



CORNERSTONE VALUATION GUAM, INC.

We Value

# GUAM REAL ESTATE MARKET UPDATE

Siska S. Hutapea, MAI, AI-GRS, MRICS, MRE  
President

# Agenda

- CVG Team
- Lending Activity
- Real Estate Market Update
- Understanding Appraisals - Magnificent 7
- Conclusion



# CORNERSTONE VALUATION GUAM, INC.

We Value



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President



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General Certified Appraiser



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Research Analyst



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# LENDING ACTIVITY

# Lending Activity 2012 – 2017 YTD <sup>1</sup>

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Lenders	2017 YTD (through 3rd Qtr)		2016		2015		2014		2013		2012	
	Amount (\$ mil)	No. of Trans	Amount (\$ mil)	No. of Trans	Amount (\$ mil)	No. of Trans	Amount (\$ mil)	No. of Trans	Amount (\$ mil)	No. of Trans	Amount (\$ mil)	No. of Trans
Bank of Hawaii	\$95.3	144	\$88.0	221	\$97.6	166	\$47.2	206	\$60.4	225	\$56.4	182
Bank of Guam	\$69.1	132	\$104.0	190	\$88.0	191	\$126.0	201	\$76.1	237	\$74.1	226
First Hawaiian Bank	\$195.4	127	\$71.1	176	\$54.7	123	\$94.2	130	\$144.9	213	\$124.6	218
Coast360 Federal Credit Union	\$29.6	132	\$34.5	152	\$33.4	146	\$41.6	181	\$31.9	154	\$29.2	137
Community First Guam FCU	\$29.8	129	\$26.0	128	\$27.3	119	\$27.0	137	\$34.4	167	\$37.0	202
Bank Pacific, LTD	\$22.5	98	\$23.7	94	\$25.1	95	\$47.1	185	\$39.5	164	\$55.6	175
ANZ Guam Inc.	\$9.1	37	\$23.6	72	\$24.4	86	\$22.7	64	\$26.4	104	\$34.3	162
Pentagon Federal Credit Unit [2]	\$42.8	163	\$48.0	177	\$5.3	26						
Other	<u>\$20.21</u>	<u>106</u>	<u>\$25.2</u>	<u>131</u>	<u>\$31.1</u>	<u>176</u>	<u>\$50.6</u>	<u>101</u>	<u>\$36.0</u>	<u>140</u>	<u>\$83.4</u>	<u>235</u>
Totals Lenders:	<u>\$513.7</u>	<u>1,068</u>	<u>\$444.2</u>	<u>1,341</u>	<u>\$386.8</u>	<u>1,128</u>	<u>\$456.4</u>	<u>1,205</u>	<u>\$449.5</u>	<u>1,404</u>	<u>\$494.7</u>	<u>1,537</u>
% Change from previous year			15%	19%	-15%	-6%	2%	-14%	-9%	-9%	-	-

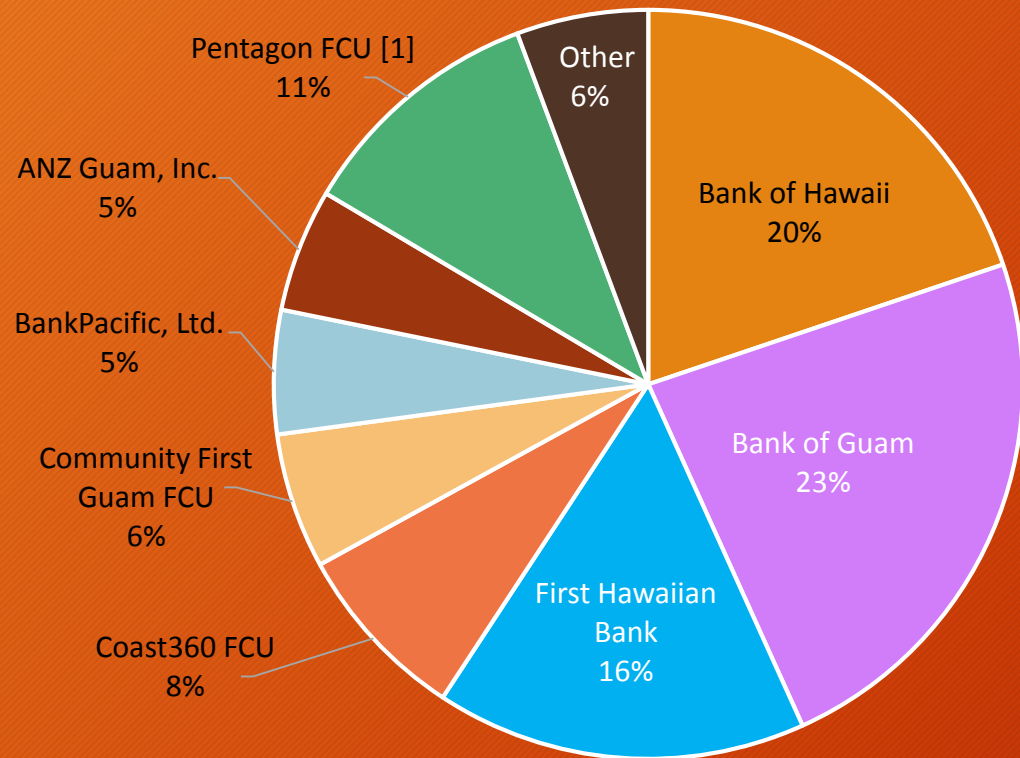
[1] Based on 2017 YTD data through September (9 months)

[2] Recorded mortgage activity began 2015.

# Lending Activity 2016 & 2017 YTD

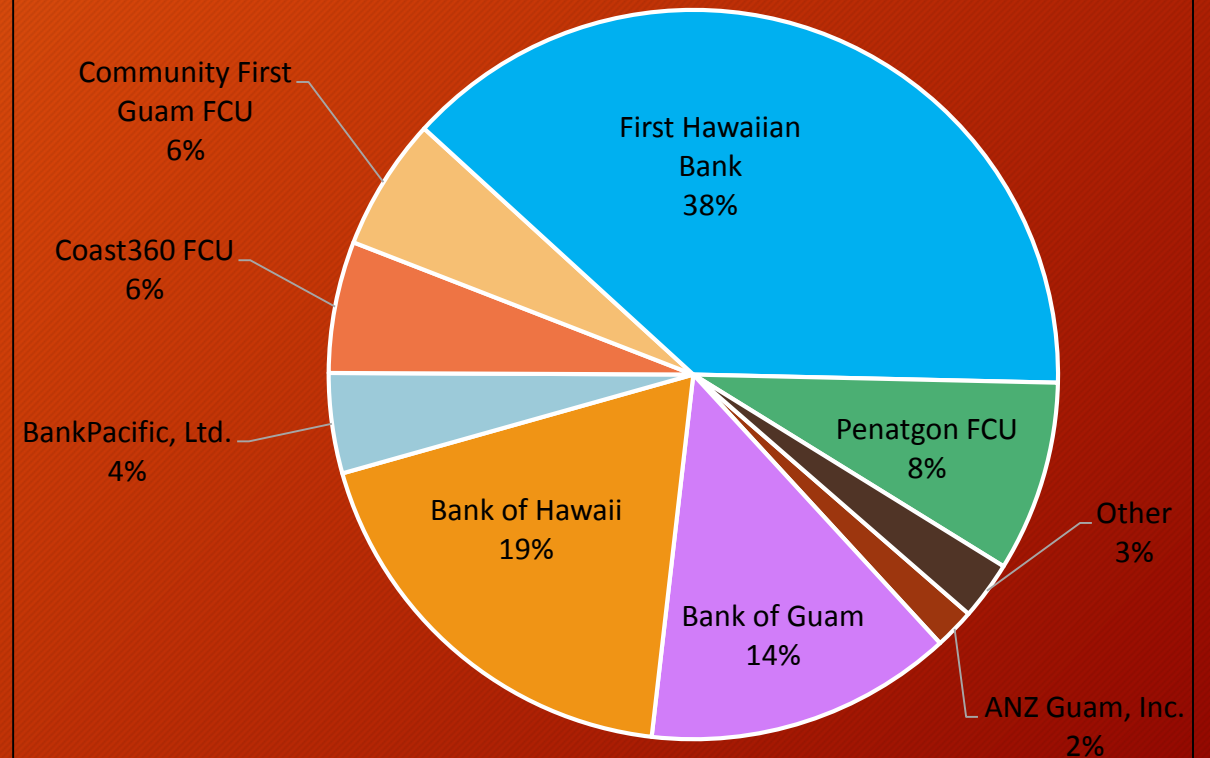
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## 2016



\*Excludes four off-island lenders totaling \$167.6 million.

## 2017 YTD (through 3<sup>rd</sup> Quarter)

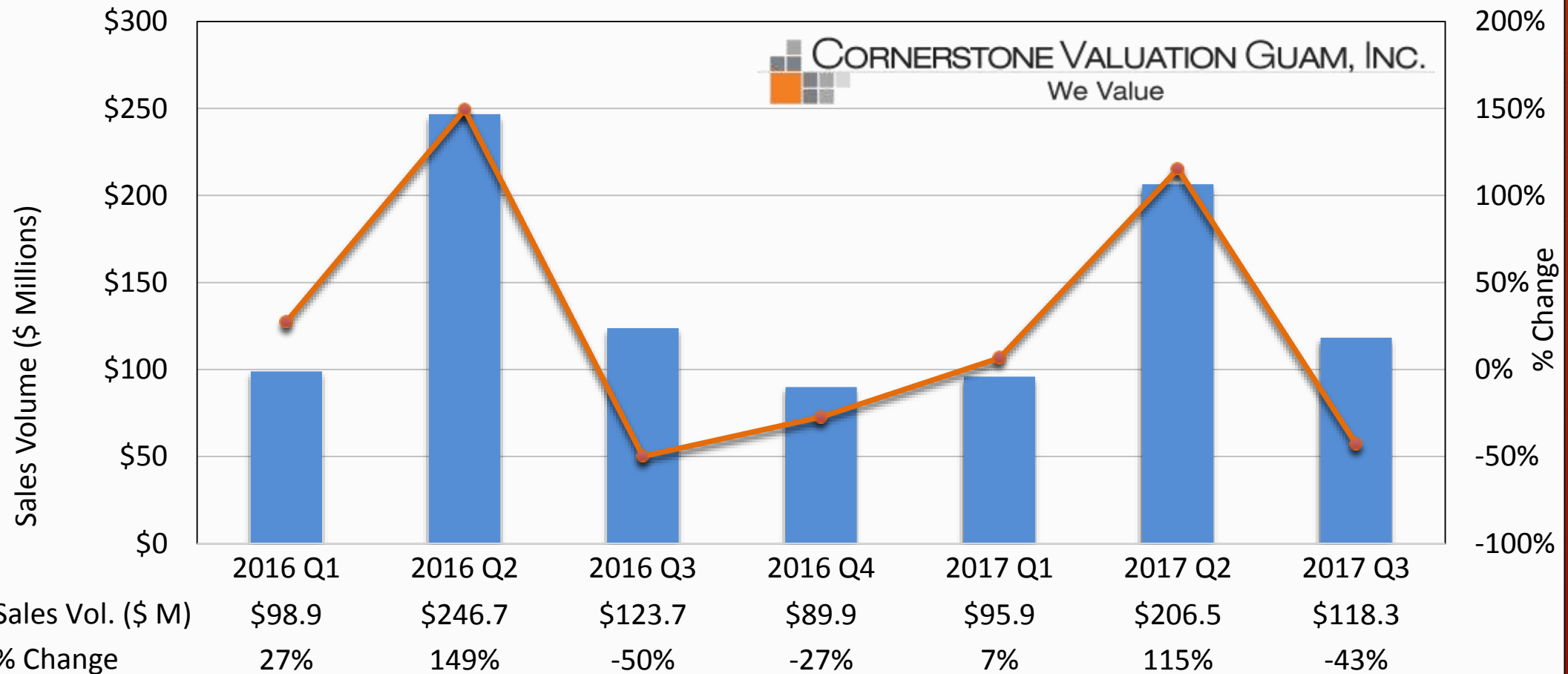


\* Excludes three off-island lenders totaling \$7.1 million.

# REAL ESTATE MARKET ACTIVITY

# Guam Real Estate Sales Sales Volume by Quarter

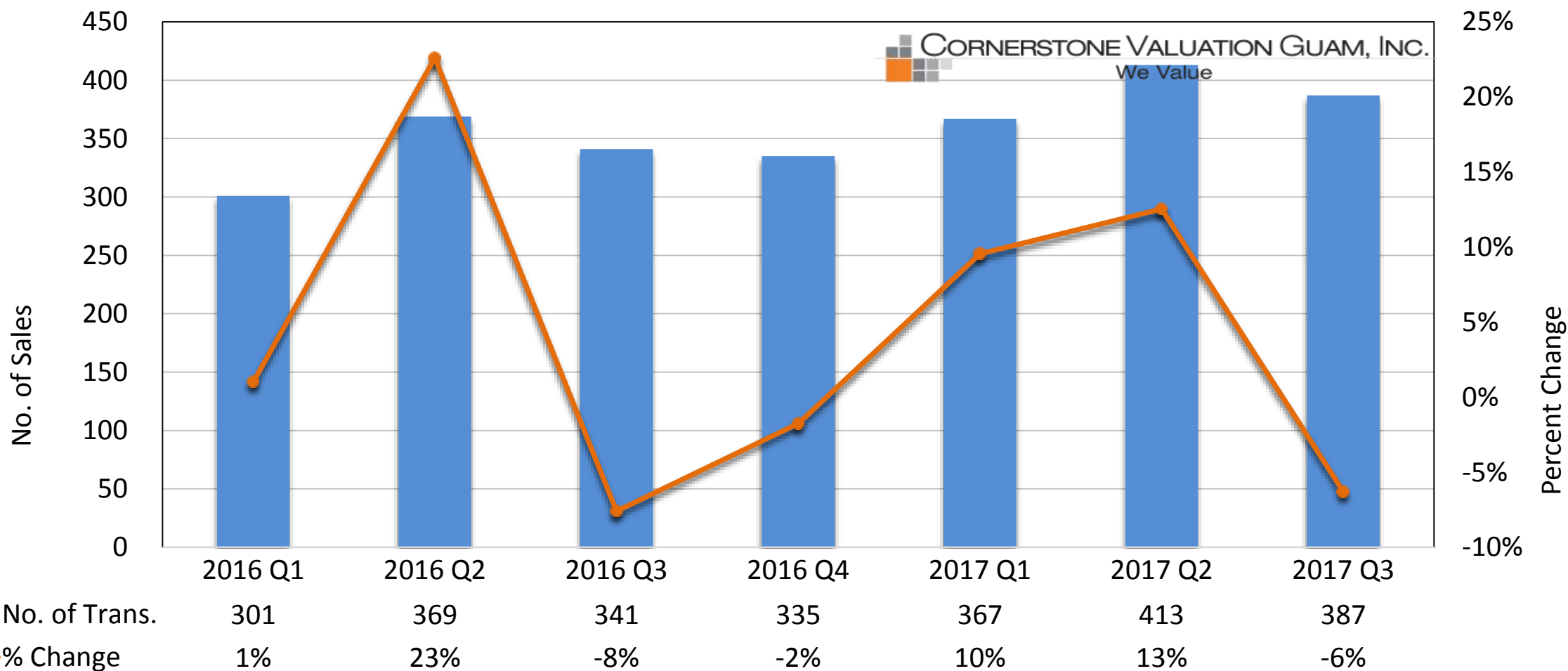
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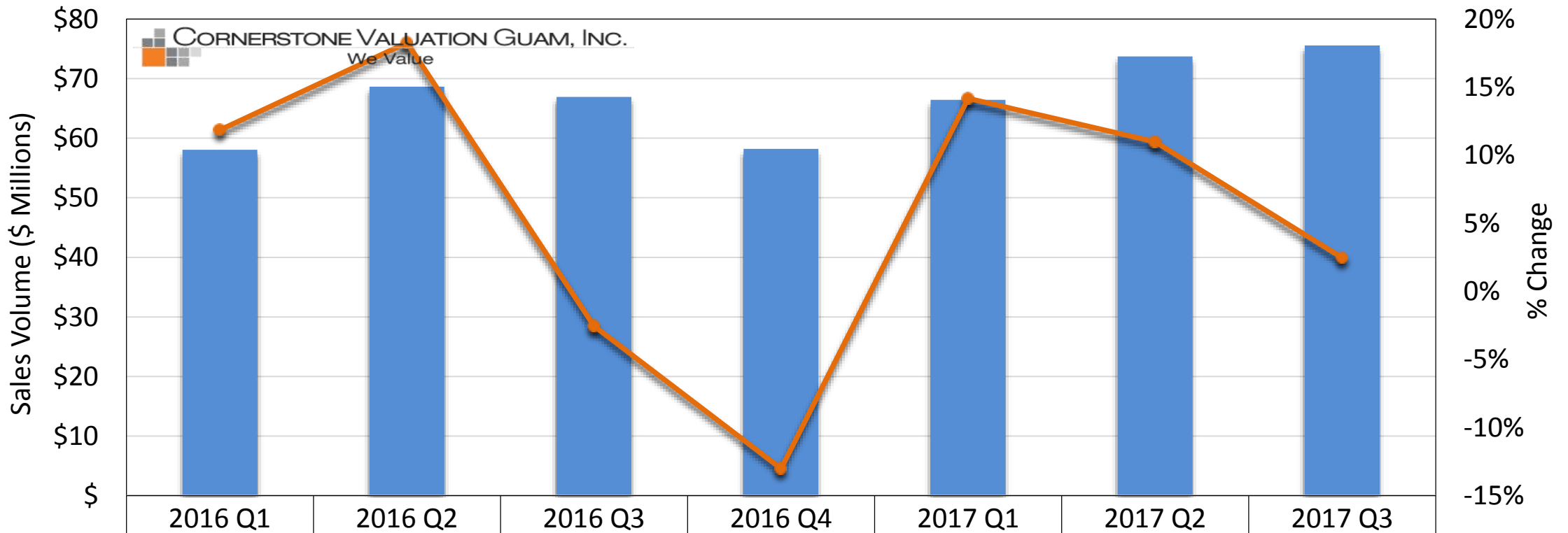
# Guam Real Estate Sales No. of Sales By Quarter

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# Guam Residential Sales Total Sales Volume By Quarter

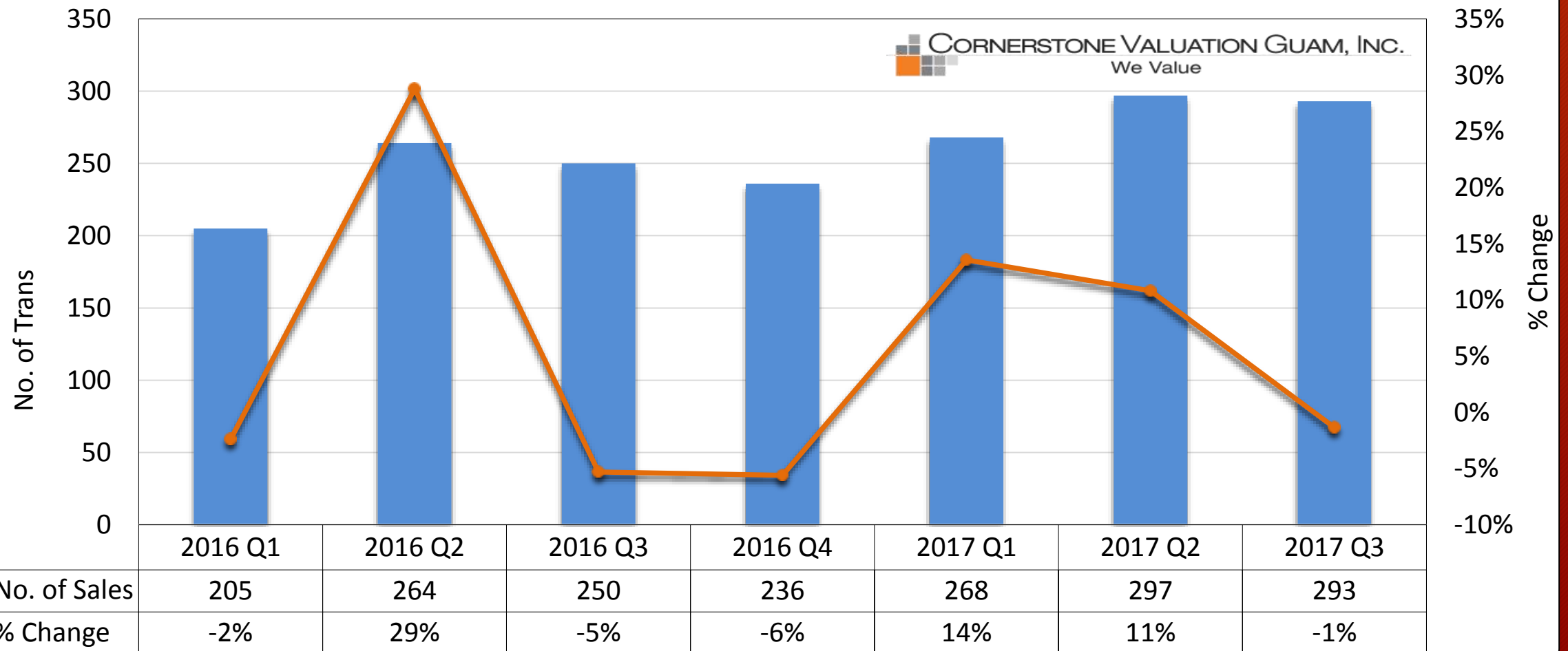
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■ Sales Vol. (\$ M)	\$58.1	\$68.7	\$66.9	\$58.2	\$66.4	\$73.7	\$75.6
● % Change	12%	18%	-3%	-13%	14%	11%	2%

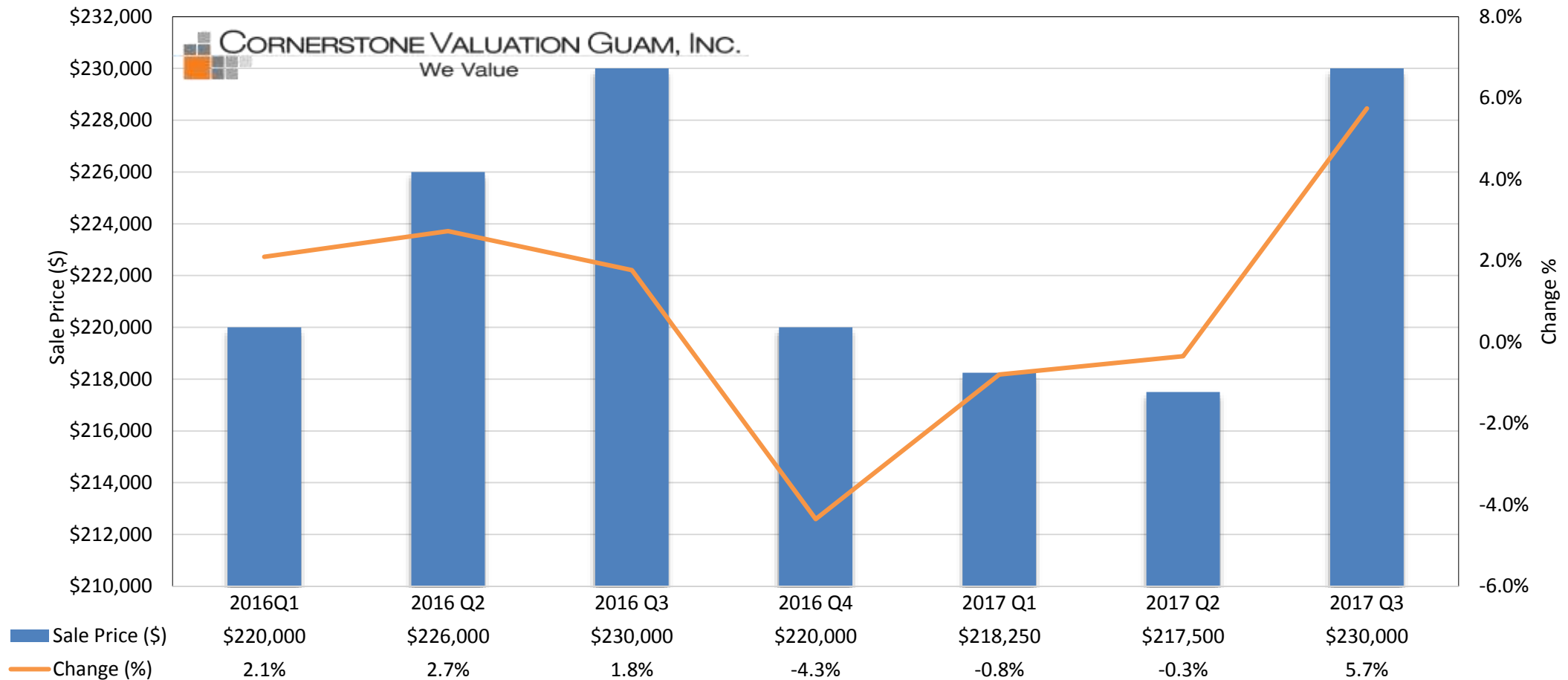
# Guam Residential Sales No. of Sales by Quarter

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# GUAM RESIDENTIAL MEDIAN PRICES BY QUARTER

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# COMMERCIAL/INDUSTRIAL PROPERTIES

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Two, one-story metal Warehouse - August 2017  
\$1.7 Million (\$81 per sf of 21,000sf)



Royal Cargo Warehouse - January 2017  
\$1.8 Million (\$86 per sf of 20,832sf)

# COMMERCIAL/INDUSTRIAL PROPERTIES

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La Casa de Colina - May 2017  
\$5.2 Million (\$245 per sf of 21,207sf)



A&V Building - April 2017  
\$2.9 Million (\$246 per sf of 12,432sf)

# MULTI-FAMILY PROPERTIES

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Premier Apartments - October 2017  
\$5.5 Million (\$58,511 per unit of 94 units)



Three-story Multi-Family Apartment - July 2017  
\$1.9 Million (\$90,476 per unit of 21 units)

# UNDERSTANDING APPRAISALS MAGNIFICENT 7



# MAGNIFICENT 7

We Value

1. The Client
2. The Intended Users
3. The Intended Use of the Appraisal
4. The Purpose of the assignment, which includes the type and definition of value (with source)

## MAGNIFICENT 7 (Cont'd)

5. The effective date of the opinion of value
6. The relevant characteristics of the property
7. Any assignment conditions such as extraordinary assumptions or hypothetical conditions

**THANK YOU!**

**SI YU'US MA'ASE**

**TERIMA KASIH**