

APPRAISAL REPORT OF A COMMERCIAL / RESIDENTIAL BUILDING



CLIENT : **RBC Royal Bank N.V.**

SUBJECT : Property known as lots Mbr. 383/1989 – Mbr. 102/2000 and 103/2000 for Witenblauw II NV

LOCATION : Welfare Road 60
Cole Bay
St. Maarten

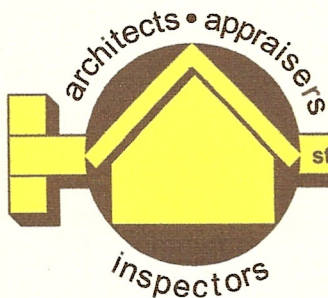
REF. NUMBER : GFEB/md/2556

APPRAISAL DATE : March 27, 2025

APPRAISER : **ST. MAARTEN HOUSING + PLANNING**
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US \$ Bank account : RBC 8200002522350538

Date : April 14, 2025

Ref. : GFEB/md/2556

To : **RBC Royal Bank**
5th Floor East, St. Clair Avenue
Port of Spain
Trinidad

Re. : **Real Estate Appraisal Report of lots Mbr. 383/1989 – Mbr. 102/2000 and 103/2000**
for Witenblauw II NV
Located at Welfare Road 60, Cole Bay, St. Maarten

L. S.

As requested on March 27, 2025, I have inspected the above-mentioned real property located at Welfare Road, Cole Bay, for the purpose of reporting to you my opinion of its Fair Market Value as of the effective date of March 27, 2025 which was also the date of the last inspection.

Based on my appraisal experience, the examination made, the information gathered at site, the study made of the present market situation, the comparable sales of the area, the adjustments to the comparables I have formed the opinion that the estimated Fair Market Value, The Reproduction Cost and the Auction Value are:

FAIR MARKET VALUE..... US \$ 7.872.500,--.....

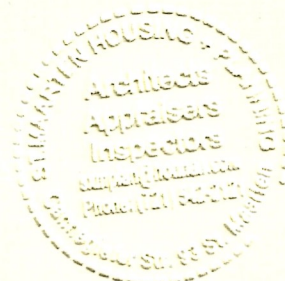
AUCTION VALUE..... US \$ 5.511.000,--.....

The attached summary sheet together with the following report presents a review of the appraisal and my analysis of data along with other materials on which the estimate of the value was predicated.

Respectfully,
ST. MAARTEN HOUSING + PLANNING

Gabriel E. Brown, CREA # 51961

Approved by the Nevada Real Estate Commission # CEO 759



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SUMMARY: SITE INFORMATION

Ref. No : GFEB/md/2556

The Subject : A plot of land that has been improved with a three story commercial/
residential building.

Subject Address : Welfare Road 60, Cole Bay

Cadastral description : A plot of land described as lots Mbr. 383/1989 – 102/2000 and 103/2000
Located at Welfare Road in the district of Cole Bay

Site area : Mbr. 383/1989.....1200 m2
Mbr. 102/2000.....264 m2 (water rights)
Mbr. 103/2000.....502 m2 (water rights)
Total.....1966 m2

Property Rights : Leasehold Estate

Topography : Flat

Distance from main road : Bounding with the main road (Welfare Road)

Country : St. Maarten

Geographical Location : Eastern Caribbean at 63*/18*

Description of Improvements

Estimated Physical Age : 15 years

Condition : average

Appraisal Date : March 27, 2025

Appraiser : Mr. Gabriel F. E. Brown, CREA #51961
Approved by the Nevada Real Estate Commission CEO 759

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INTENDED USE AND INTENDED USERS OF THE APPRAISAL

The intended use of this report is for the client's information on the Fair Market Value of the Real Property. This appraisal report is prepared for the sole and exclusive use of the client. No third parties are authorized to rely upon this report without the express written consent of the appraiser. The report has been written in accordance with our understanding of the appraisal instructions provided to us by the client.

PROPERTY RIGHTS APPRAISED

The subject property is appraised assuming a Leasehold Estate.

SCOPE OF THE WORK

In the appraisal of the subject property, the appraisers completed the following steps and analyses:

1. St. Maarten Housing + Planning has inspected the subject property, the neighborhood, and the comparable employed in arriving at the value estimates stated herein. The appraiser has reviewed the analyses and conclusions and concurs with the reasoning that led to the final value estimation.
2. Gathered and analyzed data on regional, city and neighborhood characteristics.
3. Gathered pertinent data regarding the subject property and recent improved property sales in the general market area.
4. Analyzed the site characteristics, existing improvements, existing and potential zoning, surrounding land uses, and supply and demand to establish the highest and best use of the site.
5. Analyzed the comparable property data to arrive at a probable range of value for the subject via the cost approach, sales comparison approach, and income approach.
6. Reconciled the results of these analyses into a final market value estimates as of the date mentioned in the Appraisal Report and estimated an exposure time and a reasonable marketing period.
7. Gather information from the Government Cadastral Office which is the official government registry of real estate of the island of St. Maarten. When needed and to substantiate, gather information also from a source or sources deemed to be reliable and knowledgeable in the real estate industry.

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A. PROPERTY DESCRIPTION

The following description is based on the property inspection and public records (assessment records, property deeds, surveys and plans) and information, all provided by the client/owner.

B. NEIGHBORHOOD DESCRIPTION AND ANALYSIS

The entire area of the neighborhood is predominantly developed with average-good quality residential properties. The residential properties are located mostly West and South of the subject. The improvements in the immediate surroundings of the subject are mostly commercial properties. Most commercial properties are located on the main road (Welfare Road/Airport Road). The immediate neighborhood of the subject is a rather new neighborhood, with a fast-growing rate and with mixed commercial activities. The neighborhood could be considered as the second commercial town of the island. The Airport (runway) is located at approximately 5 min. driving distance west of the subject.

The over-all rating of properties in this area are.....average

Neighborhood Characteristics

Structures and architectural styles.....detached ranch style
Current land uses in the area.....mostly commercial/residential
Typical site size.....600 m2 average
Street pattern/design.....two way street

Neighborhood Rating Factors

Convenience to employment.....average
Convenience to shopping.....average
Convenience to schools.....average
Public Transportation.....average
Recreation Facilities.....average
Protection from detrimental conditions.....average
Adequacy of utilities.....average
Police and Fire protection.....average
General appearance of properties.....average
Appeal to market.....average

Comments

The value of the properties in the area is strongly affected by the noise of planes but because of the many commercial activities of the area that noise is seldom noticed.

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C. SITE DESCRIPTION AND ANALYSIS

The topography of the plots is flat and shaped as indicated on the enclosed sketch. The plots are known as described in the Certificates of Admeasurement Mbr. 383/1989 – 102/2000 and 103/2000 and measure 1200 m² – 264 m² and 502 m² in area respectively for a total of 1966 m². The subject property is located at Welfare Road 60 in the district of Cole Bay at approximately 20 min. driving distance from Philipsburg's Shopping Center. Ingress and Egress to the property is via the main road.

The view of the site is rated as.....good

Comments

As the subject is located on the second floor, it has a partial view on the Simpson Bay Lagoon and surrounding areas.

Highest and best use

Highest and Best Use is a land use analysis that concludes maximum productivity of a site "as improved". Test applied to the site as vacant and as improved are conclusion of Physical Possible Uses that are Legally Permissible and Economically Feasible resulting in the maximum productivity conclusion. The conclusion of the HBU "as if it were vacant" would be improved with a commercial/residential building. From these separate analysis Market, Site and Improvement the Appraiser concluded that as improved in its current use, a commercial/residential building, the subject is in its Highest and Best Use as reported.

D. DESCRIPTION OF THE IMPROVEMENTS

The subject property is a plot of land that has been improved with a three story commercial/residential building.

Further description of the improvements are as follows:

Foundation:

The foundation appears to be the typical reinforced concrete footing in average condition.

Floors:

The floors are reinforced concrete floors covered with average quality porcelain tiles in average condition.

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Walls:

The interior and exterior walls are of poured concrete painted on both sides. Some interior partitions are of sheetrock. The interior walls of the kitchen and bathrooms are covered with average quality wall tiles in average condition.

Ceiling:

The ceiling of the first floor is an average quality suspended-type ceiling while the ceiling of the second and third floor are average quality sheetrock ceilings in average condition.

Doors and Windows:

The interior doors are wooden panel doors while the exterior doors are aluminum panel and store front doors. The windows are aluminum sliding windows. All doors and windows are of average quality and in average condition. Most doors and windows are protected by aluminum roll-up or accordion storm shutters.

Cabinets and Closets:

The kitchen cabinets are average quality wooden cabinets with granite countertops in average condition. The cabinets of the second floor are yet to be completed.

Roof:

The roof is covered with average quality corrugated tile-like galvalume sheets in average condition.

Yard Improvement:

The yard improvement noted is the office space – generator room concrete block fencing walls – boat slips and common areas such as parking area and walkpaths.

Improvement Analysis:

Quality of the construction.....	average
Condition of the improvements.....	average
Room size/Layout.....	average
Closets and Storage.....	average
Energy Efficiency.....	average
Plumbing adequacy and condition.....	average
Electrical adequacy and condition.....	average
Kitchen cabinets adequacy and condition.....	average
Compatibility to neighborhood.....	average
Appeal and marketability.....	average
Estimated economic life.....	15 years
Estimated remaining physical life.....	35 years

Comments:

The overall condition of the improvement could be considered as average, despite the fact that some finishing works are yet to be completed on the second floor apartments.

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E. COMPARABLE SALES

Recent Sales at Welfare Road / Airport Road, St. Maarten:

Comparable Sale #1.....Mbr. 261/2001, 419/1988, 39/1993

Comparable sale #1 took place on May 31, 2007

These plots measure 3902 m2, 2500 m2 and 1301 m2 and were sold for the amount

of.....US \$ 5.700.000,--

The indicated selling price per square meter of land is

US \$ 5.700.000,-- : 7703 =.....US \$ 740,--

Comparable Sale #2.....Mbr. 27/1997, 28/1997, 223/1988 and 271/1997

Comparable sale #2 took place on January 18, 2008

These plots measure 244 m2, 673 m2, 778 m2 and 76 m2 and were sold for the amount

of.....US \$ 1.200.000,--

The indicated selling price per square meter of land is

US \$ 1.200.000,-- : 1771 =.....US \$ 678,--

Comparable Sale #3.....Mbr. 183/1983 and 67/2007

Comparable sale #3 took place on November 15, 2018

These plots measure 2593 m2 and 405 m2 and were sold for the amount

of.....US \$ 3.900.000,--

The indicated selling price per square meter of land is

US \$ 3.900.000,-- : 2938 =.....US \$ 1.301,--

Comparable Sale #3.....Mbr. 183/1983 and 67/2007

Comparable sale #3 took place on November 15, 2018

These plots measure 2593 m2 and 405 m2 and were sold for the amount

of.....US \$ 3.900.000,--

The indicated selling price per square meter of land is

US \$ 3.900.000,-- : 2938 =.....US \$ 1.301,--

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F. FINAL ANALYSIS

My analysis concluded the following:

When using the comparables of the most recent sales of the Welfare Road / Airport Road and immediate surrounding areas, it is quite obvious that property sales over the years ranges an average of US \$ 950,-- per square meter of land.

Indications are that most of the sales are within the area of the subject.

When considering the fact that the subject is equal to the comparables because of its centrally located position on the main road and within easier access to major restaurants, hotels, supermarkets and fast food outlets, it is the sincere opinion of this appraiser that an amount of US \$ 1.250,-- per square meter of land is a more correct indicator to value of the subject land.

Therefore, considering all factors affecting value, it is the sincere opinion of this appraiser that the indicated Fair Market Value of the subject land by Direct Sales Comparison Approach should be:

.....1966 m2 x US \$ 1.250,-- =...(rounded)... US \$ 2.457.500,--.....

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COMPARABLE SALES											
Sales of Commercial Units at The Hills Commercial Building											
Sale no.	Mbr. No.	Unit No.	Date of Sale	Month	Year	Sales Price	Unit Size	Price per m2	Condition		
1	Mbr. 097/2022	A16	17	May	2023	US \$ 310.000,--	52 m2 (building only)	US \$ 5.962,--	average		
2	Mbr. 097/2022	A2	17	May	2023	US \$ 235.000,--	52 m2 (building only)	US \$ 4.519,--	average		
3	Mbr. 097/2022	A3	31	May	2023	US \$ 260.000,--	52 m2 (building only)	US \$ 5.000,--	average		
4	Mbr. 097/2022	A1	31	May	2023	US \$ 235.000,--	52 m2 (building only)	US \$ 4.519,--	average		
5	Mbr. 097/2022	A14	31	May	2023	US \$ 290.000,--	52 m2 (building only)	US \$ 5.577,--	average		
6	Mbr. 097/2022	A23	7	November	2023	US \$ 690.000,--	132 m2 (building) 113.82 m2 (patio)	US \$ 2.807,--	average		
7	Mbr. 097/2022	A6	31	January	2024	US \$ 290.000,--	52 m2 (building only)	US \$ 5.577,--	average		
8	Mbr. 097/2022	A11	15	February	2024	US \$ 290.000,--	52 m2 (building only)	US \$ 5.577,--	average		
9	Mbr. 097/2022	A27	31	January	2024	US \$ 250.000,--	52 m2 (building only)	US \$ 4.808,--	average		
10	Mbr. 097/2022	A37	16	January	2024	US \$ 255.000,--	52 m2 (building only)	US \$ 4.904,--	average		
11	Mbr. 097/2022	A38	16	January	2024	US \$ 340.000,--	52 m2 (building only)	US \$ 6.538,--	average		
12	Mbr. 097/2022	A21 + 22	7	March	2024	US \$ 1.100.000,--	269 m2 (building only)	US \$ 4.089,--	average		

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FINAL ANALYSIS (Commercial Area)

My analysis concluded the following:

When using the most recent sales of The Hills Commercial Building, it is quite obvious that unit sales over the years ranges from an average of US\$ 4.000,-- to an average of US\$ 6.000,-- per m2.

A search was conducted to find sales of comparable properties. The search was focused on those properties similar to that of the subject property. The different comparable sales have been noted and included in this appraisal report. The common denominator that is found when using the recent sales within the project is an amount of US \$ 5.000,-- per m2.

Considering the fact that the subject is equal to the comparables because of its location within the same development, it is the sincere opinion of this appraiser that an amount of US \$ 5.000,-- per m2 is a correct indicator to value of the subject.

Therefore, considering all factors affecting value, it is the sincere opinion of this appraiser that the indicated Fair Market Value of the subject by Direct Sales Comparison Approach should be:

.....735 m2 x US \$ 5.000,-- =US \$ 3.675.000,--.....

<u>COMPARABLE SALES</u>								
Sales of One Bedroom Residential Units at The Hills Residences								
Sale no.	Mbr. No.	Unit No.	Date of Sale	Month	Year	Sales Price	Condition	
1	Mbr. 097/2022	A32	8	November	2023	US \$ 220.000,--	average	
2	Mbr. 097/2022	A36	8	November	2023	US \$ 235.000,--	average	
3	Mbr. 097/2022	A29	22	November	2023	US \$ 225.000,--	average	
4	Mbr. 097/2022	A33	6	December	2023	US \$ 285.000,--	average	
5	Mbr. 097/2022	A39	13	December	2023	US \$ 240.000,--	average	
6	Mbr. 097/2022	A40	13	December	2023	US \$ 280.000,--	average	
7	Mbr. 097/2022	A38	17	January	2024	US \$ 340.000,--	average	
8	Mbr. 097/2022	A37	17	January	2024	US \$ 255.000,--	average	
9	Mbr. 097/2022	A6	1	February	2024	US \$ 290.000,--	average	
10	Mbr. 097/2022	A27	1	February	2024	US \$ 250.000,--	average	
11	Mbr. 097/2022	A11	15	February	2024	US \$ 290.000,--	average	