



ARCHITECTS  
CONSULTANTS  
APPRAISERS

## APPRAISAL REPORT

### CLIENT

CIBC First Caribbean International Bank

### SUBJECT PROPERTY

Warehouses and apartments at Welgelegen

### DATE OF REPORT

20<sup>th</sup> July 2023

### PICTURE OF SUBJECT



### APPRAISERS

M. John Baker, RIBA

WEI FARE ROAD 55,  
COLEBAY,  
ST. MAARTEN

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COCI # 7413  
CRIB # 4'0.024.612

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**IXI Design N.V.**  
Welfare Road 55,  
Cole Bay  
St. Maarten

20<sup>th</sup> July 2023

CIBC First Caribbean Bank,  
Michael Mansoor Building,  
Head Office, Warrens  
St. Michael,  
Barbados.

Dear sirs,

Following instruction given on 4<sup>th</sup> July 2023 by Ms. Roxanne Roach on behalf of CIBC First Caribbean International Bank we have prepared a valuation report to estimate the current market value of a commercial property in the district of Little Bay with registration numbers 223/2007, 141/2008, and 142/2008.

The customer owns the freehold interest and advises that it is currently vacant..

It is of the appraiser's opinion that the current **Market Value** is **US\$7,200,000.00** (Seven Million Two Hundred Thousand US Dollars) and the Auction Value is **US\$5,000,000.00** (Five Million US Dollars). This figure does not take into account any furniture etc.

The valuation was undertaken by John Baker, RIBA and team. He has over 40 years experience in architectural work and valuation of properties in the Caribbean.



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**M. John Baker, RIBA**  
**IXI DESIGN N.V.**

## OPENING STATEMENTS

### Terms of Engagement

**IXI Design N.V.** has relied on information gathered during our inspection, information provided by the owner and inquiries at Kadaster office.

**IXI Design N.V.** did not undertake a detailed structural survey of the building during investigation and cannot warrant the structural integrity of the building/appurtenances, nor the condition of any of the plumbing or electrical work in the building.

The client will receive one copy of the report; there will be a charge of US\$ 10.00 for any additional copies.

**IXI Design N.V.** hereby declares that valuation is in compliance with the RICS Valuation Standards – the Red Book published by the Royal Institution of Chartered Surveyors.

The appraiser/s has no interest whatsoever in the subject property, nor with the owner thereof nor any other party concerned therewith in regard to the subject property:

## SPECIAL AND GENERAL ASSUMPTIONS

Six month marketing period.

## SUMMARY OF SALIENT FACTS

<b>Client:</b>	CIBC First Caribbean Int'l Bank
<b>Current Registered Owner:</b>	
<b>Address:</b>	Onyx Road, Welgelegen, Cay Hill
<b>District:</b>	Little Bay
<b>Purpose of Valuation:</b>	To estimate market value
<b>Intended Use of Valuation:</b>	Bank use
<b>Legal Description:</b>	223/2007, 141/2008, 142/2008
<b>Interest Valued:</b>	Freehold
<b>Leasehold Term:</b>	None
<b>Type of Property:</b>	Land with property thereon
<b>Site Area:</b>	3,654 m <sup>2</sup> + 3,576 m <sup>2</sup> + 199 m <sup>2</sup> Total = 7,429m <sup>2</sup>
<b>Date of Inspection:</b>	14 <sup>th</sup> July 2023
<b>Date of Value:</b>	20 <sup>th</sup> July 2023
<b>Date of Report:</b>	20 <sup>th</sup> July 2023
<b>Improvement:</b>	Commercial
<b>Highest and Best Use:</b>	Commercial

**Definition of Market Value:** "The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion" (RICS Valuation Standards V.S3.2).

<b>Market Value Conclusion:</b>	US\$7,200,000.00
<b>Auction Value Conclusion :</b>	US\$5,000,000.00

**Special Assumption:** Six month marketing period

## GLOBAL SITUATION



The island of St.Martin/St.Maarten is located in the Caribbean Sea, 18.02 latitude and 63.07 longitude, 150 miles southeast of Puerto Rico and 1200 miles southeast of Miami.

Neighboring islands are as followed, Saint-Barthelemy (French), Anguilla (British), Saba (Dutch), Sint-Eustatius / Statia (Dutch), Saint-Kitts and Nevis (Independence from the British).

## ISLAND DESCRIPTION

The island of Saint-Martin/Sint-Maarten also known as the "The Friendly Island" is the smallest landmass in the world shared by two nations. The treaty of Concordia of 1648, established that residents on either side can be commercially active on the other side without any border difficulties.

Sint-Maarten changed constitution status on the 10<sup>th</sup> of October 2010 and has acquired the status as "country within the Kingdom of the Netherlands". The Northern side (Saint-Martin), is an overseas collectivity of France since 15<sup>th</sup> July 2007.

The size of the island is 37 square miles, the northern side (Saint-Martin) is governed by the French covering 21 square miles and the southern side (Sint-Maarten) governed by the Kingdom of Netherlands covering 16 square miles. The current population of the entire island is estimated at 100,000.00.

The official language is Dutch on the southern side and French on the northern side, however English is commonly spoken on both sides of the island.

Though there is no border control there are physical markers that delineate the border. There are four boundaries on border with "Welcome to Dutch Sint-Maarten" and "Bienvenue en Partie Francaise" signs at Cupecoy / Lowland, Bellevue / Cole Bay, French Quarter / Dutch Quarter and Oyster Pond.

There are two airports on the island. The Princess Juliana International Airport located in Simpson Bay (Southern) plays a strategic role in terms of international flights and development of neighboring islands. L'Esperance Airport located in Grand Case (Northern) is much smaller and less busy, serving private aviation and regional services only.

The capital of Sint-Maarten (southern) is Philipsburg and St.Martin (northern) is Marigot. The island has 37 beaches stretched along the coastline. Pic Paradis is the highest point on the island rising to approximately 340 meters (1200ft) above sea level. The climate on the island is tropical and is situated within the Atlantic hurricane belt. Saint-Martin/Sint-Maarten's temperature on an average is 27 °C (80.60 °F) yearly. The average yearly rainfall is 45 inches (114 cm).

Tourism is the primary industry on the island. The construction of the cruise ship berth at Point Blanche in 2001 has stimulated the industry and its economy, and now generates over 1,500,000.00 cruise visitor per year.

Simpson Bay Lagoon has made Sint-Maarten the yachting center of the Caribbean, home port to some of the world's most outrageous mega yachts.

## LOCATION PLAN



**Co-ordinates**  
**18.031527**  
**-63.063539**





## SUBJECT PROPERTY

### Legal Description

Certificate of Admeasurement: 223/2007 (3,654 m2)  
141/2008 (3,576 m2)  
142/2008 (199 m2)  
DISTRICT: Little Bay  
ADDRESS: Onyx Road, Welgelegen, Cay Hill  
LAND SIZE: Total 7,429 m2

### Interest Valued

Freehold (X)  
Gov't/Private Long Lease () Expiry Date:  
Condominium ()

## CLASSIFICATION

Residential	( )	Upper Class	( )
Commercial	(X)	Upper Middle	( )
Resort	( )	Middle	( )
Undeveloped	( )	Lower Middle	( )
		Below Standard	( )

The property is in a mixed area of single-family houses and commercial properties. Immediately below the subject property is the recently completed Orxz Hill residential development of townhouses and apartments, and below that is the CC1 soft drinks warehouse.

## UTILITIES AND SERVICES

The following infrastructure is available and/or connected at the subject property.

Electricity	(X)	Water	(X)
Telephone	(X)	Cable TV	(X)
Paved Roads	( )		

### Access

The property is accessed by an unmade road.

## TOPOGRAPHY

Flat	(X)	Steep Slope	()
Moderate Slope	()		
Lagoon View	()	Ocean View	()
Valley View	(X)	No View	()
Beachfront	()	Waterfront	()

There are some distant ocean views at the higher levels. The property has been cut to two flat levels.

## IMPROVEMENTS

Single Family	()
Multi-Family	(X)
Condominium Apartment	()
Commercial	(X)

On the property there is a single-storey commercial building of warehouses in a "U" shape, with three floors of apartments above one side of the building.

## ACCOMMODATION

The building consists of warehouse spaces of differing sizes, together with an ancillary office on the ground floor.

The building has a footprint on the ground floor of about 2,250 square meters and is constructed in a "U" shape around a central courtyard with an area of about 800 square meters.

The warehouses are divided into a number of units of varying sizes, between a single bay of 69m<sup>2</sup> and a large undivided area of 1,048m<sup>2</sup>. Other units are 142m<sup>2</sup>, 192m<sup>2</sup>, 217m<sup>2</sup>, and 365m<sup>2</sup>, with an office space of 63m<sup>2</sup>. Total net rentable area is 2,102m<sup>2</sup>. Ceiling heights are all 4.48 meters.

All of the bays have a roller shutter or steel doors and the larger units could be subdivided to suit. In the largest unit the openings to the courtyard are closed with plywood which could easily be replaced by a roller shutter.

The warehouse units have no bathrooms, except for the office which has two unfinished bathrooms.

The warehouses are not presently rented to any third party and are used for storage of tour buses and rental cars and some unused building materials.

Over one side of the building there is constructed three floors of apartments, with 8 one-bedroom apartments and 1 three-bedroom apartments on each floor. (Total 27 apartments).

Each of the one-bedroom apartments has an area of 72 m<sup>2</sup> and the three-bedroom apartments are 122 m<sup>2</sup> each.

There are also three uncompleted apartments consisting of concrete structure and plastered walls only, destined as one two bedroom unit and two one bedroom units.

The total area of the apartment structure is about 2,310m<sup>2</sup> square meters.

There is space for parking for the apartments to be provided on the adjoining parcel of land in the same ownership at the rear of the building.

The apartments are completed with kitchen cabinets and countertops, appliances, bathroom fixtures and split air conditioning units.

## **SCHEDULE OF AREAS**

All areas measured from existing drawings, net area to inside face of exterior wall or demising wall.

### **Warehouses (existing divisions)**

192m <sup>2</sup>	(two and ½ bays)
217m <sup>2</sup>	(three bays)
69m <sup>2</sup>	(single bay 4.75m <sup>2</sup> wide)
69m <sup>2</sup>	(single bay 4.75m <sup>2</sup> wide)
142m <sup>2</sup>	(double bay)
365m <sup>2</sup>	(square)
1048m <sup>2</sup>	(L-shaped)

Larger units could be subdivided.

Ceiling height of warehouses is 4.48m<sup>2</sup> (measured by laser measure)

### **Apartments**

One Bedroom	74m <sup>2</sup>
Three Bedroom	122m <sup>2</sup>

## CONSTRUCTION SPECIFICATION

Masonry	(X) Wood Frame	( )
Roofing Material	Concrete	
Overall Exterior Condition	Under construction	
Age of Building	Estimated to be about 15 years old	
Estimated Useful Life	35 Years with good maintenance	
Design (Style)	Commercial / multi-family	

The inspection is not a building survey and the responsibility of **IXI Design N.V.** is limited to general comments on the condition of the structure and any visible defects.

It is the assumption that the building is in reasonable repair, except for any defects specifically noted.

## FINISHES

### WAREHOUSES

Floors	Concrete
Ceilings	Concrete
Interior Walls	Block work
Exterior Walls	Blockwork
Exit Doors	Steel doors or roller shutters

### APARTMENTS

Floors	Ceramic tile
Ceilings	Concrete
Interior Walls	Block work / sheetrock
Exterior Walls	Plastered masonry
Windows	PVC
Exit Doors	Steel
Hurricane Shutters	None
Kitchen Cabinets	Laminate with granite countertops
Bathroom	Tile / showers
Security	N/A
Fencing	Masonry boundary walls
Air Conditioning	Split units
Landscaping	None
Overall Internal Condition	Interior not inspected at this time as units are boarded up. Some deterioration of entrance doors noted.

## **ENVIRONMENTAL MATTERS**

No particular environment issues were noted, nor to be expected in future.

## **CONTAMINATION**

Although no reporting is available, there is no obvious evidence for risk of contamination or hazardous substances on the property.

## **HIGHEST AND BEST USE**

The building is located within a mixed area of residential and commercial / multi-family residential use would be the highest and best use for this area.

## **DEVELOPMENT (PRESENT AND POTENTIAL ETC)**

The ground floor warehouses are complete and presently used as storage of tour buses, rental cars and some building materials.

The apartments have the concrete and masonry structure complete, windows and exterior doors installed. The walls are plastered and painted internally and externally and sheetrock partitions are installed.

Floor tiles are installed and bathroom fixtures and appliances are installed, light fixtures are stored on site.

Some minor items needed to be completed internally at previous inspections, such as hanging of some interior doors. The steel entry doors have deteriorated and need to be replaced. All door and window openings are presently boarded up with plywood for security.

The building has been vacant for many years and some deterioration of materials can be expected.

## VALUATION METHODOLOGY

### Definition of Market Value

“The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion” (RICS Valuation Standards V.S3.2).

NOTE: Market Value ignores any existing mortgage, debenture or other charge over the property.

There are basically three approaches to valuation of real estate property.

1. **Cost Approach:** The Cost Approach is based on the principle of substitution which asserts that no prudent buyer or investor will pay more for a property than that amount for which the site could be acquired and which improvements that have equal desirability and utility can be constructed without undue delay. It is a method of appraising property based on the depreciated reproduction or replacement cost (new) of improvements, plus the market value of the site.
2. **Income Approach: Income Capitalization** is a valuation method appraisers and real estate investors use to estimate the value of income producing real estate. It is based upon the premise of anticipation i.e., the expectation of future benefits. This method of valuation relates value to two things: [1] the "market rent" that a property can be expected to earn and, [2] the "reversion" (resale) when a property is sold.
3. **Direct Comparable Approach:** The Sales Comparison Approach derives a value indication by comparing the subject being appraised to similar properties that have sold recently.

For residential properties the **Cost Approach** and **Direct Comparable Approach** may take preference. For commercial properties the **Income Approach** and **Direct Comparable Approach** may apply.

## COMPARABLE SALES

According to the Kadaster database here is the best comparable sale of land in the Welgelegen.

Some comparables sales will be adjusted based on assumption. In other cases we do have certain information for comparables sales if appraised by IXI design or information from real estate websites.

### Land Comparable Sale #1

Comparable sale #1 took place on 6<sup>th</sup> January 2023 at Welgelegen,, Mbr. 088/2023 measured land size of 913 m<sup>2</sup> was sold for US\$182,000.00  
The indicated selling price per square meter of land is: \$200.00/m<sup>2</sup>

### Land Comparable Sale #2

Comparable sale #2 took place on 19<sup>th</sup> September 2022 at Cay Hill, Mbr. 123/2022, measured land size of 2,361 m<sup>2</sup> was sold for US\$600,000.00  
The indicated selling price per square meter of land is: \$254.13/m<sup>2</sup>

### Land Comparable Sale #3

Comparable sale #3 took place on 18<sup>th</sup> February 2022 at Welgelegen, measured land size of 1,030 m<sup>2</sup> was sold for US\$217,000.00  
The indicated selling price per square meter of land is: \$210.00/m<sup>2</sup>

### Warehouse building Comparable

Comparable sale #1 took place on 8<sup>th</sup> November 2022 at Orange Grove, Colebay, measured land size of 1,104 m<sup>2</sup> was sold for US\$1,695,000.00.  
The indicated selling price per square meter of land is: \$1,535,000.00/m<sup>2</sup>

## MARKET ANALYSIS

The adjoining parcel of land was purchased by government and transferred to the government pension fund who have developing "affordable" housing units on the property with two- and three- bedroom townhouses and apartments, at projected sales prices of up to a maximum of US\$250,000.00.

There is always demand for rental properties at reasonable pricing.

The nearby new hospital is under construction and this will create local demand for both construction workers and permanent medical staff.

## VALUATION

### Replacement Basis (As Is)

**LAND VALUE** **US\$1,850,000.00**  
(7429m<sup>2</sup> x \$250 p/m<sup>2</sup> = \$1,857,250)

**BUILDING VALUE** **US\$5,200,000.00**  
(2,250m<sup>2</sup> x \$1,000 p/m<sup>2</sup> = \$2,250,000)  
(2,310m<sup>2</sup> x \$1,200 p/m<sup>2</sup> = \$2,772,000)  
(305m<sup>2</sup> x \$600.00 p/m<sup>2</sup> = \$183,000)

**OTHER IMPROVEMENTS** **US\$ 300,000.00**  
Courtyard paving

**CALCULATED VALUE OF PROPERTY** **US\$7,350,000.00**  
(Land value + Building value =)

### **ESTIMATED COST TO COMPLETE**

<b>Building</b>	<b>US\$ 500,000.00</b>
<b>Infrastructure, parking</b>	<b>US\$ 300,000.00</b>
	<b>US\$ 800,000.00</b>

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### Sales Basis (After renovation)

**Market Value of apartments**

<b>1 Bedroom apartments @ \$150,000.00 x 26</b>	<b>US\$3,900,000.00</b>
<b>2 Bedroom apartments @ \$185,000.00 x 1</b>	<b>US\$ 185,000.00</b>
<b>3 Bedroom apartments @ \$250,000.00 x 3</b>	<b>US\$ 750,000.00</b>

**Total Value of apartments** **US\$4,835,000.00**

**Market Value of warehouses** **US\$3,250,000.00**  
(Net area 2,165m<sup>2</sup> X \$1,500.00 p/m<sup>2</sup>)

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**Total Market Value of property (after renovation)** **US\$8,085,000.00**

**Less; 6% commissions** **US\$ 485,000.00**

**Net Sales Income** **US\$7,600,000.00**

(Sales prices at Oryx Hills, adjoining the subject property, varied from US\$145,000.00 for a one bedroom apartment, US\$218,000.00 for a two bedroom, and up to US\$240,000.00 for a two-bedroom townhouse with yard.)



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**Income Basis (After Renovation)**

<b>Warehouses</b>	<b>US\$ 32,475.00</b>
<b>(Net rentable 2,165m2 @ US\$15.00/m2)</b>	
<b>1 Bedroom apartments @ \$ 800.00 x 26</b>	<b>US\$ 20,800.00</b>
<b>2 Bedroom apartments @ \$1,200.00 x 1</b>	<b>US\$ 1,200.00</b>
<b>3 Bedroom apartments @ \$1,800.00 x 3</b>	<b>US\$ 5,400.00</b>
	<b>US\$ 59,875.00</b>
<b>Estimated Gross Rental Income</b>	<b>US\$ 59,875.00pm</b>
	<b>US\$718,520.00pa</b>
<b>Less; 15% Maintenance, insurance, TOT, etc.</b>	
<b>Estimated Net Rental Income</b>	<b>US\$610,725.00pa</b>
<b>Capitalized @ 8%</b>	<b>US\$7,634,062.00</b>

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<b>MARKET VALUE (AS IS)</b>	<b>US\$7,200,000.00</b>
<b>AUCTION VALUE (AS IS)</b>	<b>US\$5,000,000.00</b>
<b>(+/- 70% of Market Value)</b>	
<b>RECONSTRUCTION COSTS (AS IS)</b>	<b>US 6,500.000.00</b>
<b>(for insurance purposes only)</b>	

## CONCLUSION

**IXI Design N.V.** opinion of value was determined by considering the three recognized methods of property of valuation the **Cost Approach**, the **Income Approach**, the **Direct Comparable Approach**.

In this case the **Cost Approach**, **Sales Approach** and **Income Approach** were taken into account to determine the market value of the subject property.

The property is to be offered for sale or rent of individual units, with apartments rented with appliances but unfurnished, and this may result in a mixed final basis for the building. The warehouses can be divided to suit tenant/buyer requirement in size.

Comparison has been made between the calculated future Sales approach and Income approach, and the current replacement values and necessary renovation costs.

The following estimates are, in the opinion of the appraiser, true and correct, and are based on current market conditions on St. Maarten that the **Market Value** of the subject property equates to a value of **US\$7,200,000.00 (AS IS)** and the **Auction Value** of **US\$5,000,000.00 (AS IS)**.

Conservative figures have been used for sales in relation to the adjoining Oryx Hills project and conservative rental rates have been used in comparison to the general market in various parts of the island.



M. John Baker, RIBA  
IXI DESIGN N.V.



## LIMITING CONDITIONS

The report is confidential and provided for the sole use of the client and their professional advisers. The report has been prepared with the skill, care and diligence reasonably to be expected of a competent and experienced valuer.

**IXI Design N.V.** accepts no responsibility whatsoever to any persons other than the client. Any other persons who rely upon this report do so at their own risk.

Neither the whole nor any part of this report or any reference to it may be included in any published document, circular or statement nor published in any way without **IXI Design N.V.** written approval.

No warranties are expressed or implied as to the structural and or other condition of the building, the standard of workmanship, the quality of materials or the possibility of latent defects, not immediately evident on brief visual inspection.

Whilst all reasonable care is taken in examining the building, we do not hold ourselves responsible for establishing that the building conforms to any codes, whether or not a planning or building permit has been obtained nor whether the building complies with any permits issued or that the building is in fact correctly located.

Floor areas, where stated, are approximate and for information only and are measured to the outside face of external walls and include carports/garages, porch/patio and balcony areas unless otherwise stated.

The compensation for preparing this report is in no way contingent upon the opinion of value stated and **IXI Design N.V.** do not have any interest present or contemplated in the property valued, nor with the owner or any other party in connection therewith.

The legal description and title of the subject property has been obtained from the client or land owner. We were requested to obtain a copy from the Land Registry to verify ownership etc. this information obtained is assumed to be correct and our report relies entirely on the accuracy of said information. Extracts from the registry is attached.

No account has been taken of any other third party rights, other than those registered, either over, under or through the subject property.

This report shall be not valid if it does not have an original signature.

No allowance has been made for the effects of unpredictable future events involving terrorism or dislocations consequent upon changes in political or economic policies in relation to St. Maarten or elsewhere in the world. Due to the current uncertainty within the financial markets, the information contained within this report is subject to change through this volatile time.

The information and conclusion in this report should be regarded as valid for a limited period of time and should be subject to examination at regular intervals.

This report has been prepared for the information of our client and for presentation to relevant third parties. It may not be published, reproduced or quoted in part or in whole, nor may it be used as a basis of any contract, prospectus, agreement or other document without prior consent, which will not be unreasonably withheld.

**PHOTOGRAPHS**



**Typical apartment interior (2020)**



**Typical Warehouse Interior (2020)**

- Title Searches
- Floor plans
- Instruction letter

