

REPORT OF ESTIMATION OF A PROPERTY IN THE TOWN OF S. Vito Lo Capo (Trapani) CONTRADA "SAUCI PICCOLO"

Introduction:

The undersigned Architect A. Donatella Lino, regularly registered at the Register of Architects of the Province of Palermo with No. 1178, with office in Via Principe di Belmonte, Palermo No 47 (ZIP code 90139) is appointed as technician by Mr. Carmelo Cigno to make a technical estimation assessment to determine the most probable market value of a property located in the town of S. Vito Lo Capo (Trapani) district "Sauci Piccolo", in the condition in which currently it is, regardless of restrictions, mortgages and encumbrances of any kind existing or insisting on the property.

The undersigned, after having read the related dossier, visited the places to determine the exact location of the property within the context of the urban and residential environment, its planimetric and volumetric consistency, and its main technical features regarding the construction and its finishing - comparatively to the intrinsic and extrinsic of similar properties located in the area - putting in relation the property to the general characteristics of the surrounding environment.

Other technical and economic inquiries were therefore carried out, in order to gather all the informations for determining the most probable market value due to the current status of the property. The results of those assessments and investigations, technical and economic considerations, estimative counts, and the conclusions reached by the undersigned, are listed below. The surveys were made in depth and in particular were divided as listed below:

- *Identification and description of the property;*
- *Urban and land datas;*
- *Consistency;*
- *Considerations of general nature;*
- *Evaluation methods and assessment of the property;*
- *Conclusions*

IDENTIFICATION AND DESCRIPTION OF THE PROPERTY

This is a two floors property, in the town of "S. Vito Lo Capo, district "Sauci Piccolo", the carried out investigation shows the following:

Comfortable two floors villa on a hillside overlooking the territory and the coast below, a few kilometers from the "Parco Naturale dello Zingaro", near the town of "S. Vito lo Capo", a well known tourist destination renowned for its fine sandy beach and its clear and transparent sea. The house can be reached by the provincial road leading to the "Tonnara" and then to the "Zingaro" Reserve from the town of S. Vito Lo Capo (approx. 2 km from the town). All around there is the typical natural environment that can be found in many parts of Sicily and a few buildings, mostly private homes. The area overlooks a garden (about 2,000 square meters) of Mediterranean scrub and palm trees, with flowered borders, and two large and ancient carob trees. An entrance paved in stone connects the provincial road to the property consisting of a ground floor and first floor with sloping ceilings. The roof is pitched with tiled roofs.

Parking space outside the house in front of the entrance gate.



Large terrace with ample classic seats in a circular shape made of tufa and covered with ancient tiles of ceramics. With a panoramic view of the countryside and the bay below the "Piccolo Sauci" between the "vecchia tonnara" and the "Lago di Venere" which is already in the "reserve Zingaro ", the view stretches far away in the Gulf of Castellammare up to" Punta Raisi "

In 2008 the villa was the subject of an internal restructuring in order to turn it into a B & B creating three independent rooms with private bathrooms and an independent apartment upstairs with a separate entrance. Later in time the owner gave up with his license request to the Ente Provinciale del Turismo in Trapani but, in any case, the villa is in good standing with the use of B&B.



On the ground floor can be found:

- *A spacious entrance hall with a fireplace area,*
- *Three bedrooms with private bathrooms,*
- *A large kitchen with stove, oven, refrigerator and sink.*





On the ground floor, beyond the sea terrace with comfortable seating upholstered with antique majolica, there is also, in the area behind the house, a wooden gazebo covered with reeds, equipped for outdoor dining with barbecue / fireplace and with view over the sea and the surrounding landscape. External and internal floors are paved with Sicilian terracotta and local stone.



An external staircase leads upstairs to the attic, which hosts two bedrooms, lobby and bathroom.

On the ground floor of the building, facing north / west, but detached from it, lies an accessory building which is located partially underground on three sides by the surrounding sloping terrain, and, at a different height and adjacent to the construction, there is a technological room / laundry room.

finishes:

The floors of all rooms including terraces are paved with terracotta tiles and the walls are painted with ducotone, the walls of both the toilet and the kitchen are covered up to about ml. 1.60-2.00, with ceramic tiles and the remaining part painted with ducotone. Fixtures, both internal and external are made of chestnut wood and glass with wooden shutters, and the locks are with security keys;

facilities:

- *Water plant with copper coated pipes, collector, and a pressure tank outside the house;*
- *electrical piping inside the walls, the main control panel which controls all the electric utilities is located on the ground floor in the entrance area. All the plant and the power outlets are protected by differential circuit breakers, earthing system;*
- *TV and intercom in each room with satellite dish outside;*
- *gas plant in copper tubing with an external 500 litres tank;*
- *heating made possible by radiant plates made of cast iron with water heated by a gas boiler;*

A 15 kw solar power system has been made for the production of domestic hot water. All plants are certified in accordance with the laws.

The water supply is done using an underground tank, connected to a pressure tank, while the exhaust system leads to an underground Himhoff pit.

The land surrounding the property is well maintained with palm trees and Mediterranean vegetation



Urban and land datas

The property is reported to N.C.E.U. of the City of San Vito Lo Capo in the partita No 1001418 map sheet No 21, Part. 89 - ground floor and first category A / 7, Class 3, 6 rooms, rent 930.00 €. The common courtyard and appurtenance land on which the property is, are reported to the land registry of the City of St. Vito Lo Capo in the partita 99628, sheet 21,:

- *Part. 403 - sem. 5° - are 3.10 - r.d.l. 775 - r.a.l. 434*
- *Part. 495 - mandorleto 3° - are 3.90 - r.d.l. 2.535 - r.a.l. 2.340*
- *Part. 493 - seminativo 5° - are 5.60 - r.d.l. 1.400 - r.a.l. 784*
- *Part. 88 - corte - are 2.30*

It is located in the " E2 Zone of Agriculture" of the Comprehensive Urban Planning.

According to the reading of the acts of sale, the property in question was built before September 1, 1967 and later renovated by the previous owner.

Consistency and considerations of general nature

From measurements made on site, the ground floor area is about 129.00 square meters wide; the first floor area is about 81.00 square meters, the detached accessory building is about 25.00 square meters, with a total covered area of approx. 230.00 square meters.

The total volume is about cbm. 700.00

The total area of the covered porch and terraces measures about sqm. 200.00.

The building is partly built in load-bearing masonry and partly in concrete, it has brick and concrete floors, tompagnature and partitions made with blocks of tufa and exterior walls covered in plaster "Li Vigni" type.

The style of the property, not having a particular interest and not being a monumental architecture, can be classified as a sort of island living sober housing.

The access to the building, as mentioned above, is a little road that connects the main road to the property.

The state of maintenance can be considered good according to the age of the building and thanks to the periodic maintenance that takes place annually. The two apartments that make up the building have normal finishes without signs of deterioration.

Evaluation methods and assessment of the property

A) Synthetic Method

Below the synthetic method will be used. This allows to arrive to the estimation by comparison with properties having similar characteristics and falling in neighboring areas.

This method allows to determine the actual values, among other things, with the verification of many variables such as location, orientation, state of preservation, the type of finish, metric consistency and administrative regularity, all of which contribute in a fundamental way in determining the final value.

In order to realize a comparative estimate of any building, it is necessary that basically three conditions occur, namely:

- that there are in the same area, or in similar areas, other buildings that possess intrinsic and extrinsic conditions similar to the object of esteem. Intrinsic conditions are: the overall size, the level of finishes, the state of preservation and maintenance, sanitation, age of the building, orientation, etc.;
- extrinsic conditions are: the connection to the center of the urban area, the existence and efficiency of primary and secondary equipment, location, ease of access;
- that, for buildings considered to be similar, are known the "normal values and recent sales";
- that exists a parameter of comparison between the property to be assessed and the ones taken for comparison.

After the completion of the verification of the conditions and requirements set forth above, we come to the determination of the so-called "normal market value", which, however, may not yet be considered a fair and equitable value of the property to be assessed, as other increases or reductions can be applied to the property basing on the actual state of it.

It is therefore necessary to refer to some parameters for carrying out the comparison for proceeding to the evaluation and which are currently divided into two categories: :

- 1) Technical: volume, area expressed in square meters, number of rooms.
- 2) Economic: the rent, average annual income, taxable income from land.

For the purposes of determining the fair market value, the consultant must choose, among all the above parameters, the one that, in his opinion, may lead to the determination of the real market value when the estimation took place. In this case, for the assessment of estimation, it is considered that the best technical parameter is the one related to the square meters of floor space, because the property is located in an area that is part of a housing market fueled, for any kind of property, by the alternation of a more or less sustained demand and supply.

Given the above considerations, we highlight the basic techno-economic data that are attributed to the property. Whether it is by comparison searches performed in places, as well as experience gained in the professional field, the current market for similar properties, with the same characteristics and located in the area, reports the following average value per square meter:

€ / sqm. 6.000/00;

The average value of the agricultural land around the property found on the Province of Trapani (Agricultural Region 2) for the year 2010 is estimated at € / Ha 7500.00

From a simple mathematical operation, we get the most likely market value of the subject of this estimate:

Property :

sqm. 230,00 x €./sqm. 5.000/00 = € . 1.150.000/00

sqm. 200,00 x 0,25 = sqm. 50,00 x €./sqm. 5.000/00 = €. 250.000/00

€. 1.150.000/00 + 250.000/00 = €. 1.400.000/00

Land:

Ha 14.90 x €/Ha 7.500/00 = € 111.750/00

Total amount € 1.400.000/00 + € 111.750/00 = € 1.511.750/00

Must be pointed out that the predicted value takes into due consideration the current trends in the housing market and that its determination has been determined after a careful and thorough investigation that has been carried out on site and done basically in three ways :

1) field surveys done on properties directly affected by adjoining or farther areas and having the same intended use;

2) contacts with real estate agencies and real estate brokers;

3) direct assessment through specialized magazines analyzing the properties offered by the private market.

B) Analytical method

The analytical method consists in determining the most probable market value through the capitalization of income, in this case we have the given annual gross income calculated according to the rent alleged, we must subtract to this all the expenses incurred for the use of well, such as: insurance, maintenance, administration, and writing-off vacant, which can be combined to about 25% of gross income. The amount found is capitalized to the ordinary rate of capitalization which is determined on the basis of current rates for similar properties and which can be estimated at about 3.5%

Capitalising the future assets that an asset may allow, the present value is as follows:

$$V = Rn / r$$

finally we have:

- annual gross income of €. 70.000/00
- deductions: 25% of €. 70.000/00 = €. 17.500/00
- capitalization rate of 3.5%

$$70.000/00 \times \epsilon - 25\% = \epsilon 52.500/00 / 3.5 / 100 = \epsilon 1.500.000/00$$

representing the value sought by the analytical method

Finally, by averaging the two results (synthetic method and analytical method) we obtain the following:

$$\epsilon. (1.511.7500/00 + 1.500.000/00)/2 = \epsilon 1.505.875/00$$

In c.t. € 1.500.000/00, which today represents the most likely market value of the subject of this estimate.

Conclusions

That said and considered, taking into account the intrinsic and extrinsic characteristics of the goods being valued, location, texture, palatability, the results of the aforesaid counts, the most likely value of the property in question, in its present situation, is determined in total:

€ 1.500.000/00 (euros one million five hundred thousand /00)

The value is determined as follows:

- it is set aside every weight, easements, charges, encumbrances, bond, evident or hidden that are not mentioned in this report
- it keeps in mind the arguments in the aforesaid paragraphs
- it assumes the occurrence of the conditions mentioned in the above paragraphs that are considered essential

Palermo, May 2011

Addendum January 2015

*Given the current economic recession, which has also affected the real estate market, the property evaluation it is lowered to adapt to the current market availability and stated in total as follows:
900,000 €uro / 00 (€uro nine hundred thousand / 00)*