

TEAM 2: ALYS BEACH



Project Data

Location: Panhandle coast, Florida
Address: 9581 County Hwy 30a East
Alys Beach, 32461

Site Size: **18-acre Town Center**,
within the 158-acre Alys Beach

Land Use: **Town Center - Mixed-use
(Retail and Residential Condomiums)**
Alys Beach - Residential vacation homes

Website: www.alysbeach.com

Developer: EBSCO Industries Inc.

Planner: DPZ CoDESIGN, Andres Duany

Architect: KVA
Erik Vogt and Marieanne Khoury-Vogt

Landscape: Kendall Horne
Page|Duke Landscape

Town Center
Architects: KVA (Caliza Pool)
Hart Howerton (Beach Club)
Merrill, Pastor & Colgan (Gulf-front Condo)
Nequette (Zuma Wellness)

Executive Summary

A "live, work, play" beachside community, blending new urbanism with a sense of old-world charm - Alys Beach is a 158-acre planned development nestled between the Gulf of Mexico and Highway 30A, Walton County, Florida. Paramount to its enduring success, not only financially, but also experientially is the **Town Center**. A "crown jewel" of the overall master-planned, the Town Center is the mixed-use development, amenity-rich lifeblood of this luxury lifestyle product. Through various means, the Town Center specifically, and Alys Beach generally have and continue to maintain a sense of resilience that serves not only as an exemplar of the latest in a lineage of New Urbanist beachside communities in South Walton, Florida, but also as a key innovator in planning, design, construction, and market savvy worthy of emulation.

Alys Beach is considered as a transformative development because of: (1) its respectful approach to the natural ecosystem and its determination to provide highest standards of sustainability through the restoration of dunes, undisturbed wetlands at north, and innovative “Low Impact Development” for storm water management, (2) keeping New Urbanism principles in mind, Alys Beach has transformed into building blocks and streetscapes that promote walkability and connectivity, weaved towards the Town Center that was best positioned for future growth and longevity, (3) its timeless and iconic architectural design that portrays a quiet elegance, differentiate from other beachside communities, (4) the robust material and highest standard of construction (FORTIFIED home standards) that withstand extreme storms along the region, (5) its professional level of service to their potential buyers through the “Somerset Program”, (6) Visionary developer with strong financial background that can ride through any downturn of real estate market and re-surface in a timely cycle, to create an even more superior product with strategic sales and leasing approach, and last but not least, (7) the custodial role of homeowners to take care of Alys Beach as their own home.

Alys Beach has outperformed other developments and will continue to grow and prosper. Its principles and best practices foster a sense of place that truly delineates it among its peers in the market. Lastly, through savvy market positioning and financing the development at Alys Beach and its Town Center have weathered multiple market recessions with little loss in

momentum and continues to accelerate as it nears its inevitable and incredible completion.

The Alys Beach development team has remained strong and consistent throughout the decades-long legacy build that has led the development to its current state, with compounding successes that have reaffirmed the strength of their vision in its earlier state of conceptualization. Assembling a strong and competent team, the right town planner, town architect, innovative construction through the precepts contained in the Fortified Standard, and Florida Green Home Certification Standards, curation of a premier lifestyle product through the exclusivity of amenities such as the Beach Club, and rich additional amenities and retail offerings, have also added value to this luxury brand of product. All the pieces fall within their vision.



The Site, Background, and Development Team

Location and Surrounding Areas

Alys Beach is a community development with luxurious vacation homes, parks, and mixed-use located along the Gulf of Mexico on Florida's panhandle coast in Walton County, Florida, as shown in Figure 1. Scenic Highway 30A was designated as the National Scenic Byway, which stretches 24 miles along the coastline in which Alys Beach was situated. Illustrated in Figure 2, other similar new urbanist vacation home developments are Seaside, which is 7 miles west, and Rosemary Beach, less than 2 miles southeast. Alys Beach is only 30 mins drive from Northwest Florida Beaches International Airport which is ideal as a vacation destination for buyers looking for a secondary home.



Figure 1 - Alys Beach location, along Florida's panhandle coast



Figure 2 - Alys Beach, in proximity to Seaside, Rosemary Beach and Northwest Florida Beaches International Airport

Within the 158-acre site development of Alys Beach is an 18-acre land allocated as the **Town Center**, the heart of Alys Beach. The case study will dive into Alys Beach development as a whole to understand the developer's vision and how the Town Center becomes the "crown jewel" - a platform to serve residents, community and tourists as an elite offering. From a financial perspective, the Town Center also serves the development team as an enduring, cash-flowing asset.

The **Town Center** is an integrated mixed-use development with retail and hospitality use, as well as condominiums for home buyers and vacation rentals. The Town Center invites visitors and residents to enjoy the eclectic mix of artisan food, fashionable retail, impeccably-furnished suites for rental vacations, and luxurious amenity services that truly differentiate Alys Beach from other beachside vacation communities. Figure 3 and 4 are a glimpse of the offerings at Town Center, The Alys Shoppe for luxurious retail experience, and the Caliza Pool for homeowners and guests to pamper. Recent developments in Town Center include the announcement of two upcoming Gulf-facing condominiums and the recently opened, exclusive, resident-only Beach Club. As shown in Figure 5, the beautiful Beach Club with private access to the beach coast and breathtaking views is part of the Town Center experience. The combination of the offerings within the Town Center is unique coupled with Alys Beach transformative development as a whole, sets apart from other vacation home

communities, not only along Florida's panhandle coast but also in other beachfront properties in the U.S. as an exemplar of a fresh new take on the timeless New Urbanist model.



Figure 3 - The Alys Shoppe, located in Town Center, offers luxurious shopping experience with high quality apparels



Figure 4 - The Caliza Pool, which offers salt water pool, restaurant and bar as amenities for homeowners and guests



Figure 5 - Breathtaking view, taken from the path to the exclusive Beach Club and access to the beach coast

Development Team

The developer behind the success of Alys Beach is EBSCO Industries Inc. EBSCO is an American company founded in 1944 by Elton B. Stephens and his wife Alys, headquartered in Birmingham, Alabama. One of EBSCO business divisions is the leading provider of libraries' subscriptions such as research databases, e-journals and magazines countrywide. Stephen had the intuition to understand customers' needs, and built the business by emphasizing long-term relationships and creating value for customers. It is now a diverse company of over 40 businesses engaged in activities including information services, outdoor products, manufacturing, general services, publishing services, and real estate. Today, after 77 years in business, it is a private company with revenue of U.S. \$2.8 billion (in 2017) and 5000 employees. It is apparent that Alys Beach has strong financial support from EBSCO, and prioritized the same values, believing in long-term investments that delivered exceptional customer-first products that make Alys Beach a one-of-a-kind lifestyle offering.

History of the Site

The founder of EBSCO, Elton B. Stephens, purchased the 158-acre land in the 1970s for \$1.2 million (USD) in an auction bid while vacationing in the area. Stephens named this area Alys Beach after his wife, Alys. Since 1949, the family has acquired several small cottages along the beachside for family vacations. Being a strong business and family man, Stephen saw an opportunity to create something unique along the coastline. His son Jim, along with Town Founder Jason Comer, his grandson,

and many others, have collectively both envisioned and labored to realize this new urbanist development with a unique sense of place. The Elton family did not develop this parcel until 2000. With the strong financial background of EBSCO, the Elton family had no urgency to develop the land. They decided to monitor other developments along the coastline such as Seaside and Rosemary Beach while beginning to plan Alys Beach. The first 16 vacation houses of Alys Beach were completed in 2004, inviting homeowners to experience the pristine beaches and natural habitat environment.

Master Planner

The formation of Alys Beach was conceived and developed by DPZ CoDESIGN (Plater-Zyberk & Company), led by planner Andres Duany. Andres Duany is a thought leader in the New Urbanism movement and well recognized for his town planning approach to creating livable and walkable communities. Elton B. Stephens saw an opportunity in Duany's previous body of work at Seaside and Rosemary Beach as a value-add to the future of Alys. Both Seaside and Rosemary have created destinations along Hwy 30A and become paragons of new urbanism in their own right. Capitalizing on these precursors to the vision at Alys Beach, DPZ was able to create a natural, complementary, next-generation lifestyle product in the area, continuing the legacy of adjacent developments along the Florida coastline while contributing distinctive offerings that are at once unique and familiar.

Architect

KVA is the Architect of Alys Beach, owned by Erik Vogt and Marieanne Khoury-Vogt. Erik and Marieanne have been involved with Alys Beach for the past fifteen years as the early progenitors of the architectural vision. They have shepherded its development to the present day as ambassadors to the continuing growth of Alys Beach. Alys Beach has become their home and workplace, where they have raised their family and continue to enjoy the lifestyle within Alys Beach. They enjoy a continued role as the "Town Architect" and actively participate in the design review of new houses and condos as lots are released and developed.

Landscape Architect

The original landscape designer was Kendall Horne, joined later by Page|Duke Landscape Architects, who added their complimentary touches to the already beautifully crafted landscape design. Kendall strongly promotes sustainable landscape solutions, keeping in mind the sun and salt tolerances in the beachside region to protect the natural ecosystems and for the community's occupants to enjoy. Figure 6 is an example of exquisite landscape interweaved with the houses.



Figure 6 - Shared path between houses with native species and pockets of landscape

Enlisted Architects and Designers

EBSCO strongly believes Alys Beach will continue to grow and evolve by inviting talented design teams from different regions to work on different buildings and amenities, which only adds to the robust variety and diversity of the local built environment. Alys Beach has a list of approved architects and interior designers which will support new homeowners' needs as lots are taken down while adhering to the Design Code set forth by KVA Architects. Same applies to the Town Center, designed by a handful of talented designers.

Management Team

To manage the 158-acre development and to provide pristine service and environments to the residents and potential buyers, a robust management team serves in the operations of Alys Beach. The team also oversees the daily operation of retailers and restaurants and the amenities as part of the Town Center. The management team offers a full breadth of services, including marketing, leasing, sales, design, operations, construction, finance, to name a few.

Conceptual Vision of the Development

The Overall Vision

The vision of Alys Beach is carefully crafted with respect and reverence to the natural landscape upon which it is built, as well as its adherence to the tenets of New Urbanism immersed with a unique combination of moorish, mediterranean and bermuda architecture with a monolithic white presence. (Refer to Figure 7, 8, 9)

Occupants enjoy a pedestrian-first streetscape with narrow street sections, and accommodating sidewalks, checkered with open public spaces. All paths culminate eventually at the Town Center where social cohesion between friends and families can be reignited.



Figure 7 - Respecting the natural ecosystem, Alys Beach homes are pushed further away from the water, allowing the dunes to restore and also act as a storm defense with wind



Figure 8 - Essence from New Urbanism with pedestrian paths and gardens, interweaved between blocks of homes to promote walkability and connectivity.



Figure 9 - Overlooking the roof lines of homes with iconic moorish, mediterranean and bermuda architecture, further showcase with sugar-white monolithic color,

Lead planner Andres Duany started working on beachfront communities along the Florida coastline in the 1980s. His first project was Seaside. Seaside was the first new urbanist town along Hwy 30A, which became the blueprint for beachfront vacation homes to be built off of the actual beachfront, thereby

protecting the coastal dunes. Interestingly, moving away from the beach did not compromise the coastal beachfront experience. In fact, creating more open sightlines for access, and a seamless transition from the town to the beach, further embrace the belief that neighborhood community and nature










<p>SEASIDE Developed in 1981</p>	<p>ROSEMARY BEACH Developed in 1991</p>	<p>ALYS BEACH Developed in 2001</p>
<p>Aerial Map of entire development with Town Center highlighted</p>		
 <p>80-acre site, 300 homes Town center is centrally located, shops extended right to the beachfront, as a “U” shape. Created a busy, vibrant core. Different experience, heavily tourist driven, being offered compared to Alys Beach.</p>	 <p>105-acre site, 400 homes Town center centrally located, with a street directly to the beachfront, restaurants located close to the water. Cafes and shops are densely located. Area is vibrant but does not have the tranquility as Alys Beach</p>	 <p>158-acre site, 899 homes Town Center is also centrally located, pie shaped configuration that expands north, allowing more open space for gathering. The beachfront is kept undisturbed, protecting the ecosystem and provide pristine experience for residents</p>
<p>Aerial Photo of Town Center and overall roofline</p>		
 	 	 
<p>Andres Duany noted that each project literally improved on flaws of preceding efforts and incorporated the successes in proceeding efforts to create a better product and an improved community. Alys Beach has enhanced privacy, reduced vehicular traffic, and less maintenance than Seaside. The architecture of Alys Beach is more peaceful and coherent than Rosemary Beach, creating a very strong, unique, unprecedented, and memorable visual experience.</p>		

FIGURE 10:

can co-exist with harmony. Comparing Seaside, Rosemary Beach and Alys Beach, conclusions can be drawn about how Alys Beach differentiates from other adjacent developments. Refer to Figure 10, Alys Beach is a superior product compared to Seaside or Rosemary Beach.

Master Planning

With the key principle of New Urbanism In mind, Andres Duany laid out the site with the Town Center as the focal

landmark. "New urbanists make placemaking and public space a high priority. New Urbanist streets are designed for people and accommodate multimodal transportation, including walking, bicycling, transit use, and driving. We believe in providing plazas, squares, sidewalks, cafes, and porches to host daily interaction and public life", (CNY Congress for the New Urbanism). The 18-acres containing the Town Center spans several blocks located North of Hwy 30A. At the heart of the



FIGURE 11

Town Center is a plaza featuring an open-air auditorium and gathering space. The Town Center is created by the flanking mixed-use developments with apartments built above open-air ground floor retail. Among its elite amenities, retail offerings, and lifestyle products offered, the Town Center includes a ZUMA wellness center and Caliza Pool. [Further discussion under the Town Center section]. Duany worked closely with the Town Founder, Jason Comer, a family member of EBSCO, who has a testament that the development must respect and preserve the natural habitat. Nestled between an area of preserved wetlands to the North and 30A's scenic waterfront dunes to the south, the overall plan of the site exists at a rural-to-urban transect, where housing becomes denser as the community gets closer to the water. Between these clusters of homes are pathways with a staccato with small pockets of gardens to create a diptych of "hide and reveal" discoveries.

The main vehicular artery that runs east and west through the site is Highway 30A, flanked by two iconic white buttermilk towers to highlight the sense of arrival and begin the immersive experience of Alys Beach, as illustrated in Figure 12.



Figure 12 - Iconic butteries as gateway to Alys Beach

Walkability and Connectivity

The layout and design of Alys Beach promotes walkability first and foremost. The main artery of Hwy 30A and "main roads," which bifurcate from Hwy 30A, span North and South to align with the orientation of the neighborhood blocks. "Secondary roads" were introduced to connect the development East and West. Other networks of roads consist of small laneways and permeable cobblestone pathways. The Road Map always converges at the Town Center. There are only 5 exclusive access connections to the beach for homeowners, extending from landscaped gardens. Alys Beach is best experienced from the pedestrian perspective as everything is designed to be reachable within a 5 to 10-minute walk. From a functional perspective, the streets, sidewalks with pavers, street lighting, landscape and planters were oriented to maximize vistas of the beach to the south. This capitalizes on the seaside locale while utilizing the sea breeze from the south to keep the town cool. Duany, the planner, had the foresight to widen highway 30A to approximately 110 ft and provision for slip roads and medians on both sides to slow the traffic to a pedestrian neighborhood-friendly speed.



Figure 13 - Hwy 30A with slip roads on each side to divert cars and pedestrian access into the internal roads of Alys Beach



Figure 14 - Illustration of Road Map between circulation by car vs by foot

the literal, figurative, and fiscal core of the development at Alys. Alys Beach is meant to foster events and activities that reinforce the culture of this lifestyle product. At Alys Beach, the Town Center consists of: (1) an outdoor amphitheater with a splash pad, (2) an eclectic mix of retail and artisan restaurants around the green pad, (3) Two multi-story condominiums, (4) ZUMA - a state-of-the-art fitness and wellness center, (5) Caliza Pool that offers amenities to homeowners and rental guests, (6) and the most recent exclusive Beach Club for homeowners. [Refer to Appendix A for Merchant Plan of Town Center]. The entire area is currently only 30% developed. Future development will include more amenities, business venues, and residential blocks forthcoming as the Town Center continues to build and evolve. All of the above amenities and

The Town-Center

Alys Beach serves an important place-making role. The Town Center is

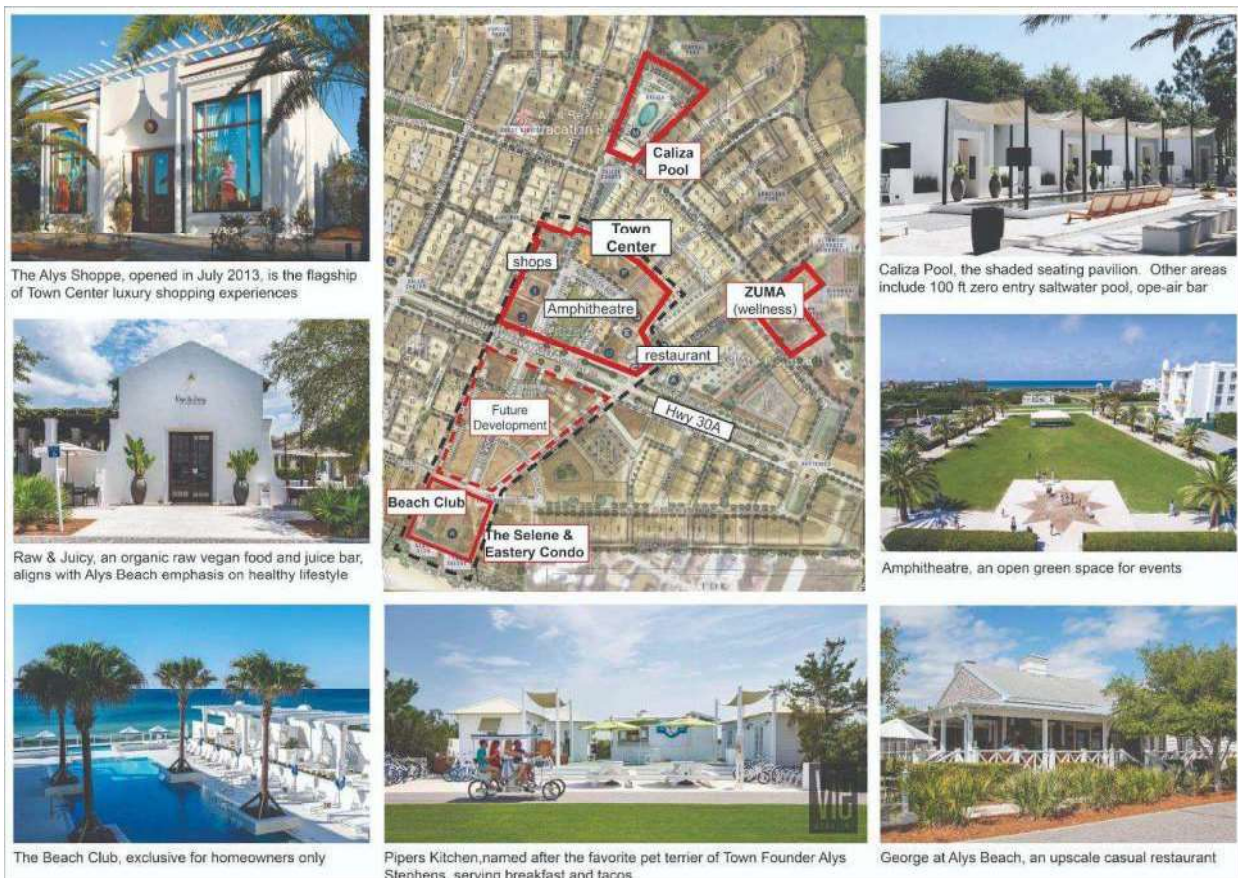


FIGURE 15:

experiential offerings are carefully curated to elevate the luxurious lifestyle that defines Alys Beach within the luxury residential market. Alys Beach Town Center is located north of Hwy 30A compared to Seaside or Rosemary Beach, in which their town centers are located mostly south of Hwy 30A. The Town Founder, Jason Comer believed the Town Center is best to be placed north of Hwy 30A. Land value at the south side commands a premium, and from a business perspective, the land should be sold for home lots and allow homeowners to have the exclusive view of the beach. Locating shops and restaurants along the beach with their cacophony of service access can disrupt the quiet grandness of the natural coastal settings. This again, demonstrated EBSCO's insightful understanding of the land value and the operational challenges of the site.

The opening of the Town Center has been a long time coming due to the economic downturn of the Great Financial Crisis of 2008, but it has gradually manifested in recent years to add to the vibrancy, life, and sense of place at Alys Beach. The recent release of the two condominium blocks (The Selene and The Easterly) along the Town Center in Summer 2021 was fully absorbed within weeks. This is a true testament not only to the demand for the product at Alys Beach but also the resiliency of the luxury homes market, as well as the secular bull run of the current housing market. With the Summer 2021 opening of the highly anticipated and exclusive Beach Club, the recently sold vacation homes have reached all-time high sales figures. The strategy of luxury and exclusivity on the

part of the Alys Beach management team has proven itself over the years. Rental tenants and guests may still enjoy similar amenities from Caliza Pool, but the Beach Club is left only for homeowners. The Beach Club is located closest to the gulf coast with an open-air sunset bar and lounge, multiple pools, game rooms, and restaurants. Its setting presents residents with incomparable views of the Gulf of Mexico. Alys Beach engaged the renowned San Francisco architect Hart Howerton to design the Beach Club, and with great success.

Architecture, Landscape and Art

Alys Beach carries a very strong architectural presence that is intended to incite reflection by passersby, be they residents or tourists. Architects KVA and Duany worked closely to envision this unique placemaking blend of exotic forms from beachside vernaculars the world over. Duany felt the architectural language should be quiet and restrained to allow the composure of the streets, typology of the courtyard, and the unique masonry craftsmanship to shine. Hence, KVA repurposed elements from Moorish and Mediterranean villages, with aesthetics from Bermuda.



Figure 16: Design elements extracted from moorish, mediterranean and bermuda region with shutters as accent

The courtyard design was inspired by homes in Antigua and Guatemala as shown in Figure 17. Surprisingly, as each architectural style has its own iconic presence when put together, it created a new and refreshing presence true to Duany's original intent.



Figure 17 - Example of a private courtyard with pool

Over the years, other similar architectural styles have been introduced, such as Lebanese, Italian or Grecian, which add variation and visual intrigue, cultivating an unprecedented landscape of home designs in the region. The same architectural flavor carries through to the Town Center, despite the fact that the Town Center is more business-oriented and amenities-driven. It is stunning to see such a monolithic color scheme throughout the entire development that is rare to find elsewhere within the continental United States. The same sugar-white of the built forms is hearkened to the white sand of the beach it is built on. Aside from this poetic impression upon the memory, the white masonry and stucco on the vacation homes also act as a heat barrier to reflect heat and keep the homes cool during the hot summer seasons of the gulf coast.



Figure 18: A hint of Greece and iconic shapes, with sugar-white roof and walls

The majority of the vacation homes are composed of villas with private courtyards, which have become a unique selling feature at Alys Beach. KVA and Duany realized that while residents enjoy the shared civic realm, they also crave the privacy of a traditional suburban backyard. Hence, the houses are situated close to the lot line to allow an open courtyard inside the house. This new paradigm of the home design made the Town Center more purposeful to engage social cohesion between neighbors and the public-at-large. This "zero lot line setback" is one of the guidelines under the Form-Based Code overlay at Alys Beach. The architectural design of the Town Center, amenities, and vacation homes are based on this Form-Based Code overlay which is intended to preserve the unique sense of place at Alys Beach.



Figure 19: Houses located up to Lot line with native landscape to soften the frontage

The role of art and landscape cannot be overstated. In addition to softscape along pathways, mini gardens are dispersed strategically throughout, and often art sculptures add a whimsical feel to the environment. Figure 20 is an art installation with sea turtles being the inspiration. Most of the art installations are curated through the Alys Foundation, which organizes many philanthropic events.



Figure 20: Turtle Bale Park, inspired by the sea turtles in the region. The turtles were sculpted by Rivera-Dutton Sculpture Studio in collaboration with landscape architect Page|Duke

Unique flourishes of the landscape at Alys Beach include edible plant gardens - as an example, mint and lemon lines can be found in a section of the pedestrian path known as Mohito Alley. [Refer to Appendix B Edible Gardens / Appendix C for Art Installations]. There is also a custodial offering from homeowners. Every home will contribute a "gift" to the streetscape, be that a bench, fountain, or sculpture. These unique features transform the cobblestone streets into an enjoyable leisure walk around the neighborhood and foster a sense of ownership among the residents that extends beyond their individual homes.

Innovation Ideas and Approach **Respecting the Natural Environment**

Alys Beach incorporates many innovative ways of protecting its environment. Cobblestone streets are hand-set into deep layers of gravel that allow one-third of rainwater to percolate through to the ground. Additionally, most of the plants in Alys Beach are native to the area and require little to no tending to in order to be sustained. For all of these designs and regulations, Alys Beach was named the first "green development" in northwestern Florida by the Florida Green Building Coalition. One of the early challenges Alys faced in developing a project emphasizing natural protective features was the revitalization of the protective, natural dune system.

In 2006, the existing dunes were barren, having little to no vegetation. Phase I Efforts for revitalization included planting 27,500 native plants covering 50,000 SF of dunes. Between 2006 - 2011, the plants established roots and eventually colonized the dunes creating a re-stabilization of the system as seen in Figure 21. As one moves further into the development, it can be noted that Alys Beach sits at a higher elevation and not at sea level in order to protect against storm surge in addition to the dunes as the first line of defense.

In addition to the Fortified Certification, all homes in Alys Beach are also required to earn a Florida Green Building Coalition, or FGBC, certification. This certification can be earned by being awarded points for criteria met under the following categories: energy performance, water conservation, site conditions, healthier

home, materials used, and disaster mitigation. These individual methods include energy-efficient appliances, motion sensor lighting fixtures, low-flow plumbing fixtures, planting native or recycling existing vegetation, and many others.

Figure 21: Progression of Dune Revitalization



Looking at the design of the structures within Alys Beach, great success in energy conservation and effective heating/cooling measures have been found in utilizing white tile roofing to match the overall design aesthetic of the community. In deference to the Florida panhandle locale, the white tile reflects the sun's heat keeping attic spaces cooler during warmer months.

Construction Means and Methods

Understanding the challenges faced in building and developing within a coastal area, Alys Beach had the forethought to design and build around criteria that would endure any potential storm that would be faced. "In some ways, the most sustainable way of building, the most enduring way of building, is to build in a way that doesn't require a constant cycle of having to repaint and repair" notes Marieanne Khoury-Vogt, town architect (30a.com).

In order to create a development that would withstand hurricane-force winds, Alys Beach implemented a series of defenses within strategic elements of the design. The first was utilizing the land's natural topography and hydrologic features to create a natural line of defense. As noted previously, the formation of the beach dune system was improved, and the existing vegetation stabilized to strengthen the natural barrier against waves/storm surge. This defense is maintained by the community and maintenance team to prevent erosion.

Secondly, Structures alongside the Gulf were oriented with buildable surfaces facing inland to minimize water runoff and flooding to the development's interior and erosion of the dunes. Site walls that were required to be added are designed to withstand forces exerted by incoming waves. Continuing inland through Alys Beach, the development's planning focuses on utilizing and maintaining existing, natural wetlands and historic flood water drainage streams rather than maximizing construction. Lastly, Alys Beach adopted "Low Impact Development" standards, or green infrastructure, which balances the use of traditional and non-traditional stormwater management facilities such as re/detention ponds, bioswales, natural vegetation, and existing topography and drainage to create a connected, progressive treatment system in lieu of one, centralized facility.

The structures themselves are designed to withstand both wind and water through methods like utilizing a deep pile foundation system able to withstand a 100-year storm event. All new

construction was required to meet FORTIFIED Home™ Requirements which has a minimum wind design load of 25-miles-per-hour higher than ASCE 7-10, resulting in being able to withstand 163 mph winds (Category 5 Hurricane / F3 Tornado). Furthermore, the structures were required to utilize fire-resistant materials, including CMU (concrete masonry units) or CIP (cast-in-place concrete) exterior walls, wood/steel framed flooring, CIP exterior porches, concrete tile roofs, and have secondary waterproofing membranes - all of which were to be reviewed and



Figure 22: Masonry block construction, one component of the FORTIFIED system..

designed by structural, civil, and geotechnical engineers through a coordinated effort with the design and construction teams within Alys Beach.

They would review and design around gravity loads, hydro-static and hydrodynamic loads, flood forces, rain forces, wind forces, and seismic forces. "The construction of Alys Beach homes reflects a perfect marriage of modern and traditional building practices" (alysbeach.com). With a design that differentiates the development from any other, a strong sense of planning and forethought precedes the finished

product that those visiting or residing at Alys Beach see upon their arrival.

In order to maintain the overall vision and aesthetics of the development, the Somerset Program was introduced for the construction of residences within Alys Beach. The Somerset program structures and lays out coordination between design, construction, and sales for a seamless handoff to the end-user. With this program, the homebuyer meets with the sales team to select a custom home plan and finishes and puts a twenty percent down payment on the home. Once the sales agreement is signed and the down payment received, they meet with the design team to review the design and finish selection. Next, the homeowner then meets with the construction team to review the plans. The construction team starts building the home, and issues weekly progress photos to the homeowner. Once construction of the home nears completion, a meeting with the homeowner, construction team, and maintenance team will be scheduled to prepare for handoff. The homeowner and construction team will make, review, and complete the punch list, and a 1-year warranty will commence. At this point, the title insurance company will prepare all closing documents and coordinate closing with Alys Beach and the buyer.

Green Initiatives

With regard to green initiatives, Alys Beach required that each individual home site manage their own impervious surface stormwater discharge prior to contact into the master stormwater treatment facility to limit flooding within

the community and protect other developments downstream. By emphasizing parks and green spaces, Alys Beach helps minimize flood water buildup and both align the clear site line with designing unobstructed water runoff points during the storm surge.

By pioneering and becoming the first community worldwide to require the fortified rating for all new construction, Alys Beach set a precedent for sustainable and safe design within the local and expanding market. As a result of this initiative, they have seen surrounding developments voluntarily choosing to design to these standards. Additionally, they help provide peace of mind for both the full-time residents and visitors alike.

Phasing of the Development

In the late 1970s, the Stephen's family went to an auction and purchased 158-acres along 30A. 25-years later in

2004, the long-time dream that was Alys Beach finally came to fruition. In 2004, Fonville Press, a boutique coffee shop, Caliza Pool, and the first 16 homes were built, followed shortly by the sales center. Then came Hurricane Harvey, followed by the worldwide recession in 2008 and the devastating Deepwater Horizon Oil Spill in the Gulf of Mexico. As a result of the numerous challenges, EBSCO decided to pause the development of Ays Beach. EBSCO was patient and decided to ride through the turmoil by not doing anything. From 2011 to 2012, the development team gradually picked up the pieces and has never continued moving forward since. In order to control supply and demand,

EBSCO has been strategic in how they phased the development. Looking at the progression of Alys Beach, it can be noted that the phases of development are driven by residential components and followed shortly after by the development of communal spaces - restaurants, retail, amenities, parks, etc.



FIGURE 23

By releasing residential lots in small parcels, EBSCO is able to capture the demand of the local market and encourage the development of highly focused products for the consumers of Alys Beach.

With EBSCO's investment in Alys Beach being one and the Town Center to be a developer's "crown jewel," they understand that the progress of Alys Beach is a slow investment - one that would not reach completion for another 20-25 years. Concerns for public transportation and connectivity to surrounding areas (Rosemary and Seaside), development of the site's infrastructure, and continued levels of quality and design conformance continue to be focused for EBSCO as they progress with the realization of their vision.

Operation Challenges

Maintenance and operations

With Alys Beach acting as a master development, the efficiency of all maintenance and operations is key to the development's success. Alys Beach has created a program that integrates maintenance, operations, and management of the development all under one roof.

Looking at the management of the residential components, Alys beach delivers a new-owner guide book with all relevant contacts, guidelines, directions, and references that a new homeowner may need. It also outlines the guidelines of the Neighborhood Association to create a system of order / respect. The HOA has requirements for the exterior maintenance of houses, such as the

requirement to pressure wash all exterior elevations and roofs at least once per year. Alys Beach has found that morning dew will quickly evaporate on the eastern facing elevations under direct sunlight, whereas the west elevations hold the moisture for longer periods of time, resulting in moss forming. By cleaning the exterior facades at least once a year, it helps mitigate the risk of penetration by vegetation through the waterproofing membranes of the facade as well as refreshing the white appearance of the exterior. Town architect and 15-year resident, Marieanne Khoury-Vogt, noted that by conforming to these standards, they have not had to repaint the exterior once, and their house still looks new.



Figure 24: Power-wash annually to retain the white appearance

Lastly, in an attempt to create ease of maintenance and help with construction logistics, the team at Alys Beach made the decision early on to have all utilities run underground. At the street level, utilities run underground and are covered by a combination of a gravel and sand bed for traffic rating and then covered with a permeable paver. The purpose of this is twofold: first, to help facilitate the sheet flow of water during a rain event, and second, ease of maintenance in needing to work on the utilities without creating the patchwork look of asphalt saw cuts.

City Planning and Entitlements

Due to the progressive planning, the 1978 purchase of the tract for \$1.9 million USD at Alys Beach proceeded new urbanism in the Florida Panhandle. The Unincorporated Planned Community Development Community at Alys Beach enjoys the benefit of being a third-generation master-planned community by the time that the lion share of the planning and infrastructure. This prepared the way for the development now currently underway following in the same tradition of New Urbanism as Seaside before, and Rosemary after. As such, the jurisdictions to which Alys Beach and EBSCO were beholden, the Walton County Planning Department and the Board of Commissioners, were very cooperative with EBSCO. Following a public charette effort with the local community, the development order was received in swift fashion – a mere 8 months as opposed to the 24 months originally assumed by the developers.

Financing - Investments

Alys Beach is developed and owned entirely by Birmingham-based EBSCO company, and the development-at-large has been in the works since 1978, when EBSCO first acquired the land. It is unclear at this time what financial vehicles EBSCO uses to fund the construction loans as lots are taken down, however, it can be noted that as lots are taken down and built, Alys Beach requires only a twenty percent down payment on the lot to be built with the balance due at the completion of construction. This would seem to indicate that EBSCO/Alys Beach deals only in construction loans with their build

partners, relying on the individual homeowners to carry the permanent loans with the permanent debt lender of their choice.

Residential lots aside, there are also a few notable revenue streams for the development at Alys Beach as well. Tenant revenue at Alys Beach consists of two categories: traditional retail tenant revenue and investment home rental management revenue. 20% of all homes purchased in Alys Beach are investment homes (vacation rentals), and as per the homeowner agreements with Alys Beach, they must be managed by Alys at a 40% management commission. It is also worth noting that the 20% metric is in no way hard-coded into the development at Alys by way of their homeowner agreements, HOA bylaws, or traditional neighborhood development guidelines/regulations. Instead, it is a "natural percentage" resulting from the organic supply and demand of the Alys Beach market and those homeowners wishing to lease their property.

Retail revenue in the "Town Center" is much more traditional and relies on rents paid to Alys Property Management, as the landowner/landlord more so than the other revenue streams provided by the development. It is unclear whether or not straight rent or percentage rent is utilized by Alys. However, EBSCO, by way of Alys Beach, retains these rental properties as a source of consistent cash-flows after a period of free or subsidized rents in order to attract the desired, eclectic mix of tenants.

Lastly, due to the large amount of broadband public infrastructure

investment by EBSCO that serves not only Alys Beach, but the larger community of 30-A and Walton County at large over the years, there exist several vehicles by which the developer is able to recapture and even capitalize off the infrastructure upgrades. Firstly, all of the roads and slip lanes that branch off of 30-A are private roads that exist as separate parcels from the developed residential and commercial parcels that are also maintained solely by EBSCO/Alys Beach. This could have the net effect of creating parcels assessed at a low-to-no tax value by the county tax assessor, thereby saving Alys/EBSCO significant overhead in the form of Ad Valorem property taxes.

Use	Area (sf)	Construction Cost (\$/sf)	Cost (\$)
Residential	60,666	600	36,399,600
Retail	187,000	400	74,800,000
Totals	247,666	1,000	111,199,600

Figure 25: Overall *estimated* Alys Beach Town Center construction costs not inclusive of land acquisition

Use	Area (sf)	Rate	Revenue
Residential Condo (70%)	42,466	*2,000 (\$/sf)	\$84,932,000
Total lump sum sales			\$84,932,000
Residential Rental (30%)	18,200	6,900(\$/day)	2,518,500 (\$/yr)
Retail	187,000	55(\$/sf/yr)	10,285,000 (\$/yr)
Total Annual			12,803,500 (\$/yr)
Total Revenue at Completion (10yrs)			**\$141,14,215

Figure 26: Overall *estimated* Alys Beach Town Center revenues at project completion/stabilization
 *represents a conservative assumption given current sales figures

**Assumes straight-line distribution of new construction, and absorption within the same period as construction completion, and an operating cost of 20% Effective Gross Revenue

In as much as a fiscal endgame is concerned, it is unclear what EBSCO's intentions may be, though it does seem that the legacy trophy asset of the Town Center, constituting only 10-15% of the overall developed land, will remain in their possession and cash flowing to some effect through rental management and commercial retail leases long after the last residential lot is taken down.

When examining the Alys Beach Town Center independent of the larger context of the overall development, a few interesting patterns emerge. Accounting for the roughly thirty percent of the overall Town Center development already completed, and assuming a steady seven percent increase in building stock coming online each year of the estimated decade until overall completion, the rolling internal rate of return is negative until period seven at which point the rate of return grows from a humble eight percent to an overall twenty-two percent IRR upon completion and stabilization, and returning \$141,14,215 on the \$111,199,600 investment in new construction. This, of course assumes the more likely than not future where the Alys Beach Town Center is a long term hold by EBSCO/Alys. Assuming that the cost of the roughly fifteen percent of the original 1978 \$1.9M land acquisition can be inflated and escalated at approximately 3.5% annually, the \$1,294,852 that constitutes the land upon which the Town Center is built would most likely be attributed to an equity investment towards the total

\$112,494,452 total development cost. Were one to treat the Town Center as its own stand alone development the financing for such a project would likely require a forty percent equity investment, bootstrapped with sixty percent debt financing through either a construction lender or EBSCO's corporate line of credit. Were this "crown jewel" of the Alys Beach development not a long-term hold, upon stabilization, it is conceivable that the Town Center could command as high as a selling price of \$219,077,792 assuming a 5% cap rate and a 9% discount rate. Such a model would also set a present value of the construction completion and sale at \$77,889,762 returning a 39% IRR and an equity multiple of a staggering 5.74. As a long term hold however, the ten year IRR drops to 22%, and the equity multiple to a mere 0.63 during the construction period, though it should be noted that without a sale of the Town Center, it will take another five years to stabilize the equity multiple at a desirable 1.77, bringing the IRR over the same 15 year period to 27%.

As intriguing a thought experiment as it is to entertain the notion of the Town Center as a stand-alone development may be, it is critical to note that is not a development as such, and most likely relies on the lot takedowns of the horizontal development of the balance of the Alys Beach development to subsidize, if not completely fund its continued growth and development.

Marketing, Sales and Vacation Homes Rental

Recent real estate report has indicated that "Alys Beach market trends indicate an increase of \$379 (36%) in the average price per square foot over the past 6 months. The average sales price is up to \$3,574,482 from \$2,429,935 six months ago. The average time on the market for properties in Alys Beach is 106 days. Buyers can expect to pay 100% of the seller's asking price. 80% are owner-occupied and 20% are renter-occupied." (From market data provided by U.S. Census Bureau and the local listing feed)

Homes for Sales and Rental

The sales price of homes has escalated at a pace in excess of market expectations, predominantly due to the prevailing luxury class market targeted by the development. [Refer to Appendix D of Houses on the sales market and Appendix E on Rentals]. Worthy of note, in addition to high sales figures, the luxury class homes sector also boasts some of the shortest-lived periods on the market, taking on average half the time to sell when compared to the overall market [Refer to Appendix F on National Luxury Home Market 2021 and FRED report]



Figure 27: Median Days On Market for the National luxury home market 202-29021

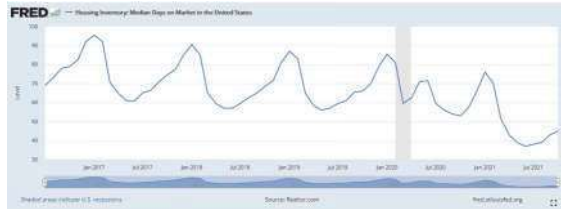


Figure 28: Median Days on Market for National Home Market overall (FRED)

An additional market savvy tactic employed by EBSCO/Alys is the controlled release of product into the market, thereby ensuring high demand for the supply in the available market and high absorption at the desired price point set by Alys/EBSCO. As noted previously, the luxury homes market sector enjoys a rather inelastic supply dynamic whereby changes to supply on the market can greatly affect both sales price and overall absorption so long as the sales price. During economic downturns such as the Global Financial Crisis, for example, EBSCO/Alys can titrate the supply of home lots to ensure that supply is kept low, and thus sell at a desirable price greater than the cost of development, which "kinks" the supply curve of the housing market (refer to Elastic vs. Inelastic housing supply chart below). Similarly, in times where the cost of development is high, the same titration of supply can protect against unprofitable development.

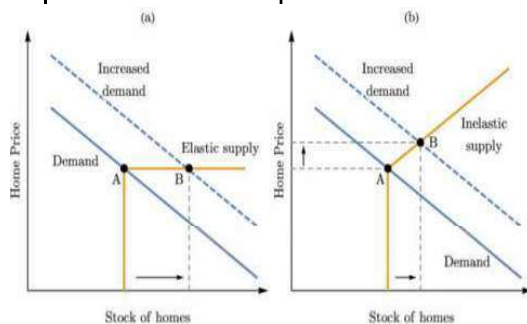


Figure 29: Elastic vs Inelastic housing supply and its effect on home prices

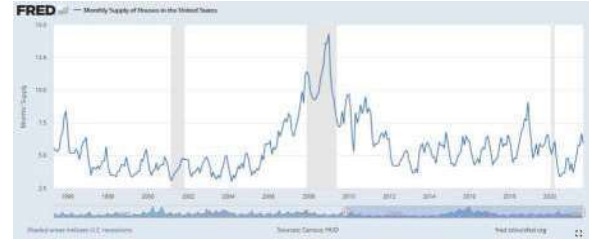


Figure 30: Monthly Housing supply in the U.S. housing market (FRED)

Future Growth / Exit Strategy

With the history that EBSCO shares with Alys Beach, their willingness to weather through hurricanes and recessions, their continued investment in the long-term commitment to develop Alys Beach, and refusal to accept any offers of purchase, it can be inferred that EBSCO is in it for the long-haul. EBSCO has chosen to see its ultimate vision come to fruition and has, as a result, not sacrificed quality, progress, and commitment to the design and master plan to time or money.

Additionally, over the course of the last two decades, lots and homes have been consistently sold, released into the market at an intentionally controlled pace in order to keep demand and absorption high. EBSCO/Alys was never in a rush to develop the land when it was first acquired in 1978 and has never been in a rush to fully complete or exit the development. The developers are financially strong, and no debt partnerships have been required; hence, there has been no need to sell the asset at all. As a matter of fact, through a controlled titration of lots into the local market, demand has remained high even through the Global Financial Crisis of 2008-2009. The Alys Beach development team has remained strong and consistent throughout the

decades-long legacy build that has led the development to its current state, with compounding successes that have reaffirmed the strength of their vision in its earlier state of conceptualization. Assembling a strong and competent team, the right town planner, town architect, innovative construction through the precepts contained in the Fortified Standard, and Florida Green Home Certification Standards, curation of a premier lifestyle product through the exclusivity of amenities such as the Beach Club, and rich additional amenities and retail offerings, have also added value to this luxury brand of product. All the pieces fall within their vision. Ultimately, EBCO/Alys will likely be left with the balance of the roadways and public space and the management of residential and retail rental space after all of the lots slated for residential

development have been taken down and sold – most of which located within the Town Center "Crown Jewel" of the development, constituting roughly 10-15% of the original 158 acres of land purchased in 1978.

Lastly, as the Town Center nears its completion, it may be advantageous for EBSCO/Alys to begin to incorporate what CBRE refers to as "omnichannel retail," meaning mixed-use site supported retail that provides not only traditional brick and mortar retail offerings but supplements them with "back of house" infrastructure supporting last-mile e-commerce logistics as both an enhanced amenity to the residents as well as creating for retail cash-flows that serve a wider tributary area with longer, "stickier" rents. [Refer to Appendix F on Omnichannel].

KEY TAKEAWAYS:

Alys Beach serves as the latest paragon of New Urbanist placemaking and resilience, both structurally, infrastructurally, and financially. Hallmark strategies for success that serve as key precepts for future and other luxury, high-end developments include:

PLANNING AND INFRASTRUCTURE:

- 1) Provisioning for the inclusion and restoration of the local environment.
- 2) Investing in innovations in infrastructure (i.e. stormwater systems, etc.)
- 3) Implementing a form-based overlay to the local planning and development code in order to achieve a sense of place

SUSTAINABILITY & SITE:

- 1) Investing in environmental stewardship as a placemaking strategy on the front end.
- 2) Incorporation of sustainable building principles.
- 3) Incorporation of resilient building principles (i.e. the FORTIFIED standard)

DESIGN & MATERIAL SELECTION:

- 1) Iterative improvement on past developments and thoughtful innovation and experimentation in new and future endeavors.
- 2) Fostering a sense of ownership and placemaking through an intentional curation of public spaces.
- 3) Leveraging the expertise of local professionals who remain committed to the overall vision.

MARKET POSITIONING & FINANCING:

- 1) Controlling the flow of supply into the market through a dynamic / market-based approach to lot takedown schedules.
- 2) Planning for a future exit strategy that capitalizes on the site supported retail characteristic of New Urbanist development in a type of hybridized merchant developer / long-term hold method.
- 3) Targeting the more resilient luxury homes market.

APPENDIX

Appendix A - Merchant Plan of Town Center

The Town Center of Alys Beach consists of (1) Condominiums/Rentals for visitors, (2) Retail, (3) Food and Beverages, (4) Amenities included are the Caliza Pool, ZUMA and Beach Club. All these offerings generate revenues to support the economic growth of Town Center, in addition to the luxurious experience for the affluent residents and visitors.

Condominiums / Rentals in Town Center



(H) The Whitby Condominium
4-storey building
total 12 residences
(designed by Hart Howerton)

(I) The Camden Condominium
4-storey building
total 6 residences
(designed by Hart Howerton)



(J) The Lucian Condominium
4-storey building
total 8 residences
(designed by KVA)



(D) The May Condominium
4-storey building
total 8 residences
(designed by Merrill Pastor & Colgan Architects)



(G) The Selene Condominium
4-storey building
total 6 residences
(designed by Merrill Pastor & Colgan Architects)

(C) The Easterly Condominium
4-storey building
total 7 residences
(designed by Merrill Pastor & Colgan Architects)



The Citizen (Fine Dining) **(D)**



George's (Fine Dining) **(A)**



MAST (Home Accessories) **(H)**



Charlie's Donuts (Snack) **(G)**



NEAT (Wine tasting) **(C)**



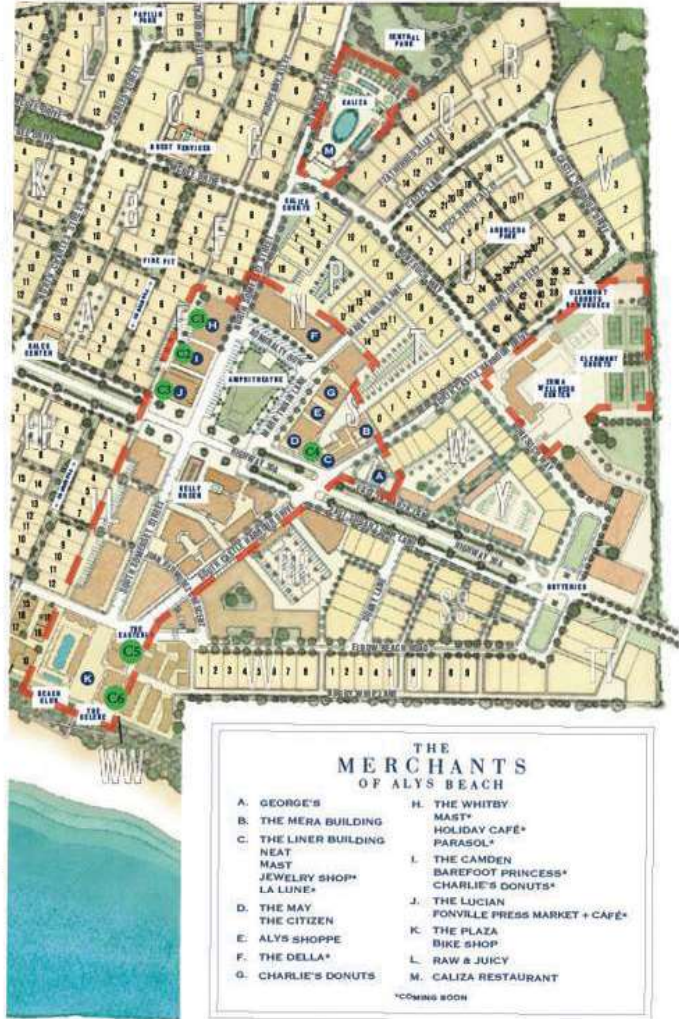
Alys Shoppe (Luxury fashion) **(E)**



Raw and Juicy (Food) **(L)**



Bike Shop (Retail/Service) **(K)**



THE MERCHANTS OF ALYS BEACH

- A. GEORGE'S
- B. THE MERA BUILDING
- C. THE LINER BUILDING
NEAT
MAST
JEWELRY SHOP*
LA LINE*
- D. THE MAY
THE CITIZEN
- E. ALYS SHOPPE
- F. THE DELLA*
- G. CHARLIE'S DONUTS
- H. THE WHITBY
MAST*
HOLIDAY CAFÉ*
PARASOL*
- I. THE CAMDEN
BAREFOOT PRINCESS*
CHARLIE'S DONUTS*
- J. THE LUCIAN
FONVILLE PRESS MARKET + CAFÉ*
- K. THE PLAZA
BIKE SHOP
- L. RAW & JUICY
- M. CALIZA RESTAURANT

*COMING SOON

Merchants in Town Center

Appendix B - Edible Gardens

ALYS BEACH® EDIBLE PLANTS GUIDE



- (A)** Blueberries (*Vaccinium* sp.)
Fruit typically grows May - September



- (B)** Lemongrass (*Cymbopogon Citranus*)
Commonly used in teas, soups and curries



- (C)** Chickasaw Plum (*Prunus angustifolia*)
Yellow ripened fruits, eaten fresh or made into jams and preserves



- (D)** Bay Tree Soup Garden
Various seasonal herbs such as Basil, Oregano, Parsley, Thyme and Dill



- (E)** Strawberries (*Fragaria* sp.)
Fruit typically grows April and May



- (F)** Banana (*Musa* sp.)
Bananas are a valuable source of vitamin B6, C, and Potassium



- (G)** Loquat (*Eriobotrya japonica*)
Yellow fruits are ripe in spring



- (H)** Pineapple Guava (*Feijoa sellowiana*)
Use fresh in salads, or make guava jam



- (I)** Pineapple Sage (*Salvia elegans*)
Leaves are edible and can be steeped in hot water to make an herbal tea



- (J)** Rosemary (*Rosmarinus officinalis*)
The fresh and dried leaves are used frequently in Mediterranean cuisine

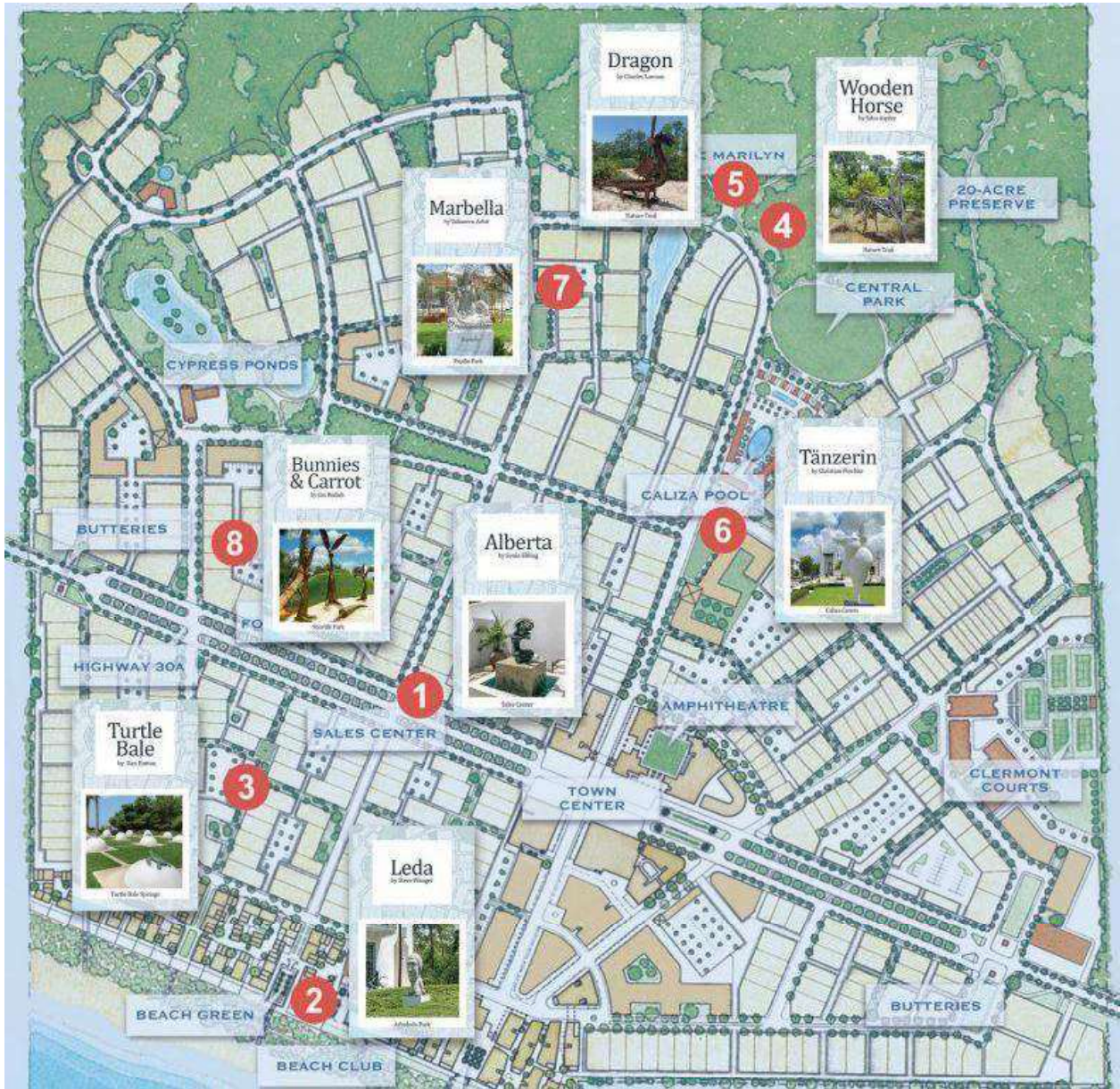


- (K)** Peppermint (*Mentha x piperita*)
"The world's oldest medicine"; used for flavoring in tea and ice cream



- (L)** Meyer's Lemon Tree (*Citrus x meyeri*)
A hardy citrus cross between a true lemon and mandarin orange

Appendix C - Art installations



Turtle Bale Spring by Dan Dutton, South Across Scenic 30A from Foville Park








Horses by Lake Marilyn, Designed by John Aspley and Crafted in Teak by a Team in Indonesia





Tanzerin at Caliza Courts Park next to Caliza Pool

Appendix D - Home Sales comparison at Alys Beach

	<p>South of Hwy 30A Address: 13 Shinbone Ct Lot area: 9,148 sf House area: 7,173 sf Sales price: \$13,895,000 Sales/sf: \$1937 / sf HOA: \$528/mo Year Built: 2015</p>
	<p>South of Hwy 30A Address: 23 Sea Venture Aly Lot area: 1,307 sf House area: 2,758 sf Sales price: \$7,495,000 Sales/sf: \$2718 / sf HOA: \$528/mo Year Built: 2020</p>
	<p>South of Hwy 30A Address: 20 Kings Castle Ct Lot area: 2.480 sf House area: 3,065 sf Sales price: \$4,199,000 Sales/sf: \$1270 / sf HOA: \$460/mo Year Built: 2020</p>
	<p>North of Hwy 30A Address: 56 N Charles St Lot area: 3,485 sf House area: 2,561 sf Sales price: \$3,650,000 Sales/sf: \$1425 / sf HOA: \$528/mo Year Built: 2008</p>
	<p>North of Hwy 30A Address: 165 N Charles St Lot area: n/a House area: 4,182 sf Sales price: \$5,425,000 Sales/sf: \$1297 / sf HOA: \$528/mo Year Built: 2021</p>

Appendix E - Rental vacation homes at Alys Beach

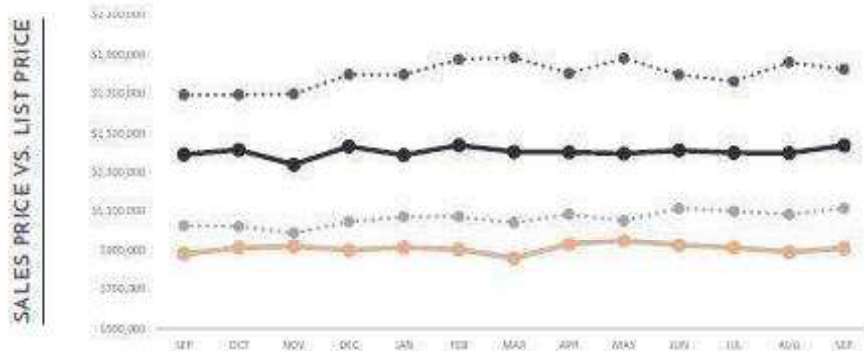
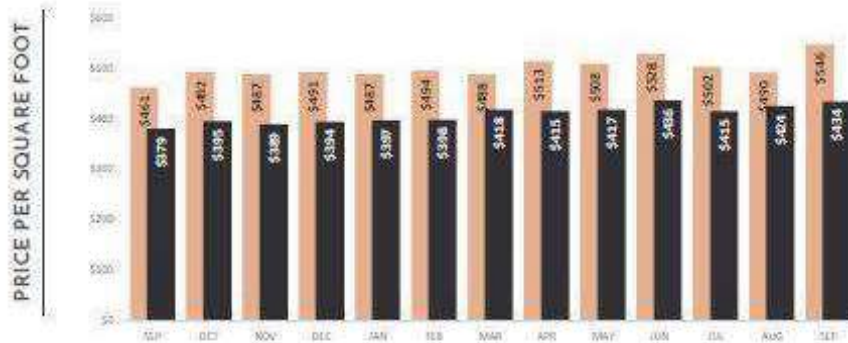
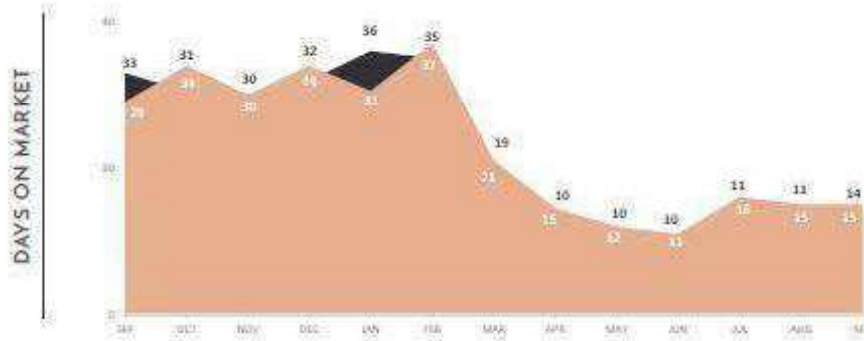
	<p>Average nightly rate: \$1,285 Exclude 1% A&E fee, \$25 per room per night resort fee Exclude tax (7% state, 5% local)</p> <p>4 bedrooms North of 30A</p>
	<p>Average nightly rate: \$855 Exclude 1% A&E fee, \$25 per room per night resort fee Exclude tax (7% state, 5% local)</p> <p>3 bedrooms North of 30A</p>
	<p>Average nightly rate: \$495 Exclude 1% A&E fee, \$25 per room per night resort fee Exclude tax (7% state, 5% local)</p> <p>2 bedrooms North of 30A</p>

Appendix F – Luxury Market Report, October 2021

- 13-MONTH MARKET TRENDS - FOR THE LUXURY NORTH AMERICAN MARKET

Single-Family Homes
 Attached Homes
 Single-Family List Price
 Attached List Price

All data is based off median values. Median prices represent properties priced above respective city benchmark prices.



Discrepancies in previous month statistics between the September 2021 and October 2021 reports are due to the addition of Charlottesville, VA, Cincinnati, OH, and Johnson County, KS.

- LUXURY MONTHLY MARKET REVIEW -

A Review of Key Market Differences Year over Year

September 2020 | September 2021

SINGLE-FAMILY HOMES

	September 2020	September 2021		September 2020	September 2021
Median List Price	\$1,693,944	\$1,825,000	Total Inventory	41,340	30,600
Median Sale Price	\$1,391,250	\$1,437,500	New Listings	12,520	11,063
Median SP/LP Ratio	97.64%	100.00%	Total Sold	12,941	16,627
Total Sales Ratio	31.30%	54.34%	Median Days on Market	33	14
Median Price per Sq. Ft.	\$379	\$434	Average Home Size	3,673	3,275

Median prices represent properties priced above respective city benchmark prices.



SINGLE-FAMILY HOMES MARKET SUMMARY | SEPTEMBER 2021

- Official Market Type: **Seller's Market** with a **54.34% Sales Ratio**.¹
- Homes are selling for an average of **100.00% of list price**.
- The median luxury threshold² price is **\$1,000,000**, and the median luxury home sales price is **\$1,437,500**.
- Markets with the Highest Median Sales Price: **Vail** (\$4,203,750), **Los Angeles Beach Cities** (\$3,892,500), **Park City** (\$3,707,500), and **Los Angeles City** (\$3,700,000).
- Markets with the Highest Sales Ratio: **East Bay** (230%), **GTA-Durham** (205%), **Silicon Valley** (141%) and **Hamilton County** (134%).

¹Sales Ratio defines market speed and market type: Buyer's < 15.5%; Balanced >= 15.5 to < 20.5%; Seller's >= 20.5% plus. If >100%, sales from previous month exceeds current inventory. ²The luxury threshold price is set by The Institute for Luxury Home Marketing.

Appendix G – CBRE The Definitive Guide to Omnichannel Real Estate

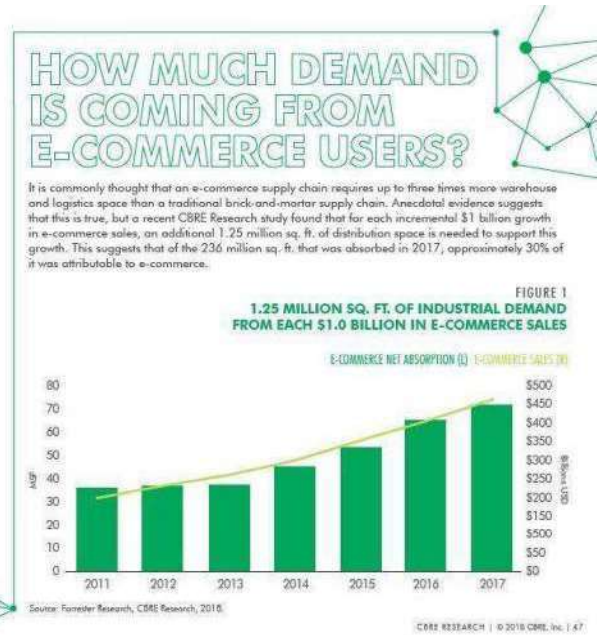
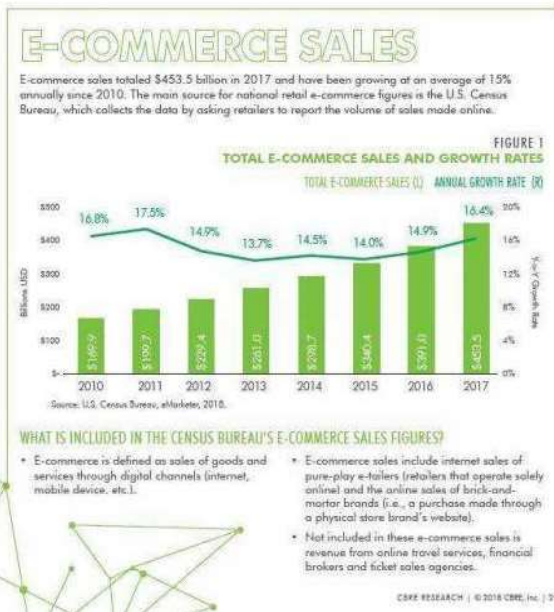
OMNICHANNEL RETAILING

Omnichannel retailers differ from single-channel operators in that they leverage both online and offline space to sell and deliver goods. As with customer journeys, omnichannel retailers can use different formats. While some may focus primarily on digital channels to sell goods, others may rely more heavily on their brick-and-mortar network. For example, an omnichannel retailer might generate most of its revenue online, but leverage a select number of brick-and-mortar showrooms for their products to be viewed and tested. An alternate example is a mall-based retailer that derives most of its revenue from store sales, but uses mobile and online channels to market and sell goods.

Before the term "omnichannel" came to the fore, many used the term "multichannel" to describe the scenarios above. Though the two have very similar meanings, "omnichannel" has become more popular because it places emphasis on the need for integration between channels. For consumers, it means a "seamless" experience moving between online and offline channels; for retailers, it means a single platform that offers coordinated digital and physical options that allow channels to complement one another rather than compete.

FIGURE 2
SINGLE CHANNEL VS. OMNICHANNEL RETAILING

8 | THE DEFINITIVE GUIDE TO OMNICHANNEL REAL ESTATE | RETAILING
CBRE RESEARCH | © 2018 CBRE, Inc. | 9



Appendix H – Financial Modelling

ALYS BEACH TOWN CENTER SWAG - INDEFINITE HOLD WITH ANALYSIS AT 10, 15 YEARS

Period	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
1978 land cost:	\$ 385,000.00																
inflation	0.075																
cap rate	0.05																
discount	0.09																
TOTAL	42,466.00																
condo sf	18,200.00																
TOTAL apt	187,000.00																
retail sf																	
rate																	
condo sales	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	
residential rental sf	\$ 5,945,240.00	\$ 5,945,240.00	\$ 5,945,240.00	\$ 5,945,240.00	\$ 5,945,240.00	\$ 5,945,240.00	\$ 5,945,240.00	\$ 5,945,240.00	\$ 5,945,240.00	\$ 5,945,240.00	\$ 5,945,240.00	\$ 5,945,240.00	\$ 5,945,240.00	\$ 5,945,240.00	\$ 5,945,240.00	\$ 5,945,240.00	
condo rental	\$ 138.00	\$ 138.00	\$ 138.00	\$ 138.00	\$ 138.00	\$ 138.00	\$ 138.00	\$ 138.00	\$ 138.00	\$ 138.00	\$ 138.00	\$ 138.00	\$ 138.00	\$ 138.00	\$ 138.00	\$ 138.00	
residential rental revenue	\$ 753,480.00	\$ 929,292.00	\$ 1,105,104.00	\$ 1,280,916.00	\$ 1,456,728.00	\$ 1,632,540.00	\$ 1,808,352.00	\$ 1,984,164.00	\$ 2,159,976.00	\$ 2,335,788.00	\$ 2,511,600.00	\$ 2,511,600.00	\$ 2,511,600.00	\$ 2,511,600.00	\$ 2,511,600.00	\$ 2,511,600.00	
retail rental sf	\$ 56,000.00	\$ 691,900.00	\$ 82,280.00	\$ 96,370.00	\$ 108,460.00	\$ 121,550.00	\$ 134,640.00	\$ 147,730.00	\$ 160,820.00	\$ 173,910.00	\$ 187,000.00	\$ 187,000.00	\$ 187,000.00	\$ 187,000.00	\$ 187,000.00	\$ 187,000.00	
retail rental revenue	\$ 3,085,500.00	\$ 3,805,450.00	\$ 4,525,400.00	\$ 5,245,350.00	\$ 5,965,300.00	\$ 6,685,250.00	\$ 7,405,200.00	\$ 8,125,150.00	\$ 8,845,100.00	\$ 9,565,050.00	\$ 10,285,000.00	\$ 10,285,000.00	\$ 10,285,000.00	\$ 10,285,000.00	\$ 10,285,000.00	\$ 10,285,000.00	
land	\$ 1,294,872.35																
retail construction costs	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	
residential construction costs	\$ 33,359,880.00	\$ 7,783,972.00	\$ 7,783,972.00	\$ 7,783,972.00	\$ 7,783,972.00	\$ 7,783,972.00	\$ 7,783,972.00	\$ 7,783,972.00	\$ 7,783,972.00	\$ 7,783,972.00	\$ 7,783,972.00	\$ 7,783,972.00	\$ 7,783,972.00	\$ 7,783,972.00	\$ 7,783,972.00	\$ 7,783,972.00	
new construction	\$ 33,359,880.00	\$ 7,783,972.00	\$ 7,783,972.00	\$ 7,783,972.00	\$ 7,783,972.00	\$ 7,783,972.00	\$ 7,783,972.00	\$ 7,783,972.00	\$ 7,783,972.00	\$ 7,783,972.00	\$ 7,783,972.00	\$ 7,783,972.00	\$ 7,783,972.00	\$ 7,783,972.00	\$ 7,783,972.00	\$ 7,783,972.00	
construction costs	\$ 33,359,880.00	\$ 7,783,972.00	\$ 7,783,972.00	\$ 7,783,972.00	\$ 7,783,972.00	\$ 7,783,972.00	\$ 7,783,972.00	\$ 7,783,972.00	\$ 7,783,972.00	\$ 7,783,972.00	\$ 7,783,972.00	\$ 7,783,972.00	\$ 7,783,972.00	\$ 7,783,972.00	\$ 7,783,972.00	\$ 7,783,972.00	
total construction	\$ 33,359,880.00	\$ 7,783,972.00	\$ 7,783,972.00	\$ 7,783,972.00	\$ 7,783,972.00	\$ 7,783,972.00	\$ 7,783,972.00	\$ 7,783,972.00	\$ 7,783,972.00	\$ 7,783,972.00	\$ 7,783,972.00	\$ 7,783,972.00	\$ 7,783,972.00	\$ 7,783,972.00	\$ 7,783,972.00	\$ 7,783,972.00	
total construction	\$ 33,359,880.00	\$ 7,783,972.00	\$ 7,783,972.00	\$ 7,783,972.00	\$ 7,783,972.00	\$ 7,783,972.00	\$ 7,783,972.00	\$ 7,783,972.00	\$ 7,783,972.00	\$ 7,783,972.00	\$ 7,783,972.00	\$ 7,783,972.00	\$ 7,783,972.00	\$ 7,783,972.00	\$ 7,783,972.00	\$ 7,783,972.00	
total equity	\$ 11,159,600.00	\$ 11,159,600.00	\$ 11,159,600.00	\$ 11,159,600.00	\$ 11,159,600.00	\$ 11,159,600.00	\$ 11,159,600.00	\$ 11,159,600.00	\$ 11,159,600.00	\$ 11,159,600.00	\$ 11,159,600.00	\$ 11,159,600.00	\$ 11,159,600.00	\$ 11,159,600.00	\$ 11,159,600.00	\$ 11,159,600.00	
NPV	\$ 29,248,864.00	\$ 4,924,886.00	\$ 9,749,772.00	\$ 14,574,658.00	\$ 19,400,544.00	\$ 24,226,430.00	\$ 29,052,316.00	\$ 33,878,202.00	\$ 38,704,088.00	\$ 43,529,974.00	\$ 48,355,860.00	\$ 53,181,746.00	\$ 58,007,632.00	\$ 62,833,518.00	\$ 67,659,404.00	\$ 72,485,290.00	\$ 77,311,176.00
NPV @ 10	\$ 11,143,402.38	\$ 1,741,785.92	\$ 3,483,571.84	\$ 5,225,357.79	\$ 6,967,143.74	\$ 8,708,929.69	\$ 10,450,715.64	\$ 12,192,501.59	\$ 13,934,287.54	\$ 15,676,073.49	\$ 17,417,859.44	\$ 19,159,645.39	\$ 20,901,431.34	\$ 22,643,217.29	\$ 24,385,003.24	\$ 26,126,789.19	\$ 27,868,575.14
NPV Total @ 10	\$ 31,930,850.30	\$ 3,483,571.84	\$ 6,967,143.74	\$ 10,450,715.64	\$ 13,934,287.54	\$ 17,417,859.44	\$ 20,901,431.34	\$ 24,385,003.24	\$ 27,868,575.14	\$ 31,352,147.04	\$ 34,835,718.94	\$ 38,319,290.84	\$ 41,802,862.74	\$ 45,286,434.64	\$ 48,770,006.54	\$ 52,253,578.44	\$ 55,737,150.34
NPV Total @ 15	\$ 31,930,850.30	\$ 3,483,571.84	\$ 6,967,143.74	\$ 10,450,715.64	\$ 13,934,287.54	\$ 17,417,859.44	\$ 20,901,431.34	\$ 24,385,003.24	\$ 27,868,575.14	\$ 31,352,147.04	\$ 34,835,718.94	\$ 38,319,290.84	\$ 41,802,862.74	\$ 45,286,434.64	\$ 48,770,006.54	\$ 52,253,578.44	\$ 55,737,150.34
Rolling IRR	-93%	-83%	-60%	-32%	-13%	-4%	8%	13%	17%	20%	22%	24%	25%	26%	27%	27%	
resale @ cap rate	N/A																
irr @ 15	28%																
irr @ 10	22%																
equity multiple @ 15	1.774178592																
equity multiple @ 10	0.64																
sum of NPV	\$ 11,142,402.38																
sum of NPV CE	\$ 31,930,850.30																
NPV Total @ 10	\$ 11,143,402.38																
NPV Total @ 15	\$ 31,930,850.30																
Total Construction:	\$ 111,159,600.00	\$ 11,159,600.00	\$ 11,159,600.00	\$ 11,159,600.00	\$ 11,159,600.00	\$ 11,159,600.00	\$ 11,159,600.00	\$ 11,159,600.00	\$ 11,159,600.00	\$ 11,159,600.00	\$ 11,159,600.00	\$ 11,159,600.00	\$ 11,159,600.00	\$ 11,159,600.00	\$ 11,159,600.00	\$ 11,159,600.00	\$ 11,159,600.00
Total Equity:	\$ 11,159,600.00	\$ 11,159,600.00	\$ 11,159,600.00	\$ 11,159,600.00	\$ 11,159,600.00	\$ 11,159,600.00	\$ 11,159,600.00	\$ 11,159,600.00	\$ 11,159,600.00	\$ 11,159,600.00	\$ 11,159,600.00	\$ 11,159,600.00	\$ 11,159,600.00	\$ 11,159,600.00	\$ 11,159,600.00	\$ 11,159,600.00	\$ 11,159,600.00
Total Cost:	\$ 122,319,200.00	\$ 22,319,200.00	\$ 22,319,200.00	\$ 22,319,200.00	\$ 22,319,200.00	\$ 22,319,200.00	\$ 22,319,200.00	\$ 22,319,200.00	\$ 22,319,200.00	\$ 22,319,200.00	\$ 22,319,200.00	\$ 22,319,200.00	\$ 22,319,200.00	\$ 22,319,200.00	\$ 22,319,200.00	\$ 22,319,200.00	\$ 22,319,200.00
Total Revenue:	\$ 111,159,600.00	\$ 11,159,600.00	\$ 11,159,600.00	\$ 11,159,600.00	\$ 11,159,600.00	\$ 11,159,600.00	\$ 11,159,600.00	\$ 11,159,600.00	\$ 11,159,600.00	\$ 11,159,600.00	\$ 11,159,600.00	\$ 11,159,600.00	\$ 11,159,600.00	\$ 11,159,600.00	\$ 11,159,600.00	\$ 11,159,600.00	\$ 11,159,600.00
Total Profit:	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Total NPV:	\$ 11,143,402.38	\$ 1,741,785.92	\$ 3,483,571.84	\$ 5,225,357.79	\$ 6,967,143.74	\$ 8,708,929.69	\$ 10,450,715.64	\$ 12,192,501.59	\$ 13,934,287.54	\$ 15,676,073.49	\$ 17,417,859.44	\$ 19,159,645.39	\$ 20,901,431.34	\$ 22,643,217.29	\$ 24,385,003.24	\$ 26,126,789.19	\$ 27,868,575.14
Total NPV @ 10:	\$ 11,143,402.38	\$ 1,741,785.92	\$ 3,483,571.84	\$ 5,225,357.79	\$ 6,967,143.74	\$ 8,708,929.69	\$ 10,450,715.64	\$ 12,192,501.59	\$ 13,934,287.54	\$ 15,676,073.49	\$ 17,417,859.44	\$ 19,159,645.39	\$ 20,901,431.34	\$ 22,643,217.29	\$ 24,385,003.24	\$ 26,126,789.19	\$ 27,868,575.14
Total NPV @ 15:	\$ 31,930,850.30	\$ 3,483,571.84	\$ 6,967,143.74	\$ 10,450,715.64	\$ 13,934,287.54	\$ 17,417,859.44	\$ 20,901,431.34	\$ 24,385,003.24	\$ 27,868,575.14	\$ 31,352,147.04	\$ 34,835,718.94	\$ 38,319,290.84	\$ 41,802,862.74	\$ 45,286,434.64	\$ 48,770,006.54	\$ 52,253,578.44	\$ 55,737,150.34

***Models based on inferred / market data.
Not indicative of Alys Beach Financing.

Assumptions:
New Construction and construction completions are distributed in a straight-line at 7% per annum until completely built out.
All Construction Debt is Paid in Full from the development and neither accrues interest, nor is it converted to a permanent loan.
Condo sales are conservative, assuming the lower end of the current unit cost per sf.
For consistency, all product types are considered from a 5/6 perspective.
NOI is assumed to be 86% of EGR.