



IXI DESIGN N.V.

ARCHITECTS
CONSULTANTS
APPRASERS

APPRAISAL REPORT

CLIENT



SUBJECT PROPERTY

Apartment at Rainbow Beach Club

DATE OF REPORT

10th October 2024

PICTURE OF SUBJECT



APPRAISERS

M. John Baker, RIBA



WELFARE ROAD 55,
COLEBAY,
ST. MAARTEN



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COCI # 7413
CRIB # 410 024,612

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

CIBC First Caribbean International Bank
Emmaplein #1,
Philipsburg,
St. Maarten.

Thursday 10th October 2024

Dear Sirs,

Following instructions given on 17th June 2024 by Ms. Krysta Estwick of CIBC First Caribbean Bank. We have prepared a valuation report to estimate the current market value of a residential property in the district of Lowlands with registration number 234A/2007 Apartment Index 18.

The customer owns the condominium interest.

It is of the appraiser's opinion that the current market value is **USD\$450,000.00** (Four Hundred Fifty Thousand US Dollars) and an auction value of **USD\$315,000.00** (Three Hundred Fifteen Thousand US Dollars). This figure does not take into account any furniture etc.

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



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 the 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

No special assumptions were taken into account.



SUMMARY OF SALIENT FACTS

Client: 

Current Registered Owner: 

Address: Unit TPS3, Rainbow Beach Club
Cupecoy

District: Lowlands

Purpose of Valuation: To estimate market value

Intended Use of Valuation: Bank use

Legal Description: 234A/2007 Apt Index 18

Interest Valued: Condominium

Leasehold Term: -

Type of Property: Condominium apartment

Unit Size: N/A

Date of Inspection: 10th July 2024

Date of Value: 10th October 2024

Date of Report: 10th October 2024

Improvement: Condominium

Highest and Best Use: Residential

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).

Market Value Conclusion: USD\$450,000.00

Auction Value Conclusion: USD\$315,000.00

Special Assumption: None



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 10th 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 15th 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.

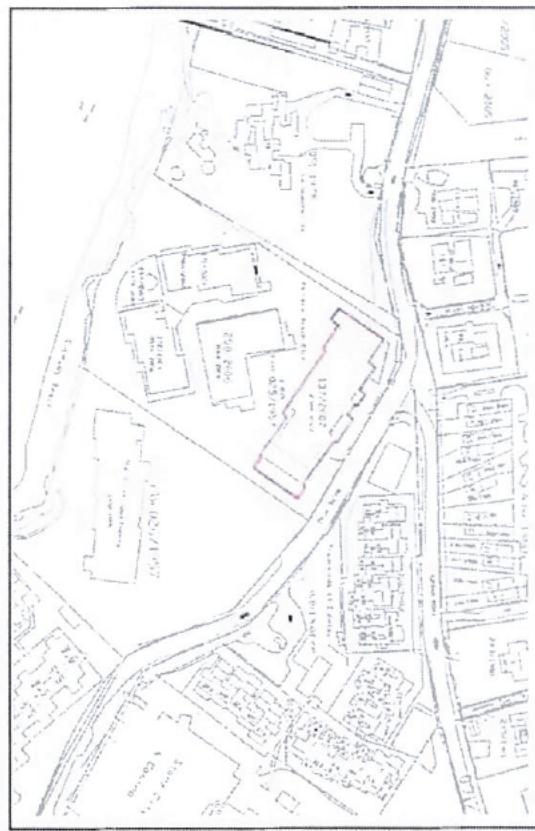
There are two airports on the island. The Princess Juliana International Airport located in Simpson Bay (Southern) plays a strategic role in terms of international flights and development of neighboring islands. L'Esperance Airport located in Grand Case (Northern) is much smaller and less busy, serving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





KLM MAP



LOCATION PLAN

SUBJECT PROPERTY

Legal Description

Cert. of Admeasurement:	234A/2007 Apt Index 18
District :	Lowlands
Address:	Unit TPS3 Rainbow Beach Club,
	Cupecoy
Unit Size:	N/A

Interest Valued

Freehold	(<input type="checkbox"/>
Gov't/Private Long Lease	(<input type="checkbox"/> Expiry Date:
Condominium	(<input checked="" type="checkbox"/>

CLASSIFICATION

Residential	(<input checked="" type="checkbox"/>	Upper Class	(<input type="checkbox"/>
Commercial	(<input type="checkbox"/>	Upper Middle	(<input checked="" type="checkbox"/>
Resort	(<input type="checkbox"/>	Middle	(<input type="checkbox"/>
Undeveloped	(<input type="checkbox"/>	Lower Middle	(<input type="checkbox"/>
		Below Standard	(<input type="checkbox"/>

The property is located within a gated community, known as Rainbow Beach Club, in an area that consists mostly of apartment buildings and complexes, including The Cliff and Trade winds. AUC Medical School and CIA school are all nearby.

UTILITIES AND SERVICES

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

Electricity	(<input checked="" type="checkbox"/>	Water	(<input type="checkbox"/>
Telephone	(<input checked="" type="checkbox"/>	Cable TV	(<input checked="" type="checkbox"/>
Paved Roads	(<input checked="" type="checkbox"/>		

Access

The property is accessed by a paved road.



TOPOGRAPHY

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

IMPROVEMENTS

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

The subject unit is on the third floor and has an approximate livable area of 118 m² including the porch.

ACCOMMODATION

Living Room	(X)
Kitchen	(X)
Laundry Closet	(X)
Bedroom	(2)
Full Bathroom	(2)

OTHER

Cistern	()
Porch	(X)
Swimming Pool	(X) Common shared
Generator	(X) Common shared
Gym	()
Tennis Court	(X) Currently damaged



CONSTRUCTION SPECIFICATION

Masonry	(X)	Wood Frame	()
Roofing Material		Concrete	
Overall Exterior Condition		Average	
Age of Building		Estimated to be about 17 years old	
		Built time +/- 2006	
Estimated Useful Life		48 Years with good maintenance	
Design (Style)		Building	

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 good repair, except for any defects specifically noted.

FINISHES

Floors	Porcelain tiles
Ceilings	Drywall ceiling
Walls	Plastered / Painted
Windows	Aluminum
Exit Doors	Wooden doors
Hurricane Shutters	Roller down
Kitchen Cabinets	Wooden cabinetry with granite countertop
Bathroom	Tiled/shower
Security	24 hour gated
Fencing	Block wall
Air Conditioning	Central air condition
Landscaping	Good
Overall Internal Condition	Good

The apartment is well maintained and in good condition.



ENVIRONMENTAL MATTERS

Due to the fact the property is in close proximity to the ocean any development on the property will be more susceptible to damage from the high salt content of the ocean air, than buildings that are further inland.

No other particular environmental issues are to be expected in future.

CONTAMINATION

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

HIGHEST AND BEST USE

Residential use would be the highest and best use.

DEVELOPMENT (PRESENT AND POTENTIAL ETC)

There have been few developments in the Cupecoy area since 2019.

A three-star hotel called Adonis was built in 2019.



A new luxury development called Mullet Bay Residences was completed in 2023



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 are 3 of the best comparable sales of condominiums in the district of Lowlands. In some cases, we are unable to make the necessary adjustments to reflect the difference between the comparable properties simply because the information provided by Kadaster does not include interior information, such as accommodations, number of floors, how many days on the market, age of building and building size.

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

The average cost to build new construction ranges from \$900.00 p/m² to \$2,000.00 p/m² depending on size and standard finishes. It should be noted that the smaller the building, the higher the m² price to build and the larger the building the lower the m² building cost is.

Comparable Sale #1

Comparable sale #1 took place on 21st December 2023, location Maho Reef, Mbr.161/2019 Apartment Index A4 was sold for US\$450,000.00.

Comparable Sale #2

Comparable sale #2 took place on 18th January 2023, location Rainbow Beach Club, Cupecoy Mbr.234/2007 Apartment Index A69 was sold for US\$350,000.00.

Comparable Sale #3

Comparable sale #3 took place on 12th January 2023, location Rainbow Beach Club, Cupecoy Mbr.234/2007 Apartment Index A19 was sold for US\$435,000.00.

MARKET ANALYSIS

There have been several sales of apartment units in the Lowlands district in the last year. There are a few new condominium developments ongoing in the area.

The rental potential of apartments in Cupecoy area has always been good. The apartment will appeal to investors.



VALUATION

Cost approach

BUILDING REPLACEMENT VALUE (For insurance purposes only)	US\$224,000.00
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Note: As a condominium unit the building should be insured in common with the other units.

Market approach

MARKET VALUE OF PROPERTY (Land value + Building value =)	US\$450,000.00
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AUCTION VALUE OF PROPERTY (+/- 70% of Market value =)	US\$315,000.00
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CONCLUSION

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

In this case The **Direct Comparable Approach** was taken into account for this to determine the market value of the subject property.

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 subject property equates to a value of **US\$450,000.00** and an auction value of **US\$315,000.00**.

The value is likely to remain static. The exposure time considered necessary to negotiate a sale, taking into account the nature of the property and state of the market, would be an estimated 6 to 9 months. This property is located in a good neighborhood in St. Maarten and would be considered a desirable purchased property.

A handwritten signature in blue ink, appearing to read "John Baker".

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.

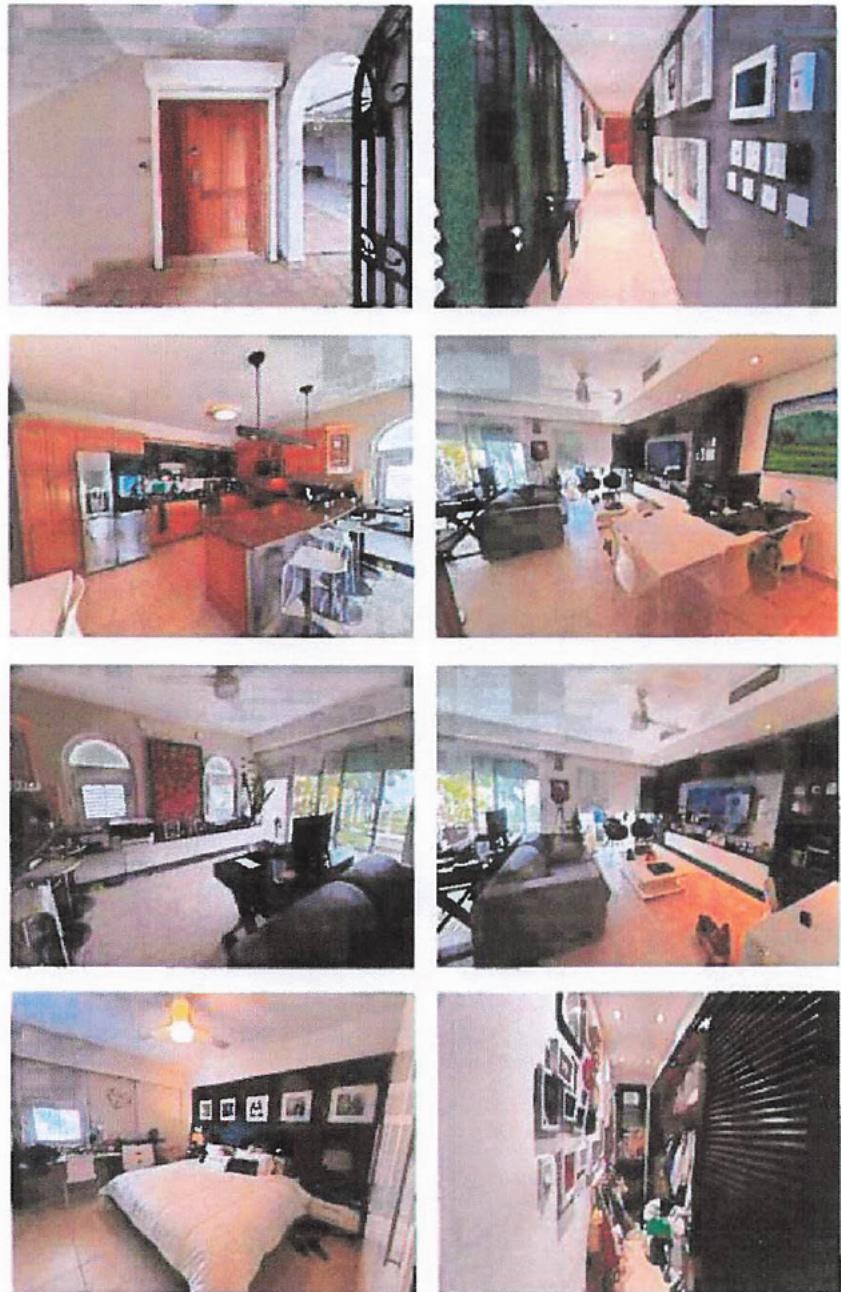
This report shall be not valid if it does not have an original signature.
No allowance has been made for the effects of unpredictable future events involving terrorism or dislocations consequent upon changes in political or economic policies in relation to St. Maarten or elsewhere in the world. Due to the current uncertainty within the financial markets, the information contained within this report is subject to change through this volatile time.

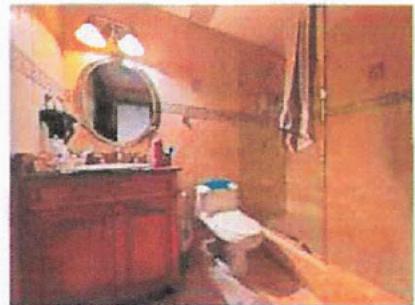
The information and conclusion in this report should be regarded as valid for a limited period of time and should be subject to examination at regular intervals.

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





APPENDICES

- Title search
- Instruction letter

