



Property Tax Estimate

Hillpointe, LLC
Multi-Family Apartment Building

Pointe Grand Titusville
Titusville, FL

Prepared by: David J. Pichler
Date: February 17, 2021

CBRE



Basic Property Data Input

Client Information

Estimate Requested By: Steven Campisi, Hillpointe, LLC
Date: 2/15/2021
Phone: 407-221-0421
Email Address: scampisi@hillpointe.com

General Information

Property Name: Pointe Grand Titusville
Address: 2800 Barna Ave & 2727 Demaret Dr.
Owner of Record: d Development LLC/Relaca R R Developers LLC
Parcel Number(s): 22-35-16-00-21 & 22-35-16-00-34
City: Titusville
County: Brevard
State: Florida

Property Information:

Real Property Purchase Price: \$1,825,000
Type of Property: Raw Land/Future Multifamily Apartment
Classification: Garden Style Class A-/B+
Will a Deed be Recorded for Purchase Price? Land Sale Only
Land Size (Acres): 15.63
Gross Building Area (SF): UNK
Net Rentable Area (SF): 347,700
Year of Construction: 2022
Number of Units: 228
Number of Beds: 456
Estimated Date of Purchase: Aug-21
Construction Start Date (if applicable): Sep-21
Construction Completion Date (if applicable): Sep-22
Stabilization Date (if applicable): Sep-23

Historical Tax Rates

Tax Bill Due Dates: March 31st of year following Assessment. A discount of up to 4% is offered for early payment.

	<u>Tax Rate</u>	<u>Special Assmt</u>
2020	1.9408%	2020 \$0.00
2019	2.0384%	2019 \$0.00
2018	2.1057%	2018 \$0.00
2017	2.1504%	2017 \$0.00
Average % Change: -10.1%		
Special Assessments noted on property: Non-Ad Valorem Taxes		
Special Assessment description: Solid Waste Disposal and Stormwater Titusville		

Client Provided Income Proforma

	YR 1	YR 2	YR 3	YR 4	YR 5
	2020	2021	2022	2023	2024
Revenues	NA	NA	\$2,170,055	\$3,699,553	\$3,773,544
Expenses	NA	NA	\$1,090,919	\$1,227,067	\$1,251,608
NOI	NA	NA	NA	\$2,472,486	\$2,521,936

Ground Up Developments/Value Add

	YR 1	YR 2	YR 3	YR 4	YR 5
Land Acquisition Price	NA	\$1,825,000	\$1,825,000	NA	NA
Hard Costs	NA	NA	\$24,435,763	NA	NA
Soft Costs	NA	NA	\$2,500,836	NA	NA
Value Add Capital Expenses	-	-	-	-	-
Total		\$1,825,000	\$28,761,599		-

CBRE Expert Contact Information

Expert Name	Date Prepared	Phone	Email
David J. Pichler	2/17/2021	954-638-9784	david.pichler@cbre.com

Equitable Assessment Comparables

Property Name	Parcel	Year Blt	Units	Asking Rent/Unit	Avg. Unit Size	2020 Mrkt Value	2020 Taxes	Value/Unit	Taxes/Unit
Subject:									
Pointe Grand Titusville	22-35-16-00-21 & 22-35-16-00-34	2022	228	\$1,200	1,159	NA	NA	NA	NA
Comparables:									
Solamere Grand	22-35-21-00-00001.0-0000.00	2017	216	\$1,411	1,525	\$20,180,000	\$409,593	\$93,426	\$1,896
Summerhill Titusville	22-35-29-AV-00000.0-0090.00	2006	278	\$1,251	1,067	\$19,075,000	\$381,386	\$68,615	\$1,372
Windover Woods	22-35-29-AV-00000.0-0124.00	1985	132	\$836	818	\$6,330,000	\$106,442	\$47,955	\$806
*Village at Valencia	22-35-04-00-00758.1-0000.00	1967/2021	97	\$910	780	\$4,200,000	\$77,571	\$43,299	\$800
*Villa Valencia is currently under renovation							Average	\$63,324	\$1,219



Property Tax Analysis and Estimate

Estimate Requested By	Steven Campisi, Hillpointe, LLC			Prepared by	David J. Pichler
Date	2/17/2021			Date Prepared	2/17/2021
Phone	407-221-0421			Phone	954-638-9784
Email Address	scampisi@hillpointe.com			Email address	david.pichler@cbre.com
Project Name	Pointe Grand Titusville	Lot Size (Acres)	15.63	Acquisition Date	Aug-21
Address	2800 Barna Ave & 2727 Demaret Dr.	Gross Building S	UNK	Construction Start	Sep-21
City:	Titusville	Net Rentable Are	347,700	Construction Completion	Sep-22
County, State:	Brevard, Florida	Number of Units	228	Stabilization Date	Sep-23
Owner of Record	Brevard Land Development LLC/Relaca R R Developers L				
Parcel Number(s)	22-35-16-00-21 & 22-35-16-00-34	Number of Beds	456		
		Year of Constr.	2022		

Tax Estimates Section

Tax Year	2020 (Actual) Total Parcel	2021 (Estimate) Total Parcel	2022 (Estimate) Post Land Sale/New Parcel	2023 (Estimate) Project Complete	2024 (Estimate) Stabilization
Market Value	\$253,940	\$253,940	\$1,551,250	\$24,447,359	\$25,180,780
Assessed Value	\$253,940	\$253,940	\$1,551,250	\$24,447,359	\$25,180,780
Tax Rate	0.0194081	0.019990343	0.019990343	0.019990343	0.019990343
Real Property Tax	\$4,929	\$5,076	\$31,010	\$488,711	\$503,372
After 4% Discount	\$4,731	\$4,873	\$29,770	\$469,163	\$483,238
Tax Per Unit	NA	NA	NA	\$2,058	\$2,119
MV Per Unit	NA	NA	NA	\$107,225.26	\$110,442

Non-Ad Valorem Taxes

Does sale impact assessed value? If so, how?

Florida is a full disclosure state and the assessor will typically assess the Fair Market Value at 85% of purchase price in the year following a transaction.

How often is property reassessed?

Annually, valuation date is Jan 1 of each year.

Special circumstances that affect assessed values?

Florida has a 10% cap to the increase of the taxable value. The cap only applies to calculation for County portion of taxes. School portion of taxes are not subject to 10% cap.

Specific assessment valuation assumptions used in this analysis:

- 2020** The value represents the current actual Market and Assessed Values for the three parcels.
The property is currently raw land
- 2021** The Market and Assessed Values are projected to remain flat
In 2021 the two parcels are assumed to be purchased and combined
Immediately following the purchase the land will be prepared and development of the new multi-family apartment building will begin.
- 2022** The Land purchase will cause the value to increase. The Assessor will consider the subject's purchase price and other market transactions to determine the new value.
The new land value reflects the purchases price with a 15% cost of sale adjustment. Comparable land sales and assessments support the value.
Florida does not value improvements until January 1st of the year after a property is considered substantially complete or receives a certificate of occupancy.
- 2023** The new value reflects market land value and the improvement value based on cost and market as a result of the property being new construction and complete as of 1/1/2023.
All approaches to value are considered but most weight is put on cost as the subject is new construction and the income is not yet stabilized.
Comparable assessments are used as a guide to show how the assessor will likely value the subject upon completion and stabilization.
Due to the instability and the actual occupancy of the property on 1/1/2023, the assessor may adjust or discount the first year value.
- 2024** The property is now expected to be stabilized and the value is projected to increase based on the income and the increasing market.

Tax Rate Assumptions:

The tax rate is projected to go up 3% for 2021 and then remain flat.
Market activity and new development slowed in 2020 due to Covid-19. Values for some property types remain steady, but other property types such as retail and hospitality have suffered.
City, County and Schoolboard budget demands are likely increasing. As a result we are projecting the rate to increase for 2021. As we recover, the rate is projected to be flat.

Tax Payment Discount Rate Dates:

Taxes are considered delinquent after March 31st of calendar year following assessment year.
Taxpayers receive a 4% discount if taxes are paid by Nov 30 of the tax year, 3% discount if paid by Jan 2nd of year following assessment, 2% if paid by Jan 31st, and 1% if paid by Feb 28th.

Special Circumstances:

A sale or transfer of a property removes the cap on assessed value increases making the assessed value equal to the new market value.
Litigation of property tax assessment is typically unnecessary in Florida to arrive at a fair assessment.
Cost, Sales and income are the primary approaches to value used by the assessor to determine market value. Cost is most relevant for new construction.
Florida does not consider uniformity and equalization as a method of valuation or grounds for appeal.

Disclaimers and Limitations

Estimates included in the analysis are property tax amounts based upon the information available at the time and assumptions contained within the Report. Any projections of property taxes, tax rates, utilized in the Report should be considered as only estimates of the expectations of future amounts as of the date of the Report and not predictions of the future.

Actual results are affected by a number of factors outside the control of CBRE, including without limitation Assessor decisions, fluctuating economy, market, and property conditions. Actual results may ultimately differ from these projections, and CBRE does not warrant any such estimates.