution.” The first step in this analysis is to estimate the potential gross income that the subject property is capable of leasing. The next estimate to be made is the capitalization rate. Both national economic indicator tables, local cap rates on income producing properties, and realtor/property managers are consulted to estimate a capitalization rate for the subject property. At the current time in 2023, motel sales are estimated with an average 8.75% capitalization rate. The income and expense figures are provided by the current owner. The data provided is shown in the Addendum section of this report and is relied upon for the estimation of value via the Income Capitalization Approach. There is one adjusted item in the vacancy rate. The owner indicated only a 30% vacancy rate, but I have estimated at 50% as this may be more reasonable given the traffic that I have observed through time and provides a more credible result.

SCOTTISH INN, GAINESVILLE, FLORIDA

Total PGI @ 100% capacity - 31 rooms	62	701530
Less vacancy and credit loss	50%	-350765
Effective Gross Income		350765

Less Operating Expenses

FIXED EXPENSES

Real Estate Taxes	\$	17,427.38
Insurance	\$	21,000.00
		38,427.38

Variable Operating Expenses

Management/Cleaning	\$	37,245
Utilities - electricity gas water sewer	\$	62,000
Trash service/dumpster	\$	2,900
Cable TV/phone	\$	9,800
Pest Control	\$	1,200
Landscaping	\$	-
Maintenance & Repair	\$	15,000
		128,145

Reserves for Replacement Allowance	\$	6,000
TOTAL OPERATING EXPENSES	\$	172,572.38
NET OPERATING INCOME (NOI)	\$	178,192.62

NOI/8.75%Cap Rate	\$	2,036,487.09
-------------------	----	--------------

After taking all of this into account, the estimated value of the motel property, via the Income Approach, is shown at \$2,036,487.09, rounded to \$2,000,000.

Reconciliation

The purpose of this appraisal report is to estimate market value of the subject Scottish Inn motel. It is a 31-room motel located in Southern Alachua County. The results of the three approaches to value are shown:

Cost Approach to Value	\$ 1,650,244, rounded to \$1,650,000
Income Approach to Value	\$2,036,487, rounded to \$2,000,000
Sales Comparison Approach	\$1,759,557, rounded to \$1,800,000

Less emphasis is given to the Cost Approach as one may not rely on a depreciated replacement cost when making decisions to purchase a motel such as the subject. The Income Approach is given more emphasis as motels are purchased as investments and the production of income, thus the Income Approach, \$2,000,000 is emphasized. The Sales Comparison Approach is also an important approach to value and indicates a value of \$1,800,000. By splitting the difference of the Income and Sales Approach, this would indicate an overall value of the subject property at \$1,900,000.

Therefore, in the final analysis, the appraiser is of the opinion that the subject property, as of September 8, 2023, is estimated at \$1,900,000.

Exposure Time

Exposure time can be defined as the length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of the sale at a market value on the effective date of the appraisal. Exposure time can be presumed to precede the effective date of appraisal, whereas a marketing period is subsequent to the date of value. Typically, exposure time is derived from the sales, from the amount of time the sales were listed and available for sale. I could not derive an exposure time from the sales analyzed in this report. Demand for properties in north central Florida is high and the real estate market has been very active achieving high sales prices since the beginning of the pandemic. Florida was the fastest growing state in 2022, per the US Census, even though population in Florida has steadily increased for decades. The State population grew to over 22 million people. Driven by hundreds of thousands of people moving in, Florida's population grew by 1.9% from July 2020 to July 2021, adding 211,305 more residents, according to new estimates released by the U.S. Census Bureau. That surge of people moving to Florida overcame a year in which more Floridians died than were born. 220,890 people moved to Florida from other states, Washington, D.C, or Puerto Rico, making Florida the nation's top destination for domestic migration. Two other states Idaho and South Carolina increased by 1.8% and 1.7% respectively during that same time period. Kristie Wilder, a demographer at the Census Bureau points out that this was the first time since 1957 that Florida has been the state of the largest percent increase in population. This period was a time when air conditioning was introduced, with the population growing an average of 6% annually. Florida's population also was buoyed during this past year by 38,590 immigrants, also the most in the nation. Florida's net migration and immigration gain of 259,480 was the most in the country. This year, it is said that in excess of 1,500 people per day are moving to Florida to stay, for the thriving economy, the weather, the lower prices than many northern areas, and the lack of state income taxes. Property within this area remains desirable. The exposure time cannot be accurately estimated; therefore, no attempt is made to estimate a marketing period for the subject property. The appraiser is of the opinion that the exposure time would be approximately one year.

Addendum

Cost/Expense Lists provided by Subject Property Owner

Scottish Inn, Gainesville, FL

Potential Net Operating income as Owner
operated independant property

31 Rooms, Average rate \$62

Potential Gross Income 100% Occupancy

31 Rooms x \$62 x 365 days ... \$701,530

Less Vacancy factor 30% - \$210,459

Effective Gross Income = \$491,071

Less Operating Expenses:

\$1,500 Accounting

\$3,000 Bank charges

\$30,000 Wages

\$2,295 P.R. Tax

\$9,800 Cable

\$21,000 Insurance

\$15,000 Supplies & Maintenance

\$1,200 Pest control

\$17,000 Property Tax

\$62,000 Utilities

\$2,900 Trash

\$450 Licenses

\$6,000 Reserve & Replacement

\$172,145 Total Operating Expense

Net Operating Income \$318,926

Lotus Enterprises Inc. dba
Scottish Inn
Gainesville, Florida

Property Information

Total No. of Units: 31

Building One: 11 units + Office +
manger's 2 BR apartment + Laundry
room.
± 5300 sq. ft Block construction
one story, ± 35 years old.

Building Two: 20 units + Swimming Pool
± 7390 sq. ft, Block construction
Two story

Lot Size: ± 2.5 Acres
Road Frontage.

Scottish Inn Gainesville, FL

Property Improvements

- #3,200 New Gas Line - Bld 1.
 - #37,200 Carpet Replaced by Wooden Planks - 31 Rooms
 - #12,000 Plumbing & Sheetrock Replaced
 - #2,400 Two New Gas Water Heaters
 - #5,300 Replaced Section of Fence
 - #2,500 Pole sign Upgraded - LED
 - #4,100 Install New Stiffeners on stair cases.
 - #4,900 New Central Air Condition Unit - Manager's Apt.
 - #1,352 New Laundry Washer
 - #6,500 Replace Sewer Line Bld-1
 - #7,200 9 New Window Air Conditioners
-
- #86,652

Qualifications of Laura L. Rutan

License

State-Certified General Real Estate Appraiser, RZ3706

Appraisal Education

10/06 - Licensed Residential Course – ABI

Real property concepts and characteristics, Legal consideration, Influences on real estate values, Types of value, Economic principles, Overview of real estate markets and analysis, Ethics and how they apply in appraisal theory and practice, Overview of approaches to value, Valuation procedures, Property description, Residential applications, Uniform Standards of Professional Appraisal Practice, and Florida rules and regulations that pertain to the practice of appraisal.

12/06 – Residential Course II – ABII

Residential market analysis, Sales comparison approach, Residential highest and best use, Residential site valuation, Residential cost approach, Residential report writing, Residential case studies, Statistics, Modeling, Finance, Advanced residential applications, Advanced residential case studies, and Appraisal standards and ethics.

4/07 – National USPAP, National Uniform Standards of Professional Appraisal Practice

Standards and standards rules – Real property appraisal, development; Real property appraisal, reporting; Appraisal review, development and reporting; Real property appraisal consulting, development; Real property appraisal consulting, reporting; Personal property appraisal, development; Personal property appraisal, reporting; Business appraisal, development; Business appraisal, reporting.

07/07 – Non-Residential Property Course – ABIII

Income Capitalization Approach including Lease Analysis, Income analysis, Vacancy and Collection loss, Operating expenses and reserves, Net operating income statements, Direct capitalization, Discounted cash flow, Yield capitalization, and Compound interest; Highest and Best Use including Market fundamentals, characteristics, and definitions, Supply and Demand Analysis, Applications and Special Considerations, and Market Analysis.

04/08 – Florida Laws and Regulations

The course highlights USPAP, hypothetical conditions and extraordinary assumptions, specific Florida laws and regulations which are applicable to real estate appraising.

06/2020 – Valuation of Donated Real Estate including Conservation Easement, Appraisal Institute

To Present – All continuing education and training required per Florida State Department of Business Regulation for Certified General Appraisers in the State of Florida. DBPR license is valid through **November 30, 2024**

Approved Certified General Appraiser for the Florida Department of Environmental Protection 2018

Experience

Manager for Santangini Appraisals, LLC and Andrew V. Santangini, Jr, MAI, Real Estate Appraiser and Consultant, since 2/2005; Commercial Property Appraising since 4/2007

Forty-five years progressive experience in a variety of organizations including government, construction, private enterprise, and education