

Lot 5327-4-R5,  
Mangilao

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SEPTEMBER 30, 2024

Prepared by  
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September 30, 2024

Guam Housing and Urban Renewal Authority  
117 Bien Venida Avenue  
Sinajana, GU 96910

Subject: Pagat Vacant Lot  
Lot 5327-4-R5, Municipality of Mangilao, Island of Guam

Dear Sir or Madam,

As per mutual agreement with Guam Housing and Urban Renewal Authority (client and intended user) and Micronesian Appraisal Associates, Inc. (appraiser), the format used is defined as an Appraisal Report appraisal. It complies with the requirements set forth under Standard 2-2(a), Rule 1 of the Uniform Standards of Professional Practice, but is subject to the Assumptions and Limiting Conditions listed in this report. This appraisal report details the information used to arrive at a conclusion of value. It can be understood by a knowledgeable reader without additional information in the work file of the appraiser. The assignment is to estimate the Fee Simple market value of the subject property "as is" condition. The attached is an Appraisal Report prepared in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP).

The subject property consists of a vacant parcel with 106,747 square meter (gross) parcel, zoned A-Rural, on the northern side of Route 15, Pagat area in Mangilao. Based on the data and analysis contained in this report, our opinion of the use value of the fee simple interest, as of September 27, 2024, is concluded to be:

**Market Value "As-Is"                      \$2,200,000**

This value conclusion is based on an estimated exposure of 9 to 12 months, and an estimated marketing period of 9 to 12 months. The above conclusion is subject to the Assumptions and Limiting Conditions as attached. The appraisers' certifications for this report are also attached. If you have any questions on the data or our conclusions, please contact us.

Respectfully submitted,

MICRONESIAN APPRAISAL ASSOCIATES, INC.



Vance L. Reklai, SRA  
President and Chief Appraiser  
Guam Certified Appraiser



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Exhibit 1	Subject Photographs
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Exhibit 3	Qualifications of the Appraiser

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# Certification Statement

I, Vance L. Reklai, SRA 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, impartial, and unbiased professional analyses, opinions, and conclusions.

I have no present or prospective interest in the property that is the subject of this appraisal 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.

My 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.

The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.

The use of this report is subject to the requirements specified under **Assumptions and Limiting Conditions**.

I have made a personal inspection of the property that is the subject of this report.

As of the date of this report, I Vance L. Reklai, SRA am a General Certified Appraiser in the Territory of Guam (Certificate Number CGA-24-031), which certificate expires on 2/10/2026.

Except as noted below, I/we have performed no services regarding the subject property within the last three years prior to accepting this assignment.

As of the date of this report, both have completed the continuing education program of the Appraisal Institute

Respectfully Submitted,

Micronesian Appraisal Associates, Inc.



Vance L. Reklai, SRA  
President and Chief Appraiser



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# Summary of Facts and Salient Conclusions

Property Name	Pagat Land
Address	Lot 5327-4-R5 Mangilao, Guam 96913
Property Type	Vacant Land
Property Rights Appraised	Fee Simple
Purpose of Appraisal	Decision Making
Date of Inspection	September 27, 2024
Date of Report	September 30, 2024
Estimated Exposure Time	9 to 12 months
Estimated Marketing Time	9 to 12 months
Highest and Best Use - As Vacant	N/A
Highest and Best Use - Improved	Residential Subdivision
<u>Aggregate Area</u>	
Land Area, Square Meters, Gross	106,747 (SM)
Land Area, Square Feet, Gross	1,149,003 (SF)
Zoning	A-Rural
Flood Area	X (Area of Minimal Chance Flood Hazard)
Hypothetical Conditions:	None
Extraordinary Assumptions:	None



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# The Assignment

## Scope of This Appraisal

In preparing this appraisal we have:

- Made a complete physical inspection of the property on September 27, 2024.
- Researched public records for assessment and historical sales information pertaining to the subject property.
- Analyzed income and expense information provided by the owner, if applicable.
- Researched the demographics and other data effecting the area and neighborhood. Among our sources of information that we referenced were; properties that we have previously appraised in the area, relevant publications, periodicals, U.S. Census data, and other reference material.
- Researched pertinent neighborhood data, comparable listings, comparable rentals, and comparable sales.
- Gathered comparable improved sales, comparable listings, comparable rentals, comparables expenses, etc. from similar neighborhoods and/or previous appraisals that we have made on similar properties.
- Analyzed the current real estate market and trends for the subject's property type, particularly in the subject's market area.
- In preparing our written report we have:
  - Identified the property by tax identification number and deed references.
  - Considered the purpose and intended use of the appraisal.
  - Prepared a brief history of the property.
  - Stated the current definition of market value and exposure time.
  - Determined the property rights being appraised as the Fee Simple interest in the property.
  - Discussed and analyzed to the extent appropriate, the demographic data in the area surrounding the subject; including population characteristics, employment data, income characteristics, school district, and other amenities.
  - Described the neighborhood surrounding the subject, including highway access and the location and uses of notable properties.
  - Discussed and analyzed the physical attributes of the subject site.
  - Discussed and analyzed the physical attributes of the subject building(s).
  - Analyzed the Highest and Best Use of the site.
  - Analyzed and discussed the reasoning for choosing the most applicable approach or approaches in determining the value for the subject property.

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- Considered all three approaches to value and determined which approach or approaches were applicable, given the nature of the assignment and the characteristics of the subject property.
  - Thoroughly discussed and documented our value conclusions by the applicable approach and/or approaches. Analyzed and discussed the Reconciliation of the applicable approaches and final conclusions of values.
  - Stated the Assumptions and Limiting Conditions upon which this report was based.

## Identification of the Appraised Property

Lot 5327-4-R5, Municipality of Mangilao, containing an area of 106,747 square meters, as described on the Lot Parceling Map of Lot 5327-4, Drawing No. RCMAN-22, L.M. No. 031 FY 2023, as recorded in the Department of Land Management on May 12, 2023, under Instrument No. 986931.

## Purpose of the Appraisal

The purpose of this appraisal is to estimate the current "as is" market value of the property interest(s) specified in this report. The "as is" value is defined as the market value of the property as it actually exists on the date of the appraisal, with no contingencies. The appraised value assumes that if the property were sold, it would be sold in its existing condition, subject only to the Assumptions and Limiting Conditions listed in this report.

## Intended Use of the Appraisal

The appraiser has been engaged by Guam Housing and Urban Renewal Authority the client and intended user for this appraisal. The appraiser(s) have been informed that the appraisal will be used for the sole purpose of assisting the client and intended user in determining value for decision making purposes. Therefore, the intended use of this appraisal is to assist our client, Guam Housing and Urban Renewal Authority, in the determination of market value for decision making purposes.

## USPAP Reporting Options

To develop the opinion of value as per the request of our client Guam Housing and Urban Renewal Authority, the appraiser performed a complete appraisal in **Appraisal Report Format** according to the guidelines set forth below by the 2020-2021 edition of the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation.

### ADVISORY OPINION 11 <sup>1</sup>

#### STANDARDS RULES 2-2 AND 8-2 REPORT COMPARISON CHART:

The essential difference between the two options is in the use and application of the terms "state" and "summarize." "State" is used to connote a minimal presentation of information. "Summarize" is used to connote an expanded presentation of information.

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<sup>1</sup> USPAP Advisory Opinions 2020-2021 Edition, the Appraisal Foundation, A-24



	(a) Appraisal Report	(b) Restricted Appraisal Report
i.	state the identity of the client and any intended users, by name or type;	state the identity of the client by name or type; and state a prominent use restriction that limits use of the report to the client and warns that the rationale for how the appraiser arrived at the opinions and conclusions set forth in the report may not be understood properly without additional information in the workfile;
ii.	state the intended use of the appraisal;	state the intended use of the appraisal;
iii.	summarize information sufficient to identify the real estate or personal property involved in the appraisal, including the physical and economic property characteristics relevant to the assignment;	state information sufficient to identify the real estate or personal property involved in the appraisal;
iv.	state the property interest appraised;	state the property interest appraised;
v.	state the type and definition of value and cite the source of the definition;	state the type and definition of value and cite the source of the definition;
vi.	state the effective date of the appraisal and the date of the report;	state the effective date of the appraisal and the date of the report;
vii.	summarize the scope of work used to develop the appraisal;	state the scope of work used to develop the appraisal;
viii.	summarize the information analyzed, the appraisal methods and techniques employed, and the reasoning that supports the analyses, opinions, and conclusions; exclusion of the sales comparison approach, cost approach, or income approach must be explained;	state the appraisal methods and techniques employed, state the value opinions(s) and conclusions(s) reached and reference the workfile; exclusion of the sales comparison approach, cost approach, or income approach must be explained;
ix.	state the use of the property existing as of the date of value and the use of the real estate or personal property reflected in the appraisal;	state the use of the property existing as of the date of value and the use of the real estate or personal property reflected in the appraisal;
x.	when an opinion of highest and best use or the appropriate market or market level was developed by the appraiser, summarize the support and rationale for that opinion;	when an opinion of highest and best use or appropriate market or market level was developed by the appraiser, state that opinion;
xi.	Clearly and conspicuously state all extraordinary assumptions and hypothetical conditions; and that their use might have affected the assignment results; and	Clearly and conspicuously state all extraordinary assumptions and hypothetical conditions; and that their use might have affected the assignment results; and
xii.	include a signed certification in accordance with the Standards Rule 2-3 or 8-3.	include a signed certification in accordance with the Standards Rule 2-3 or 8-3.

## Definition of Value

A current definition of Market Value as cited in USPAP Advisory Opinion 22 (AO-22) is:<sup>2</sup>

*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 is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:*

<sup>2</sup> 2020-2021 USPAP PUBLISHED BY THE APPRAISAL FOUNDATION / DEFINITIONS

VALUE: the monetary relationship between properties and those who buy, sell, or use those properties. Comment: Value expresses an economic concept. As such, it is never a fact but always an opinion of the worth of a property at a given time in accordance with a specific definition of value. In appraisal practice, value must always be qualified for example, market value, liquidation value, investment value.

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised and acting in what they consider their own best interests.
- A reasonable time is allowed for exposure in the open market.
- Payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and
- 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.

According to USPAP Advisory Opinion 22, this definition

*... is from regulations published by federal regulatory agencies pursuant to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989 between July 5, 1990, and August 24, 1990, by the Federal Reserve System (FRS), National Credit Union Administration (NCUA), Federal Deposit Insurance Corporation (FDIC), the Office of Thrift Supervision (OTS), and the Office of Comptroller of the Currency (OCC). This definition is also referenced in regulations jointly published by the OCC, OTS, FRS, and FDIC on June 7, 1994, and in the Interagency Appraisal and Evaluation Guidelines, dated October 27, 1994.*

Exposure Time assumes that:<sup>3</sup>

- The subject property would sell at the appraised value(s) as of the effective date(s) of the appraisal.
- The subject property was on the market for a reasonable time prior to the date of value and that the terms of sale are typical of other properties of its type that have sold as confirmed by exposure times of comparable sales.
- 

## Property Rights Appraised

The property rights being appraised consist of the Fee Simple Interest of the subject property. A Fee Simple Interest is defined as:

*Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.* <sup>4</sup>

The value of the Fee Simple Estate is, therefore, impacted by its current zoning, tax status, condemnation proceedings, public easements, and environmental legislation. The Fee Simple Estate encompasses all rights of ownership not limited by government, including the right of occupancy (use), the right to lease and receive rents, the right of conveyances to another, etc. This interest is analogous to the total "bundle of rights", each of which may be severed and conveyed by the Fee Simple owner. The Fee Simple Estate may be severed into various partial or fractional interests,

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<sup>3</sup> ibid.

EXPOSURE TIME: estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of sale at market value on the effective date of the appraisal.

<sup>4</sup> *The Appraisal of Real Estate, 13th. Edition* (Appraisal Institute, Chicago, Il., 2008), p. 114

including the leased fee and leasehold interests. The Fee Simple Estate is the sum of the leased fee and all leasehold interests.

## Extraordinary Assumption

None.

## Hypothetical Conditions

None.

## Current Use of the Property

The property is currently vacant and idle.

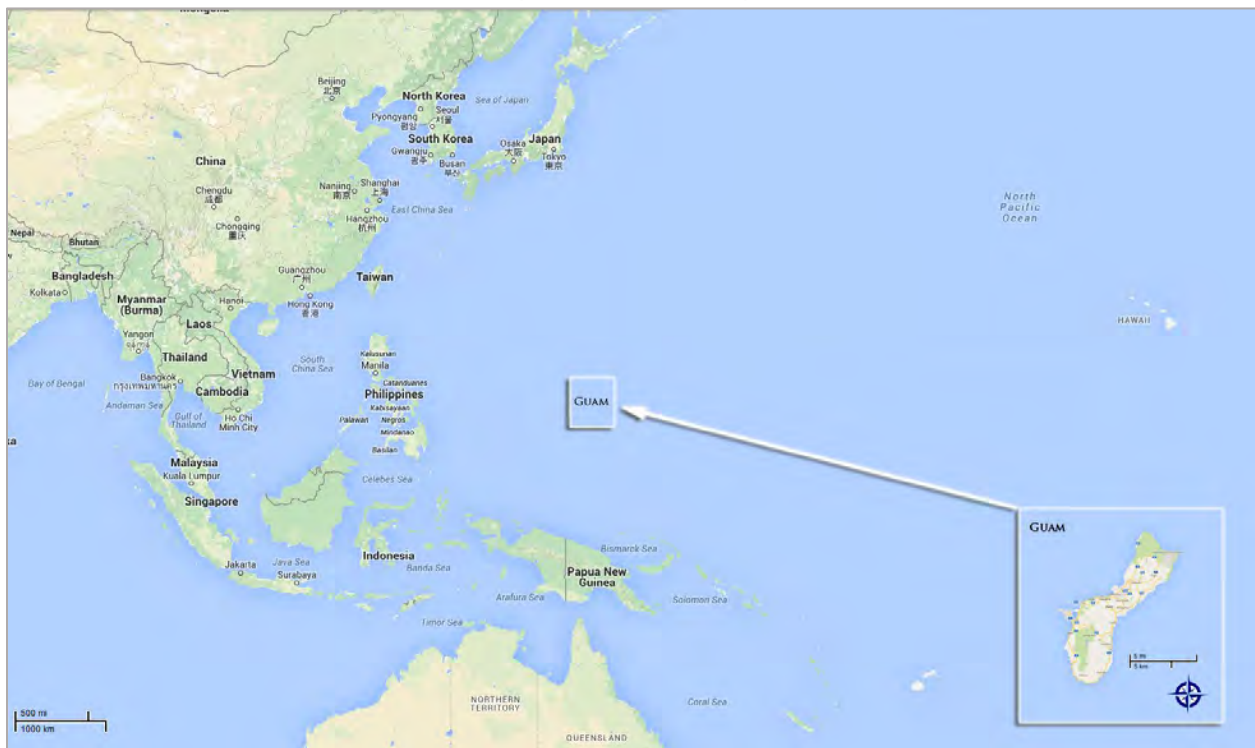
## Use of the Property Reflected in the Appraisal

As Is Condition.

## Regional Analysis (Island Data)

### Guam: The Setting

Located in the western Pacific, Guam is the southernmost of the Marianas Islands and the closest U.S. possession to Asia. Guam is about 2,400 km. south of Tokyo, 3,360 km. southeast of Hong Kong, 2,400 km. east of Manila and 6,000 km. southwest of Honolulu. The Mariana Trench, the deepest known ocean depth, is located southeast of Guam.



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Guam lies 13 degrees north latitude and 144 degrees east longitude of the equator. It is the largest landmass in Micronesia. Guam is about 48 km. long, and from six to 14 km. wide. The central and northern parts of the island consist of a limestone plateau with steep cliffs dropping down to a narrow coastal shelf. Southern Guam is made up of volcanic hills with a maximum elevation of 407 meters. Coral reefs surround the island except for openings at harbor and river mouths.

The history and natural beauty of Guam offer numerous sights of interest. Latte stones, which served as foundation blocks for the thatch huts of pre-contact Chamorros, are found in parks and jungle areas. The graceful remains of Spanish buildings, plazas and bridges may be seen in Agana and at other locations around the island.

The major hotel, business and residential centers are on the western side of the island facing the calm Philippine Sea. A drive along the east coast past Pago Bay and Yona, south to Talofofo and Inarajan affords spectacular views of the open Pacific thundering against the narrow coastal shelf. Spanish influence is clearly visible in the architectural design of the southern village.

## Climate

Guam's tropical climate shows little variation throughout the year. The mean annual temperature is 82 degrees Fahrenheit and humidity is tempered by prevailing northeast trade winds. The rainy season is from July through November, and the cooler dry season from December through June. Guam lies in the path of tropical storms and occasionally experiences typhoons.

## People

The indigenous people of Guam are Chamorros, a Micronesian race with a mixture of Spanish, Mexican and Filipino blood. Present day Guam is a cosmopolitan community featuring large populations of Filipinos, Japanese, "stateside" Americans, Chinese, Koreans, and islanders from throughout Micronesia, as well as Europeans, Vietnamese and Indians. Current population is estimated at 162,896.

## History

Archaeological evidence indicates that Guam has been settled since about 2000 B.C. The island was discovered for the western world by Portuguese explorer Magellan in 1521, and claimed for Spain in 1565. Jesuit missionaries arrived in 1668 to convert the populace to Christianity. For the next 200 years, Guam remained a Spanish colony administered from Mexico.

Guam first became a U.S. possession in 1898 after the Spanish-American War, and was run as a U.S. naval station until the outbreak of World War II. The island was surrendered to a Japanese invasion force in December 1941.

On July 21, 1944, American troops landed on Guam and recaptured the island in a series of fierce battles. More than 200,000 U.S. servicemen were stationed on Guam after the conclusion of the war.

In 1950, administration of the island was transferred to the United States Department of the Interior and residents were granted U.S. citizenship. In 1962 a U.S. navy security clearance requirement was lifted and Guam began its rapid entry into the mainstream of modern development.

## Government

Guam is an unincorporated territory of the United States, administered under the 1950 Organic Act of Guam. Plans are underway to change the island's status to that of a commonwealth. It is anticipated that this change in the political relationship with the federal government would ease some legal constraints that hamper economic development.

The executive branch of government is headed by a governor elected by voters at large for a four-year term. Guam has a unicameral legislature consisting of 15 senators elected for two-year terms. The most recent election for governor was held in 2014 and for senators in 2016.

The District Court of Guam, headed by a judge appointed by the U.S. president for an eight-year term, has jurisdiction over all cases arising under the U.S. Constitution, federal laws and treaties. The Superior Court of Guam handles all other cases arising under the laws of Guam. Appeals may be made to the Ninth Circuit Court of Appeals or to the U.S. Supreme Court.

## Economy

The establishment of Guam's economy dates only to 1962 when a U.S. Navy security clearance which restricted travel to the island was lifted. Since that time, Guam has witnessed tremendous growth and change, and now serves as a Pacific crossroads with good telecommunications, airline connections and media.

Tourism remains the leading component of Guam's economy, and is discussed in further detail below.

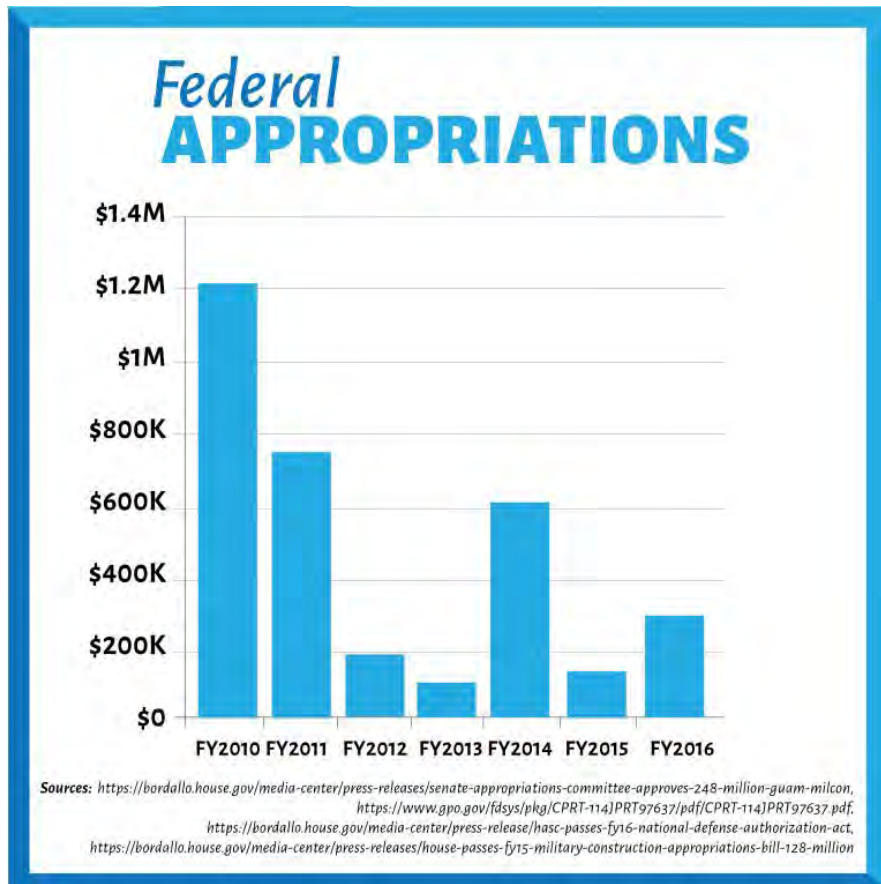
## Federal and Military Impact

The Federal Government has historically played a major role in the economic affairs of Guam. Increases in Federal and Military spending has remained strong, and helped mitigate the adverse impact of the Japanese economy.

The most significant event is the April 2006 announcement of the relocation of 8,000 Marines (together with an estimated 12,000 dependents) from Okinawa to Guam. As recently as 2014, those figures have dropped to 5,000 marines and 1,300 dependents relocating over a 12 year period. The first wave of Marines relocating from Okinawa are expected to begin arriving by around 2025 and will gradually transfer Marines over the next few years. Other changes to the original force relocation plans are listed in the following 2015 chart from Naval Facilities Engineering Command Pacific, on the next page. The National Defense Authorization Act for Fiscal Year 2017 appropriates \$253.885 million for military construction on Guam. Military construction on Guam will support the Marine Corps realignment along with current operations.

**Fiscal Year 2017 Military Construction Authorization for Guam**

SERVICE	PROJECT	COST
Air Force	Munitions Storage Igloos, Ph 2	\$35.3 M
Air Force	SATCOM C4I Facility	\$14.2 M
Air Force	Global Hawk Block 40 Maintenance Hangar	\$31.158 M
Navy	Power Upgrade – Harmon	\$62.21 M
Navy	Hardening of Guam POL Infrastructure	\$26.975 M
Navy	Replace Andersen Housing Ph 1	\$78.815 M
Air Force Reserve	Reserve Medical Training Facility	\$5.2 M
		<b>\$253.858 M</b>



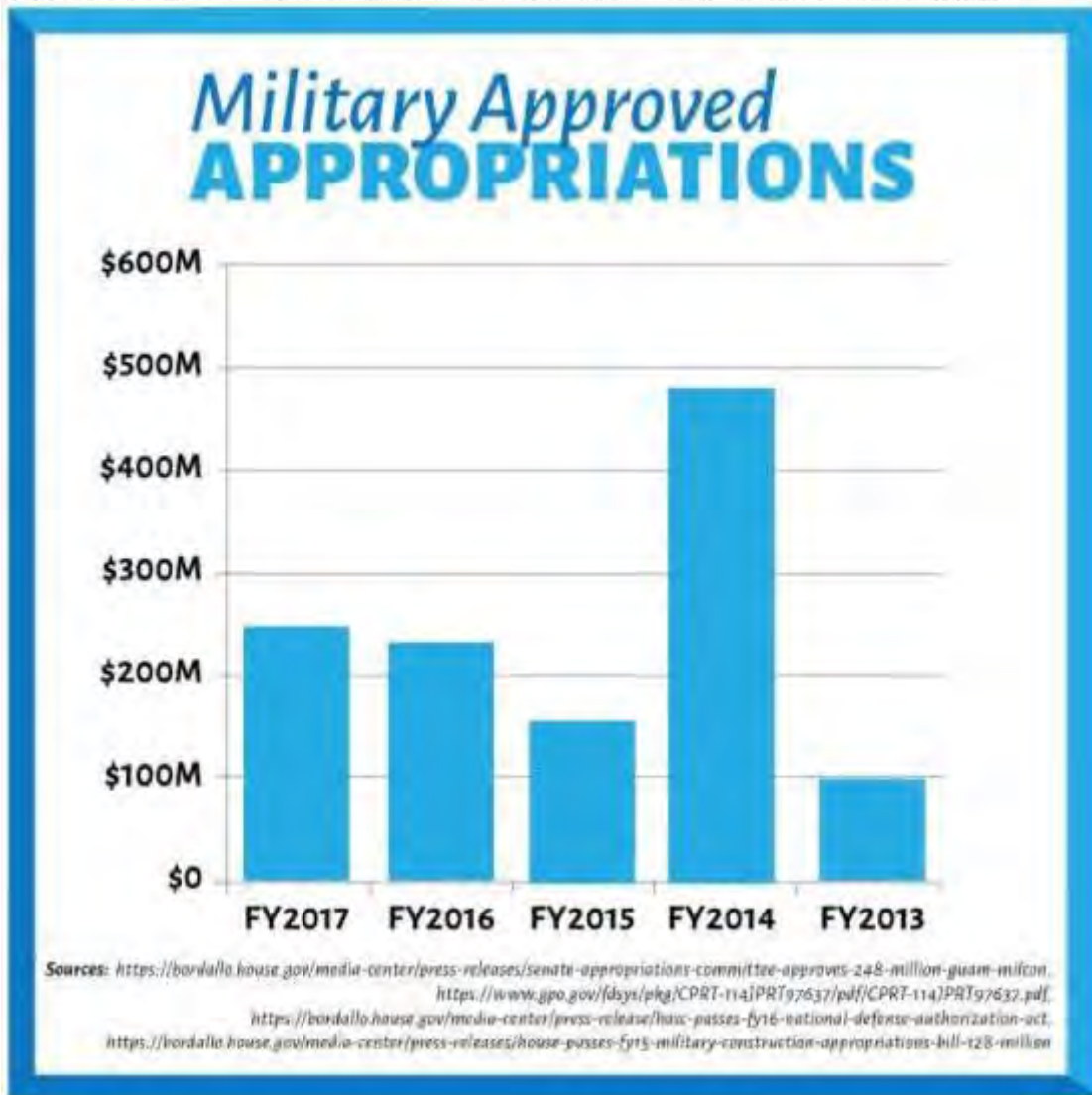


	2010	2011	2012	2013	2014	2015	2016
U.S. DoD Military Construction	\$737,654	\$176,030	\$83,600	\$101,904	\$494,607	\$133,680	\$272,268
DoD Civilian Infrastructure	-	-	-	-	\$119,400	-	\$20,000
Japan (JFY)	\$500,000	\$582,000	\$93,000	-	-	-	-
TOTAL	\$1,237,654	\$758,030	\$176,600	\$101,904	\$614,007	\$133,680	\$292,268

**FEDERAL BUILDING PERMITS**

BUILDING PERMITS & CONSTRUCTION CONTRACTS (in thousands)	2010	2011	2012	2013	2014	2015
Building Permits	\$184,837	\$211,097	\$364,504	\$449,147	\$308,451	\$221,285
U.S. Military Construction Contracts	\$370,413	\$334,597	\$152,095	\$88,001	\$261,234	\$164,377
Japan Funded Military Contracts 1	-	\$89,720	-	-	\$44,500	-
TOTAL	\$555,250	\$635,414	\$516,599	\$537,148	\$614,185	\$385,662

**Note:** 1 Budgeted amount. The full amount of MACC indefinite contracts is not recorded in the above figures, only task orders for specific projects.





FISCAL YEAR	BILL NO.	PUBLIC LAW	FEDERAL BRANCH	PROJECT	PRESIDENT'S REQUEST	SENATE APPROVED
FY2017	H.R. 4909	House Report 114-537	NAVY	Hardening of Guam POL Infrastructure	\$26,975,000	\$26,975,000
			NAVY	Power Upgrade - Harmon	\$62,210,000	\$62,210,000
			AIR FORCE	Munitions Storage Igloos, Phase 2	\$35,300,000	\$35,300,000
			AIR FORCE	Satellite Communications C4I Facility	\$14,200,000	\$14,200,000
			AIR FORCE	Global Hawk Block 40 Maintenance Hangar	\$31,158,000	\$31,158,000
			AIR FORCE RESV.	Reserve Medical Training Facility	-	\$5,200,000
			NAVY	Replace Andersen Housing Phase I	\$78,815,000	\$78,815,000
				TOTAL		\$253,858,000

FISCAL YEAR	BILL NO.	PUBLIC LAW	FEDERAL BRANCH	PROJECT	PRESIDENT'S REQUEST	SENATE APPROVED
FY2016	H.R. 1735	P.L. 114-92 (as of 11-25-15)	NAVY	Live-Fire Training Range Complex (NW Field)	\$125,677,000	\$125,677,000
			NAVY	Municipal Solid Waste Landfill Closure	\$10,777,000	\$10,777,000
			NAVY	Sanitary Sewer System Recapitalization	\$45,314,000	\$45,314,000
			NAVY	Energy Conservation	\$5,300,000	\$5,300,000
			AIR FORCE	APR - Dispersed Maint Spares & SE Storage Facilities	\$19,000,000	\$19,000,000
			AIR FORCE	APR - Installation Control Center	\$22,200,000	\$22,200,000
			AIR FORCE	South Ramp Utilities Phase 2	\$7,100,000	\$7,100,000
			AIR FORCE	PAR - LO/Corrosion Control/Composite Repair	-	-
			AIR FORCE	PRTC- Roads	\$2,500,000	\$2,500,000
				TOTAL		\$237,858,000

### Future Military Buildup

As of July 2017, ten military buildup projects have been ordered or completed on Guam, multiple future contract awards are projected during the next two years. There are a number of joint ventures where the U.S. Department of defense has partnered to improve Guam's infrastructure which includes: improving consumer water supply to the northern region, solar energy for Guam's power grid and collaborating on environmental issues.

In August 2017, The Navy awarded to Granite-Obayashi a \$164.89 million contract for infrastructure construction at Marine Corps Base Guam. The Marine Corps Base will be located on the Naval Computer and Telecommunications Station and will house about a third of the 5,000 U.S. Marines relocating from Okinawa.

The National Defense Authorization Act for Fiscal Year 2018 appropriates \$354.654 million for Guam for the continuation of Military construction projects and the ongoing progress of the Marine realignment, as well as current operations.

**Fiscal Year 2018 Military Construction Authorization for Guam**

Service	Project	Cost
Navy	Aircraft Maintenance Hangar #2	75,233,000
Navy	Corrosion Control Hangar	66,747,000
Navy	MALS Facilities	49,431,000
Navy	Navy-Commercial Tie-in Hardening	37,180,000
Navy	Water Well Field	56,088,000
Navy	Replace Andersen Housing PH2	40,875,000
Defense Logistics Agency	Construct Truck Load and Unload Facility	23,900,000
Air Force Reserve	Reserve Medical Training Facility	5,200,000
		<b>\$ 354,654,000</b>



The current military population includes 5,572 active duty personnel and 7,235 dependents, which totals 12,807 persons.

## Guam Military POPULATION

	2012	2013	2014	2015	2016
<b>ACTIVE DUTY</b>	5,315	5,819	6,006	6,115	5,572
<b>FAMILY MEMBERS</b>	5,381	7,252	6,648	7,211	7,235
<b>TOTAL MILITARY DEPENDENTS</b>	10,696	13,071	12,654	13,326	12,807



Source: Bureau Statistics & Plans / COMNAVMAR

	2012	2013	2014	2015	2016
Active Duty	5,315	5,819	6,006	6,115	5,572
U.S. Air Force	2,007	2,010	2,074	2,074	1,852
U.S. Army	260	257	257	253	240
U.S. Coast Guard	223	216	206	184	195
U.S. Marine Corps	13	18	16	21	28
U.S. Navy	2,812	3,318	3,453	3,583	3,257
Family Members	5,381	7,252	6,648	7,211	7,235
U.S. Air Force	2,319	2,099	1,846	1,847	1,786
U.S. Army	600	2,384	2,498	2,916	3,110
U.S. Coast Guard	281	348	211	200	213
U.S. Marine Corps	11	36	36	31	50
U.S. Navy	2,170	2,385	2,057	2,217	2,076
Total Military and Dependents	10,696	13,071	12,654	13,326	12,807
Resident Population of Guam**	159,914	160,378	161,001	161,785	162,742
Percent Military and dependents	6.70%	8.20%	7.90%	8.20%	7.90%

## Construction and Housing

When construction is in an upswing, construction companies tend to hire more people and purchase more supplies from the local economy to complete the project. This, in turn, increases economic activity to the region.

A snap shot of existing and upcoming construction projects for 2014 to 2016 (including federal, local government, and private contracts) shows a total of \$610 million in construction work that has been awarded as of September, 2014<sup>5</sup>. The data was compiled by Guam Business Magazine from data gained from the Department of Public Works and Navy Engineering Facilities Command Marianas.

<sup>5</sup> Johnson. Guam Business Magazine. Building Confidence: Construction Industry gradually on its way back up (September, 2014).

2014-2016 Construction Projects in Guam

Project	Vendor	Estimated cost	Award Date	Completion Date
DPW – Reconstruction of Pale San Vitores Road	Maeda Pacific Corp.	\$1.8 million	1/4/2010	9/30/2015
DPW – Route 3 Widening Route 28 to Chalan Kareta	SSFM International Inc.	\$2.2 million	5/9/2011	9/30/2014
Plaza de Espana Restoration	Reliable Builders Inc.	\$1.3 million	9/30/2012	9/30/2014
DPW – Route 4 Agfayan Bridge Replacement	Black Construction Co.	\$4.7 million	6/4/2013	11/12/2014
Phase II GU Chamorro Education Building	Inland Builders Corp.	\$15.8 million	8/9/2013	9/30/2014
DPW – Route 17 Rehab & Widening, Phase 2A	Nippo Corp.	\$2.6 million	10/25/2013	9/30/2014
DPW – Ordot Dump Closure – Construction and Dero Road Sewer Improvements	Black Construction Co.	\$40.5 million	12/6/2013	12/6/2015
DPW – Inarajan Northleg Bridge Rehab	IMCO General Construction Inc.	\$1.2 million	3/6/2014	3/6/2015
DPW – Routes 26 and 25 Intersection Improvements	Korando Corp.	\$2.5 million	3/6/2014	11/1/2014
DPW – Tiyán Parkway Phase I Project	IMCO General Construction Inc.	\$7.3 million	3/10/2014	3/10/2015
NAVFAC Marianas – AAFB BAMS Hangar MACC	Guam MACC Builders	\$45.4 million	3/27/2014	4/1/2016
NAVFAC Marianas – IDIQ Construction, Navy Support Facility, Diego Garcia, BIOT	Black Construction Co.	\$10 million	4/7/2014	5/1/2014
NAVFAC Marianas – Emergent Repair Facility	MACC Guam MACC Builders	\$25.7 million	4/11/2014	5/1/2016
Const. Farmers Coop Facility and Relocation – Dededo Flea Market	Mega United Corp.	\$2.5 million	5/1/2014	3/28/2015
NAVFAC Marianas – Marine Corps Support and Maintenance Hangar MACC	Dck Pacific	\$53.7 million	5/7/2014	12/1/2016
NAVFAC Marianas – Modular Storage Construction & Infrastructure Improvements MACC	Guam MACC Builders	\$42.3 million	5/12/2014	6/1/2016
DPW – Bile/Pigua Bridge Replacement Project	Korando Corp.	\$3.7 million	6/10/2014	9/3/2015
Guam Public Library – Extension, Design-Build	S.K. Construction Inc. & Giant	\$1 million	7/14/2014	7/9/2015
NAVFAC Marianas – IDIQ Airfield Paving	Hawaiian Rock Products Corp.	\$90 million	8/1/2014	TBD
NAVFAC Marianas – Guam Strike Fuel Systems Maintenance Hangar	TBD	\$131.5 million	9/30/2014	TBD
NAVFAC Marianas – Par-Pol Fuel Systems Hardened Structures	TBD	\$20 million	9/30/2014	TBD
NAVFAC Marianas – PRTC Red Horse Logistics Facility	TBD	\$3.2 million	2/11/2015	TBD
NAVFAC Marianas – PRTC Satellite Fire Station	TBD	\$6.5 million	2/25/2015	TBD
NAVFAC Marianas – Composite Repair Shop	TBD	\$39.6 million	3/18/2015	TBD
NAVFAC Marianas – PRTC – Combat Communications Infrastructure	TBD	\$4.3 million	4/16/2015	TBD
NAVFAC Marianas – DPRI-GSE Shops at North Ramp	TBD	\$21.9 million	9/4/2015	TBD
NAVFAC Marianas – DPRI – MWSS Facilities at North Ramp	TBD	\$28.8 million	9/4/2015	TBD

Sources: Department of Public Works and Naval Facilities Engineering Command Marianas



**Chart 4****Government of Guam****LIST OF PLANNED MAJOR CONSTRUCTION PROJECTS AND FUNDING SOURCES**

<b>Planned/Ongoing Projects – Funds Available</b>	<b>Amount</b>
Guam Waterworks Authority (GWA)	128,450,000
Guam Int'l Airport Authority (GIAA) – Airport B	96,710,000
Guam Power Authority (GPA)	76,470,000
University of Guam (UOG)	21,700,000
Guam Int'l Airport Authority (GIAA) – Airport A	13,000,000
Port Authority of Guam (PAG)	10,000,000
Guam Community College (GCC)	5,000,000
Department of Education	100,000,000
Guam Housing & Urban Renewal	50,000,000
Fisherman's Co-Op Facility	6,000,000
<b>Subtotal:</b>	<b>\$507,330,000</b>
<b>Planned Projects – Bond/Loan Financing Proposed</b>	<b>Amount</b>
Department of Public Works	75,000,000
Department of Land Management	15,750,000
Guam Memorial Hospital Authority	9,200,000
Judiciary of Guam	8,000,000
Harmon Industrial Park Association (HIPA) (Tax Credit)	7,000,000
<b>Subtotal:</b>	<b>114,950,000</b>
<b>TOTAL:</b>	<b>\$622,280,000</b>

<b>Government of Guam construction projects</b>			
<b>Project</b>	<b>Estimated project cost (in millions)</b>	<b>Agency</b>	<b>Status</b>
International arrivals corridor	\$110	A.B. Won Pat International Airport, Guam	Contract awarded
Low-income housing in Dededo and Toto	\$50	Guam Housing and Urban Renewal Authority	Construction ongoing
Route 3 widening, Route 28 - Chalan Kareta	\$47.2	Department of Public Works	In the bidding process
Energy storage and renewable energy mitigation	\$35	Guam Power Authority	Construction ongoing
Tiyan Parkway - Phase 2	\$30	Department of Public Works	Design in process
Reconstruction of Hotel Wharf	\$20	Port Authority of Guam	Identifying additional funding
Route 17 - Phase 2B	\$19.5	Department of Public Works	Design in process
Route 27, Finegayan Road (Harmon cut-off)	\$18.6	Department of Public Works	On hold
Route 1, 8 intersection improvements and Anaa bridge replacement	\$16.6	Department of Public Works	Estimated 94% complete
Baza Gardens Wastewater Cross Island Pumping and Conveyance, Phase III	\$15.5	Guam Waterworks Authority	In the bidding process
Island-wide water line replacements	\$15	Guam Waterworks Authority	Construction ongoing
Rout 14 B (Ypao Road)	\$13	Department of Public Works	Design completed
Route 10A, 1 intersection (GIAA, Tiyan)	\$11.7	Department of Public Works	Design in process
Replacement of water tanks in Astumbo, Yigo, Tumon, Agana Heights, Piti, Barrigada Heights, Mangilao and Chaot, Ugum, Santa Rita, Mannenggon and Sinifa	\$10	Guam Waterworks Authority	Construction ongoing



<b>2017 military construction projects</b>			
<b>Project</b>	<b>Estimated program amount in \$ millions</b>	<b>Installation</b>	<b>Anticipated award date</b>
Phase I of utilities and site improvements, Finegayan	\$250 - \$500	U.S. Naval Computer and Telecommunications Station Guam	FY 2017
Live-fire training range complex, Northwest field	\$100 - \$250	Andersen Air Force Base	06/2017
Urban combat skills training course	\$100 - \$250	Andersen Air Force Base, South	06/2017
Sanitary sewer system recapitalization	\$25 - \$100	Naval Base Guam	05/2017
Power upgrade, Harmon	\$25 - \$100	U.S. Naval Computer and Telecommunications Station Guam	07/2017
Hardening of Guam petroleum, oil and lubricants infrastructure	\$25 - \$100	Naval Base Guam	09/2017
Phase I of housing replacement	\$25 - \$100	Andersen Air Force Base	09/2017
Municipal solid waste landfill closure	\$10 - \$25	Andersen Air Force Base	01/2017
Dispersed Maintenance spares and storage facility	\$10 - \$25	Andersen Air Force Base	06/2017
PAR Command Post	\$10 - \$25	Andersen Air Force Base	09/2017

Source: Naval Facilities Engineering Command Marianas

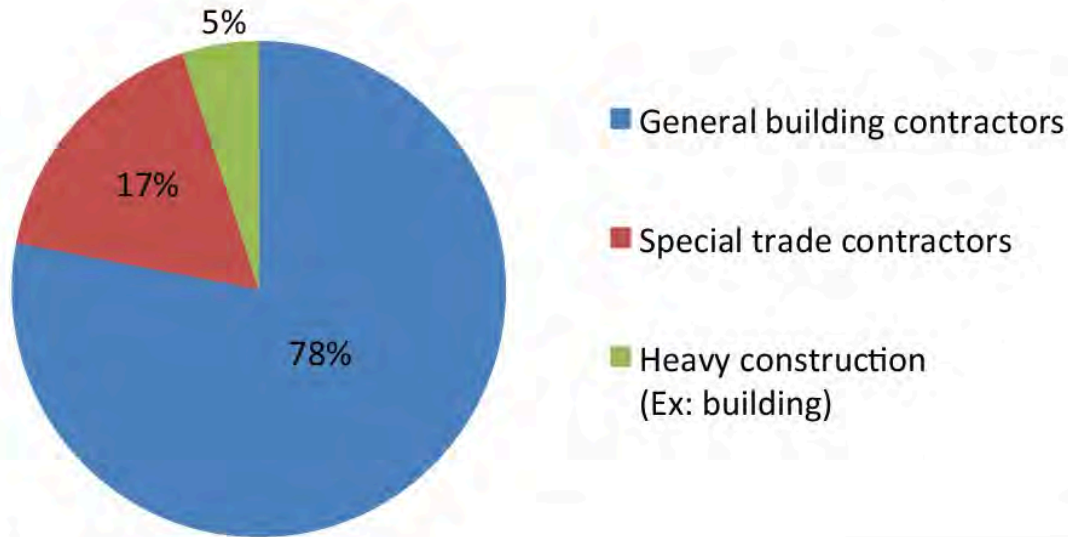
2019-2021 Military Construction Projects			
Project	Estimated Program amount \$ millions	Installation	Anticipated Award Date
Lima Wharf Repair, NBG Apra Harbor	\$100-250	Naval Base Guam	FY-21 Qtr 1
Replace Andersen Housing PH I	\$50-100	Andersen Airforce Base	Fy-19 Qtr 4
Replace Andersen Housing PH III	\$50-100	Andersen Airforce Base	Fy-19 Qtr 5
Replace Andersen Housing PH II	\$25-50	Andersen Airforce Base	FY-19 Qtr 4
EOD Compound Facilities	\$25-100	Naval Base Guam	Fy-20 Qtr 4
APSI-Munitions Storage Igloos Phase 3	\$25-100	Andersen Air Force Base	FY-20 Qtr 4
Main and Commercial Gates	\$25-100	Naval Base Guam	FY-20 Qtr 4
Communications Cabling and Infrastructure	\$25-100	Naval Base Guam	FY-21 Qtr 2
APSI- Airfield Damage Repaire Warehouse (current mission)	\$25-100	Andersen Air Force Base	TBD
Munitions Storage Igloos, Phase 2	\$25-100	Andersen Air Force Base	FY-20 Qtr 3
Ordnance Operations	\$10-25	Andersen Air Force Base	FY-19 Qtr 4
Construction Refueling Facilities at X-Ray Wharf	\$10-25	Naval Base Guam	FY-20 Qtr 4
Energy-ECIP- BIPV for 6 Buildings at NSA Andersen	\$5-10	Andersen Air Force Base	Awarded
FEMA Various Projects Bldg 100, NBG Barrigada	\$5-10	Naval Base Guam	Fy 21 Qtr1
Install Underground Emergency Generator Power to Tanks U28, U29, U30, U31	\$1- 5	Naval Base Guam	FY-20
Replace Food Lights, Fixtures and Brackets, Delta & Echo Wharves, DFSP Fuel	\$1-5	Naval Base Guam	FY-20
CST Ready Building Addition, B-500, GUARNG	\$1-5	Naval Base Guam	FY-21 Qtr 3

Current Civilian Construction Projects:

- Tsubaki Hotel: a 26-story, 340-room, five-star hotel adjacent to Hotel Nikko Guam. Under construction by P.H.R. Micronesia, Ken Corp., expected completion date Oct. 2018.
- Emerald Oceanview Park: four-tower, 260-luxury condominium units, next to Guam Memorial Hospital. Delayed since 2010. Mortgage taken over by Core Tech, which has completed one tower but is constrained by lack of workforce
- Tumon Bay Mall: 200,000 square feet of floor space on two levels. Exterior constructed, interior work pending.
- The Landmark on Marine Corps Drive: 21,000 square foot, two-story, \$6.1 million commercial center, due to be completed May 2017.
- Fisherman's Co-Op: \$6 million project will include 6,000- to 7,000-square-foot facility and 220-foot sea wall docking area. Groundbreaking was held Jan. 2017.

One of the hurdles for present and future construction is the U.S. Customs and Immigration Services nearly 100% denial rate for H-2B visas. Contractors are concerned this may cripple the local construction industry, as many of the companies employ foreign workers. The National Defense Authorization Act for FY2018 addresses the ongoing H-2B visa crisis by granting the U.S. Customs and Immigration Services flexibility to reverse the rate of denials which are related to military construction and health care on Guam. There are less than 100 H-2B visas workers presently, which could impact the Military buildup, government and private construction projects.

## Guam Construction Workforce



Source: Guam Bureau of Labor Statistics

Despite the ongoing H-2B visa crisis, there are major construction projects planned, some in anticipation of the military buildup. A 33 unit residential subdivision in Agat, Sankara Resort, will be completed in 2019. Sung H. Hong, President of Base Corporation, cited the pending military buildup as one of the reasons for the new subdivision.

Other major projects in the planning phase include:

- Northgate MarketPlace: shopping and restaurant complex across from Guam Regional Medical City in Dededo, estimated cost \$12 million.
- Villa Del Mar LLC: 50 low-income units off Kanada-Toto Loop
- Bridge Capital LLC: \$421 million, two-tower, 590-room commercial facility at Guam Greyhound Raceway Park in Tamuning.

### Housing

Per the Bureau of Statistics and Plans, the total number of housing unit increased from 47,677 in 2000 to 50,567 in 2010, a 6% increase within a decade.

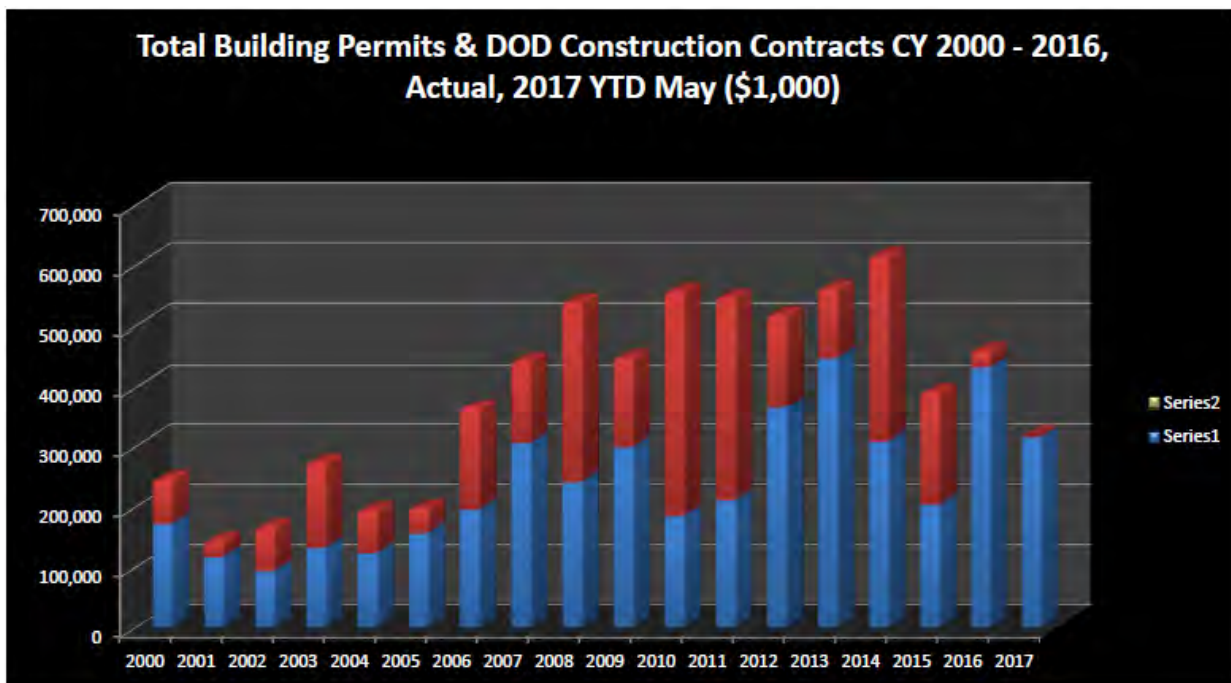
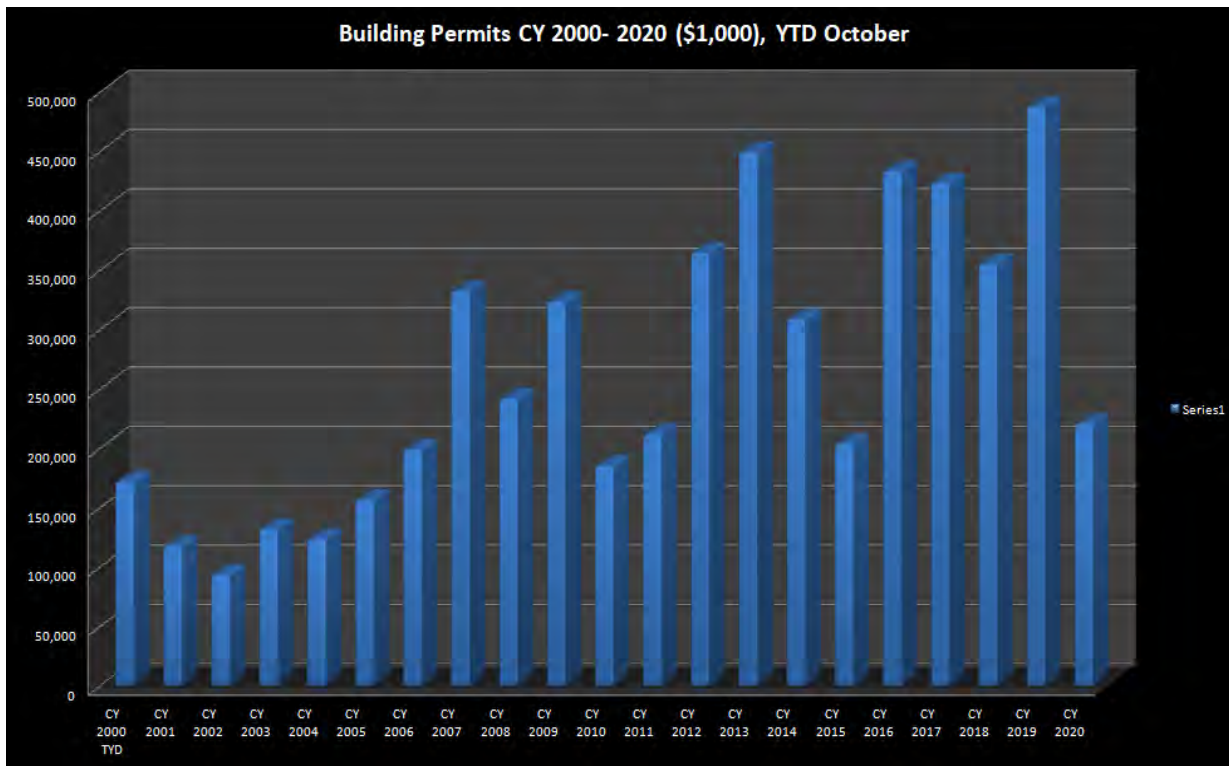
Housing	Unit	2010	2000
Total Housing units.....	No.	50,567	47,677
Occupied units.....	No.	42,026	38,769
Owner-occupied.....	Pct.	50.3	48.4
Renter-occupied.....	Pct.	49.7	51.6
Vacant housing units.....	No.	8,541	8,908

The number of housing units continue to grow with the completion of and future construction of many housing subdivisions.

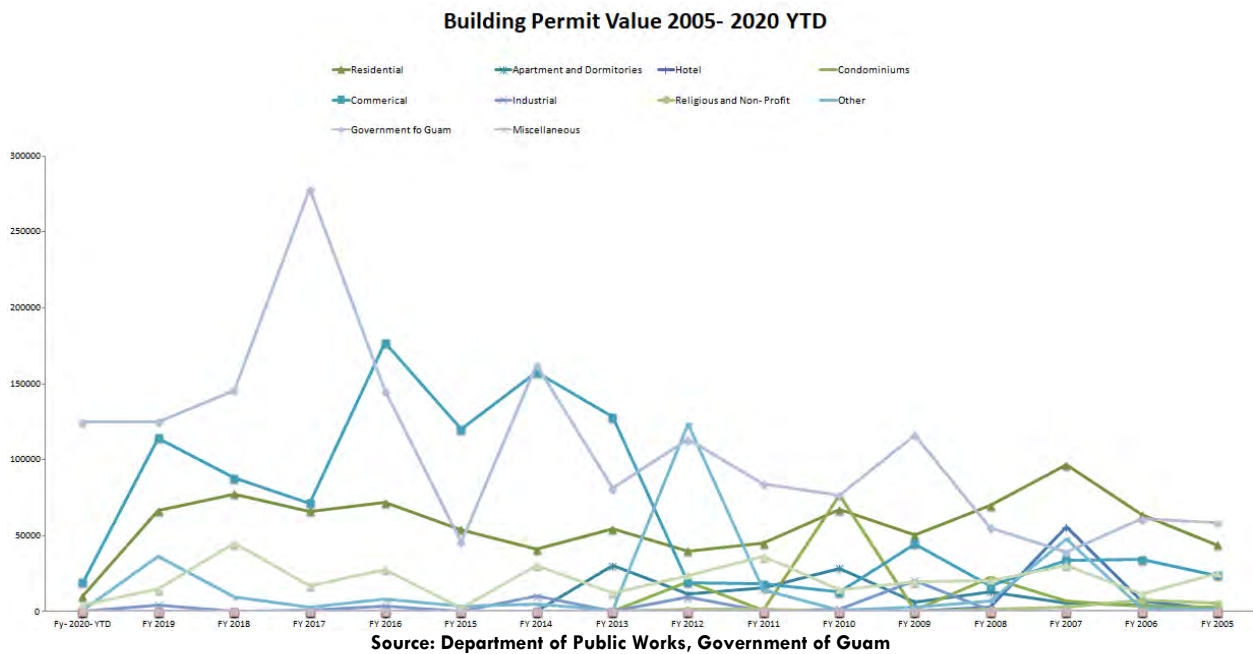
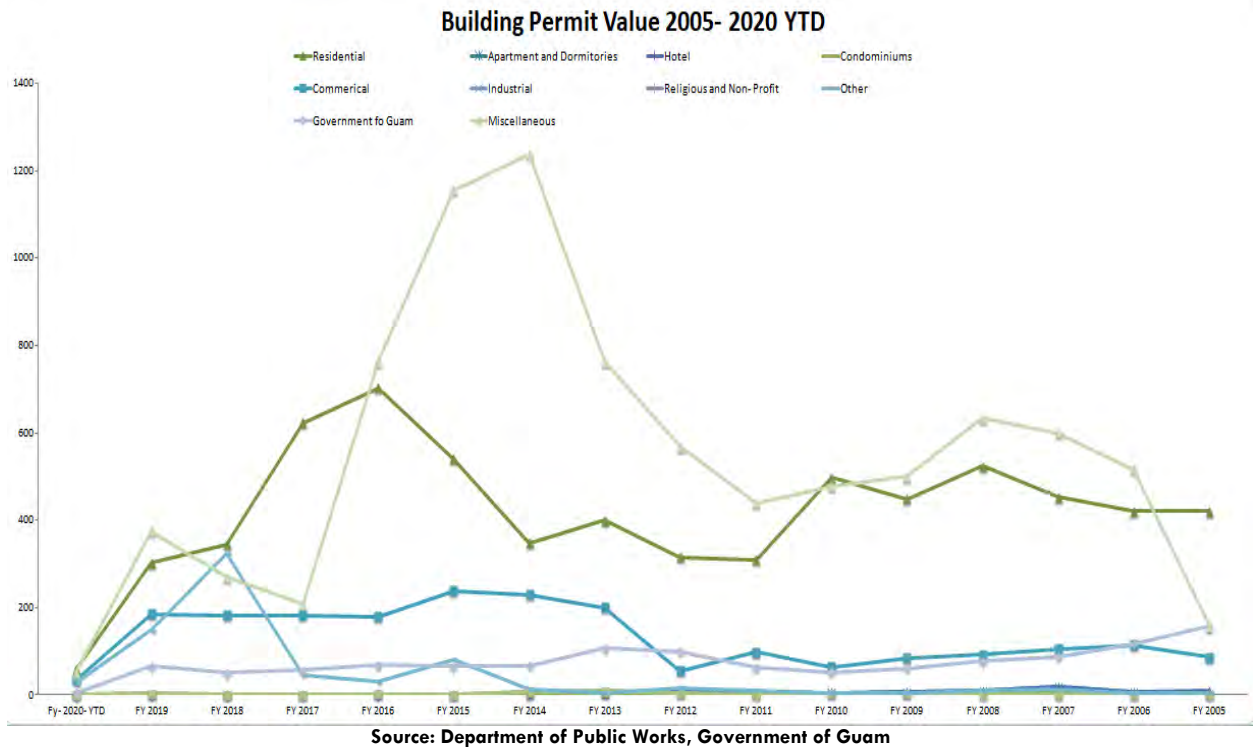
Paradise Meadows: 101 single-family homes

**Future Subdivisions:**

- Villa Del Mar LLC: 50 low-income units off Kanada-Toto Loop
- Sankara Resort: 33 unit subdivision in Agat



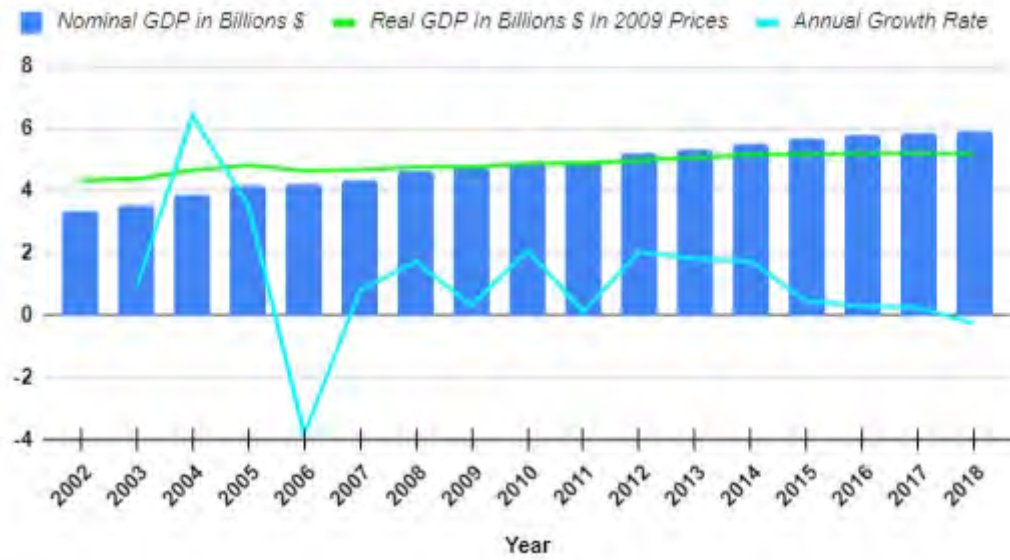




## Local Economic Indicators

US national defense spending is the main driver of Guam’s economy, followed by tourism and other services. Guam serves as a forward US base for the Western Pacific and is home to thousands of American military personnel. Total federal spending (defense and non-defense) amounted to \$1.973 billion in 2014, or 40.4% of GDP. Of that total, federal grants amounted to \$373.3 million in 2013, or 32.6% of Guam’s total revenues for the fiscal year. Service exports, mainly spending by foreign tourists to Guam, amounted to \$651 million in 2013, or 13.3% of GDP. In 2013, Guam’s economy grew 0.6%. Despite slow growth, Guam’s economy has been stable over the last decade. National defense spending cushions the island’s economy against fluctuations in tourism.

## Gross Domestic Product (GIP 2002-2018)



The following table shows Real GIP per Capita from 2004 to the most current numbers of 2018:<sup>6</sup>

## GDP Per Capita (GIP 2004-2018)



<sup>6</sup> Source: 2019 GUAM Economic Report, Regional Center for Public Policy, School of Business and Public Administration. (Publication 12/30/2019)



## Household Income

Table 13-14 . Numerical & Percentage Distribution By Household Income On Guam, 2001 to 2010

Household Income	2010	Percent	2008	Percent	2005	Percent	2003	Percent	2001	Percent
Total	44,664	100.0	46,246	100.0	40,298	100.0	39,008	100.0	39,107	100.0
No Income	2,512	5.6	2,622	5.7	1,089	2.7	2,319	3.3	2,074	5.3
Under \$3,000	619	1.4	760	1.6	537	1.3	860	2.6	1,296	3.3
\$3,000 - 4,999	728	1.6	874	1.9	459	1.1	748	1.9	778	2.0
\$5,000 - 6,999	655	1.5	760	1.6	344	0.9	785	2.9	1,199	3.1
\$7,000 - 8,999	692	1.5	798	1.7	573	1.4	748	2.8	940	2.4
\$9,000 - 10,999	1,347	3.0	1,178	2.5	1,261	3.1	1,159	2.8	1,102	2.8
\$11,000 - 12,999	1,128	2.5	1,064	2.3	917	2.3	1,309	2.3	1,102	2.8
\$13,000 - 14,999	1,238	2.8	1,330	2.9	1,261	3.1	673	2.2	810	2.1
\$15,000 - 19,999	3,130	7.0	3,420	7.4	2,350	5.8	3,029	7.3	2,495	6.4
\$20,000 - 29,999	5,242	11.7	6,346	13.7	5,274	13.1	6,283	13.8	5,508	14.1
\$30,000 - 39,999	5,569	12.5	5,130	11.1	5,331	13.2	4,600	10.7	5,314	13.6
\$40,000 - 49,999	4,040	9.0	5,054	10.9	4,471	11.1	3,927	10.2	3,920	10.0
\$50,000 - 59,999	3,567	8.0	3,914	8.5	3,497	8.7	3,590	9.6	3,305	8.5
\$60,000 - 69,999	3,058	6.8	3,078	6.7	3,038	7.5	2,431	7.1	2,624	6.7
\$70,000 - 79,999	1,966	4.4	2,280	4.9	2,178	5.4	2,319	4.6	1,717	4.4
\$80,000 - 89,999	2,439	5.5	1,748	3.8	1,834	4.6	1,272	4.8	1,426	3.6
\$90,000 - 99,999	1,565	3.5	1,102	2.4	1,720	4.3	486	2.2	1,037	2.7
\$100,000 & Above	5,169	11.6	4,788	10.4	4,127	10.2	2,468	9.0	2,462	6.3
	<u>2010</u>		<u>2008</u>		<u>2005</u>		<u>2003</u>		<u>2001</u>	
Median Household Income	\$39,052		\$37,741		\$40,373		\$33,457		\$34,235	
Mean Household Income	\$49,263		\$45,786		\$47,062		\$41,196		\$40,877	
Average Household Size	3.8		3.5		3.9		3.7		3.8	
Average Earners per Household	1.7		1.5		2.2		1.6		1.6	

Source: Guam Department of Labor, Government of Guam

The Guam Department of Labor Bureau of Labor Statistics report states:

*Guam's average (mean) household income for calendar year 2010 was \$49,263, an increase of \$3,477 or 7.6 percent from calendar year 2008, which was \$45,786. The preceding table also shows a moderate increase of the household size compared to 2008 and a moderate increase in the number of earners within the household.*

*Per Capita Income for 2010 is \$12,864, a decrease of \$225 or -1.7 percent from calendar year 2008. Per Capita Income statistics include the total non-institutional civilian even those without income. Whereas, the mean (average) earners incomes are only those that are 16 years of age and over, excluding those who have no income. The Mean (average) Earner's Income for 2010 was \$25,462, which is \$17, or .07 percent below calendar year 2008.*

Table 13-15 . Numerical &amp; Percentage Per Capita Money Income, Guam: 2010

Income Category	Number	Percent	Income Category	Number	Percent
Total	119,720	100			
No Income	33,306	27.8			
Under \$1,000	1,966	1.6	28,000 - 28,999	1,456	1.2
\$1,000 - 1,999	1,310	1.1	29,000 - 29,999	1,019	0.9
\$2,000 - 2,999	1,856	1.6	30,000 - 30,999	1,856	1.6
\$3,000 - 3,999	1,929	1.6	31,000 - 31,999	1,128	0.9
\$4,000 - 4,999	2,148	1.8	32,000 - 32,999	837	0.7
\$5,000 - 5,999	2,184	1.8	33,000 - 33,999	801	0.7
\$6,000 - 6,999	2,111	1.8	34,000 - 34,999	764	0.6
\$7,000 - 7,999	2,075	1.7	35,000 - 35,999	1,602	1.3
\$8,000 - 8,999	1,674	1.4	36,000 - 36,999	1,056	0.9
\$9,000 - 9,999	2,657	2.2	37,000 - 37,999	182	0.2
\$10,000 - 10,999	2,948	2.5	38,000 - 38,999	764	0.6
\$11,000 - 11,999	1,492	1.2	39,000 - 39,999	728	0.6
\$12,000 - 12,999	2,803	2.3	40,000 - 40,999	2,293	1.9
\$13,000 - 13,999	2,512	2.1	41,000 - 41,999	364	0.3
\$14,000 - 14,999	2,366	2.0	42,000 - 42,999	910	0.8
\$15,000 - 15,999	3,895	3.3	43,000 - 43,999	255	0.2
\$16,000 - 16,999	2,839	2.4	44,000 - 44,999	546	0.5
\$17,000 - 17,999	1,820	1.5	45,000 - 45,999	1,092	0.9
\$18,000 - 18,999	1,929	1.6	46,000 - 46,999	218	0.2
\$19,000 - 19,999	1,638	1.4	47,000 - 47,999	255	0.2
\$20,000 - 20,999	2,330	1.9	48,000 - 48,999	582	0.5
\$21,000 - 21,999	1,602	1.3	49,000 - 49,999	328	0.3
\$22,000 - 22,999	1,674	1.4	50,000 - 59,999	2,584	2.2
\$23,000 - 23,999	1,383	1.2	60,000 - 69,999	2,475	2.1
\$24,000 - 24,999	2,075	1.7	70,000 - 79,999	1,019	0.9
\$25,000 - 25,999	1,929	1.6	80,000 - 89,999	1,092	0.9
\$26,000 - 26,999	1,565	1.3	90,000 - 99,999	655	0.5
\$27,000 - 27,999	1,347	1.1	100,000 & Above	1,492	1.2
	<u>2010</u>			<u>2008</u>	
Per Capita Income (\$)	12,864			13,089	
Median Individual Income (\$)	12,786			13,200	
Mean Earner's Income (\$)	25,462			25,479	

Source: Household & Per Capita Income: 2010, Department of Labor, Government of Guam

The Department of Labor statistics exclude members of the U.S. Armed Forces and their dependents living on base but includes those living off base.

## Population and Census Data

According to the Guam Bureau of Statistics and Plans' *2015 Guam Statistical Yearbook* (2016), the total population on Guam in 2016 stood at 162,742. This represents a 0.6% increase from 2015's figure of 161,785, and a 1.1% increase from 2014's figure. The population of the island has grown steadily at less than 0.5% per year since 2010. The village with the largest population is Dededo which hosts 45,897 people; this is followed by Yigo with 20,975 people, and Tamuning with 20,103 residents.<sup>7</sup>

<sup>7</sup> Government of Guam, Bureau of Statistics and Plans, *FY 2013 Citizens Centric Report* (October, 2014)

Table 23-06. Population Projection by Election District, Guam: 2010 to 2020

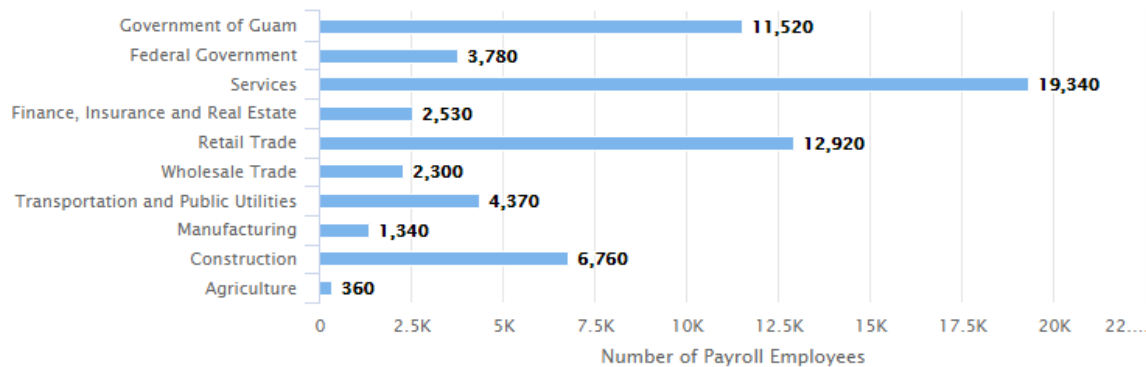
Election District	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Total	168,322	166,658	165,177	163,875	162,742	161,785	161,001	160,378	159,914	159,600	159,358
Agana Heights	4,022	3,982	3,947	3,916	3,889	3,866	3,847	3,832	3,821	3,814	3,808
Agat	5,194	5,142	5,097	5,056	5,021	4,992	4,968	4,948	4,934	4,924	4,917
Asan-Maina	2,257	2,235	2,215	2,198	2,182	2,170	2,159	2,151	2,144	2,140	2,137
Barrigada	9,374	9,282	9,199	9,127	9,063	9,010	8,967	8,932	8,906	8,888	8,875
Chalan Pago-Ordot	7,206	7,135	7,071	7,015	6,967	6,926	6,892	6,866	6,846	6,832	6,822
Dededo	47,471	47,002	46,584	46,217	45,897	45,627	45,406	45,231	45,100	45,011	44,943
Hagåtña (Agana)	1,110	1,099	1,089	1,081	1,073	1,067	1,062	1,058	1,055	1,053	1,051
Inarajan	2,401	2,377	2,356	2,337	2,321	2,308	2,296	2,288	2,281	2,276	2,273
Mangilao	16,046	15,887	15,746	15,622	15,514	15,422	15,348	15,288	15,244	15,214	15,191
Merizo	1,954	1,935	1,918	1,902	1,889	1,878	1,869	1,862	1,856	1,853	1,850
Mongmong-Toto-Maite	7,209	7,138	7,074	7,018	6,970	6,929	6,895	6,869	6,849	6,835	6,825
Piti	1,536	1,521	1,507	1,495	1,485	1,476	1,469	1,463	1,459	1,456	1,454
Santa Rita	6,426	6,363	6,306	6,256	6,213	6,177	6,147	6,123	6,105	6,093	6,084
Sinajana	2,738	2,711	2,687	2,665	2,647	2,631	2,619	2,609	2,601	2,596	2,592
Talofofo	3,222	3,190	3,161	3,136	3,115	3,096	3,081	3,070	3,061	3,055	3,050
Tamuning	20,792	20,587	20,404	20,243	20,103	19,985	19,888	19,811	19,754	19,715	19,685
Umatac	826	818	811	804	799	794	790	787	785	783	782
Yigo	21,694	21,480	21,289	21,121	20,975	20,852	20,751	20,670	20,611	20,570	20,539
Yona	6,845	6,777	6,717	6,664	6,618	6,579	6,547	6,521	6,503	6,490	6,480

Source: 2010 Census of Population and Housing: Guam; International Programs Center, U.S. Census Bureau

Note: Totals may not sum due to rounding

The following chart shows employment by sectors, March 2017:

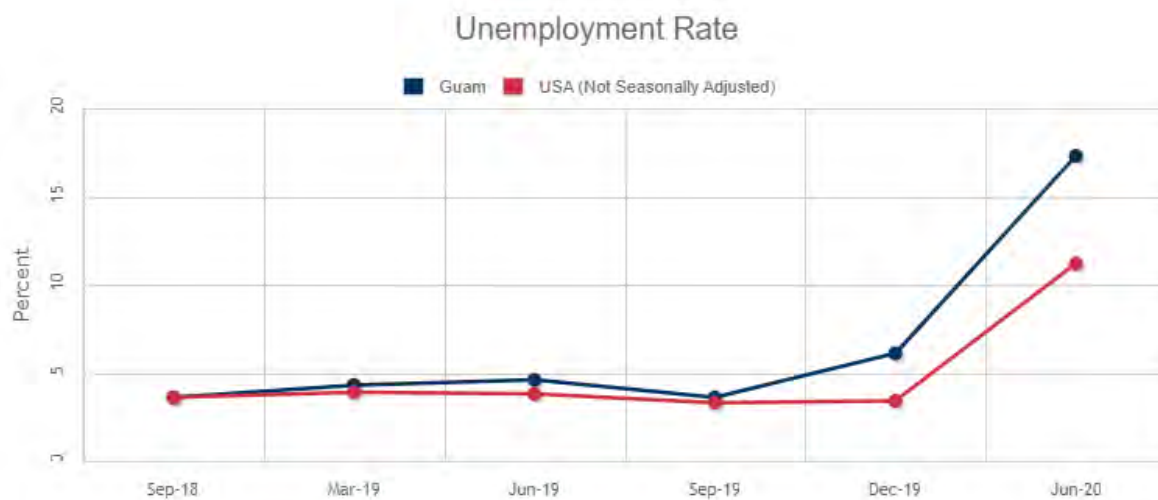
### Current Employment Statistics–March 2019



The March 2019 preliminary statistics show the total number of jobs increased by 110 from the prior quarter of December 2018 and 340 over the latest one year period since March 2018. For the latest quarter, the Construction industry showed the greatest increase of 260 jobs, followed by an increase of 160 jobs in Services.

Employment	Mar 2018	Jun 2018	Sep 2018	Dec 2018	Mar 2019	Percent Change (One Year)
Private Sector	49,200	48,630	49,100	49,950	49,920	1.46%
Federal Government	3,860	3,840	3,760	3,810	3,780	-2.07%
Government of Guam	11,820	10,760	11,360	11,350	11,520	-2.54%
Total Employment	64,880	63,230	64,220	65,110	65,220	0.52%

Unemployment had steadily declined from during the first part of the last decade, but then went up to a high of 13.3% in March of 2013. The number came down to 7.4% in March of 2014: a 5.9% drop from the year prior. The Government of Guam Bureau of Labor and Statistics chart shows that - as of the end of 2014 - the services sector employed the most people on island (outside of the military). The second largest employing sector was the retail and trade sector, and the third largest was the Government of Guam. The following charts were taken from the Government of Guam, Department of Labor, Bureau of Labor Statistics website:<sup>8</sup>

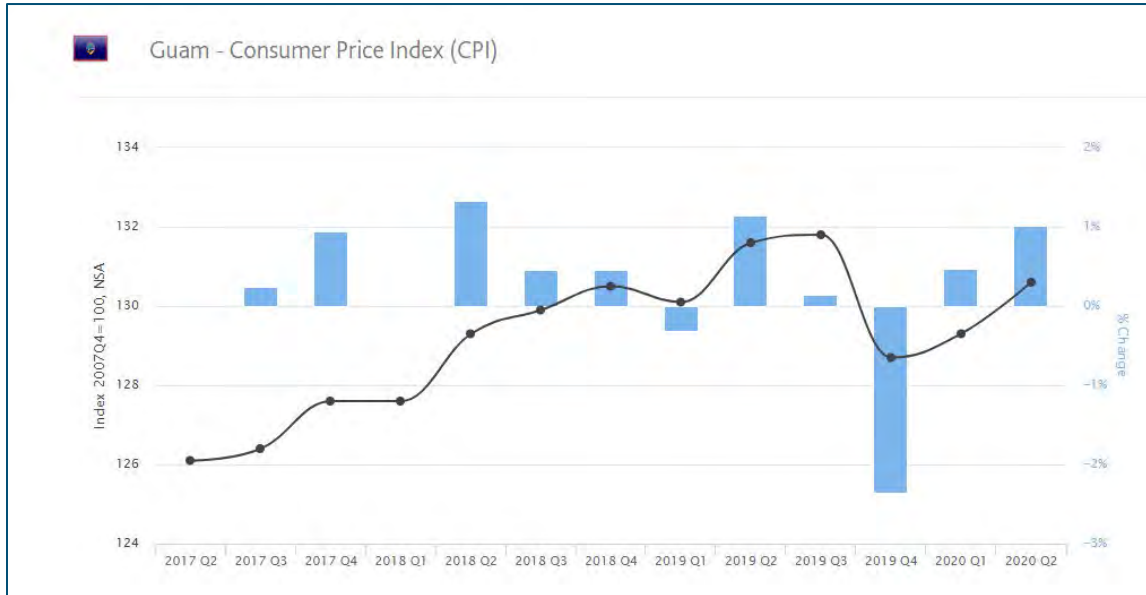


The Unemployment Rate in Guam for June 2020 was 17.3 percent, an increase of 11.2 percentage points from the December 2019 figure of 6.1 percent and up 12.7 percentage points from the June 2019 figure one year earlier.

Unemployment Rate	Mar 2019	Jun 2019	Sep 2019	Dec 2019	Jun 2020	Change (One Year)
	4.3%	4.6%	3.6%	6.1%	17.3%	12.7

The Department of Labor statistics exclude members of the U.S. Armed Forces and their dependents living on base but includes those living off base.

<sup>8</sup> Source: Government of Guam, Department of Labor, Bureau of Labor Statistics (2020)



Guam's current minimum wage is \$8.75 per hour. The following charts on current minimum wage data, and projected minimum wage data (with minimum wage projections at \$9.25 per hr) were also taken from the Government of Guam, Department of Labor, Bureau of Labor Statistics website:<sup>9</sup>

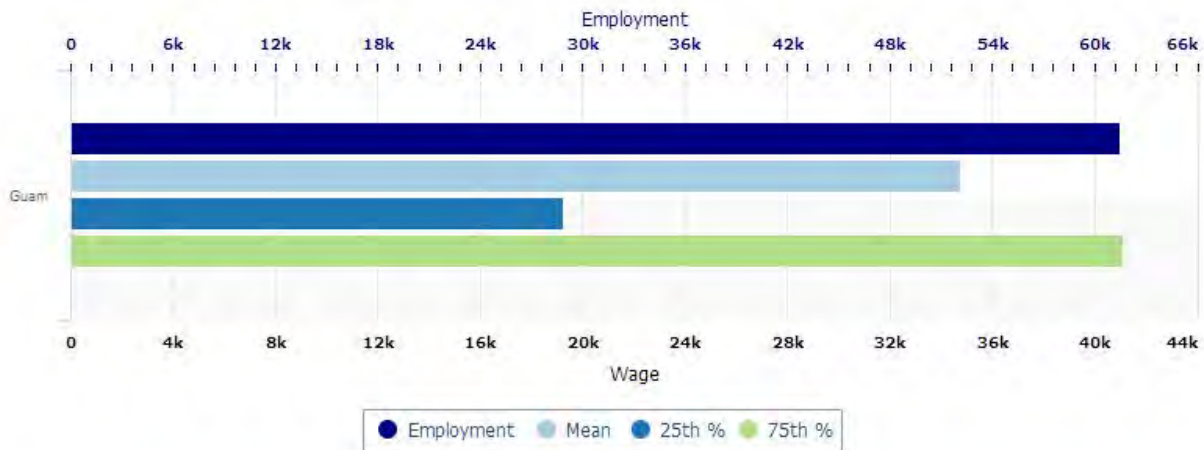
Projected Minimum Wage - \$9.25 per hour   All Sectors				Projected Minimum Wage - \$9.25 per hour   Private Sector Only			
Estimated Total Workforce Number At or Below Wage			11,770	Estimated Total Workforce Number At or Below Wage			11,540
Top 10 Occupational Groups/Subgroups At or Below Wage (2-digit SOC)*				Top 10 Occupational Groups/Subgroups At or Below Wage (2-digit SOC)*			
Occupation Code	Description	Estimated Total Number of Employees in Occupation	Estimated Number of Employees At or Below Wage	Occupation Code	Description	Estimated Total Number of Employees in Occupation	Estimated Number of Employees At or Below Wage
35-0000	Food Preparation and Serving-Related Occupations	6,810	2,700	35-0000	Food Preparation and Serving-Related Occupations	6,700	2,700
43-0000	Office and Administrative Support Occupations	10,850	2,050	43-0000	Office and Administrative Support Occupations	8,620	1,960
41-0000	Sales and Related Occupations	5,080	1,650	41-0000	Sales and Related Occupations	4,940	1,650
37-0000	Building and Grounds Cleaning and Maintenance	3,180	1,380	37-0000	Building and Grounds Cleaning and Maintenance	2,930	1,360
35-3031	Waiters and Waitresses	1,720	940	35-3031	Waiters and Waitresses	1,720	940
41-2011	Cashiers	1,750	790	41-2011	Cashiers	1,650	790
53-0000	Transportation and Material Moving Occupations	3,590	700	53-0000	Transportation and Material Moving Occupations	3,150	700
37-2012	Maids and Housekeeping Cleaners	1,220	650	37-2012	Maids and Housekeeping Cleaners	1,220	640
41-2031	Retail Salespersons	1,800	620	41-2031	Retail Salespersons	1,760	620
43-5081	Stock Clerks and Order Fillers	1,340	580	43-5081	Stock Clerks and Order Fillers	1,250	580

<sup>9</sup> Source: Government of Guam, Department of Labor, Bureau of Labor Statistics (2018)

## Occupational Employment and Wage Rates (OES) for Total All occupations in Guam in 2016

### Occupational Wage Graph

The graph below shows the annual occupational employment and annual wage data for Total All occupations in Guam in 2016.



Source: Occupational Employment Statistics and Wages Program

The mean wage is also known as the average wage. The mean wage is calculated by dividing the estimated total wages for an occupation by the number of workers in that occupation. 25th % and 75th % wage rates represent the 25th and 75th percentile of the wage distribution, respectively. Data is from an annual survey.  
Downloaded: 09/22/2017 12:31 PM

## Real Estate

**Overall Activity:** The following figure shows Multiple Listing Service figures from 2010 through 2020 on volume and value of property transactions. The data includes detached dwelling, condominium, apartment, commercial, and land sales activity. The Multiple Listing Service data represents only a portion of total activity on Guam but has historically been indicative of single family, condominium, and multi-family and, land activity.

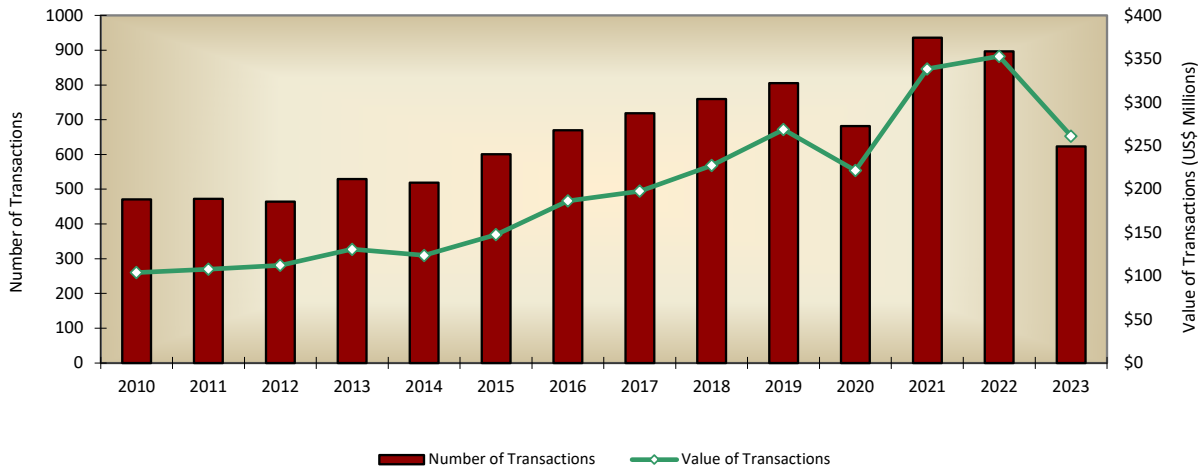
The overall market has been on the bullish run since 2008, the last downturn. The market topped off in 2019. In 2020, a there is about a 17.8% decline in the overall volume due to the Covic-19 pandemic. Most of the decline occurred during the first half of 2020, which account to about 82% or -\$38,627,199 in volume. The market recovered in 2021-2022, but when interest rates spiked, activity in 2023 plummeted with total number of transactions down to 623 and total value of \$261 million, a 74% decline from last year.



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ALL PROPERTY SALES, MULTIPLE LISTING SERVICE, 2010 TO 2023, GUAM

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**Source: Multiple Listing Service, Guam Association of Realtors.**

### Land Market

Market conditions:

- Ancestral land activity that began at round \$20 to \$30 per square meter in the Harmon cliffline area several years ago is now transacting at \$50 to \$100 per square meter, with the upper end being road frontage parcels and lower end being interior parcels with no to poor access. The earlier prices reflected some uncertainties about the title conditions and lack of zoning, as well as risk/timing for end-user demand for military buildup. Title insurance is now generally available for ancestral lands, and many have been rezoned (typically by Public Law through Legislature) so that buyers now have that expectation.
- Light industrial land (5 acres or smaller) in Harmon Industrial Park: prices have increased from the market bottom in 2003 at about \$50 per square meter to a present level of about \$150 per square meter.
- Since 2008 there were 22 industrial land transactions around Dos Amantes area. Price ranges from \$44 per square foot for R-2, Multi-family residential, to \$123 per square foot for M-1, Light Industrial parcels. One of the land transaction is the site of the Guam Regional Medical City, expected to open in April 2015.
- Residential land: most activity in northern Guam (Dededo, Yigo) is at \$20 per square meter for raw land in rural locations. Suburban or better located tracts of land and those nearby sewer lines sell for \$30 to \$60 per square foot.

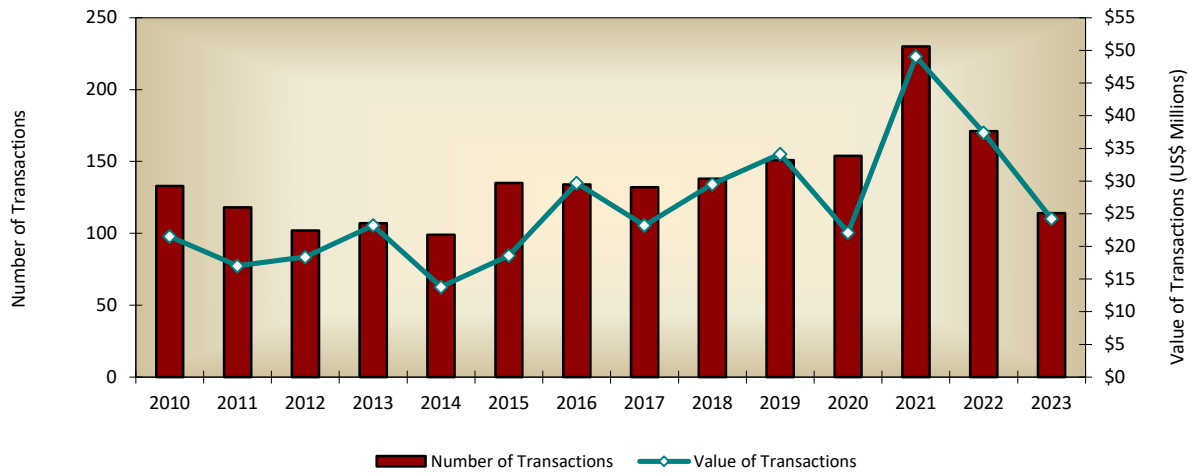
Multiple Listing Service database includes all types of land transaction activity: residential, commercial, industrial. Drivers of demand (military buildup) for the various uses of property are similar thus sales volume trends for each use tends to correlate closely with the overall trend.

For industrial/commercial real estate, the current environment is limited activity with no noticeable change in prices (sales or rents). We attribute this to limited supply rather than weak demand.<sup>10</sup>

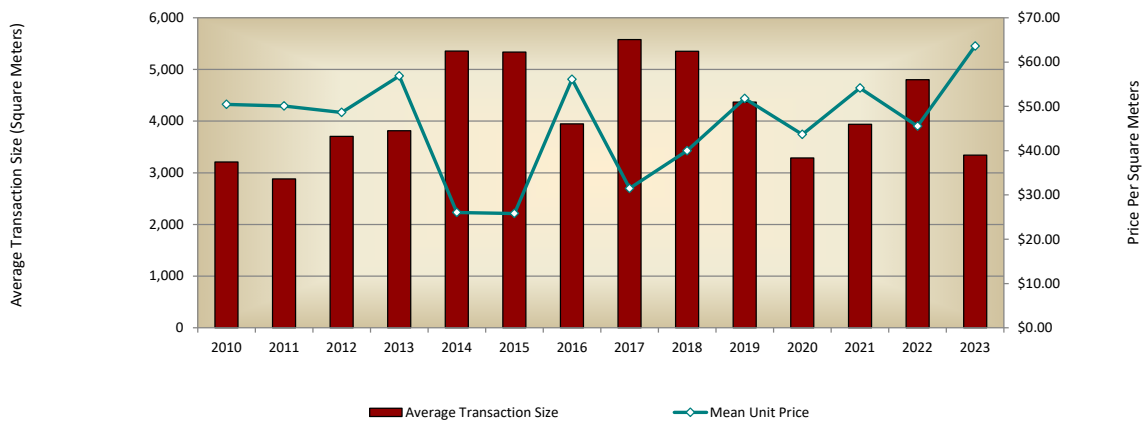
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<sup>10</sup> Source: Multiple Listing Service, Guam Association of Realtors

VACANT LAND SALES, MULTIPLE LISTING SERVICE, 2010 TO 2023, ISLAND OF GUAM



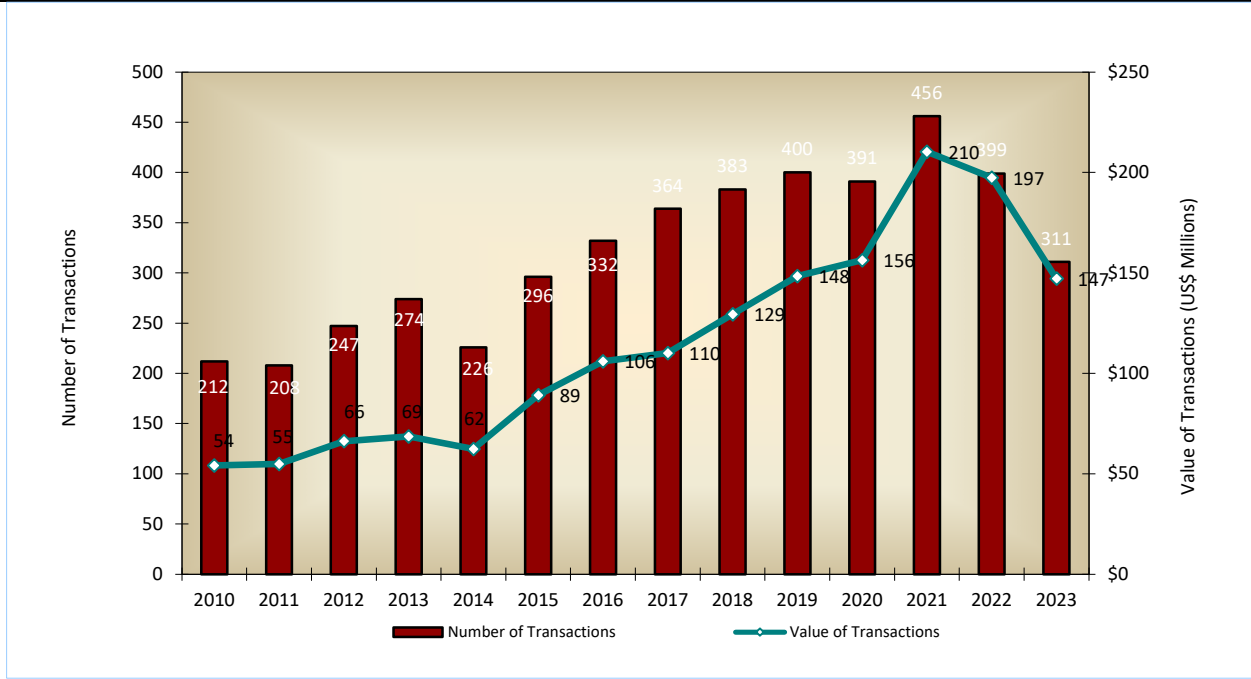
VACANT LAND SALES, MULTIPLE LISTING SERVICE, 2010 TO 2023, ISLAND OF GUAM



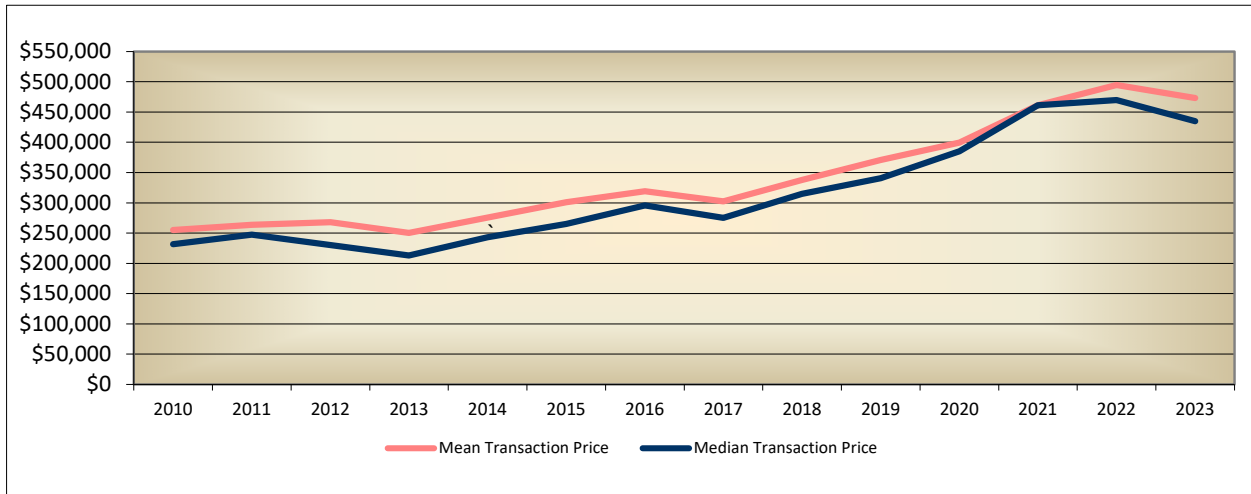
Residential Market

Single-family sales activity bottomed out in 2009-2011. From 2014 to 2020 the total value of transactions has increased.

SINGLE FAMILY RESIDENTIAL SALES, MULTIPLE LISTING SERVICE, 2010 TO 2023, ISLAND OF GUAM

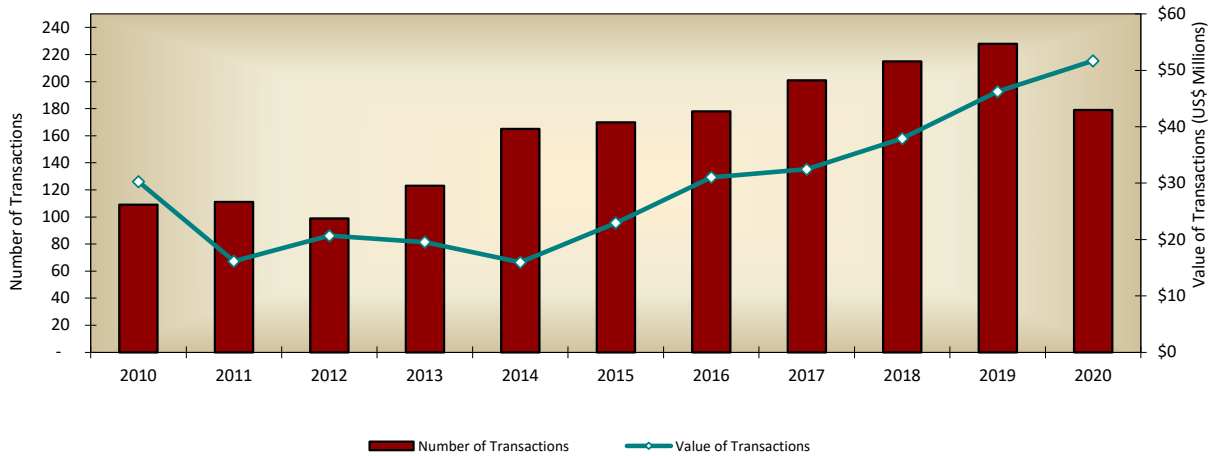


The median sold price for single-family houses has been on a steady incline over the last years. The mean and median prices have increased 57% and 66% since 2010.

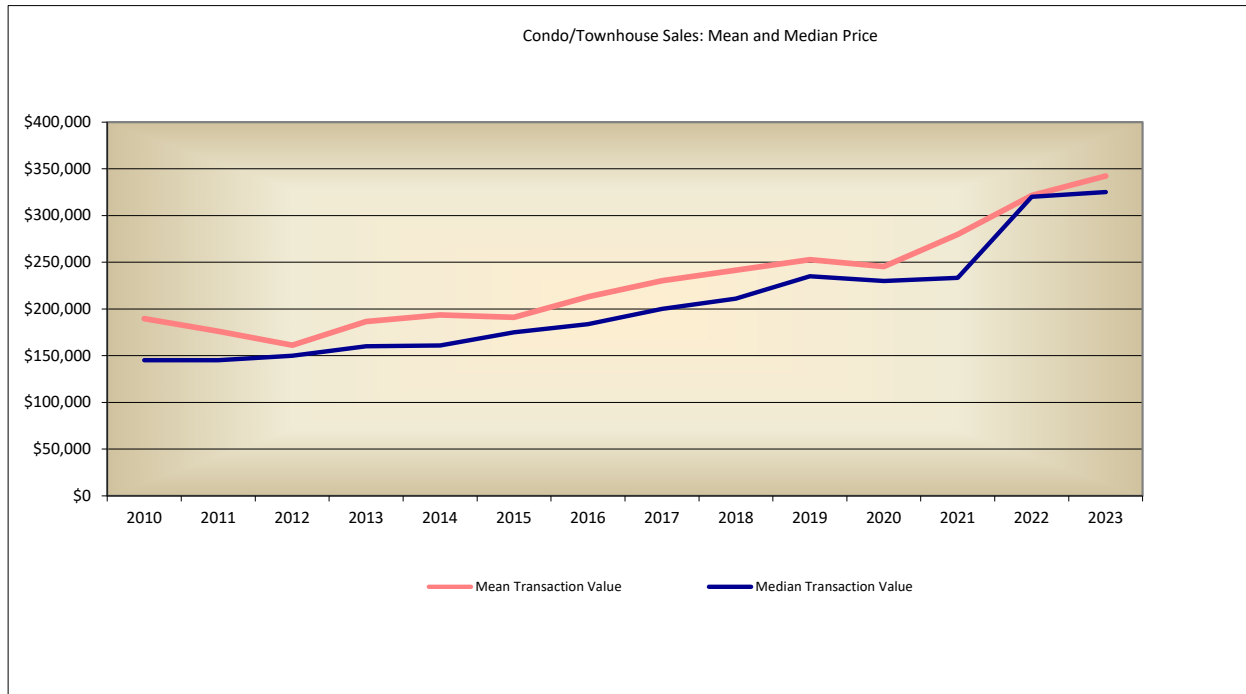


After the build-up news in 2006, the transaction and volume of condominium sales declined sharply 2008-2009. The market was relatively stable for five years. Both number of transaction and volume recovered in 2014 and has been on a steady increase since.

CONDOMINIUM SALES, MULTIPLE LISTING SERVICE, 2010 TO 2023, ISLAND OF GUAM



The mean sales price for condominium unit sales has been stable since 2009. The median sales price, however, has been on a steady increase since 2009. As of December 31, 2023, the median price for condominium unit is \$325,000. Even though, activity is slow, the median price is still increasing.



**Real Estate Conclusion:**

In conclusion, the state of the island's real estate has been on an uptrend this last couple of years. The overall median price for both single family and condominium have been increasing since 2014. In 2020, the total transaction volume has declined for the first time in over 10 years because of the Covid-19 pandemic. However, the median and mean prices did not show any weakness. The overall transactions had slowed down, however prices are still increasing.

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# Neighborhood Data



The following village description was taken from Guampedia's village description: Mangilao.

The village of Mangilao is located in central Guam. It lies between the villages of Barrigada and Chalan Pago. The village also branches off into subdivisions bordering Dededo and Yigo. These subdivisions include Latte Heights, Latte Plantation, Sunrise Villa, Banyan Heights, and lower and upper Pagat. The village has been called "Guam's capital of education" because both the University of Guam and the Guam Community College are located there.

Several other government agencies are also located in Mangilao, including the Department of Public Health and Social Services, the Department of Agriculture, the Department of Corrections, the Department of Youth Affairs, and several schools. Many island residents work in Mangilao and have moved to the area to be closer to work.

## Population Characteristics

According to the 2020 US Census, there are 13,476 people living in Mangilao; a decrease of 11.30% from the 2010 figures.



Municipality	Population			Change			
	2000	2010	2020	Number		Percent	
				2000 to 2010	2010 to 2020	2000 to 2010	2010 to 2020
Guam (total)	154,805	159,358	153,836	4,553	-5,522	2.90%	-3.50%
Agana Heights	3,940	3,808	3,673	-132	-135	-3.40%	-3.50%
Agat	5,656	4,917	4,515	-739	-402	-13.10%	-8.20%
Asan	2,090	2,137	2,011	47	-126	2.20%	-5.90%
Barrigada	8,652	8,875	7,956	223	-919	2.60%	-10.40%
Chalan Pago-Ordot	5,923	6,822	7,064	899	242	15.20%	3.50%
Dededo	42,980	44,943	44,908	1,963	-35	4.60%	-0.10%
Hagatna	1,100	1,051	943	-49	-108	-4.50%	-10.30%
Inarajan	3,052	2,273	2,317	-779	44	-25.50%	1.90%
Mangilao	13,313	15,191	13,476	1,878	-1,715	14.10%	-11.30%
Merizo	2,163	1,850	1,604	-313	-246	-14.50%	-13.30%
Mongmong-Toto-Maite	5,845	6,825	6,380	980	-445	16.80%	-6.50%
Piti	1,666	1,454	1,585	-212	131	-12.70%	9.00%
Santa Rita	7,500	6,084	6,470	-1,416	386	-18.90%	6.30%
Sinajana	2,853	2,592	2,611	-261	19	-9.10%	0.70%
Talofof	3,215	3,050	3,550	-165	500	-5.10%	16.40%
Tamuning	18,012	19,685	18,489	1,673	-1,196	9.30%	-6.10%
Umatac	887	782	647	-105	-135	-11.80%	-17.30%
Yigo	19,474	20,539	19,339	1,065	-1,200	5.50%	-5.80%
Yona	6,484	6,480	6,298	-4	-182	0.10%	-2.80%

Source: U.S. Census Bureau

## Neighborhood Analysis

Stability				Good
Attractiveness				Good
Shopping				Average
Transportation				Average
	Accessibility/Linkage			Route 10, 4, and 15
	Location			Rural
	Trend			Stable/ Developing
	Build-up			60%
	Land Use:			
		Single Family		30%
		Apartments		20%
		Offices		5%
		Condominiums		5%
		Industrial		5%
		Commercial		5%
		Undeveloped		30%
Utilities				Good
Compatibility				Good
Appearance				Average
Market Appeal				Good



According to FIRM Flood Hazard Map No. 6600010125D, the site is located within specially designated flood hazard area: X (Area of Minimal Chance Flood Hazard Risk).

## National Flood Hazard Layer FIRMette



Legend

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

**SPECIAL FLOOD HAZARD AREAS**

- Without Base Flood Elevation (BFE) Zone A, V, AD3
- With BFE or Depth Zone AE, AO, AH, VE, AR
- Regulatory Floodway

**OTHER AREAS OF FLOOD HAZARD**

- 0.2% Annual chance Flood Hazard. Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile Zone X
- Future Conditions 1% Annual Chance Flood Hazard Zone X
- Area with Reduced Flood Risk due to Levee. See Notes. Zone X
- Area with Flood Risk due to Levee Zone D

**OTHER AREAS**

- NO SCREEN Area of Minimal Flood Hazard Zone X
- Effective LOMRs
- Area of Undetermined Flood Hazard Zone D

**GENERAL STRUCTURES**

- Channel, Culvert, or Storm Sewer
- Levee, Dike, or Floodwall

**CROSS SECTIONS**

- 20.2 Cross Sections with 1% Annual Chance Water Surface Elevation
- 17.8
- Coastal Transect
- Base Flood Elevation Line (BFE)
- Limit of Study
- Jurisdiction Boundary
- Coastal Transect Baseline
- Profile Baseline
- Hydrographic Feature

**OTHER FEATURES**

- Digital Data Available
- No Digital Data Available
- Unmapped

**MAP PANELS**

- The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.

There are no known mineral deposits. The subject does not lie within a slide or erosion zone<sup>11</sup>. The subject is not recorded on the Historical Registry, nor are there any known mineral deposits.

The subject is not within the Territorial Seashore area<sup>12</sup>.

## Zoning

Guam's Zoning Law establishes regulations in order to:

*establish certain minimum regulations for the protection and promotion of the public health, safety and general welfare of the people of the Territory of Guam, which regulations are deemed necessary in order to encourage the most appropriate use of land, to provide adequate open spaces about buildings for light and air, to prevent undue concentration of population, and to assure adequate provisions for community utilities and facilities such as water, schools, parks and other public requirements.*<sup>13</sup>

<sup>11</sup>Government of Guam, Department of Planning, Guam's Natural and Manmade Constraints, 1986.

<sup>12</sup> Government of Guam, Department of Planning, Guam's Natural and Manmade Constraints, 1986.

<sup>13</sup>Government of Guam, Title XXI, Chapter 61, § 61201. Zones.

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Private properties on Guam are divided into eight zones:

- "A" - Agricultural zone
- "R1" - One-Family zone
- "R2" - Multiple-Family zone
- "C" - Commercial
- "P" - Parking
- "M1" - Light Industrial zone
- "M2" - Industrial zone
- "LC" - Limited Commercial zone

These zones are depicted on Official Zoning Maps, available at the Planning Division of the Department of Land Management. Each zone has permitted uses and conditional uses as well as height limitations and yard setback restrictions. If a proposed development is a permitted use and complies with the zone's regulations, Government review and approval is not necessary by either the DRC (Development Review Committee) or the TLUC (Territorial Land Use Commission).

The subject is Zoned A-Rural:

**§ 61304. A Rural Zone.**

(a) Uses permitted:

- 1) One-family dwellings and duplexes.
- 2) Farming and fisheries, including all types of activities and pursuits customarily carried on in the field of agriculture and fisheries, including the raising of crops and fruits, poultry and livestock, grazing and dairying, tree and other vegetative production whether for commercial or personal uses.
- 3) Cockpits.
- 4) Uses customarily accessory to any of the above uses including home occupations, and private auto mobile parking areas as well as accessory buildings and structures such as private garages, warehouses, barns, corrals or other similar structures.

(b) Conditional Uses:

- 1) Parks, playgrounds and community centers.
- 2) Biological gardens.
- 3) Schools and churches.
- 4) Hospitals, sanitariums, and institutional uses.
- 5) Cemeteries.
- 6) Recreational use including golf courses, marinas, beaches, swimming pools and accessory residential and commercial use.
- 7) Extractive industry.
- 8) Utilities and public facilities.
- 9) Wholesale and retail stores, shops and businesses.
- 10) Automobile service stations, including service shops.
- 11) Accessory uses and structures for the above.

SOURCE: GC § 17103 is repealed and reenacted by P.L. 21-072:23.



# Performance Standards

Setbacks, minimum lot sizes and density are determined by actual usage or by zoning:<sup>14</sup>

*"No building or structure shall be erected or maintained, nor shall any existing building or structure be altered, enlarged, moved or maintained, on any lot, unless a front yard, a rear yard and two (2) side yards are provided and maintained on such lot. The depth of such front and rear yards and the width of such side yards shall not be less than the depth and width specified in the following Yards and Lot Area Table. Further, no lot width or lot area, nor any lot area per dwelling shall be less than that specified in the Table."*

**YARDS AND LOT AREA TABLE**

Use	Front Yard Depth	Rear Yard Depth	Side Yard Depth	Min. Lot Width	Minimum Lot Area	Lot Area / Dwelling Unit
Single Family	15 ft	10 ft	8 ft	50 ft	5,000 <sup>1</sup> sf	5,000 <sup>1</sup> sf
Multi-Family	15 ft	10 ft	8 ft	50 ft	5,000 <sup>1</sup> sf	1,250 <sup>1</sup> sf
Commercial	...	20 ft <sup>2</sup>	...	20 ft	2,000 <sup>1</sup> sf	400 <sup>1</sup> sf
Light Industrial	...	20 ft	8 ft	50 ft	5,000 <sup>1</sup> sf	1,250 <sup>1</sup> sf
Heavy Industrial	25 ft	25 ft	15 ft	120 ft	40,000 sf	...

When public sewer is not available, and the lot is located within the Groundwater Protection Zone (GPZ) of the Northern Aquifer, the minimum lot size shall be 10,000 sf. Lot density shall not exceed one dwelling unit per 10,000 sf as determined by the Guam Environmental Protection Agency.

<sup>2</sup> The 20' rear yard setback is only required if no facilities are otherwise available for loading and unloading.

*"A commercial building to occupy the whole width of a lot must be of four-hour fire resistive construction. If party walls are to be erected, the written consent of the owners of adjacent lots must be obtained as a prerequisite for the issuance of a building permit to start construction. If the building to be erected is not of fireproof construction, the side yards of eight (8) feet must be provided."*

*"In the rural (A) zone, all structures shall have a front yard of fifteen (15) feet, a rear yard of ten (10) feet, and side yards of eight (8) feet. The width of each lot shall be no less than fifty (50) feet with an area equal to or greater than ten thousand (10,000) square feet, provided that no lot shall have a length to width relationship that exceeds a three-to-one (3:1) ratio. The lot area per dwelling unit in the Rural Zone (A) shall not be less than nineteen thousand two hundred (19,200) square feet without sewer connection only if located on top of the Northern Aquifer. The lot area per dwelling unit in the Rural Zone (A) shall not be less than nine thousand six hundred (9,600) square feet with sewer connection, if located on top of the Northern Aquifer."<sup>15</sup>*

<sup>14</sup> Guam Code Annotated, Section 61501; as amended per Public Law No. 24-51 on June 25, 1997.

<sup>15</sup> This excerpt is amended by the Guam Environmental Protection Agency to include "the minimum lot size permitted in an "A" zone, where public sewer is not available and is located within the Groundwater Protection Zone (GPZ) of the Northern Aquifer, shall be 20,000 square feet. Lot density shall not exceed one (1) dwelling unit per 20,000 sf." Effective December 20, 1996.



Height Limit Established<sup>16</sup>

*In the A, R1, LC, R2, C, M1 and M2 Zones, no building or structure shall be erected or maintained, nor shall any existing building or structure be altered, enlarged, moved, or maintained, to exceed a height limit of three stories (the three stories shall not exceed a height limit of thirty (30) ft), except that in the C Zone within the New Agana lot and block system the building height limit shall be six (6) stories (the six stories shall not exceed a height of seventy five (75) feet.*

The Guam Environmental Protection Agency has issued a policy statement, effective 1998, dealing with minimum lot size requirements for un-sewered areas:

*Guam EPA has determined that the following standards shall apply for the purposes of lot parceling, subdivision approvals, construction permitting, parental subdivisions, court distributions and all similar land use proposals requiring Guam EPA certification and approval.*

1. *The minimum lot size permitted in an "A" zone, where public sewer is not available and is located within the Groundwater Protection Zone (GPZ) of the Northern Aquifer, shall be 20,000 square feet. Lot density shall not exceed one (1) dwelling unit per 20,000 sq. ft.*
2. *The minimum lot size permitted in "R-1" or "R-2" zones, where public sewer is not available and the lot is located within the GPZ, shall be 10,000 sq. ft. Lot density shall not exceed one (1) dwelling per 10,000 sq ft. This exception is only applicable to cases where the zone was established prior to the adoption of this policy. The Agency, by virtue of this policy, does not support zone changes from "A" to any zone permitting greater densities unless public sewer is immediately available and adequate to support such densities.*
3. *The minimum lot size permitted, where public sewer is not available and the lot is located outside of the GPZ shall not be less than 10,000 square feet for all zone designations, unless the application can provide hardship and submit scientific data to GEAP justifying a smaller lot size.*
4. *In all cases where public sewer is not available, regardless of zone designation, a Guam EPA approved wastewater disposal system must be utilized.*

The following table is provided by the Guam EPA:

**Over Northern Aquifer**  
Minimum Residential Lot Size (Square Feet)

	"A"	"R-1"	"R-2"	"C"	"M-1"	"M-2"
Sewered	9,600	5,000	5,000	2,000	5,000	40,000
<i>Parental</i>	9,600	5,000	5,000	2,000	5,000	40,000
Unsewered	19,200	19,200	19,200	19,200	40,000	40,000
<i>Parental</i>	9,600	9,600	9,600	9,600	40,000	40,000

Lot Area Per Dwelling Unit

	"A"	"R-1"	"R-2"	"C"	"M-1"	"M-2"
Sewered	9,600	5,000	1,250	400	1,250	-
<i>Parental</i>	9,600	5,000	1,250	400	1,250	-
Unsewered	19,200	19,200	19,200	19,200	19,200	-
<i>Parental</i>	9,600	9,600	9,600	9,600	1,250	-

<sup>16</sup> Guam Code Annotated, Section 61401.

**Outside Northern Aquifer**  
Minimum Residential Lot Size (Square Feet)

	"A"	"R-1"	"R-2"	"C"	"M-1"	"M-2"
Sewered	10,000	5,000	5,000	2,000	1,250	40,000
<i>Parental</i>	7,200	5,000	5,000	2,000	1,250	40,000
Unsewered	10,000	10,000	10,000	10,000	40,000	40,000
<i>Parental</i>	9,600	9,600	9,600	9,600	9,600	9,600

Lot Area Per Dwelling Unit

	"A"	"R-1"	"R-2"	"C"	"M-1"	"M-2"
Sewered	9,600	5,000	1,250	400	5,000	-
<i>Parental</i>	7,200	5,000	1,250	400	5,000	-
Unsewered	10,000	10,000	10,000	10,000	10,000	-
<i>Parental</i>	9,600	9,600	9,600	9,600	9,600	-

The subject is within the Northern Aquifer.

## Utilities

Public utilities including power, water and telephone are installed to the site. The adequacy of the utilities is typical for the area and appropriate to support development of the property.

## I Tano-'ta Land Use Plan

The I Tano-'ta Land Use Plan was enacted in June 1998 with an implementation date of May 1<sup>st</sup>, 1999. This plan is a "performance-based" plan that permits a wide range of uses with detailed performance standards. As a result of concerns raised by the financial community, I Tano-'ta was deferred/repealed by legislative act on May 26<sup>th</sup>.

The concerns centered primarily on the large number of "legally non-conforming" properties resulting from new performance standards. A significant concern for the real estate community is the continuity of secondary market financing for these legally non-conforming properties.

The declared intent of the May 1999 legislation was to defer the implementation of I Tano-'ta for 120 days. However, a close reading of the legislation indicates that 1) I Tano-'ta was repealed in its entirety; 2) the old code was reinstated; 3) a working group is to be formed to report recommendations within 120 days. This legislation does not contain a provision that would re-implement I Tano-'ta at the end of the 120 day period. We conclude new legislative action would be required to re-implement I Tano-'ta in the future.

On September 3<sup>rd</sup>, 1999 the Task Force completed its assignment with a recommendation that the plan remain permanently repealed. There is currently discussion that a new task force may be appointed, to consider various options:

- ✓ implement I Tano-'ta ;
- ✓ concur with prior task force;
- ✓ recommend development of new Land Use Plan;
- ✓ recommend changes to existing Zoning Code.

There is recent mention of a Government attempt to revive the land use plan in a modified form. No formal information has been provided as of the date of value.

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## Real Property Taxes

The assessed value is established by the Department of Revenue and Taxation, Government of Guam at 90% of the "appraised value" as determined by the most recent government revaluation conducted, with an effective date of 2014. Real estate taxes are currently computed as 0.09722% of the assessed value of land, and 0.38889% of the assessed value on improvements. The same tax rate applies throughout the entire island of Guam.

Property Component	Government Market Value	Government Assessed Value	Real Property Tax Amount
Basic Lot 5327-4, Land	\$ 1,703,745	\$ 1,703,745	\$ 1,656.42
Improvements			\$ -
<b>Total</b>	<b>\$ 1,703,745</b>	<b>\$ 1,703,745</b>	<b>\$ 1,656.42</b>

Source: Government of Guam, Department of Revenue and Taxation, Real Property Tax Division.

## Easements and Encroachments

There are no known easements or encroachments that would impact the subject properties.

## Ownership History

The subject lot is owned by Hong Yi Tian Inc. Subject property is not currently listed for sale on GARMLS. There are no other known transfers or marketing of the subject property.

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## Highest and Best Use<sup>17</sup>

*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 four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability.*

## The Subject Property As if Vacant

**Legally Permissible:** The subject property is zoned A-Rural permitting all forms of residential use (single-family or duplex).

**Physically Possible:** The physical components of the property support development. Infrastructure available is appropriate for the development of the property.

**Financially Feasible:** Included in the analysis, the most recent market data of residential use.

**Maximally Productive:** Subdivide into residential parcels is the highest and best use of the site as though vacant. The likely user is an owner-occupant; the timing for such use is immediate.

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<sup>17</sup>Appraisal Institute, *The Dictionary of Real Estate Appraisal*, Sixth Edition, 2015.

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# Appraisal Methodology

The property rights being appraised are fee simple interests in land as is condition.

The sales comparison approach can only be used indirectly, since there are few, if any, comparable sales of actual submerged lands. This is compounded by the fact that if actual sales do occur, they are typically inter-agency transfers within the public sector and are less reliable because of their non-economic use. Therefore, submerged land is usually valued as a percentage of the upland fee simple value. In valuing the upland, the sales and/or listings of properties similar to the subject's upland characteristics are used to indicate and provide a basis for determining the upland value. "Upland" is defined as land that is directly adjacent to the submerged land in question."<sup>18</sup>

The **Sales Comparison Approach** is based on the premise that the market value of a property is directly related to the prices of comparable, competitive properties. The value of this approach is dependent on the availability of recent confirmed sales of properties considered comparable to the property being appraised. The sold properties are compared to the subject using key units of comparison. Adjustments are made for differences between the subject and the comparables, resulting in adjusted sales values for each of the comparables. The adjusted values are reconciled for a value conclusion by the Sales Comparison Approach. The Sales Comparison Approach is appropriate for most real property interests. The Sales Comparison Approach is used for the subject property. Cost Approach is not applicable as there is no improvement on the property to analyze. Income Approach also is not applicable; there is no income or potential income to analyze.

## Sales Comparison Approach

### Site Valuation<sup>19</sup>

Sales comparison<sup>20</sup> is the most common technique for valuing land and it is the most preferred method when comparable sales are available. To apply this method, data on sales of similar parcels of land is collected, analyzed, compared, and adjusted to provide a value indication for the land being appraised. In the comparison process the similarity or dissimilarity of the parcels is considered.

The appraiser must perform several tasks in developing an opinion of land value:

- Gather data on actual sales as well as listings, offers and options.
- Identify the similarities and differences in the data.
- Identify the highest and best use of each potential comparables sale.
- Identify units of comparison that explain market behavior.

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<sup>18</sup> ditto

<sup>19</sup>The following four paragraphs are quoted from The Appraisal Institute, The Appraisal of Real Estate, 14<sup>th</sup> Edition, Chicago, Illinois.

<sup>20</sup> One of the three generally accepted methods for valuing real estate: Cost Approach, Income Approach and Sales Comparison Approach. The Cost Approach utilizes the Sales Comparison Approach for valuing the land component of the overall project. The Income Approach can convert ground rent estimates (based on comparable transactions) into value via market-extracted capitalization rates (derived from comparable sales analyzed via the Sales Comparison Approach).

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- Adjust the sales prices of the comparables to account for the dissimilar characteristics of the land being appraised.
  - Form a conclusion as to the market value of the subject land.

The goal of the sales comparison approach is to select the most comparable market sales and then adjust for differences that cannot be eliminated within the selection process. Elements of comparison include property rights, financing terms, conditions of sale (motivation), expenditures immediately after purchase, market conditions (sale date), location, physical characteristics, available utilities and zoning. The physical characteristics of a parcel include its size, shape, frontage, topography, location and view. Unit prices may be expressed as price per square foot, front foot, acre, lot, dwelling unit, or other unit used in the market.

After comparable data is collected and categorized and the comparable properties are examined and described, sales data can be assembled in an organized, logical manner. Sales are commonly arranged in a market data grid that has separate rows (or columns) for important property characteristics.

### Financing/Conditions of Sale

Adjustments for conditions of sale reflect the motivations of the buyer and seller. The conditions under which a parcel of land may be sold could differ from property to property. Adjustments must be applied on a property that was sold under atypical financing conditions. Any adjustments made in this category are typically of a quantitative nature, for example, based on cash equivalency analyses.

### Market Conditions (Time of Sale)

The time of sale is the date that the comparable parcel was originally purchased. In order for the sale property to be deemed comparable to the subject, it must be adjusted for increases or decreases in market prices from the date of sale to the effective date of the appraisal. Adjustments in this category are typically of a quantitative nature, and best based on re-sales. In the absence of ideal "matched pairs", qualitative adjustments can be considered based on changes in market conditions over time. For example, a pronounced increase in marketing time could suggest a discounted present value (net of holding costs or opportunity cost) in a slow market in comparison to an active market.

### Location

The analysis of a site's location focuses on the time-distance relationships between the site and common origins or destinations. It also is concerned with the location of the parcel in relation to heavily traversed thoroughfares and/or intersections. Due to the limited number of sales, it is extremely difficult to produce a "matched pair" that would prove a quantitative adjustment for location. However, qualitative analysis can be accomplished by considering the relative importance of certain areas for certain activities (based on the principle of conformity).

### Size

The sizes of the comparables are adjusted for superiority or inferiority to the subject. It has been observed that there is typically an optimum size for parcels, logically related to its utility for the intended use. Parcels that are outside of this range, whether larger or smaller, typically sell for lower unit prices. For substantially larger parcels this probably reflects the limited market (capable buyers, available financing); for substantially smaller parcels this probably reflects the decreased utility of the parcel. Proving a quantitative basis for such an adjustment would require statistical analysis of an



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adequate database; sufficient data is not available. Qualitative considerations can be based on any deviations from mean parcel sizes.

## Shape

The shape of a property defines what improvements may be constructed on a parcel of land. A rectangular or square property is ideal for most commercial construction. A triangular or wedged property may inhibit construction of specific improvements. If the reduction in usable area can be clearly calculated, a quantitative adjustment can be applied based on the percentage reduction in usable area.

## Topography

Adjustments for a parcel's topography are based on the land's contour, grades, natural drainage, soil conditions, view, and general usefulness. On the island of Guam, the topography ranges from gently sloping to an extremely steep cliff. This may drastically hamper the construction of an improvement as well as drainage, view, and soil conditions. A quantitative adjustment can be made if the cost of overcoming such physical challenges is known.

## Access

Access involves the manner by which vehicular traffic and utility easements enter onto the property. Some examples are curbcuts, medians, turn lanes, traffic signal turn arrows, shipping docks, airport runways and docks, water, and gas line taps. Quantitative adjustments would be difficult to make, unless based on "matched pairs". Qualitative considerations can reasonably be based on relative differences in road importance or width.

## Zoning

Guam's zoning law provides for eight zones ranging from zone "A" - Rural, the "lowest", to zone "H" - Hotel, the "highest". Each zone has permitted uses, conditional uses, limitations, and restrictions. Parcels within "higher" zone typically allow all uses in "lower" zones, as well as additional uses; therefore, they have increased utility. Adjustments for difference in zoning are rarely made, as comparables should be selected based on similar highest and best use. In cases where potential rezoning is considered highly probably and would result in a similar highest and best use, a quantitative adjustment could be made based on the estimated cost (money, time) of such rezoning.

## Utilities

This addresses the availability of basic utilities, such as, water, power, gas, sewer, and storm drains at or near the sites analyzed. These necessities cannot be deferred when the site is developed and any differences between the comparables and the subject represent an expense that will materially affect the investment value of the property. Adjustments for this category are typically quantitative, related to the cost of providing equal utility availability.

## Site Valuation Chart

After comparable data are collected and categorized, and the comparable properties are examined and described, sales data can be assembled in an organized, logical manner. Sales are commonly arranged on a market data grid, such as the Site Valuation Chart. Quantitative adjustments are made between the subject property and the comparable properties, based on differences in characteristics of the comparable as related to the subject. A superior comparable

characteristic will yield a negative adjustment to the value of the comparable. An inferior comparable characteristic will yield a positive adjustment to the value of the comparable.

## Market Data, Land Transactions

The data sheets for the land transactions considered are included in the exhibit section of this report.

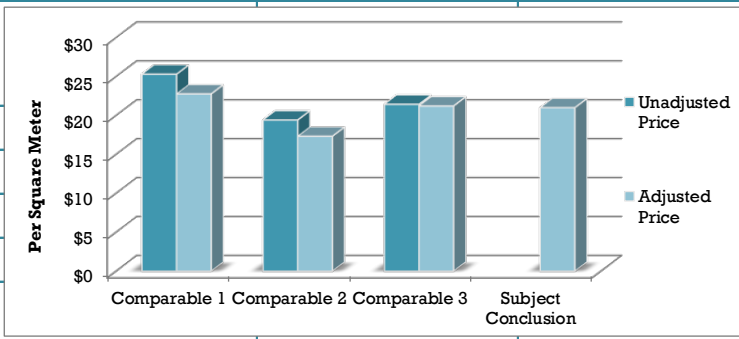
# Site Valuation Chart

Site Valuation: Comparisons and Adjustments				
Property Identification	Subject	Comparable	Comparable	Comparable
Lot Number	Lot 5327-4-R5	Lot 5351-4-4 and -5	Tract 24405 (Lot 402-R10-1-1-1)	Lot 7024-1NEW-8
Municipality	Mangilao	Barrigada	Santa Rita	Yigo
Document Type		Warranty Deed	Warranty Deed	Grant Deed
Instrument		954330	969064	968553
Date of Sale	27-Sep-24	15-Jan-21	07-Jan-22	15-Dec-21
Cash Equivalent Sales Price		US\$ 3,210,000	US\$ 1,100,000	US\$ 1,150,000
Size (Square Meters)	106,747.00 SM	126,867.00 Square Meters	56,656.00 Square Meters	53,662.69 Square Meters
Unadjusted Sales Price Per Square Meter		\$ 25.30	\$ 19.42	\$ 21.43
Real Property Rights Conveyed	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Comparison		Equal	Equal	Equal
Adjustment		0%	0%	0%
Adjusted Sales Price Per Square Meter		\$ 25.30	\$ 19.42	\$ 21.43
Financing Terms	Cash Equivalency	All cash transaction	All Cash to Seller	All cash transaction
Comparison		Equal	Equal	Equal
Adjustment		0%	0%	0%
Adjusted Sales Price Per Square Meter		\$ 25.30	\$ 19.42	\$ 21.43
Conditions of Sale	No unusual conditions	No unusual conditions noted	No unusual conditions noted	No unusual conditions noted
Comparison		Equal	Equal	Equal
Adjustment		0%	0%	0%
Adjusted Sales Price Per Square Meter		\$ 25.30	\$ 19.42	\$ 21.43
Expenditures Made Immediately After Purchase	None	None known	None known	None known
Comparison		Equal	Equal	Equal
Adjustment		0%	0%	0%
Adjusted Sales Price Per Square Meter		\$ 25.30	\$ 19.42	\$ 21.43
Market Conditions	09/27/24	Similar Market Conditions	Weaker Market Conditions	Weaker Market Conditions
Comparison		Equal	Inferior	Inferior
Adjustment		0.0%	5.0%	10.0%
Adjusted Sales Price Per Square Meter		\$ 25.30	\$ 20.39	\$ 23.57

Adjustment for Physical Characteristics				
Location	Route 15	Villagomez St.	Route 17 Cross Island Road	Chalan Josefán Felix Gallo
Comparison		Superior	Equal	Equal
Adjustment		-5%	0%	0%
Size	106,747.00 SM	126,867.00 Square Meters	56,656.00 Square Meters	53,662.69 Square Meters
Comparison		Equal	Superior	Superior
Adjustment		0%	-15%	-15%
Topography	Level	Fairly level	Level/slope	Level/slope
Comparison		Equal	Inferior	Inferior
Adjustment		0%	5%	5%
Zoning	A-Rural	A-Rural	A-Rural	A-Rural
Comparison		Equal	Equal	Equal
Adjustment		0%	0%	0%
Utilities	Power and Water	All Available on Site	Power and Water	Power and Water
Comparison		Superior	Equal	Equal
Adjustment		-5%	0%	0%
View	None	None	Valley View	None known
Comparison		Equal	Superior	Equal
Adjustment		0%	-5%	0%
Access	Paved	Paved	Paved	Paved
Comparison		Equal	Equal	Equal
Adjustment		0%	0%	0%
Net Adjustments, Physical Characteristics		-10.0%	-15.0%	-10.0%
Final Adjusted Price Per Square Meter		\$ 22.77	\$ 17.33	\$ 21.21

Site Valuation: Reconciliation and Conclusion				
Property Identification	Subject	Comparable 1	Comparable 2	Comparable 3
Lot Number	Lot 5327-4-R5	Lot 5351-4-4 and -5	Tract 24405 (Lot 402-R10-1-1-1)	Lot 7024-1NEW-8
Municipality	Mangilao	Barrigada	Santa Rita	Yigo
Unadjusted Sales Price Per Square Meter		\$ 25.30	\$ 19.42	\$ 21.43
Adjusted Price Per Square Meter		\$ 22.77	\$ 17.33	\$ 21.21
Weighting Considerations	Net Adjustments, Per Square Meter	\$ -2.53	\$ -2.08	\$ -0.22
	Total Adjustments, Gross %	10.0%	25.0%	30.0%
	Total Adjustments, Net %	-10.0%	-10.7%	-1.0%
	Weight	41.7%	25.4%	33.0%

Summary of Unit Values	
Unadjusted Price Range	\$ 19.42 to \$ 25.30
Adjusted Price Range	\$ 17.33 to \$ 22.77
Average Adjusted Price	\$ 20.44
Weighted Average Sales Price	\$ 20.90
Conclusion	\$ 21.00



Value Conclusion: \$ 21.00 Per Square Meter @ Site Area of 106,747.00 Square Meters = \$2,241,687, rounded to \$2,240,000

## Conclusion

The weighting of the comparable sale is based on the amount of gross and net percentage adjustments. Comparable sales with lower levels of adjustment are given more weight on the basis that such comparable sales are more similar to the subject.

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The site valuation analysis concludes a site value for the 106,747 square meters of land area at \$21 per square meter or \$2,240,000 for the property.

## Subdivision Analysis

The valuation of the subject property involves the **Income Comparison Approach**. The appropriate approach or approaches for a given property is determined based on the quality and quantity of data available, and the relevance of the data to the property being appraised. If more than one valuation approach is used, the resulting value estimates are reconciled to produce a final value conclusion.

- Subdivision Analysis is a technique that measures the potential of the property based on a specific plan of subdivision, considering lots to be created and sold, expenses incurred in their creation, and profits and risk associated with the development.
- The size of the project is 106,747 square meters, assuming a market standard of 25% allowance for roads, the net usable is 80,060 square meters. The minimum lot size for A-Rural zone for this location over the norther aquifer is 19,200 square feet or 1,784 square meters. Therefore, 45 lots are calculated for the project size.

## Sales Commission

Real estate brokers in Guam typically charge a sales commission of 8% to 10% of the sales price of a house lot. There are economies of scale when many units are marketed at the same time, as advertising expenses can be spread over many units. Once a project is known in the marketplace, word-of-mouth advertising helps promote a well-designed and competitive project. A commission rate below 8% to 10% would be appropriate for the 82 lots for the subject property. I conclude a commission of 5% is appropriate for the subject.

## Other Expenses

Other expenses include escrow and closing costs, which are often split 50/50 with a buyer. These are budgeted at \$800 per transaction or \$400 for the seller. Buyers typically cover their own title insurance and loan expenses, if applicable, so these are excluded. General administrative costs are estimated at \$250 per unsold unit. Legal, professional, and marketing costs are related to the development of the project in its initial stages. Estimated infrastructure cost is \$50,000 per lot or \$4,100,000 to bring roads and utilities to the subdivision. There is also an estimated cost of the survey of \$20,000.

Discounted Sellout Variables	
Absorption Period	5.00 Years
Sell Out Basis	Straight Line
Annual Escalation, Retail Price	3.0% per annum
Required Entrepreneurial Profit	8.0% per annum
Discount Rate	8.0% per annum
General/Administrative Costs	\$250 Per Unsold Unit
Sales Commission Costs	5.0% of Gross Sales
Escrow/Closing Costs	\$400 Per Unit Sold

## Discount Rate

The following exhibit of discount rates is from the National Development Land Market section of the PwC Real Estate Investor Survey™ Third Quarter 2023

### PwC Investor Survey, Q3 2023

	Regional Mall		CBD Office		Warehouse		Apartment	
	Q3 2023	Q2 2023	Q3 2023	Q2 2023	Q3 2023	Q2 2023	Q3 2023	Q2 2023
<b>Discount Rate<sup>a</sup></b>								
Range (%)	6.00 – 13.00	6.00 – 13.00	6.50 – 10.00	6.00 – 9.00	5.25 – 8.00	5.25 – 8.00	5.75 – 8.00	5.75 – 8.00
Average (%)	8.40	7.90	7.63	7.23	6.63	6.48	6.77	6.63
Change (bps)		+50		+40		+5		+14
<b>Overall Cap Rate (OAR)<sup>a</sup></b>								
Range (%)	5.00 – 14.00	5.00 – 12.50	4.25 – 8.50	4.25 – 7.50	3.00 – 6.50	3.00 – 7.00	3.75 – 8.00	3.75 – 8.00
Average (%)	7.60	7.28	6.19	5.88	4.97	4.96	5.28	5.25
Change (bps)		+32		+31		+1		+3
<b>Residual Cap Rate</b>								
Range (%)	5.00 – 14.00	5.00 – 12.50	5.00 – 9.00	5.00 – 8.50	4.00 – 6.50	4.00 – 6.50	4.00 – 8.00	4.00 – 8.00
Average (%)	7.73	7.43	6.50	6.33	5.38	5.31	5.67	5.58
Change (bps)		+30		+17		+7		+9

<sup>a</sup>Rate on unleveraged, all-cash transactions. *Definitions:* bps — basis points. Discount Rate — a rate of return on capital used to convert future payments or receipts into present value; assumes an all-cash transaction, based on annual year-end compounding. Overall Cap Rate (OAR) — initial rate of return in an all-cash transaction. Residual Cap Rate — an overall capitalization rate used to estimate the resale price of a property; usually applied to the anticipated stabilized income for the year beyond the holding period; also called terminal capitalization rate. Survey involves institutional-grade properties. *Source:* PwC Investor Survey; personal survey conducted by PwC during July 2023. For subscription information, please visit <https://investorsurvey.pwc.com/>.

Yield rates in the national market correlate closely with yield rates in Guam's market because financing costs and the legal systems (U.S.) are similar. Implied yield rates extracted from local transactions demonstrate this close relationship. Therefore, I conclude the PwC survey data is an applicable source for yield rates for the subject property.

There has been very limited transaction activity of large sites in the past 12 months. Thus, I conclude a yield rate above the average level indicated by the PwC Real Estate Investor Survey™ Third Quarter 2023 survey, say 8% to 10%, is appropriate for the proposed development of the subject property. The following analysis shows computations for a five-year absorption period at a discount rate of 8%. The retail prices of lots are forecast to increase 3% per annum over the forecast period.



## ***GHURA Route 15 Land***

### ***Discounted Sell Out***

Item	Upfront Costs	Year 1	Year 2	Year 3	Year 4	Year 5	Project Total
Units Beginning of Period		45	36	27	18	9	45
Units Sold Per Period		9.00	9.00	9.00	9.00	9.00	
Units End of Period		36.00	27.00	18.00	9.00	0.00	0
Average Sales Price/Unit		120,000	123,600	127,308	131,127	135,061	76,452
Gross Sales Proceeds		1,080,000	1,112,400	1,145,772	1,180,145	1,215,550	5,733,867
<b>Gross Sales Proceeds</b>		1,080,000	1,112,400	1,145,772	1,180,145	1,215,550	5,733,867
Sales Commission (5.0%)		54,000	55,620	57,289	59,007	60,777	286,693
Escrow/Closing Costs (\$400/unit)		3,600	3,600	3,600	3,600	3,600	
Net Sales Proceeds		1,022,400	1,053,180	1,084,883	1,117,538	1,151,172	
<b>Development Costs</b>							
Infrastructure	1,800,000						
Survey	20,000						
Total	1,820,000						
<b>Carrying Costs</b>							
Gen/Admn (\$250/Unsold Unit)		11,250	9,000	6,750	4,500	2,250	
Total Carrying Costs		11,250	9,000	6,750	4,500	2,250	33,750
<b>Net Project Income</b>	-1,820,000	1,011,150	1,044,180	1,078,133	1,113,038	1,148,922	3,575,423
Less: Required Profit (8%)		86,400	88,992	91,662	94,412	97,244	458,709
<b>Net Sales</b>		924,750	955,188	986,472	1,018,626	1,051,678	3,116,714
Present Value Factor @8%	1.000000	0.925926	0.857339	0.793832	0.735030	0.680583	
<b>Present Discounted Value</b>	-1,820,000	856,250	818,920	783,093	748,721	715,754	<u>2,100,000</u>

We conclude the market value of the Fee Simple interest in the property in as-completed condition as of September 27, 2024, is \$2,100,000.

## Reconciliation

The Sales Comparison approach was concluded with a final value of \$2,240,000. The Income Approach was concluded with subdivision analysis and concludes a value of \$2,100,000. The Sales Comparison included data that are over 24 months old, although the market segment for larger parcels tends to be steady, no change of market conditions adjustment was required. Only one comparable sale is closer in size than the subject. The income approach, although very reliable because it shows the potential use as concluded in the highest and best use, most data within the

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approach required some level of assumptions. This reduces the reliability of the approach. We therefore conclude that the market value of the subject is \$2,200,000. This value opinion is based on an estimated exposure of 9-12 months. The estimated marketing time for the property is 9-12 months.

## Addenda

# General Assumptions and Limiting Conditions

The appraisal is based on the present condition of the economy and the present purchasing power of the dollar.

Legal descriptions, including leases, information, maps, signed or unsigned surveys, estimates and opinions furnished or made available to the appraiser and contained in this study were obtained from sources considered reliable and believed to be true and correct. However, the appraiser can assume no responsibility for accuracy and legality of such items furnished.

Many of the figures presented in this report were generated using computer models that make calculations based on numbers carried out to three or more decimal places. In the interest of simplicity, most numbers presented in this report have been rounded to the nearest tenth. Thus, these figures may be subject to small rounding errors in some cases.

This appraisal assumes no responsibility for the validity of legal matters affecting the property. The ownership history reported in this appraisal is based on the appraiser's research of public records, which are assumed to be accurate and complete. It is not the intent of the appraisal to offer a legal opinion of title. It is further assumed that the property has good title, responsible ownership and competent management. Any liens or encumbrances that may now exist have been disregarded.

This appraisal assumes the specified property rights in the subject property are marketable.

Any maps or plot plans reproduced and included in the report are intended only for the purpose of showing spatial relationship. They are not necessarily measured surveys or measured maps, and we will not be responsible for topographic or surveying errors. The appraiser has made no survey of the property. No liability will be assumed for soil conditions, bearing capacity of the subsoil or for engineering matters related to proposed or existing structures.

It is assumed that there is full compliance with all applicable federal and territorial environmental regulations and laws unless noncompliance is stated, defined, and considered in this appraisal report.

When the study contains a valuation relating to an estate in land that is less than the whole fee simple estate, the value reported for such estate relates to a fractional interest only in the real estate

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involved, and the value of this fractional interest plus the value of all other fractional interests may or may not equal the value of the entire fee simple estate which is considered the whole.

When the appraisal report contains an allocation of the total valuation between land and building improvements, such allocation applies only under the existing program of utilization. The separate valuations for land and building cannot be used in conjunction with any other appraisal and will be invalid if so used.

It is assumed that all applicable zoning and use regulations have been complied with, unless a non-conformity is stated, defined and considered in the study. It is also assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from the territorial or federal 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 study is based.

No information was furnished to the appraiser regarding the presence of Radon seepage in the subject site or that it has ever been used as, or part of, a sanitary landfill or toxic waste dump.

Unless otherwise stated in this report, the appraiser did not observe the existence of hazardous materials, and gases and other noxious emissions that may or may not be present on the property. The appraiser has no knowledge of the existence of such materials or gases affecting the property. The appraiser, however, is not qualified to detect such substances. The presence of asbestos building materials, urea-formaldehyde foam insulation, poly-chlorinated biphenyl filled transformers, aluminum based electrical wiring, or other elements of potentially hazardous materials not currently recommended by the Uniform Building Codes may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them.

Information provided by informed local sources, such as government agencies, financial institutions, Realtors, buyers, seller and others, was weighed in the light in which it was supplied and checked by secondary means; however, no responsibility is assumed for possible misinformation.

Possession of this report, or a copy thereof, does not carry with it the right of publication. This report may not be used by anyone except the client, and then only with proper qualification.

The appraiser is not required to give testimony or attendance in court by reason of this appraisal, with reference to the property in question, unless arrangements have been previously made.

This report shall not be conveyed in whole or in part to the public through advertising, public relations, news, sales, or other media without the written consent and approval of the author. This applies particularly to written conclusions, the identity of the appraiser or firm with which he or she is connected, and any reference to the Appraisal Institute.

The delivery and acceptance of this report completes this assignment.

***Exhibit 1***  
***Subject Photographs***



Subject

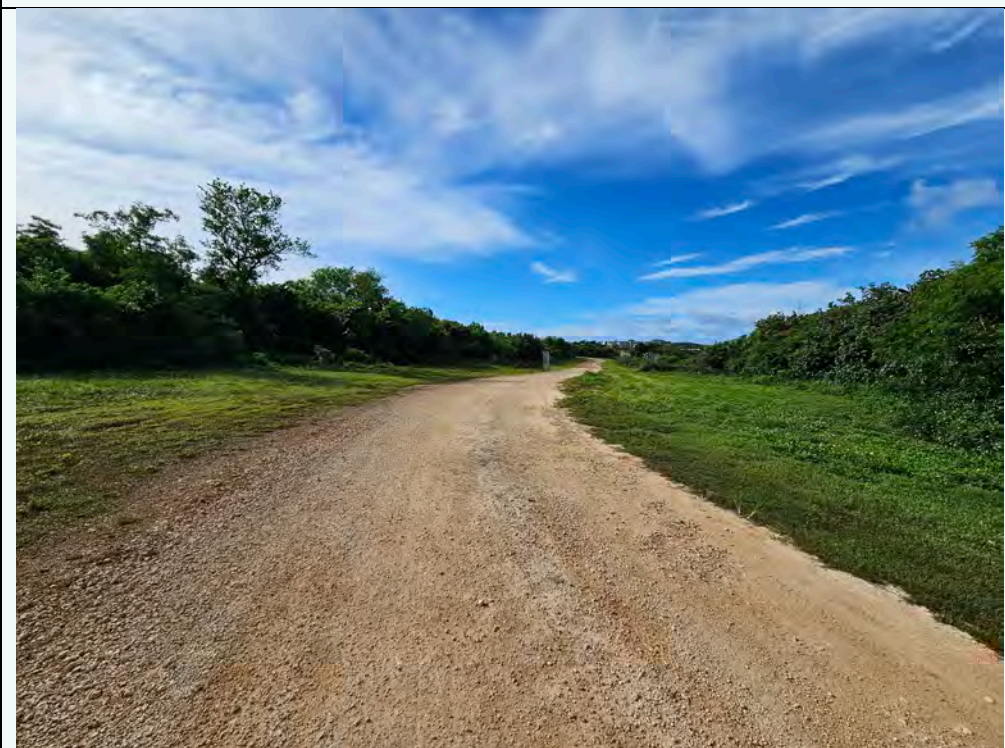


Subject Rear





Subject Street View



Subject Street View





Subject Street View



Subject Street View





Subject Street View



Subject Street View



Subject Street View



Subject Photo





Subject Photo



Subject Photo





Subject Photo



Subject Photo



Subject Photo



Subject Photo





Subject Photo



Subject Photo

***Exhibit 2***

***Market Data, Land Transactions, Island of Guam***

**Land Transaction No. 1**

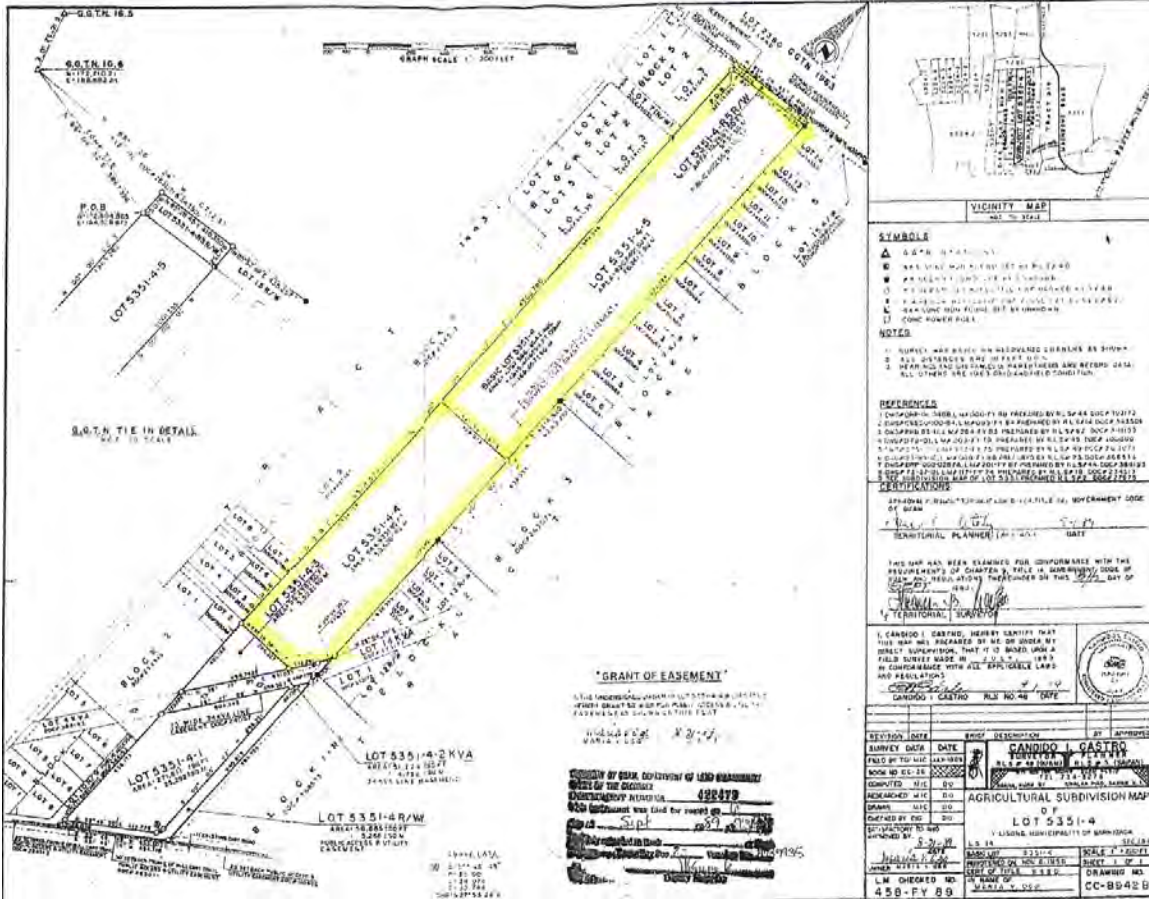


Legal Description:	Lot 5351-4-4 and -5, Municipality of Barrigada
Location:	Villagomez St.
Date of Transaction:	1/15/2021
Seller:	Pacific Mandarin Properties Inc.
Buyer:	Guam Business Capital LLC, a Guam limited liability
Document/Recordation:	Warranty Deed, recorded in the Department of Land Management, Government of Guam, as Instrument 954330
Nominal Price:	\$1,926,632
Terms of Sale:	All cash transaction
Cash Equivalent Price:	\$3,210,000
Property Rights Conveyed:	Fee Simple
Conditions of Sale:	No unusual conditions noted
Expenditures Made Immediately After Purchase:	None known
Size:	126,867 Square Meters 1,365,571 Square Feet 31.35 Acres
Unit Price:	\$25.30 Per Square Meter \$2.35 Per Square Foot



**Market Data, Land Transactions, Island of Guam**

\$102,395 Per Acre  
 Zoning: A-Rural  
 Topography: Fairly level  
 Shape: Rectangular  
 Access: Paved  
 Utilities: Power and Water on site  
 Use At Time of Sale: Vacant and Idle  
 Current Use: Vacant and Idle  
 Highest and Best Use: Subdivision  
 Confirmation: MLS# 20-1193 & MLS#20-1194  
 Comments: None



**Land Transaction No. 2**



Legal Description:	Tract 24405 (Lot 402-R10-1-1-1), Municipality of Santa Rita
Location:	Route 17 Cross Island Road
Date of Transaction:	1/7/2022
Seller:	United Overseas Investment, Co.
Buyer:	Samjoo, Inc.
Document/Recordation:	Warranty Deed, recorded in the Department of Land Management, Government of Guam, as Instrument 969064
Nominal Price:	\$1,100,000
Terms of Sale:	All Cash to Seller
Cash Equivalent Price:	\$1,100,000
Property Rights Conveyed:	Fee Simple
Conditions of Sale:	No unusual conditions noted
Expenditures Made Immediately After Purchase:	None known
Size:	56,656 Square Meters 609,834 Square Feet 14.00 Acres
Unit Price:	\$19.42 Per Square Meter \$1.80 Per Square Foot \$78,572 Per Acre
Zoning:	A-Rural
Topography:	Level/slope
Shape:	Irregular
Access:	Paved





**Land Transaction No. 3**



Legal Description:	Lot 7024-1NEW-8, Municipality of Yigo
Location:	Chalan Josefan Felix Gallo
Date of Transaction:	12/15/2021
Seller:	Ciochetto, Laura
Buyer:	Lin, Jun
Document/Recordation:	Grant Deed, recorded in the Department of Land Management, Government of Guam, as Instrument 968553
Nominal Price:	\$1,150,000
Terms of Sale:	All cash transaction
Cash Equivalent Price:	\$1,150,000
Property Rights Conveyed:	Fee Simple
Conditions of Sale:	No unusual conditions noted
Expenditures Made Immediately After Purchase:	None known
Size:	53,663 Square Meters 577,614 Square Feet 13.26 Acres
Unit Price:	\$21.43 Per Square Meter \$1.99 Per Square Foot \$86,726 Per Acre
Zoning:	A-Rural
Topography:	Level/slope
Shape:	Irregular
Access:	Paved





***Exhibit 3***  
***Appraiser's Qualifications***

**Professional Qualifications: Vance L. Reklai, SRA**

**Professional Experience**

Guam General Certified Appraiser - CGA-24-031, Expiration Date: February 10, 2026

Appraisal experience includes vacant land single family residential, multi-family residential, and commercial.

Geographic areas covered include Guam, CNMI and Republic of Palau.

Appraisal circumstances include financing, leasing, acquisition, foreclosure disposition, and insurable replacement value.

Clients include lenders (FDIC and non-domestic), attorneys and private property owners. Work products accepted by most lender within the region.

**Work History**

May 1999 to Present: Micronesia Appraisal Associates, Inc. President and Chief Appraiser Real estate appraisals and consultation.

October 2000 to 2013: Palau Appraisal Associates, Inc., Vice President. Real estate appraisals and consultation.

August 1998 to May 1999: Salomon Smith Barney, Investment consulting firm.

**Organizations and Professional Affiliations**

- Pacific Association of Professional Real Estate Appraisers
- Appraisal Institute, Residential Associate Member

**Designation**

- SRA, Appraisal Institute, Member Number 428821

**Professional Education**

The Appraisal Institute

- 2-4 Units Case Study: Residential R3, 1999
- Appraisal Methods, 2000
- Appraisal Standards, 2001
- Advance Residential Form and Report Writing, 2001
- Basic Income Capitalization, 2003
- Residential Market Analysis and Highest and Best Use, 2005
- Report Writing and Valuation Analysis, 2006
- Advance Application, 2007
- Advance Income Capitalization, 2009
- General Appraiser Market Analysis and Highest and Best Use, 2009
- Advanced Sales Comparison & Cost Approaches, 2009
- Uniform Appraisal Standards for Federal Land Acquisitions, 2010
- Online Cool Tools: New Technology for Real Estate Appraisers, 2012
- Online Advanced Internet Search Strategies, 2012
- Online Appraising From Blueprints and Specifications, 2012
- Advance Market Analysis and Highest and Best Use, 2015

McKissock

- 2024-2025 7-hour National USPAP Update Course, 2024
- Intro to Appraising Owner-Occupied Commercial Properties, 2024

- Appraisal of Industrial and Flex Buildings, 2024
- Introduction to Expert Witness Testimony for Appraisers, 2024
- Fannie Mae Appraisal Guidelines: Debunking the Myths, 2022
- The FHA Handbook 4000.1, 2022
- Residential Construction and the Appraiser, 2022
- Market Disturbances – Appraisal in Atypical Market Cycles, 2022
- Complex Properties: The Odd Side of Appraisal, 2020
- Evaluation, Desktops, and other Limited Scope Appraisals, 2020
- Relocation Appraisal and the ERC Form, 2020
- That's a Violation, 2020
- Supervisor-Trainee Course for Hawaii, 2020
- Basic Hotel Appraising – Limited Service Hotels, 2018
- Advance Hotel Appraising – Full Service Hotels, 2018
- The Basic of Expert Witness for Commercial Appraisers, 2018
- Appraising FHA Today, 2014
- 2-4 Family Finesse, 2014
- Residential Appraisal Review, 2014

#### International Right of Way Association

- The Appraisal of Partial Acquisitions, 2000

#### University of Guam

- Real Estate Investment Analysis, 1998
- Real Estate Finance, 1999

#### **Education**

1992 to 1999: Bachelor of Business Administration in Finance and Economics University of Guam, Guam.