



GUAM REAL  
ESTATE UPDATE:  
The  
Environment,  
The Game,  
and  
How Do you  
Play it



# The Environment



High(er) Interest Rates



Rising Median Prices



Rising Costs



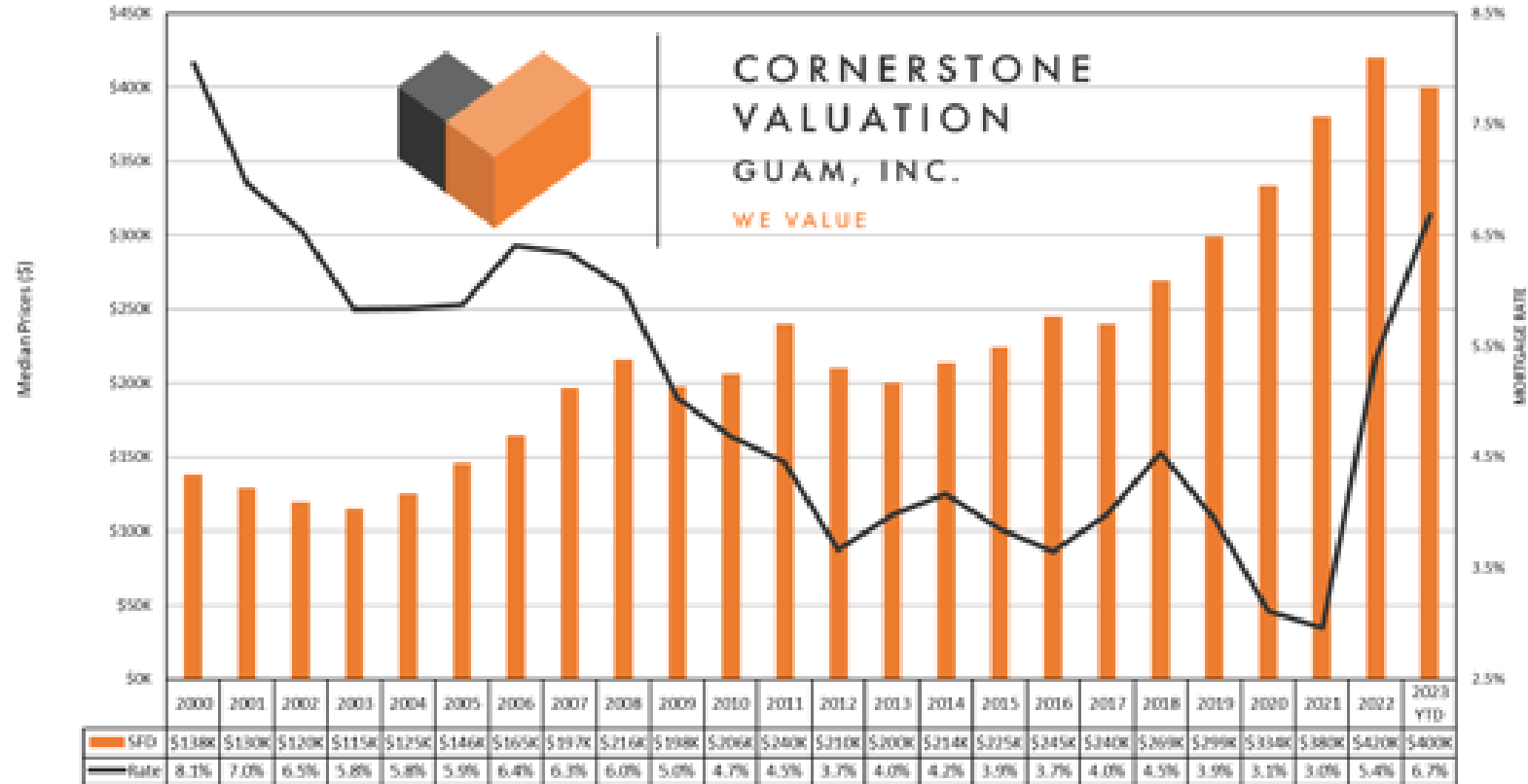
Limited Supply



Tedious Permitting

## Guam 30-Year Fixed Rate Mortgages vs. SFD Median Prices (\$)

Cornerstone Valuation Guam, Inc. Database; All rights reserved.



\*Rate as of September 28, 2023: 7.8%

Source: FRED

# INTEREST RATES

A woman in a blue dress stands in front of a traditional thatched-roof house, likely a traditional Cham or Ibo house in Guam. The house has a steep, conical thatched roof and is surrounded by lush greenery. The ground is paved with dark stones, and there are large, circular stone objects in the foreground. The background shows more of the house and the surrounding environment.

## GUAM MEDIAN HOME PRICES

Median Price Quarter 3 2023:	\$415,000
Median Price Five Years Ago:	\$269,450   Change: 54.0%
Median Price One Year Ago:	\$420,000   Change: -1.2%
Median Price One Quarter Ago:	\$407,000   Change: 2.0%





RISING COST



# TEDIOUS PERMITTING

Procurement Issue at AG's Of  
What's The Rule?  
Concierge





# The Game



## BUYING

Improve income  
Renovate  
Reduce expense

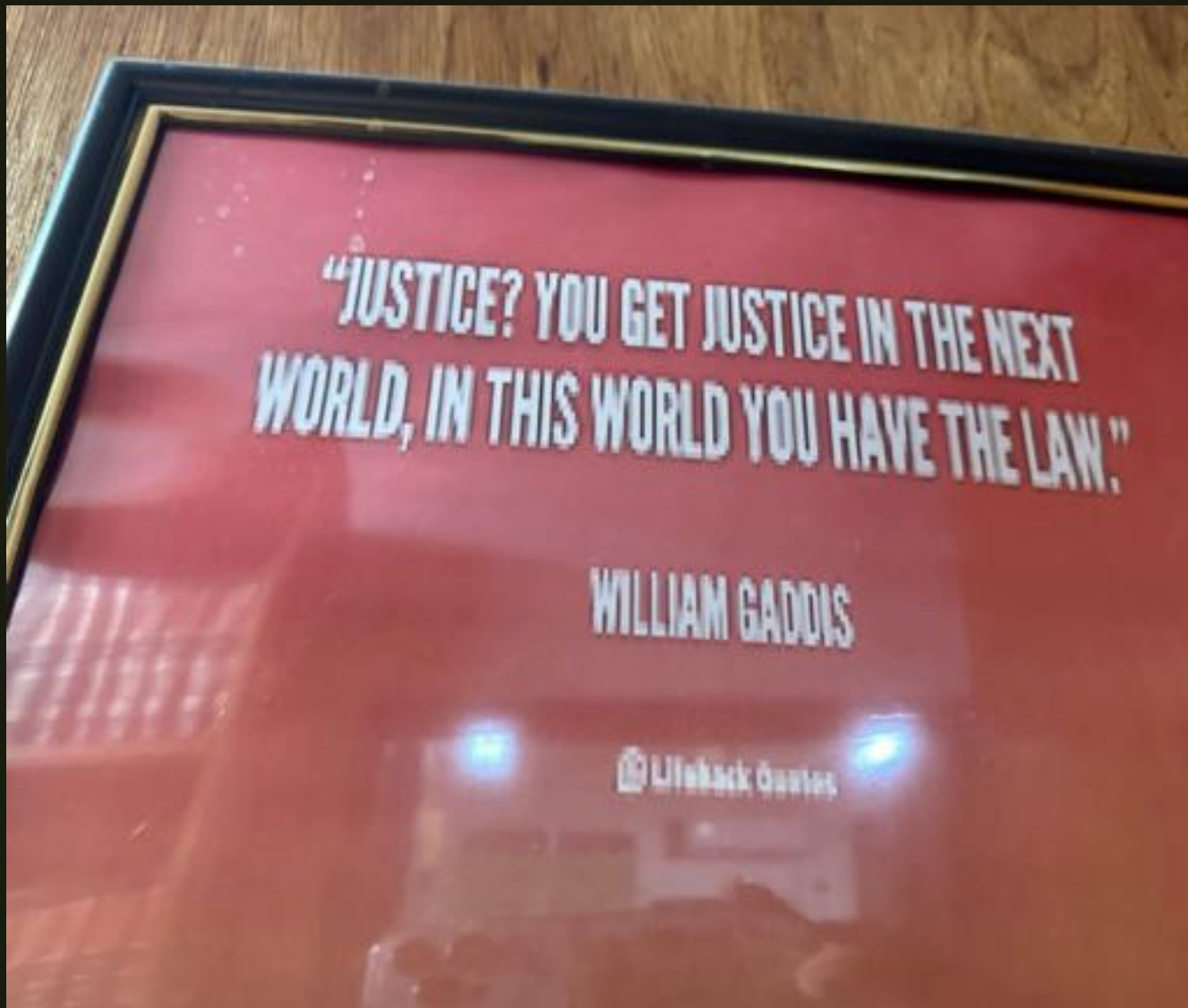
## SELLING

Great time to sell  
1031 exchange

## CONSTRUCTION

Value engineering  
New construction  
method





# How To Play The Game







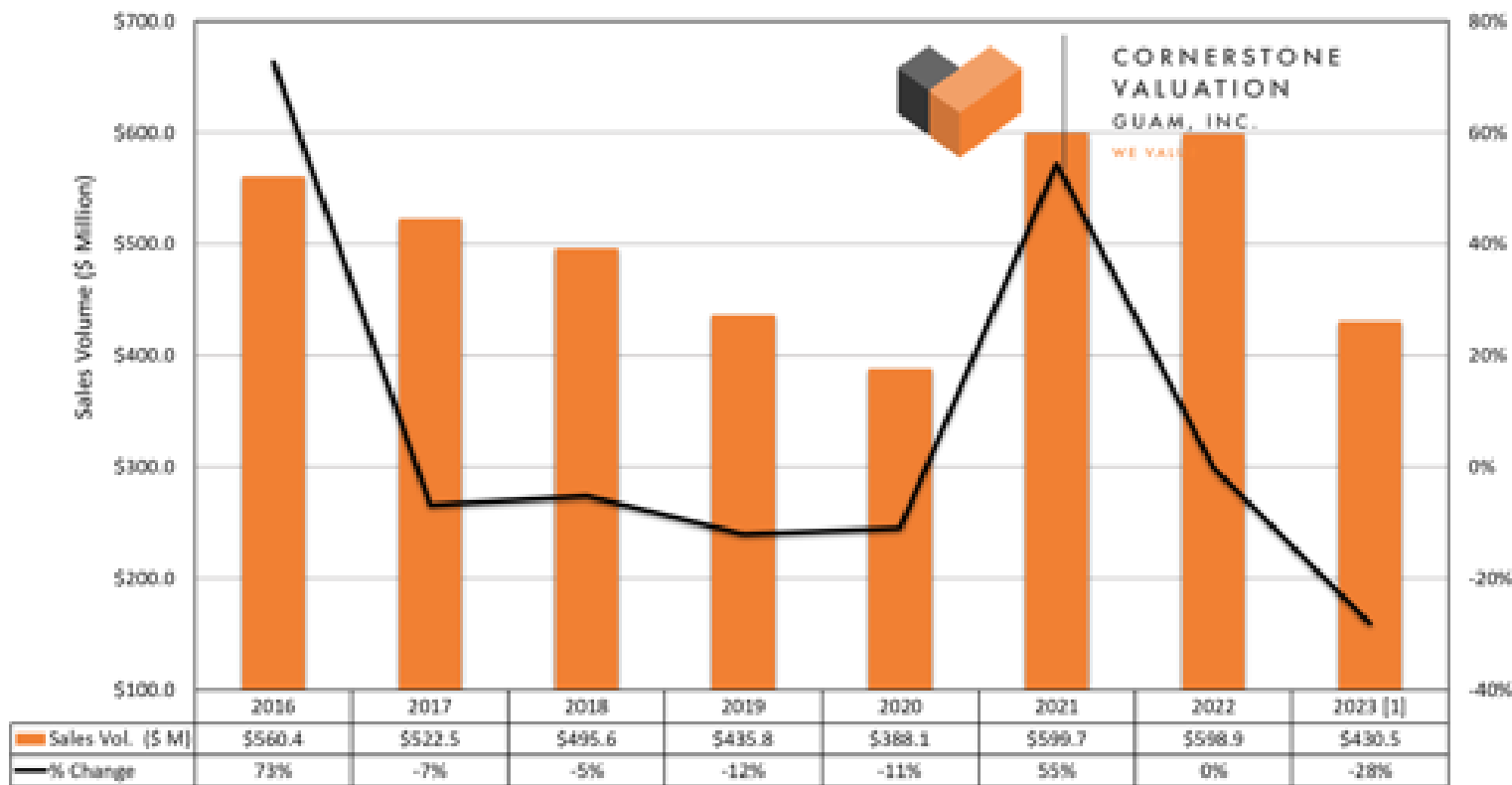
# DUE DILLIGENCE

Diligence is the mother of  
good fortune

Cornerstone Valuation Guam, Inc. Quarterly Statistics						
<i>Cornerstone Valuation Guam, Inc. Database; All rights reserved.</i>						
Item	Q3-22	Q4-22	Q1-23	Q2-23	Q3-23	% Change [1]
TOTAL REAL ESTATE						
Sales Volume (Mil.)	\$136.2	\$111.6	\$93.5	\$113.1	\$116.3	-14.6%
No. of Transaction	376	316	323	267	282	-25.0%
SINGLE-FAMILY DWELLING						
Sales Volume (Mil.)	\$73.0	\$66.8	\$57.6	\$57.6	\$59.0	-19.1%
No. of Transaction	164	160	144	132	133	-18.9%
Median Price	\$445,000	\$399,500	\$387,500	\$407,000	\$415,000	-6.7%
CONDOMINIUM						
Sales Volume (Mil.)	\$26.3	\$22.4	\$20.8	\$26.2	\$20.3	-22.9%
No. of Transaction	84	70	69	70	52	-38.1%
Median Price	\$296,000	\$311,000	\$300,000	\$303,750	\$335,000	13.2%
LAND						
Sales Volume (Mil.)	\$19.0	\$14.4	\$10.5	\$8.8	\$14.3	-25.0%
No. of Transaction	115	81	101	56	86	-25.2%
Median Price	\$85,000	\$90,000	\$75,000	\$103,500	\$91,000	7.1%
[1] Change comparing Q3-23 to Q3-22						

QUARTERLY  
STATISTICS

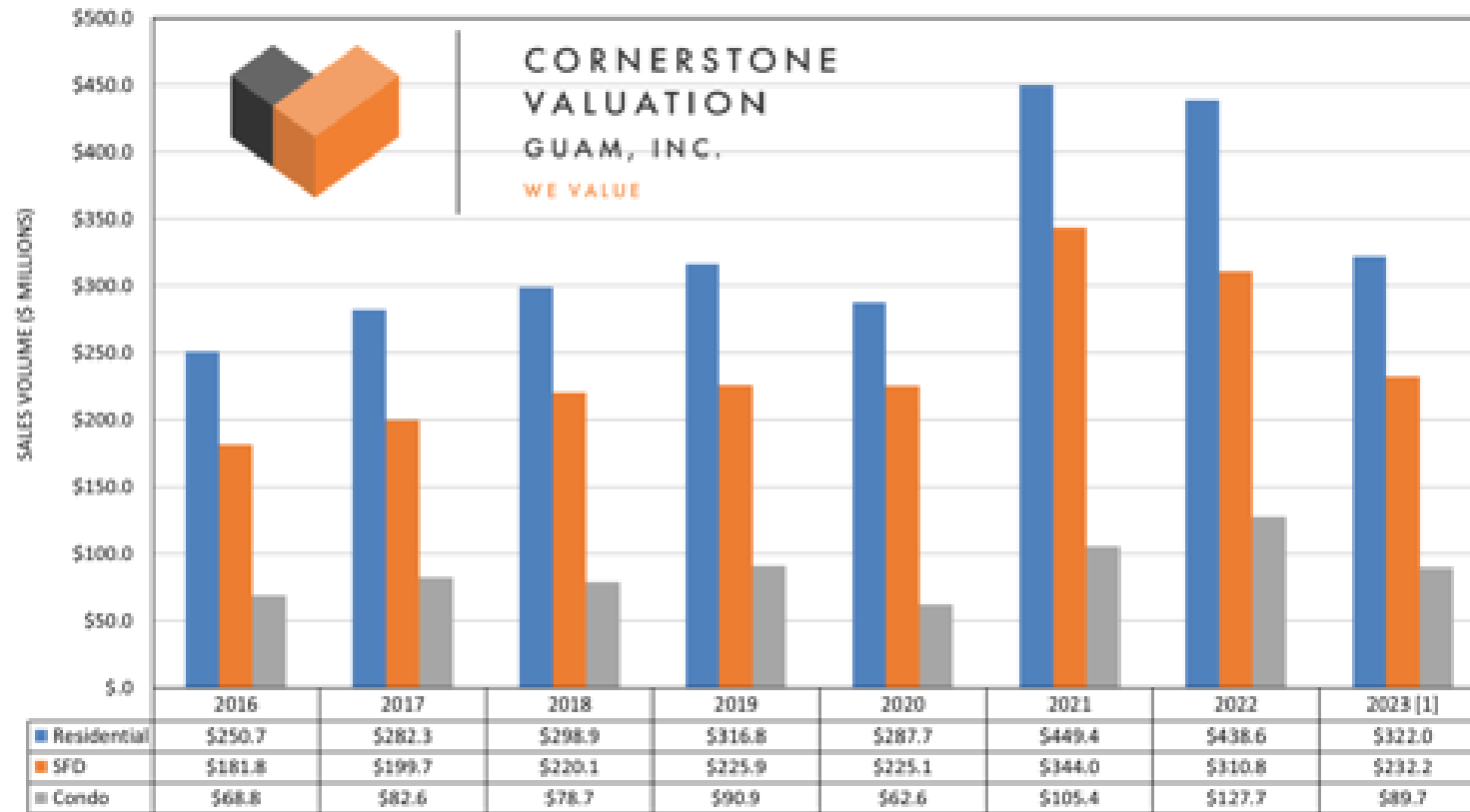
**Guam Real Estate Sales Volume by Year (\$M)**  
 Cornerstone Valuation Guam, Inc. Database; All rights reserved.



[1] Based on 2023 Annualized figures through September (3rd Quarter)

SALES  
VOLUME

**Guam Residential Sales Volume (\$ Million)**  
 Cornerstone Valuation Guam, Inc. Database; All rights reserved.



[1] Based on 2023 Annualized figures through September (3rd Quarter)

RESIDENTIAL  
SALES  
VOLUME





MINDSET SHIFT





2023

\$8.0 million

Workers' Housing



HOTEL SANTA FE



2023

\$6.75 million

Owner-occupant use

FORMER PEREZ BROS.  
HARMON



2021

\$1.21 million  
Multi-tenant use  
Deferred maintenance



2023

\$2.60 million  
Seller financing terms  
Renovated  
Partial owner-occupant use

JLL BUILDING





2021

\$1.89 million

Owner-occupant use

Good Condition



2023

\$3.30 million

Above market rent

TROPHY CONDOMINIUM

## LOAN AMORTIZATION SCHEDULE

Loan amount	\$5,000,000
Annual interest rate	5.00%
Loan period in years	30
Number of payments per year	12
Start date of loan	11/1/2023
Balloon Payment (after 6 mos.)	\$125,000
Balloon Payment (after 12 mos.)	\$125,000



SELLER  
FINANCING

CASH EQUIVALENCY OF THE SUBJECT SELLER FINANCING				
Month	Payment Begin	Payment (\$/Mo.)	Present Value Factor @ 8.0%	Present Value
1	11/01/23	\$26,841	1.0000	\$26,841
2	11/01/23	\$26,841	0.9934	\$26,663
3	12/01/23	\$26,841	0.9868	\$26,487
4	01/01/24	\$26,841	0.9803	\$26,311
5	02/01/24	\$26,841	0.9738	\$26,137
6	03/01/24	\$26,841	0.9673	\$25,964
7	04/01/24	\$151,841	0.9609	\$145,907
8	05/01/24	\$26,841	0.9546	\$25,621
9	06/01/24	\$26,841	0.9482	\$25,452
10	07/01/24	\$26,841	0.9420	\$25,283
11	08/01/24	\$26,841	0.9357	\$25,116
12	09/01/24	\$26,841	0.9295	\$24,949
13	10/01/24	\$151,841	0.9234	\$140,204

315	01/01/50	\$26,841	0.1241	\$3,332
316	02/01/50	\$26,841	0.1233	\$3,310
317	03/01/50	\$26,841	0.1225	\$3,288
318	04/01/50	\$26,841	0.1217	\$3,266
319	05/01/50	\$26,841	0.1209	\$3,245
320	06/01/50	\$26,841	0.1201	\$3,223
321	07/01/50	\$26,841	0.1193	\$3,202
322	08/01/50	\$26,841	0.1185	\$3,180
323	09/01/50	\$26,694	0.1177	<u>\$3,142</u>
<b>Total:</b>		<b>\$8,919,521</b>		
<b><u>Present Value</u></b>				<b>\$3,814,606</b>
<b><u>10% Down Payment</u></b>				<b><u>\$500,000</u></b>
<b>Cash Equivalent</b>				<b><u>\$4,314,606</u></b>

# SELLER FINANCING

Item	Estimate:
Present Value of Seller Financing	\$3,814,606
Down Payment	<u>\$500,000</u>
<u>Cash Equivalent</u>	<u>\$4,314,606</u>
Purchase Price	\$5,000,000
<u>Discount due to Seller Financing</u>	
Amount	\$685,394
Percentage	13.7%

# SELLER FINANCING





# THANK YOU

THE SECRET OF SUCCESS IS TO DO THE COMMON THING  
UNCOMMONLY WELL. -JOHN D. ROCKEFELLER JR.

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