



Advanced Asset Management, Inc.

Real Property Support Services

5909 Margate Boulevard
Margate, Florida 33063
(954) 817-1041

November 6, 2018

Mr. Sam May
Executive Director
Margate Community Redevelopment Agency
5790 Margate Boulevard
Margate, Florida 33063

**RE: 891 NORTH STATE ROAD 7
MARGATE, FLORIDA 33063**

Dear Mr. May:

This letter is intended to provide the MCRA with gathered information to determine the future disposition of the referenced property. The subject property was acquired by the MCRA September 25, 2018. It is a 23,484 square foot lot, improved with a 1,884 square foot commercial building built in 1967. The site's building was formerly a filling station including mechanic bays, until the site was converted to a car lot. A few years ago the space was again converted, into a barbershop/salon.

The MCRA acquired the property for the land value and recognized the building as having little or no contributory value. Following is a brief overview of the property for your consideration as to create a serviceable and leasable space.

Advanced Asset Management has obtained quotes for some of the work identified and also used estimates and industry standards for others. To bring the exterior of property into code and a standard the CRA would desire, AAM recommends:

Exterior: Removal of all invasive plant material, restoring the green space retention area, and install working irrigation. \$5,250.

Removal of excessive lighting for the parking lot and ground level auto showcase lights. Including removal of unnecessary electrical service to lighting and other improvements for a filling station that have since been removed. Also, re-stripe the parking lot.
\$5,500.

Building: A reroof would be recommended, including fascia and stucco work, prime and paint.
\$25,000-30,000

November 6, 2018
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RE: 891 North State Road 7
Page 2, Continued

The building has mostly plate glass windows that the CRA would want to upgrade to at least tempered, if not impact glass. \$7,000-\$20,000

HVAC: Two HVAC systems are beyond their useful life and will require fully permitted replacement. Another two units are in need of service. \$4,500

Renovations for a new occupant might require complying with ADA issues for access to all of the facility. A part of the building is at ground level and portion of the main entrance is elevated. This may require improvements to make the entire space accessible, depending on the use.

As summarized above, the building requires significant capital improvements, estimated at \$50,000 – \$75,000. These improvements will relate to a serviceable asset. However it is anticipated the cost and time associated will be an over-improvement and thus not realize a realistic return on the investment. This is mostly due to the structure's functional obsolescence and minimal size of the leasable space. To achieve 10% return on investment after expenses, rent for the 1,884 square foot building would need to be approximately \$7,500.00 a month or \$47.00 a square foot, well beyond market rent.

If the CRA intends to demolish all site improvement we have estimated less than \$12,000 for a clean demolition.

Should you want to discuss this any further please contact me at (954) 817-1041.

Sincerely,

ADVANCED ASSET MANAGEMENT, INC.



Jim Nardi
President/Broker