

# **APPRAISAL REPORT**

## **MARKET RENT ANALYSIS GRANADA DINER**

### **LOCATED AT:**

**2003 GRANADA BOULEVARD  
CORAL GABLES, FLORIDA**

### **PREPARED FOR:**

**ZEIDA C. SARDINAS, ASSET MANAGER  
CITY OF CORAL GABLES  
ECONOMIC DEVELOPMENT  
2121 PONCE DE LEON BLVD., SUITE 720  
CORAL GABLES, FL. 33134**

### **AS OF:**

**FEBRUARY 23, 2024**

### **PREPARED BY:**

**QUINLIVAN APPRAISAL, P.A.  
7300 NORTH KENDALL DRIVE - SUITE 530  
MIAMI, FLORIDA 33156**

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Thomas F. Magenheimer, MAI  
State Certified General Appraiser  
RZ 553

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March 19, 2024

Zeida C. Sardinas, Asset Manager  
City of Coral Gables  
Economic Development  
2121 Ponce de Leon Blvd., Suite 720  
Coral Gables, Fl. 33134

Dear Ms. Sardinas:

In accordance with your request and authorization, I have prepared this Appraisal Report covering the following described property:

Granada Diner, located at 2003 Granada Boulevard,  
Coral Gables, Florida.

The purpose of this Appraisal is to estimate the base Market Rent of the property as of the market conditions existing on February 23, 2024, being one of the dates of personal inspection.

The Appraisal Report that follows sets forth the identification of the property, the assumptions and limiting conditions, pertinent facts about the area and the subject property, comparable data, the results of the investigations and analyses, and the reasoning leading to the conclusions set forth.

To the best of my knowledge, the opinions and conclusions were developed and this Appraisal Report was prepared in accordance with the standards and reporting requirements of the FIRREA of 1989 - Title XI and its updates, and the Uniform Standards of Professional Appraisal Practice (USPAP) adopted by the Appraisal Standards Board of the Appraisal Foundation.

**Ms. Zeida C. Sardinas**  
**City of Gables**  
**March 19, 2024**  
**Page 2**

Based on the inspection of the property and the investigation and analyses undertaken, I have formed the opinion that the subject property had a base Market Rent for the real estate, based upon the market conditions prevalent on February 23, 2024, as follows:

**\$35.00 TO \$40.00 PER SQUARE FOOT OF BUILDING AREA (NET)**

Respectfully submitted,

A handwritten signature in cursive script that reads "Thomas F. Magenheimer".

**Thomas F. Magenheimer, MAI**  
State-Certified General Appraiser  
Certification Number: RZ 553

TFM/dm  
(24-013)

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## ***CERTIFICATION OF VALUE***

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The undersigned hereby certifies that, to the best of our knowledge and belief:

- (A) The statements of fact contained in the report are true and correct.
- (B) The reported analyses, opinions and conclusions are limited only by the assumptions and limiting conditions set forth, and are my personal, unbiased professional analyses, opinions and conclusions.
- (C) I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- (D) I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- (E) My engagement in this assignment is not contingent upon developing or reporting predetermined results.
- (F) The appraiser's compensation for completing this assignment is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal. Furthermore, the appraisal assignment is not based on a requested minimum valuation, a specific valuation or the approval of a loan.
- (G) The appraiser's analyses, opinions and conclusions are developed, and this report is prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, and the requirements of the State of Florida for state-certified appraisers.
- (H) Use of this report is subject to the requirements of the State of Florida relating to review by the Real Estate Appraisal Subcommittee of the Florida Real Estate Commission.
- (I) Thomas F. Magenheimer has made a personal inspection of the property that is the subject of this report.
- (J) No one provided significant professional assistance to the person signing this report.

- (K) The reported analyses, opinions, and conclusions are developed, and this report is prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.
- (L) The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- (M) The undersigned has not performed any appraisal services concerning the subject property in the three year period immediately preceding the acceptance of this assignment.

As of the date of this report, Thomas F. Magenheimer has completed the requirements under the continuing education program for The Appraisal Institute.



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**THOMAS F. MAGENHEIMER, MAI**  
**STATE-CERTIFIED REAL ESTATE APPRAISER**  
**CERTIFICATION NUMBER: RZ 553**

**SUMMARY OF SALIENT FACTS AND CONCLUSIONS**

Purpose of Appraisal	Market Rent of the Real Estate
Property Rights Appraised	Fee Simple
Location	2003 Granada Boulevard Coral Gables, Florida
Improvements	One-story restaurant space in the Granada Golf Course clubhouse
Size	1,799 square feet (rentable)
Age	1962
Zoning	S, Special Use District
Highest and Best Use	Existing restaurant use
Final Estimate of Market Rental Rate	\$35.00 to \$40.00 per square foot (net)
Date of Estimate	February 23, 2024
Date of Inspection	February 23, 2024
Date of Report	March 19, 2024



**LOOKING SOUTHEASTERLY AT SUBJECT FROM GRANADA BOULEVARD**



**LOOKING NORTHEASTERLY AT SUBJECT FROM GRANADA BOULEVARD**



**LOOKING SOUTHEASTERLY AT SUBJECT FROM NORTH GREENWAY DRIVE**



**LOOKING SOUTHWESTERLY AT SUBJECT FROM NORTH GREENWAY DRIVE**



**LOOKING NORTHEASTERLY AT SUBJECT BUILDING**



**LOOKING SOUTHEASTERLY AT SUBJECT BUILDING**



**INTERIOR VIEW**



**INTERIOR VIEW**



**INTERIOR VIEW**



**INTERIOR VIEW**



**INTERIOR VIEW**



**INTERIOR VIEW**



**LOOKING EASTERLY ON NORTH GREENWAY DRIVE – SUBJECT BUILDING TO RIGHT**



**LOOKING WESTERLY ON NORTH GREENWAY DRIVE – SUBJECT BUILDING TO LEFT**



**LOOKING SOUTHERLY ON GRANADA BOULEVARD – SUBJECT BUILDING TO LEFT**



**LOOKING NORTHERLY ON GRANADA BOULEVARD – SUBJECT BUILDING TO RIGHT**

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## ***INTRODUCTION***

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## **INTRODUCTION**

### **IDENTIFICATION OF THE PROPERTY**

A restaurant known as the Granada Diner at the Granada Golf Course.

### **LOCATION**

2300 Granada Boulevard  
Coral Gables, Florida.

### **PURPOSE AND DATE OF APPRAISAL**

The purpose of this Appraisal is to estimate the Market Rent of the real estate of the described property, as of market conditions prevalent on February 23, 2024, being the dates of personal inspection.

### **INTENDED USE AND INTENDED USER OF APPRAISAL**

The intended use of this appraisal is to support the base market rent for the described property for lease negotiations. The intended user is the City of Coral Gables, Florida.

### **LEGAL DESCRIPTION**

The Granada Golf Course in **CORAL GABLES SECTION "B"**, according to the Plat thereof, as recorded in Plat Book 5, Page 111 of the public records of Miami-Dade County, Florida: and lots 1-4, **ANDERSON'S SUBDIVISION**, according to the Plat thereof, as recorded in Plat Book 7, Page 68 of the public records of Miami-Dade County, Florida

### **PROPERTY RIGHTS APPRAISED**

*The property is appraised in fee simple:* a fee without limitations to any particular class of heirs or restrictions, but subject to the limitations of eminent domain, escheat, police power and taxation, as well as utility easements of record.

The furniture, fixtures and equipment in the subject restaurant is not included in this appraisal.

## **DEFINITION OF MARKET RENT**

*Market Rent* is the most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the specified lease agreement including term, rental adjustment and revaluation, permitted uses, use restrictions, and expense obligations; the lessee and lessor each acting prudently and knowledgeably, and assuming consummation of a lease contract as of a specified date and the passing of the leasehold form lessor to lessee under conditions whereby:

1. Lessee and lessor are typically motivated
2. Both parties are well informed or well advised, and acting in what they consider their best interests.
3. A reasonable time is allowed for exposure on the open market.
4. The rental payment is made in terms of cash in U.S. Dollars, and is expressed as an amount per time period consistent with the payment schedule of the lease contract.
5. The rental amount represents the normal consideration for the property leased unaffected by special fees or concessions granted by anyone associated with the transaction.

Source: *The Dictionary of Real Estate Appraisal*, Fourth Edition

**ASSESSMENT AND TAXES – 2023**

The subject property is assessed under the jurisdiction of the City of Coral Gables.

The assessment for the property is established each year as of January 1<sup>st</sup> by the Miami-Dade County Property Appraiser's Office at 100% of "Just Value." Just Value has been equated to Market Value less closing costs. While the State of Florida requires real estate to be assessed at 100% of Just Value, in reality the ratio of the assessed value to sales price is generally below 100%.

**Folio Number:** 03-4108-001-5850  
**County Market Value:** \$982,406  
**Assessed Value:** \$982,406  
**Millage Rate:** \$18.3076 per \$1,000  
**Tax Amount:** \$0.00 Tax exempt.\*

\*The restaurant/pro-shop building, which contains the subject restaurant property, is presently part of the Granada Golf Course property folio number (03-4108-001-5850). While a municipal tax exemption is currently in place for the golf course, the City is in the process of submitting updated surveys and legal descriptions to the Property Appraiser's office which will be recorded in the property record, to separate the pro-shop/restaurant building from the golf course property. As such, the Property Appraiser's office will establish a separate folio number for the restaurant/pro-shop building, and it will be subject to property taxes going forward.

**OWNER OF RECORD AND ADDRESS**

City of Coral Gables  
2001 Granada Boulevard  
Coral Gables, FL 33134

**THREE-YEAR HISTORY OF TITLE**

According to a search of the Public Records of Miami-Dade County, there have been no sale transfers of title of the subject property during the past three years.

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***SCOPE OF THE APPRAISAL***

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## **SCOPE OF THE APPRAISAL**

The scope of the assignment relates to the extent and manner in which research is conducted, data is gathered and analysis is applied, all based upon the following problem-identifying factors stated elsewhere in this report.

This appraisal of the subject has been presented in the form of an Appraisal Report, which is intended to comply with the reporting requirements set forth under Standards Rule 2-2 of the USPAP.

Data related to the subject property was derived from various sources including but not limited to the Miami-Dade County Property Appraiser's Office, Miami-Dade County plats, FEMA flood zone maps, Land Development Regulations of the City of Coral Gables, tax roll information provided by the Miami-Dade County Property Appraiser's Office, and discussions with real estate professionals.

Comparable data sources include the Miami-Dade County Property Appraiser's Office, Board of Realtors' Multiple Listing Services, CoStar, and LoopNet.

A search for rentals of restaurant space was conducted in the Miami Dade County market area. The initial period researched was from January of 2023 through the date of valuation.

## **ESTIMATED EXPOSURE TIME**

Exposure time is defined, as the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market.

The overall concept of reasonable exposure encompasses not only adequate, sufficient and reasonable time but also adequate, sufficient and reasonable effort.

A reasonable exposure time for the subject property is estimated from discussions with buyers, sellers, brokers and/or a review of the multiple listings of similar facilities in the area related to historic marketing periods.

Based on the above sources, exposure time is estimated to have been twelve months for the subject property.

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***LOCATION ANALYSIS***

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## **COUNTY DATA**

### **Miami-Dade County - Location and Size**

Miami-Dade County, which comprises the metropolitan area of Miami, is situated on the southeast tip of the state of Florida. It is bordered on the east by the Atlantic Ocean, on the west by Monroe and Collier Counties, on the north by Broward County, and on the south by Monroe County (the Florida Keys).

Miami-Dade County, the largest county in area and population in the state of Florida, covers an area of 2,054 square miles with an altitude ranging from sea level to 25 feet. Water covers 354 square miles of the County.

Although the County is relatively large, approximately half of the total area is comprised of the Everglades, which is a natural area that will not be developed. Therefore, only the eastern section of Miami-Dade County encompasses the area which is currently developed or available for future development.

Miami-Dade County's location, its southern latitude and proximity to the Gulf Stream provide for mild winters and pleasant summers.

### **Population**

The state of Florida has increased rapidly in population from 9,740,000 in 1980 to 12,937,926 in 1990, 15,982,378 in 2000, and 18,801,310 in 2010. The 2020 population of Florida was 21,538,226, an increase of 14.6% over the 2010 population. In 2023, the population of the state was 22,144,382 persons, a 2.81% increase over 2020.

Miami-Dade County's population increased from 1,626,000 in 1980 to 1,937,094 in 1990, reflecting an average annual compounded growth rate of 1.77%, compared with 2.88% for the state of Florida. By 2010, Miami-Dade County's population increased to approximately 2,496,435. The population grew to 2,701,762 by the Year 2020, an increase of 8.2% over the 2010 population. By the Year 2023 the population decreased to 2,701,301, a decrease of 0.02% since the 2020 population.

Miami-Dade County's population growth during the last four decades has been dramatic especially in relation to national trends. From 1950 to 1990 the United States population increased by 60% while the population of Miami-Dade County has almost quadrupled from 495,084 to 1,937,000. During this period, the state of Florida was elevated from the 20<sup>th</sup> most populous state to the 4<sup>th</sup> in 1990 and continues to be the fourth most populous state.

During the 1960s, the major increase in Miami-Dade County's population was due to the large immigration of Cubans. Today, Cuban and other Spanish speaking people comprise approximately 67% of Miami-Dade County's population. The increase in Hispanic population has had favorable effects on the local economy and has helped to create a multi-national cultural environment in the area.

The overall population of Miami-Dade County is well dispersed throughout the entire area, yet has several key areas of concentration. During the 1960s, several sub-areas accounted for approximately 70% of the growth. These areas include Hialeah, northern Miami-Dade County, the Beach area, the Miami River area, the area southwest of Miami International Airport, as well as the Kendall and Cutler Ridge areas.

Since 1970, approximately three-fourths of the total population growth for the County has occurred in the unincorporated areas. The older centrally located cities such as Miami, Miami Beach and Coral Gables have grown at modest rates from 1970 to 1990. Unincorporated Miami-Dade County has evidenced the most rapid growth which continues to occur in areas in northeast Miami-Dade County (Aventura), as well as the currently expanding southwest area, especially in sections of Flagler Street, S.W. 8<sup>th</sup> Street, North Kendall Drive and Homestead.

Population trends indicate that most of the population growth in Miami-Dade County between 2010 and 2020 occurred in outlying areas such as North Miami Beach, the Kendall area west of the Florida Turnpike, the S.W. 8<sup>th</sup> Street area west of the Florida Turnpike, the Hialeah-Miami Lakes area, as well as those areas both east and west of U.S. Highway 1 between Cutler Ridge and Florida City.

### **Employment Trends**

The dominant characteristic of Miami-Dade County is that it is primarily trade and service based. Personal, business and repair services have had a substantial increase in importance in the economic base over the last decade. The major sectors of the economy include services, wholesale and retail trade, transportation, communications, public utilities, government and manufacturing. The most dominant industries which form the County's economic base are construction and tourism.

Tourism is Miami-Dade County's biggest industry with an estimated 19.020 million visitors in 2023 contributing to more than 50 percent of the area's economy. Aviation and related industries are responsible for another large segment of the economy.

The largest employer in Miami-Dade County is the Miami-Dade County School Board, followed by Miami-Dade County, University of Miami, Baptist Health Systems of South Florida, American Airlines, Jackson Health System, Florida International University, City of Miami, Mount Sinai Medical Center, and Florida Power and Light. Assuming additional importance is the growing prominence of Miami-Dade County as a center for international trade, finance and tourism. The establishment of Miami as the "Gateway of the Americas" should provide the area with a much needed degree of economic diversification. This should enable Miami-Dade County to weather slowdowns in the national economy by an increase of trade through the Port of Miami, growth of international arrivals at the airport, the Free Trade Zone, and the substantial foreign investment in the local economy, particularly in real estate.

In November of 2023, Florida's unemployment rate was 2.9 percent, up from 2.7 percent in November of 2022 and a high of 14.2 percent in May of 2020. The unemployment rate for Miami-Dade County in November of 2023 was 1.4 percent, down from 2.1 percent in November of 2022.

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## TABLE 1

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### ESTIMATES OF MIAMI-DADE COUNTY TOURIST TRENDS

	INTERNATIONAL	DOMESTIC	TOTAL
<b>2016</b>	7,624,200	8,100,000	15,724,200
<b>2017</b>	7,798,200	8,061,800	15,860,000
<b>2018</b>	5,779,000	10,730,000	16,509,000
<b>2019</b>	5,337,000	10,986,000	16,323,000
<b>2020</b>	1,842,000	6,036,000	7,878,000
<b>2021</b>	3,747,000	8,719,000	15,915,000
<b>2022</b>	4,743,000	14,426,000	19,169,000

Source: Greater Miami Convention and Visitors Bureau, Tourism Facts and Figures

Figures for 2022 indicate 19,169,000 overnight visitors came to Miami-Dade County, a 20.5% increase from 2021. In 2021, the total overnight visitors were 15,915,000, an increase of 102% over 2020.

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## TABLE 2

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### ESTIMATES OF DOMESTIC VISITORS BY REGION

DOMESTIC MARKET	2018	2019	2020	2021	2022
<b>NEW YORK</b>	28.5%	28.4%	34.4%	36.6%	36.0%
<b>ATLANTA</b>	7.6%	7.9%	10.9%	10.7%	10.9%
<b>CHICAGO</b>	8.0%	8.0%	10.7%	10.1%	9.0%
<b>PHILADELPHIA</b>	7.2%	7.3%	7.5%	7.0%	7.2%
<b>LOS ANGELES</b>	6.4%	6.3%	6.4%	4.9%	7.2%
<b>BOSTON</b>	4.2%	4.3%	6.5%	6.0%	6.7%
<b>WASHINGTON, DC</b>	6.2%	6.2%	6.2%	6.2%	6.5%
<b>DALLAS</b>	4.8%	4.6%	6.8%	7.3%	7.2%
<b>HOUSTON</b>	3.9%	4.0%	5.7%	6.7%	5.7%
<b>DETROIT</b>	3.5%	2.9%	4.9%	4.6%	4.5%

Source: Greater Miami Convention and Visitors Bureau, Tourism Facts and Figures

Table 2 indicates that the bulk of domestic visitors to Miami-Dade County originate from the New York (36.6%), Atlanta (10.7%) and Chicago (10.1%) market areas. Of the top ten domestic market visitors, the majority (49.6%) are from northeastern market areas.

**T A B L E 3**

**ESTIMATES OF INTERNATIONAL VISITORS BY REGION**

<b>REGION</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>EUROPEAN COUNTRIES</b>	31%	32.9%	15.6%	14.1%	13.7%
<b>CARIBBEAN COUNTRIES</b>	10%	10.3%	18.6%	15.1%	21.9%
<b>CENTRAL AMERICAN COUNTRIES</b>	10%	10.2%	17.5%	16.3%	19.4%
<b>SOUTH AMERICAN COUNTRIES</b>	35%	31.0%	29.2%	40.2%	31.5%
<b>CANADA</b>	6%	6.6%	8.1%	2.7%	5.3%
<b>OTHER COUNTRIES</b>	8%	9.0%	11.0%	11.3%	8.2%
<b>TOTAL</b>	100%	100%	100%	100%	100%

Source: Greater Miami Convention and Visitors Bureau, Tourism Facts and Figures

Table 3 shows that the bulk of international visitors to Miami-Dade County originate from Central and South American Countries (50.9%), followed by Caribbean Countries (21.9%) and European Countries (13.7%). England and Germany accounted for the largest proportion of European visitors.

In November of 2023 there were a total of 6,601,019 passengers passing through the Port of Miami. The number of Port of Miami passengers increased 88.3% from November of 2022.

In November of 2023 approximately 6,601,019 passengers arrived through Miami International Airport. The passengers arriving at the airport increased 88.3% from November of 2022. The domestic arrivals at the airport far outpaced international passengers. In 2022, domestic arrivals totaled 14,648,800 and international arrivals totaled 10,621,100.

As of November of 2023 approximately 47,354,150 passengers arrived and departed through Miami International Airport. The passengers arriving and departing at the airport increased 2.49% from the previous year. The domestic arrivals and departures at the airport far outpaced international passengers. As of November 2023, domestic arrivals and departures totaled 26,358,941 and international arrivals and departures totaled 20,995,200.

As of August 2023, there were 66,865 motel and hotel rooms in 576 lodging facilities in Greater Miami and the Beaches. In 2023, the number hotels increased 13 and the number of rooms increased by 4,892 rooms. The majority of the hotels, 38.9%, are located in Miami Beach,

followed by the airport area at 11.5%. The Miami area had an occupancy rate of 71.6 percent in 2023, a decrease of 2.2% from 2022. The airport area had the highest occupancy rate in 2023 at around 83%.

Average room rate for hotel rooms in Miami-Dade County was \$216.46 in 2023, down from \$230.49 in 2022. Therefore, the average hotel room rates in 2023 indicate a decrease of 6.1% over the 2022 rate.

In 2022, the new hotels in the county included Arlo Wynwood (217-rooms) in the Wynwood district, The Elser Hotel (646-rooms) in Downtown, Pelican Hotel (32-room) in Miami Beach, Esme (145-rooms) in Miami Beach, Loews Coral Gables (219-rooms), and citizen M Miami World Center (351-rooms) in the Brickell area. In 2023, the new hotels in the county included the Waldorf Towers South Beach (43-rooms) in Miami Beach, citizen Miami World Center (351-rooms) in Downtown, and Loews Coral Gables (242-rooms) in Coral Gables.

### **Miami-Dade Financial Resources**

Over the course of the last decade, Greater Miami has evolved into a major international financial center. Domestic and international businesses find convenient access to a full array of services provided by locally-based state and national commercial banks, savings and loan associations, foreign banks, non-depository credit institutions, securities and commodities brokers and insurance companies.

Greater Miami has the largest concentration of domestic and international banks south of New York City. With more than 90 percent of the state's foreign banks operating offices in Miami, this market dominates international banking in Florida.

Overall, about 150 domestic banks, foreign banks and Edge Act banks operate in Greater Miami. The greatest concentration is located along Brickell Avenue in downtown Miami.

### **Transportation**

Miami-Dade County has an extensive expressway system with access to all points in the County. However, due to the rapidly increasing population, some of the expressways, especially Interstate 95, are becoming overburdened. In 1985 Miami-Dade County completed a 20.5 mile elevated rapid transit system. This system originally extended southward from downtown Miami to Dadeland, paralleling U.S. Highway 1 and northwesterly from downtown Miami to Hialeah. In 1999, the system was extended about a mile from Hialeah to the Palmetto Expressway at NW 74<sup>th</sup> Street. An expansion to the Miami International Airport opened in 2013. In conjunction with this system, there is a Downtown People Mover Automated Transit system which encircles the central business district of Miami and extends south to the Brickell area and north to the Omni area.

Miami-Dade County is served by the CSX and Florida East Coast Railroads for freight and Amtrak Rail, TriRail and Brightline for passenger service, and Greyhound bus lines for passenger service.

Miami International Airport, one of the nation's largest and busiest, had 417,944 aircraft arrivals and departures during 2023, a decrease of 1% from 2022. As of November of 2023, the airport had 37,493 aircraft arrivals and departures, an increase of 5.5% from the same period in 2022.

Miami has become a port of embarkation for ships bound for Central and South American Countries. The Port of Miami, besides being the largest passenger port in the nation, is also important as a cargo center with a 2022 annual tonnage of approximately 10.216 million, down 9.1% from 11.149 million in 2021. The port's traditional customer base has been Europe, China, Latin America and the Caribbean, accounting for 81% of the port's total volume.

Miami's comprehensive transportation system and its strategic location have enabled it to become an important international transportation center, providing commercial access to Latin America and the Caribbean.

### **Government**

Miami-Dade County is comprised of unincorporated areas, as well as 36 municipalities, the largest of which is the city of Miami.

Miami-Dade County is governed under a modified two-tier metropolitan government. The purpose of this type government was to establish one governing body for the county, and to establish one supply of services such as fire, police, etc. for the county. The upper tier is the County, which provides broad "regional" or county functions, such as metropolitan planning, welfare, health and transit services. The thirty-six municipalities represent the lower tier of government, providing a varying array of services within their jurisdictional boundaries. The County also maintains lower tier functions, such as the provision of municipal-type services, including police and fire, to the unincorporated areas and certain municipalities on a negotiated basis.

The County operates under the strong mayor form of government. Legislative and policy-making authority is vested in the elected thirteen-member Board of County Commissioners; the mayor appointed County Manager is the chief administrator. Miami-Dade County has operated under the metropolitan form of government since 1957, when the Home Rule Charter was passed by the local electorate. Prior to Home Rule, the County had to rely on the State Legislature for the enactment of its laws.

County government had not been able to respond to the tremendous demand for municipal services in this rapidly urbanizing area, which is larger than the State of Rhode Island or Delaware. The need to combine services duplicated by the County and numerous cities was also clearly evident. The Charter permitted the limited County government to reorganize into a general purpose "municipal-type" government capable of performing the full range of public functions into an area wide operation.

### **Real Estate**

The Miami-Dade County Office Market contains approximately 98.476 million square feet of office space. Approximately 22% in the Airport West area, 15% of this space is located in the Miami central business district and adjacent Brickell Avenue, 12% in Kendall, and 11% in Coral

Gables. The vacancy rate of office buildings in Miami-Dade County decreased during the fourth quarter of 2023 to about 9.5%, down from 9.7% in the fourth quarter of 2022. During the fourth quarter of 2023, 3.217 million square feet of office space was is under construction in Miami-Dade County. The absorption of office space during the fourth quarter of 2023 was a 146,600 square feet. Office rental rates in new Class “A” buildings average approximately \$53.18 per square foot. The low end of the range is for office space in the suburban markets. The upper end of the range is for first class office space in Downtown Miami, Brickell Avenue, Coconut Grove and Coral Gables.

The Greater Miami Industrial Market consists of approximately 236.35 million square feet of industrial space in 5,454 buildings. The vacancy rate of industrial buildings in Miami-Dade County increased in the fourth quarter of 2023 to about 3.0%, up from 1.9% in the fourth quarter of 2022. During the fourth quarter 2023, 8.535 million square feet is under construction in Miami-Dade County. The absorption of industrial space as of the fourth quarter of 2023 was a 17,000 square feet. Rental rates in new buildings average approximately \$17.25 per square foot.

The approximate percentage location of this space is as follows:

<b>MARKET AREA</b>	<b>% OF TOTAL MARKET SPACE</b>
<b>AIRPORT WEST</b>	<b>29.6%</b>
<b>HIALEAH</b>	<b>25.6%</b>
<b>MEDLEY</b>	<b>16.7%</b>
<b>MIAMI LAKES</b>	<b>3.3%</b>
<b>NORTHEAST DADE</b>	<b>4.8%</b>
<b>NORTHCENTRAL DADE</b>	<b>14.9%</b>
<b>SOUTH DADE</b>	<b>5.1%</b>
<b>TOTAL</b>	<b>100%</b>

Miami-Dade’s single-family home sales decreased 1.5% in November of 2023 in comparison with the November of 2022 according to the Miami Association of Realtors. A total of 707 homes were reported sold in November of 2023, compared to 718 homes sold in November of 2022. In November of 2023, the median sales price for single-family homes was \$615,000, up 10.6% from the previous year.

Existing condominium and townhouse sales showed a decrease of 12.0% in November of 2023 from November of 2022 according to the Miami Association of Realtors. A total of 944 condominium and townhouse units were reported sold in November of 2023, compared to 1,073 condo units sold in November of 2022. In November of 2023, the median sales price for condominium and townhouse units was \$420,000, up 6.3% from the previous year.

According to the Marcus & Millichap Multifamily Market Report Third Quarter 2023, the vacancy rate was 4.8% for rental apartment buildings in the Miami market area, which was a 130 basis points increase from the previous year. Apartment rents in Miami-Dade County averaged \$2,605 per month, indicating an increase of 4.8% from the previous year. New apartment

construction during 2023 will be nearly 8,000 units, indicating an increase of 2.5%.

The Miami-Dade County retail market contains approximately 112.22 million square feet in 2,616 properties. The major retail markets in Miami-Dade County include Hialeah, Coral Gables/South Miami-Dade, Aventura and Kendall. Rental rates typically range from \$23.60 to \$84.68 per square foot with highest rates in the \$80.00 per square foot range in the Wynwood and Miami Beach Districts. The overall Miami-Dade County vacancy rate for the fourth quarter of 2023 was 3.0%, which is the same as the fourth quarter of 2022. As of the fourth quarter of 2023, 1.266 million square feet of retail space was under construction.

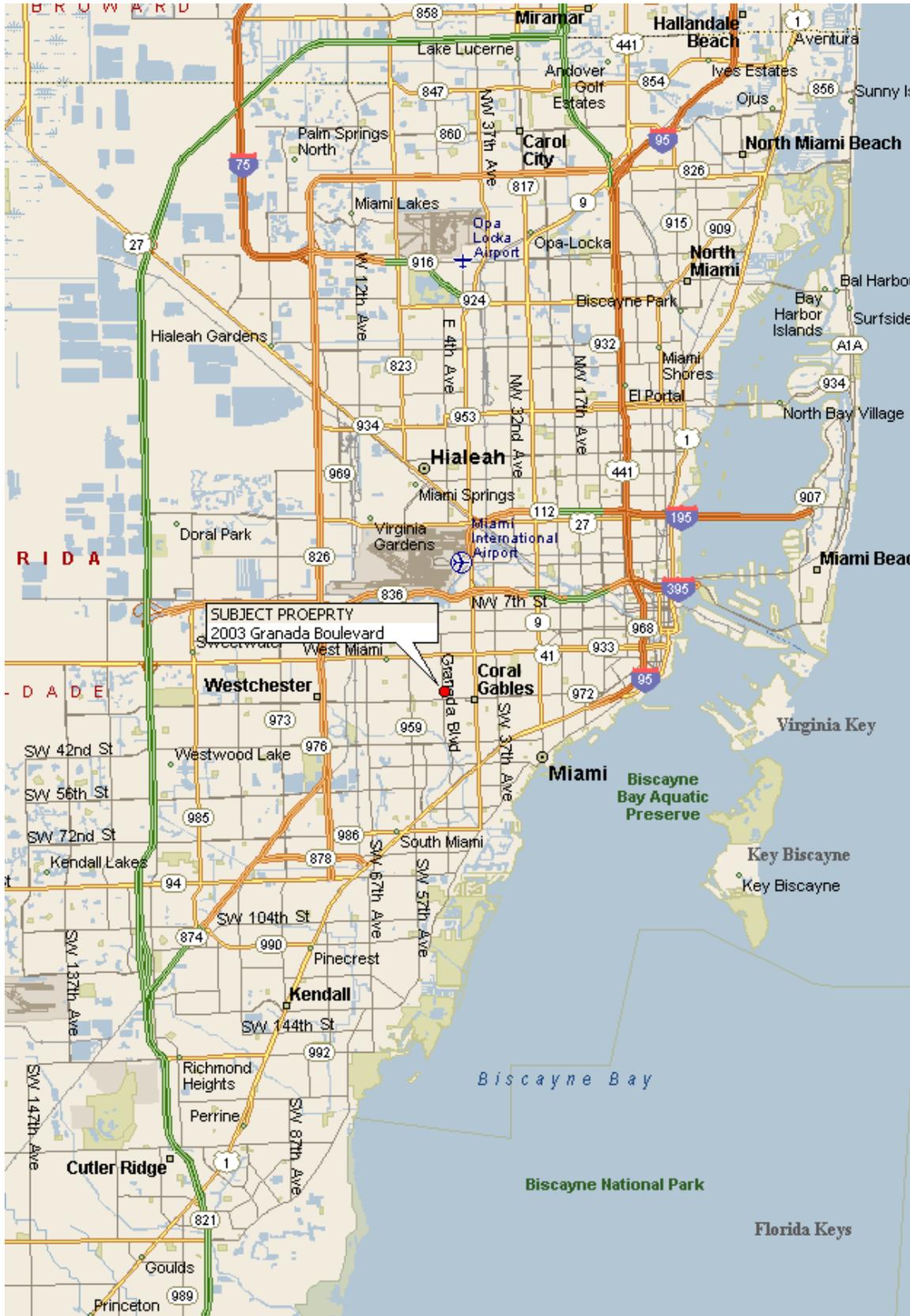
### **Conclusions**

In the future, one of the principal growth areas for Miami-Dade County is expected to be the international sector. Miami-Dade County, because of its geographic location and excellent transportation facilities, is well-suited to attract both business individuals and tourists from Latin America. It is already one of the principal shopping markets for Central and South Americans visiting the United States and one of the principal export points for goods and services destined for Latin America.

The existence of major financial institutions, retail outlets, corporations and other business entities, coupled with its geographic location, transportation systems and planned international trade centers give Miami-Dade County an excellent opportunity for continued growth as an international center.

During the next 12 months all segments of the commercial real estate market should continue to experience decreasing vacancy rates and increasing rental rates. With increasing inventories for both single family residences and condominium apartment units, sales activity is expected to continue to be strong during 2024.

# LOCATION MAP



## **NEIGHBORHOOD DATA**

The subject property is located within the city of Coral Gables. The subject property may be further identified as being located on the southeast corner of Granada Boulevard and North Greenway Drive, three blocks north of Coral Way.

The boundaries of the subject neighborhood are considered S.W. 8<sup>th</sup> Street (Tamiami Trail) to the north, S.W. 40<sup>th</sup> Street (Bird Road) to the south, S.W. 37<sup>th</sup> Avenue (Douglas Road) to the east and LeJeune Road to the west.

The Central Business District of Coral Gables is located in the center of the subject neighborhood with Alhambra Plaza as the primary east/west traffic artery and Ponce de Leon Boulevard as the primary north/south traffic artery. The boundaries of the Central Business District of Coral Gables are Navarre Avenue to the north, Catalonia Avenue to the south and Douglas Road and LeJeune Road as the east and west boundaries, respectively. The subject property is located within the western portion of the central business district.

Southwest 8<sup>th</sup> Street (Tamiami Trail) is a major four-lane, east/west traffic artery, considered the primary northern boundary of the City of Coral Gables. A variety of commercial properties are located on S.W. 8<sup>th</sup> Street.

Miracle Mile (Coral Way) is the primary retail shopping area in Coral Gables. Miracle Mile runs a four block distance from Douglas Road to LeJeune Road. Coral Way extends westerly from S.W. 12<sup>th</sup> Avenue through Coral Gables to S.W. 147<sup>th</sup> Avenue.

LeJeune Road is a major four-lane, north/south artery through the City of Coral Gables. A variety of commercial properties front on LeJeune Road. These properties include retail stores, restaurants, banks and office buildings.

Douglas Road is a major north/south traffic artery, extending south to Coconut Grove and north to the Miami International Airport area. A variety of commercial, single-family and multi-family residential properties front along Douglas Road in this area. Douglas Road forms the east boundary of the City of Coral Gables.

Ponce de Leon Boulevard is a primary four-lane, north/ south traffic artery through the City of Coral Gables. A variety of commercial properties front on Ponce de Leon Boulevard. These properties include retail stores, restaurants, banks and office buildings. The accessibility and location on Ponce de Leon Boulevard are very attractive and desirable.

Coral Gables is a city of approximately fourteen square miles of land area, immediately adjoining and lying to the west and south of Miami. The current population is estimated to be 43,000.

The city of Coral Gables was founded in 1921 and the first buildings were constructed in 1922. Most of the original buildings in Coral Gables were designed in a Mediterranean architectural style. Many of these buildings, such as the City Hall, the Biltmore Hotel and the Colonnade Building, are considered to have historical significance.

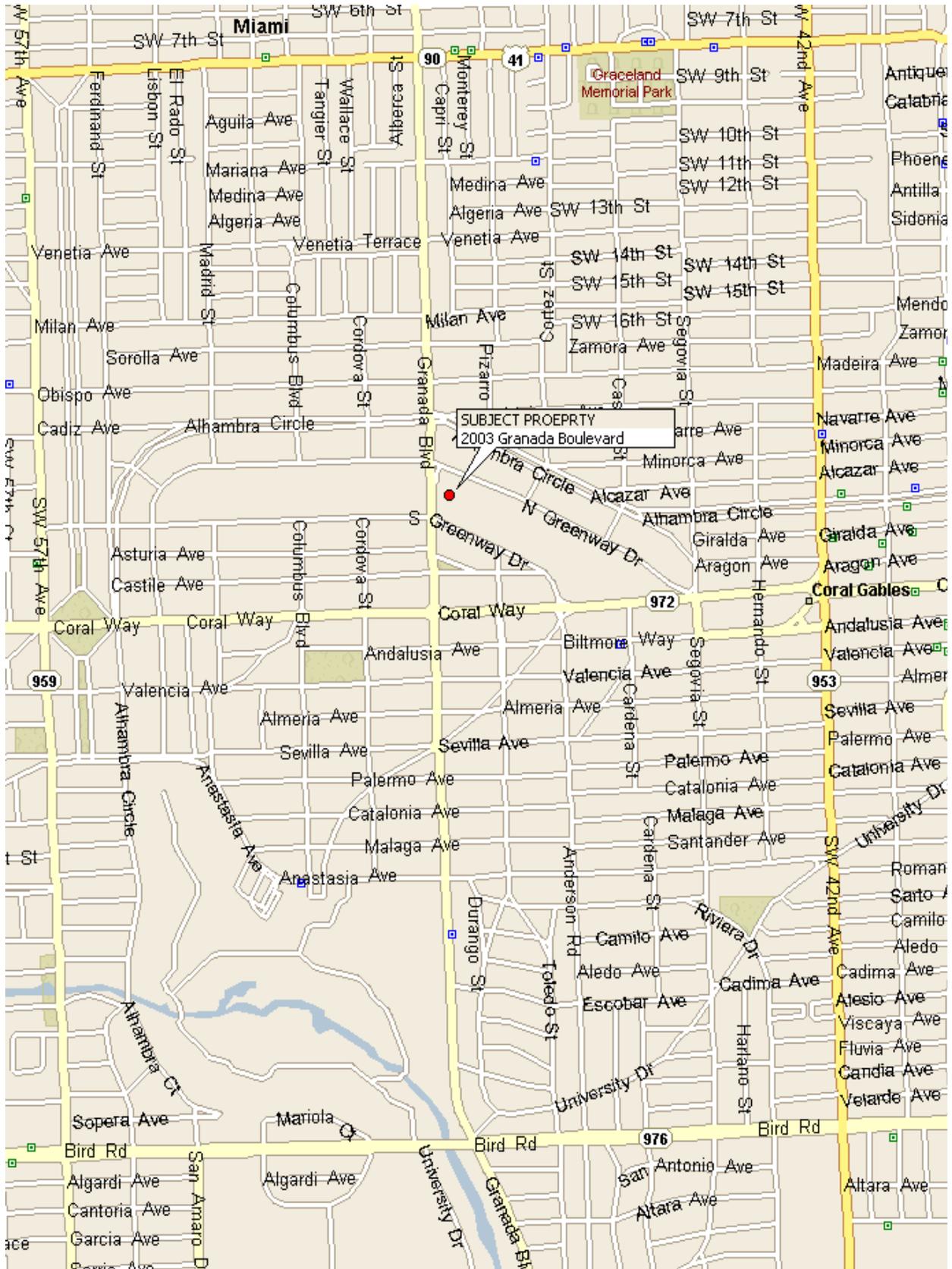
Highly restricted as to construction materials and methods and as to architecture, use and building value, Coral Gables attracts a high class of residents, winter visitors, retired persons from other states, and business and professional people of the Greater Miami area. These controls and standards are a significant reason why property values in Coral Gables are stabilized at a higher level than any other Miami-Dade County city. The waterfront subdivisions of Coral Gables, such as Gables Estates, Old Cutler Bay and Cocoplum, are considered to be some of the most desirable residential neighborhoods in the Greater Miami area.

Coral Gables is outstanding as to high concentration of employment in the professions, finance, insurance, and real estate as managers, proprietors or officials, or in skilled technical jobs. Multinational companies such as Texaco, Del Monte Fruits, Alcoa Inter-America, Esso Inter-America, Phillip Morris Latin America, and Hilton International have located their South American and Caribbean Basin headquarters in Coral Gables. The high standard of living in Coral Gables and the easy access to South America from the Miami International Airport are the primary factors that these multinational companies located in Coral Gables.

The Business District of Coral Gables makes readily available commodities and services of every kind. Independent commercial surveys show the retail and service establishments of the Coral Gables Business Section serve a trading area population of more than 200,000 people. Most necessary business services are available within walking distance of the major office buildings located in the core area of the Business District of Coral Gables.

The subject neighborhood as defined, is heavily developed with commercial and residential properties. Property uses within the subject neighborhood are of a very diverse nature but, nevertheless, complement one another in a highly synergistic manner.

# NEIGHBORHOOD MAP



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***SITE DATA***

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## **SITE DATA**

### **Dimensions and Shape:**

The subject property is part of the Granada Golf Course. The site is irregular in shape. The golf course is bordered on the south by Coral Way and on the north, east and west by North Greenway Drive and South Greenway Drive.

### **Area:**

2,452,428 square feet or 56.3 acres

Source: Miami-Dade County Property Appraiser's Office

### **Topography and Drainage:**

The site is level at an elevation equivalent to the abutting streets.

### **Flood Zone:**

Map No. 12086C0294 L

"X" Areas determined to be outside of the 0.2% chance annual flood plain.

"AH" Areas subject to inundation by the 1.0% annual chance flood (usually areas of ponding); base flood elevation eight feet.

### **Soil and Subsoil:**

The immediate area of the subject site appears to have no unusual soil or subsoil conditions. Unusual conditions would be brought out by test borings.

### **Utilities:**

Water:	Miami-Dade Water and Sewer Department
Sewer:	Miami-Dade Water and Sewer Department
Electricity:	Florida Power & Light Company
Telephone:	AT&T

### **Street Improvements:**

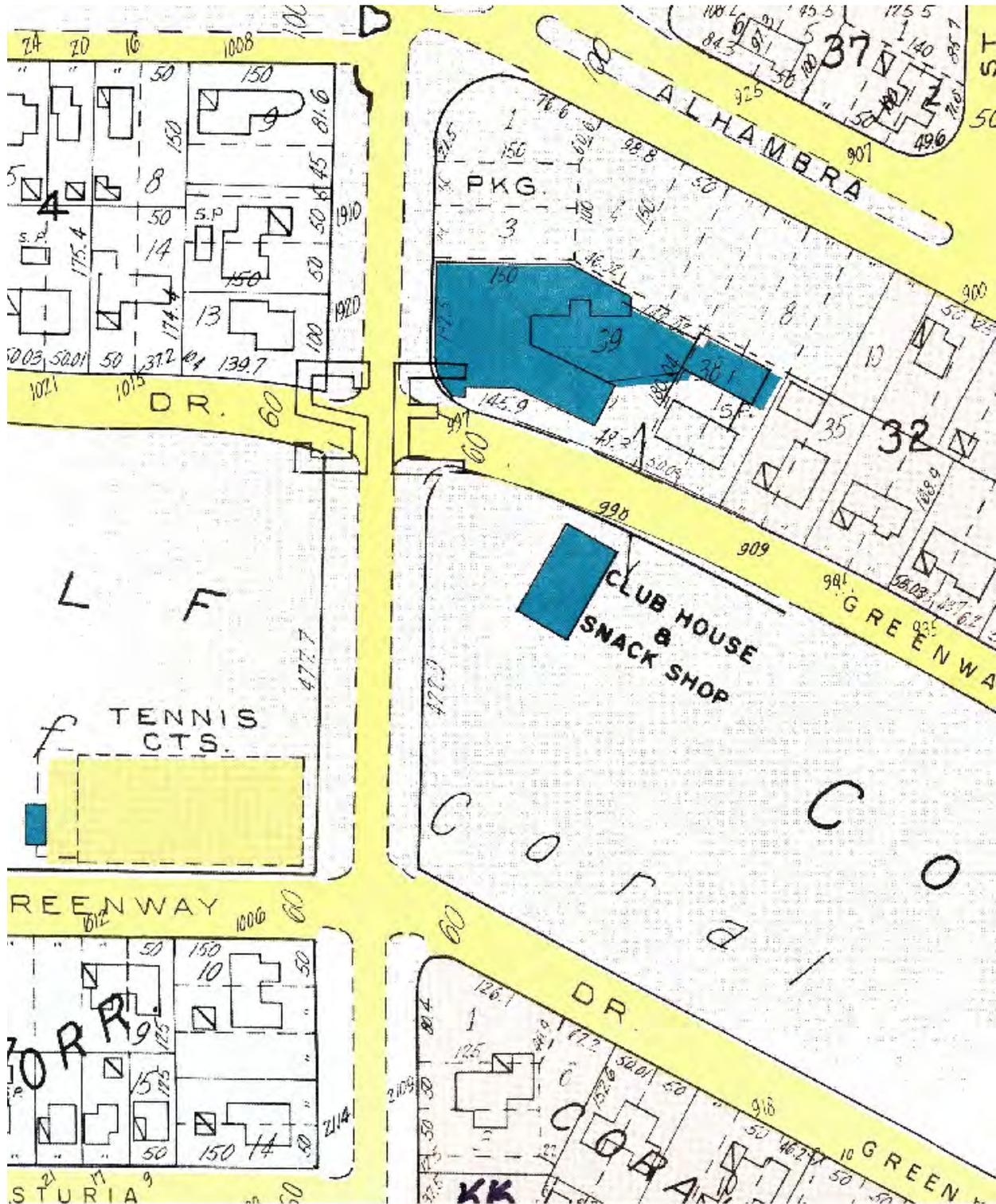
*Coral Way* is asphalt paved with a dedicated width of 70 feet. Coral Way has one eastbound lane and one westbound lane.

*Granada Boulevard* is asphalt paved with a dedicated width of 100 feet. Granada Boulevard has one northbound lane and one southbound lane.

*North Greenway Drive* is asphalt paved with a dedicated width of 60 feet. North Greenway Drive has one eastbound lane and one westbound lane.

*South Greenway Drive* is asphalt paved with a dedicated width of 60 feet. South Greenway Drive has one eastbound lane and one westbound lane.

# SITE SKETCH



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## *ZONING*

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***HIGHEST AND BEST USE***

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## **HIGHEST AND BEST USE**

Fundamental to the concept of value is the theory of highest and best use. Land is valued as if vacant and available for its highest and best use.

The Appraisal Institute in *The Dictionary of Real Estate Appraisal, Fourth Edition*, defines highest and best use as follows:

The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and results in the highest value.

Land has limited value unless there is a present or anticipated use for it; the amount of value depends on the nature of the land's anticipated use, according to the concept of surplus productivity. Among all reasonable, alternative uses, the use that yields the highest present land value, after payments are made for labor, capital, and coordination, is generally regarded as the highest and best use of the land as though vacant.

The highest and best use of a property as improved refers to the optimal use that could be made of the property including all existing structures. The implication is that the existing improvement should be renovated or retained as so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one.

In estimating the highest and best use there are essentially four stages of analysis:

1. **Possible Use.** What uses of the site being appraised are physically possible?
2. **Permissible Use (Legal)** What uses are permitted by Zoning and Deed Restriction, if any?
3. **Feasible Use.** Which possible and permissible uses will produce a net return to the owner of the site?
4. **Maximally Productive.** Among feasible uses, which use will produce the highest net return to the owner of the site?

The highest and best use of the land (or site), if vacant and available for use, may be different from the highest and best use of the improved property. This is true when the improvements are not an appropriate use, but make a contribution to the total property value in excess of the value of the site.

The following four point test is required in estimating the Highest and Best Use. The use must be legal. The use must be probable, not speculative or conjectural. There must be a profitable demand for such use and it must return to the land the highest net return for the longest period of time.

These tests have been applied to the subject property. In arriving at the estimate of Highest and Best Use, the subject site is analyzed as vacant and available for development and as improved.

### **Possible Use**

The subject site has frontage on Coral Way, Granada Boulevard, North Greenway Drive and South Greenway Drive. Coral Way and Granada Boulevard are traffic arteries. North Greenway Drive and South Greenway Drive are secondary streets. Therefore, the subject property has good access and exposure.

The subject site is irregular in shape, with sufficient street frontage and depth for good functional utility. All necessary utility services are available along existing street right-of-ways. The site is filled to street grade and does not appear to have any drainage or subsoil deficiencies.

The subject site is 2,452,428 square feet in size which equates to 56.3 acres. The size of the subject site would allow a large scale development or a subdivision into several sites.

### **Permissible Use**

Permissible or legal uses are those uses which are permitted by zoning and deed restrictions. There are presently no known private deed restrictions of record.

The subject site is zoned for special use. The zoning of the site permits botanical gardens, utility facilities and temporary uses. Conditional uses include camps, cemeteries, golf courses, government uses, heliports, hospitals, marinas, municipal facilities, private clubs, religious institutions, schools, tennis courts, and public transportation facilities.

The maximum building height is 45 feet. The maximum floor area ratio is 1.0 times the site area.

### **Feasible Use**

The physical characteristics and zoning of the subject property permit a range of potential uses. The possible and permissible uses of the subject site include municipal uses, public uses, churches, and schools.

Properties fronting on Coral Way, Granada Boulevard, North Greenway Drive and South Greenway Drive are fully improved with single family houses and apartment buildings.

From an inspection of the area, there appears to be few vacancies in existing properties, indicating strong demand for retail and office space in the subject area.

### **Conclusion – As Vacant**

Based on a careful analysis of the physical characteristics and permissible uses of the subject site as well as the character of the neighborhood, the Highest and Best Use of the subject site as vacant is estimated to be for municipal uses, recreational uses and church or school use.

### **Highest and Best Use as Improved**

A subject site is improved with a golf course and one-story clubhouse facility constructed 1962. The building appears to be in average condition. The floor plan of the building is comprised of a golf pro shop and diner. The diner is under construction and will be in new condition upon completion of construction.

The design and use of the building is in conformity with other club house buildings in the area. The golf course use is allowed by the zoning of the site.

Based on the above factors, considering that the existing golf course and clubhouse building are estimated to represent the Highest and Best Use of the site.

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***DESCRIPTION OF IMPROVEMENTS***

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## **DESCRIPTION OF IMPROVEMENTS**

### **Age and Condition**

According to the Public Records of Miami-Dade County, the improvements were constructed in 1962. The subject diner is under construction. The improvements will be in new condition upon completion.

### **Description**

The subject property is the diner in the clubhouse at the Granada Golf Course. The diner is located in the southern portion of the clubhouse building. The pro shop for the golf course is located in the northern portion of the building.

The floor plan of diner includes two kitchens, a dish room, mechanical room, bathroom, office, and dining area.

### **Size**

Rentable Building Area      1,799 square feet

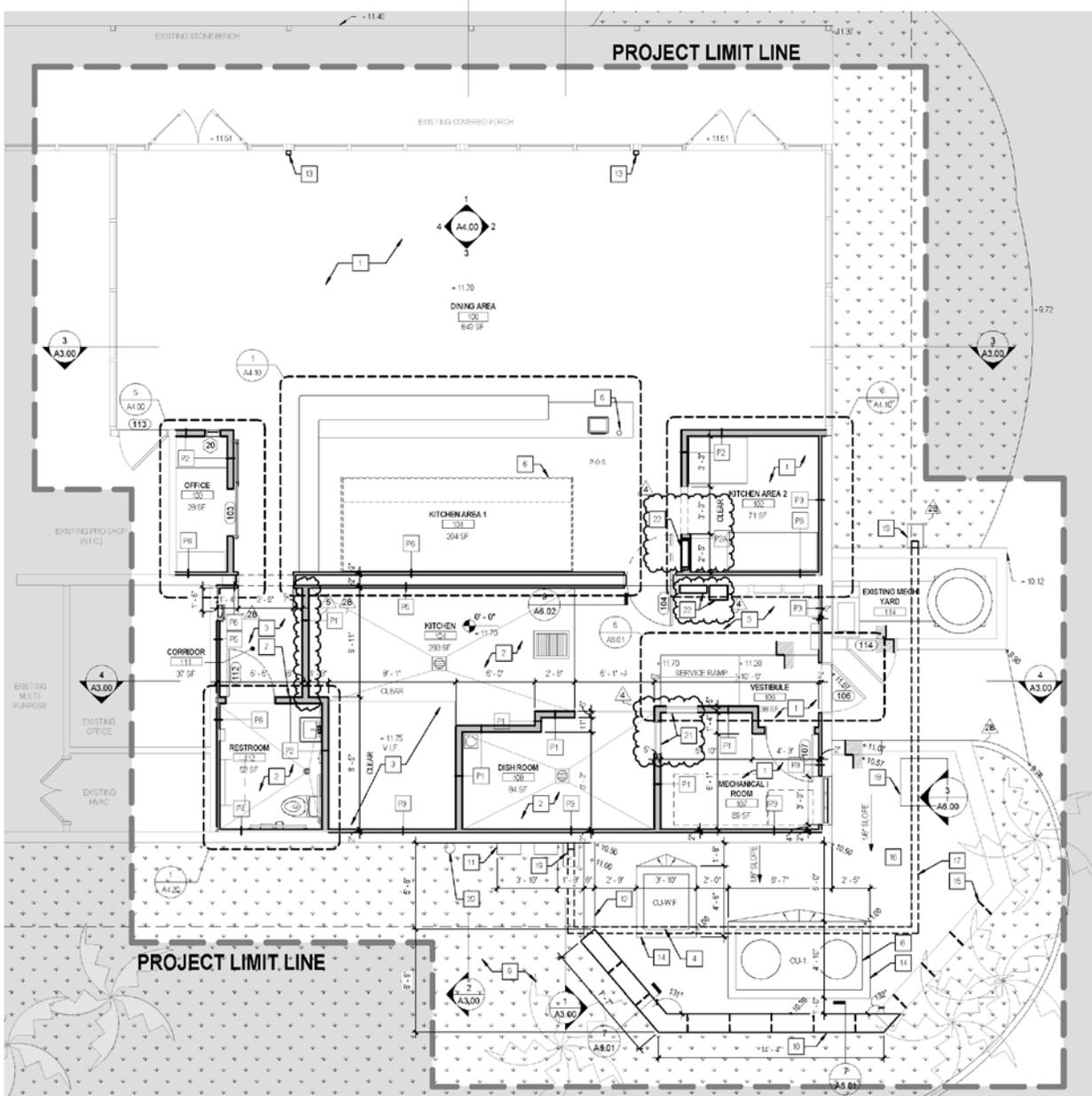
### **Details of Construction**

Foundation:	Poured concrete spread footing in excavation trench.
Exterior Walls:	Concrete block on poured concrete frame and glass panels and painted stucco finish.
Windows:	Fixed glass in metal frame.
Roof:	Hip style, concrete tile on wood deck
Interior Walls:	Painted drywall
Ceilings:	Acoustic tile in suspended metal grid
Floors:	Ceramic tile and vinyl tile on concrete slab
Lighting:	Spot lights and fluorescent fixtures

### **Equipment and Fixtures**

Central air conditioning  
Grease trap

# BUILDING SKETCH



1 FLOOR PLAN  
SCALE: 1/4" = 1'-0"



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***THE APPRAISAL PROCESS***

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## **THE APPRAISAL PROCESS**

As indicated, the Market Rent for the subject space is being estimated. Market Rent is defined as the rental income that a property would most probably command on the open market as indicated by current rentals being paid for comparable space.

Data related to the subject property was derived from various sources including but not limited to the Miami-Dade County Property Appraiser's Office, Miami-Dade County plats, FEMA flood zone maps, Land Development Regulations of the City of Coral Gables, tax roll information provided by the Miami-Dade County Property Appraiser's Office, and Loopnet.

The Market Rent for the subject property is based on comparable restaurant rentals in the market area of the subject. The comparable market area is considered to be Miami-Dade County.

The subject property and the surrounding market area have been inspected. The subject property is located adjacent to the Jackson South Hospital campus.

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***MARKET RENT ANALYSIS***

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## **MARKET RENTAL RATE ANALYSIS**

The purpose of the appraisal is to estimate the market rent for the diner at the Granada Golf Course. In order to estimate the market rent for the subject space, rental rates of restaurant space located in Miami-Dade County are gathered and analyzed. In analyzing the comparable rentals, consideration was given to location, age/condition, quality of construction, and exposure. A summary of the comparable rentals is contained on the following page.

The comparable rentals are either on a net, gross basis, or full service basis. Gross rental rates obligate the tenant for utility services, interior maintenance, and janitorial. Full service rental rates obligate the landlord for most expenses. Net leases obligate the tenant for most of the operating expenses through reimbursement by common area maintenance fees. The large majority of the comparable rentals are on a full service basis. Therefore, the market rental rate of the subject property is analyzed on a full service basis.

The comparable rentals on net and gross basis require upward adjustment for comparison to a full service rental rate for the tenant's obligation of all expenses. All of the comparable rental properties are restaurant space.

A detailed profile of each comparable rental, a photograph of each rental, a location map, and a market rental rate conclusion follows herein.

## COMPARABLE RENTAL 1



DESCRIPTION: Restaurant known as Francesco

ADDRESS: 278 Miracle Mile  
Coral Gables, Florida

LEASING AGENT: City of Coral Gables

PHYSICAL DESCRIPTION:

Rentable Area: 3,147 Square Feet  
Number of Stories: One  
Age: 1948  
Condition: Average

RENTAL DATA:

Rental Rate: \$45.00 per Square Foot  
Term: 7 Years  
Expenses: Net  
Escalations: Annual 3% increases

REMARKS: The tenant paid \$1,475,000 for interior improvements. The lease included one year of rent abatement.

## COMPARABLE RENTAL 2



DESCRIPTION: Restaurant known as Sra Martinez

ADDRESS: 2325 Galiano Street  
Coral Gables, Florida

LEASING AGENT: City of Coral Gables

### PHYSICAL DESCRIPTION:

Rentable Area: 4,111 Square Feet  
Number of Stories: One  
Age: 1998  
Condition: Average

### RENTAL DATA:

Rental Rate: \$31.00 per Square Foot  
Term: 15 Years  
Expenses: Net  
Escalations: Annual fixed increases

REMARKS: The tenant agreed to spend \$1.3 million in tenant improvements. The lease includes two years of rent abatement while the improvements are constructed. The lease was negotiated during the COVID

pandemic in 2020 and therefore is considered distressed.

## COMPARABLE RENTAL 3



DESCRIPTION: Restaurant known as Picola Pizza

ADDRESS: 2305 Ponce de Leon Boulevard  
Coral Gables, Florida

LEASING AGENT: Julio Fernandez

### PHYSICAL DESCRIPTION:

Rentable Area: 2,557 Square Feet  
Number of Stories: One  
Age: 1946  
Condition: Average

### RENTAL DATA:

Rental Rate: \$43.00 per Square Foot  
Term: 5 Years  
Expenses: Net  
Escalations: Annual fixed increases

REMARKS: The space was built out at the lease date.

## **COMPARABLE RENTAL 4**



DESCRIPTION: Restaurant known as Tabanco

ADDRESS: 327 Alhambra Circle  
Coral Gables, Florida

LEASING AGENT: Real Estate Sales Force

PHYSICAL DESCRIPTION:

Rentable Area: 1,310 Square Feet  
Number of Stories: One  
Age:  
Condition: Average

RENTAL DATA:

Rental Rate: \$62.03 per Square Foot  
Term: 3 Years  
Expenses: Net  
Escalations: Annual fixed increases

REMARKS: Single tenant restaurant space

## COMPARABLE RENTAL 5



DESCRIPTION: Restaurant known as Osumi Sushi Bar

ADDRESS: 110 Giralda Avenue  
Coral Gables, Florida

LEASING AGENT: Cromwell & Forbes Inc.

### PHYSICAL DESCRIPTION:

Rentable Area: 4,035 Square Feet  
Number of Stories: One  
Age: 1947  
Condition: Average

### RENTAL DATA:

Rental Rate: \$40.65 per Square Foot  
Term: 10 Years  
Expenses: Net  
Escalations: Annual fixed increases at 3%

REMARKS: Single tenant restaurant space.

## **COMPARABLE RENTAL 6**



DESCRIPTION: Restaurant known as Divind Ceviche

ADDRESS: 160 Giralda Avenue  
Coral Gables, Florida

LEASING AGENT: Real Estate Sales Force

PHYSICAL DESCRIPTION:

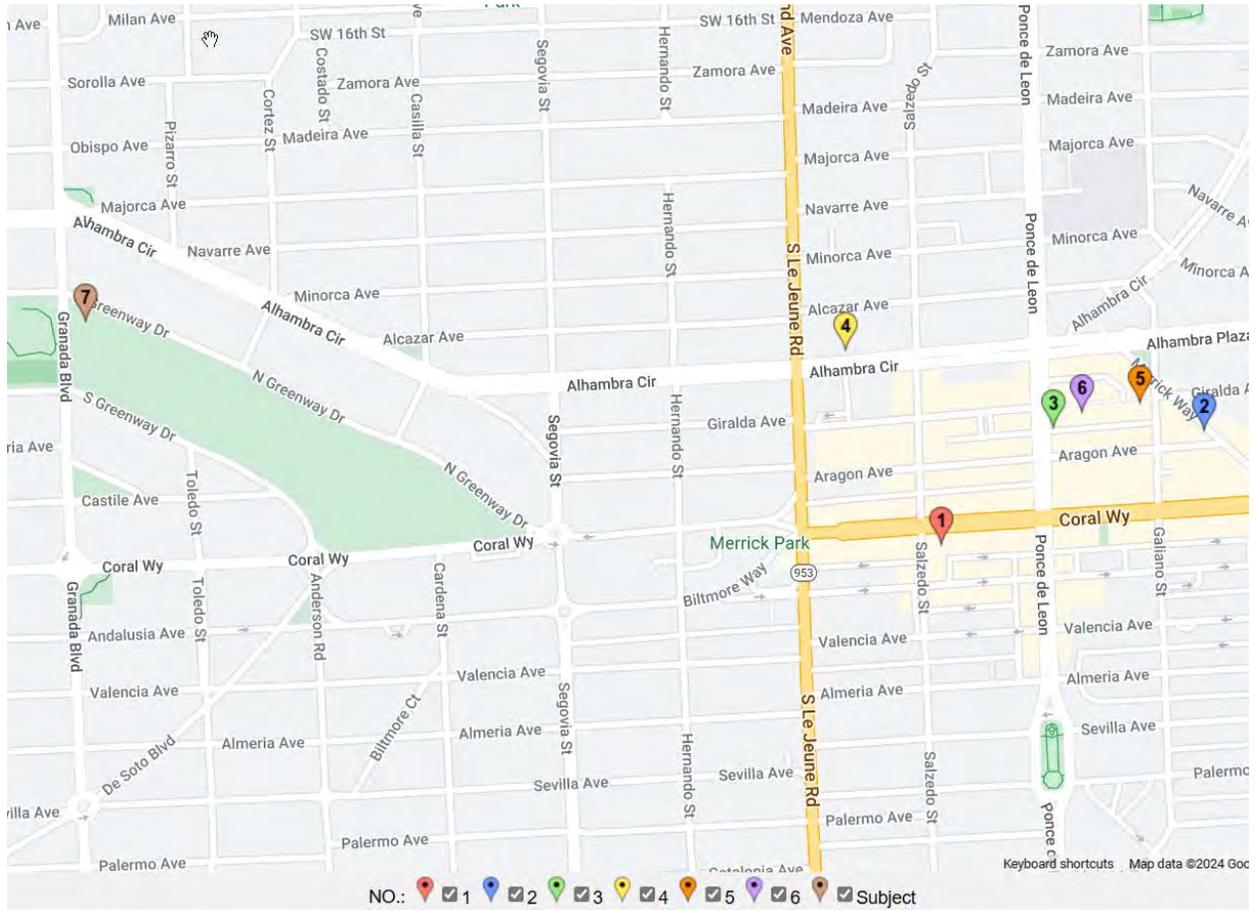
Rentable Area: 1,900 Square Feet  
Number of Stories: One  
Age: 1922  
Condition: Average

RENTAL DATA:

Rental Rate: \$37.89 per Square Foot  
Term: 3 Years  
Expenses: Net  
Escalations: Annual fixed increases at 3%

REMARKS: Single tenant restaurant space.

# COMPARABLE RENTAL MAP



## SUMMARY OF RENTALS

No.	Name	Address	Bldg. Size	Age	Type Rent	Rental Rate/SF
1	Francesco	278 Miracle Mile, Coral Gables.	3,147	1948	Net	\$45.00
2	Sra Martinez	2325 Galiano Street, Coral Gables	4,111	1998	Net	\$31.00
3	Picola Pizza	2305 Ponce de Leon Blvd., Coral Gables	2,557	1946	Net	\$43.00
4	Tobanco	327 Alhambra Circle, Coral Gables	1,310	1950	Net	\$62.03
5	Osumi Sushi Bar	110 Giralda Avenue, Coral Gables	4,035	1947	Net	\$40.65
6	Divind Ceviche	160 Giralda Avenue, Coral Gales	1,900	1922	Net	\$37.89
Sub.	Granada Diner	2300 Granada Boulevard, Coral Gables	1,799	1962		

## **Market Rent Conclusion**

The comparable rental rates range from \$31.00 to \$62.03 per square foot of building area. The rental rates of the comparable rentals are on a net basis. Rents on a net basis obligate the tenant to reimburse the landlord operating expenses by a common area maintenance charge. Gross rental rates obligate the tenant to pay for utility services. Rental rates on a full service basis include all services. Net rental rates are typically lower than gross rental rates. Gross rental rates are typically lower than full service rental rates.

The rental rates of the comparable rentals typically have escalation clauses. The escalation clauses are typically either annual at 3% or 4% annually or 5% or 10% every five years. Some long term leases have provisions to reset the rent to market at intervals during the lease, usually every five or ten years. The contract rent could be reset to market either by adjusting based on the compound change in the CPI or a market rent study. Long term leases would typically have lower annual rent escalations.

All of the comparable rental properties are restaurants located in the city of Coral Gables. All of the comparable rental properties are located in the same market area as the subject property. The comparable rental properties are located in the central business district of Coral Gables. The comparable rental properties afforded the ability to be open for business for breakfast, lunch, and dinner. The subject property is located at a golf course that is closed after dark. The subject restaurant is realistically able to be open for business for breakfast and lunch. Therefore, from a business perspective, the comparable restaurant properties are considered better locations than the subject restaurant. The rental rates of all of the comparable rental properties require downward adjustments for better locations.

The comparable rental properties range in building size from 750 to 4,111 square feet. The size of the subject property, at 1,799 square feet, is within the range of the comparable rental properties.

The rental rate of Rental 2, at \$31.00 per square foot, is considered a distressed transaction. The lease was negotiated in 2020 during the COVID pandemic. The market for restaurant space was non-existent due to social distancing regulations in effect at the time.

Additionally, the tenant of Rental 2 reportedly is spending over \$3 million is tenant improvements. Rental rates are typically discounted and/or rent abatement negotiated to offset the cost of significant tenant improvements paid for by the tenant. It should be noted that the market rental rate estimated for the subject property does not include the impact of any new interior improvements paid for by the tenant.

The comparable rentals are all negotiated leases. Therefore, the rental rates of the comparable rentals were negotiated in the recent past. Rental rates and sale prices for commercial real estate, especially retail properties, have indicated increases in the recent past. Therefore, the rental rates of all of the comparable rentals require varying degrees of upward adjustments for increasing market conditions.

Based on an analysis of the comparable rentals, the base market rental rate for the real estate of the subject restaurant property is estimated to be in the range of \$35.00 to \$40.00 per square foot of rentable area on a net basis.

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***ADDENDA***

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## ***ASSUMPTIONS AND LIMITING CONDITIONS***

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This Appraisal Report has been made with the following general assumptions:

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.
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.
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. If no survey has been furnished to the appraisers, all measurements have been confirmed either in the field, in the plat book or by other reliable sources and are presumed to be accurate.
7. 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.
8. 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.
9. It is assumed, unless a study has been provided otherwise, that no hazardous material such as asbestos, urea formaldehyde or other toxic waste exists in the property. The existence of a potentially hazardous material could have a significant effect on the value of the property.
10. In reference to proposed construction, the real estate taxes and other expenses are estimated. These amounts are not guaranteed.

11. It is assumed in the valuation of the subject land site, unless a compliance letter has been furnished to us, that the State of Florida Growth Management Act does not prevent the issuance of a building permit.
12. 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 based.
13. It is assumed that the utilization of the land and improvements is within the boundaries of property lines of the property described and that there is no encroachment or trespass unless noted in the report.

This Appraisal Report has been made with the following general limiting conditions:

1. The distribution, if any, of the total valuation of this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
2. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraisers, and in any event, only with proper written qualification and only in its entirety.
3. The appraisers herein 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.
4. Neither all nor any part of the contents of this report (**especially any conclusions as to value, the identity of the appraisers, or the firm with which the appraisers are 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 appraisers.

# ***QUALIFICATIONS OF THE APPRAISER***

## **THOMAS F. MAGENHEIMER**

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### **Experience:**

11/84 - Present                      **QUINLIVAN APPRAISAL, P.A.**  
7300 N. Kendall Drive, Suite 530  
Miami, Florida

Currently president of Quinlivan Appraisal, P.A., a Real Estate Appraising and Consulting Firm, established in 1964.

### **Education:**

**University of Richmond**, Richmond, Virginia  
BA - Bachelor of Arts in History (1982)

### **Professional Affiliations:**

Member of the Appraisal Institute (MAI No. 09166)  
Real Estate Salesman - State of Florida - Certificate No. 0344882  
Certified General Appraiser, State of Florida, License No. RZ 553  
Member Sigma Alpha Epsilon Fraternity

### **Qualified as an Expert Witness in the Following Courts:**

Miami-Dade and Broward County Circuit Courts  
United States Bankruptcy Court

### **Other Activities:**

Admissions Committee - South Florida-Caribbean Chapter of the Appraisal Institute - (1992)  
Newsletter Editor - South Florida-Caribbean Chapter of the Appraisal Institute - (1991 - 1995)  
President - South Florida-Caribbean Chapter of the Appraisal Institute - (1996)  
Board of Trustees - Palmer-Trinity School (1989 - 1993)

**Quinlivan Appraisal has prepared Appraisal Reports for the following:**

**Institutions and Corporations:**

AT&T  
Alpha Realty Advisors  
Archdiocese of Miami  
Apollo Bank  
The Bank of America  
Bank United  
Barry University  
Bessemer Trust Company  
California Bank and Trust  
Chevron Oil Company  
Chase Manhattan Bank  
Chemical Bank  
Citibank  
City National Bank of Miami  
Coamerica Bank  
Coconut Grove Bank  
Commerce Bank  
Commercial Bank of Florida  
Eastern National Bank  
Espirito Santo Bank  
First American Bank  
First Bank Florida  
Farm Credit of South Florida  
First International Bank  
First National Bank of South Miami  
Florida International University  
First Nationwide Bank  
Florida Memorial College  
Florida Power and Light Company  
Florida Rock Industries  
Greyhound Lines  
HSBC  
Hemisphere National Bank  
Iberia Bank  
Intercontinental Bank  
International Bank of Miami, N.A.  
Jackson Health System  
Jetstream Financial Credit Union  
LaSalle National Bank  
Marine Midland Bank  
McDonalds Corp.  
Mellon United National Bank  
Miami-Dade County Community College

Northern Trust Bank of Florida  
Ocean Bank  
Pacific National Bank  
Shell Oil Company  
Silver Hill Funding  
South Trust Bank  
SunTrust Bank  
TotalBank  
Trust for Public Lands  
University of Miami  
U. S. Century Bank  
Wachovia  
Wal-Mart  
YMCA

**Governmental Agencies:**

City of Aventura  
City of Coral Gables  
City of Doral  
City of Florida City  
City of Hialeah  
City of Homestead  
City of Miami  
City of Miami Parking Authority  
City of Miami Beach  
City of Miramar  
City of North Bay Village  
City of North Miami  
City of North Miami Beach  
City of South Miami  
City of Sunny Isles Beach  
Miami-Dade County Aviation Department  
Miami-Dade County Department of Development & Facilities Management  
Miami-Dade County HUD  
Miami-Dade County Property Appraisal Adjustment Board  
Miami-Dade County Public Schools  
Miami-Dade County Public Works Department  
Miami-Dade County Transportation Administration  
Miami-Dade Water & Sewer Department  
South Florida Water Management District  
State of Florida, Attorney General's Office  
State of Florida, Department of Community Affairs  
State of Florida, Department of Corrections  
State of Florida, Department of Environmental Protection  
State of Florida, Department of Insurance  
State of Florida, Department of Rehabilitation and Liquidation

State of Florida, Department of Transportation  
Town of Golden Beach  
Town of Bay Harbor Islands  
Town of Miami Lakes  
United States Army Corps of Engineers  
United States Department of Justice  
United States Department of Commerce  
United States Department of the Interior  
United States General Services Administration  
Village of Islamorada  
Village of Key Biscayne  
Village of Pinecrest  
Village of Palmetto Bay

**Law Firms:**

Akerman Senterfitt  
Greenberg, Traurig  
Daniels, Kashton, Downs and Robertson  
Holland and Knight, LLP  
Shutts & Bowen  
Ruden McClosky, LLP  
Steel, Hector & Davis, LLP  
Weiss, Serota, Helfman, Pastoriza, Guedes, Cole and Boniske, P.A.

**Types of Properties Appraised:**

Single Family Residences	Vacant Land
Apartment Buildings	Hotel/Motels
Office Buildings	Warehouses
Retail Stores	Nursing Homes
Shopping Centers	Mobile Home Parks
Condominium Apartment Buildings	Schools
Golf Courses	Service Stations
Residential Subdivisions	Marinas
Automobile Dealerships	Wetlands