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Chartered Surveyors
Property Consultants

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Cayman Property Review 2019

An Independent Review by Charterland



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We work at a cross-governmental level, delivering a single, international standard that will support a safe and vibrant marketplace in land, real estate, construction and infrastructure, for the benefit of all.

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Introduction



As we enter the second decade of publishing the Cayman Property Review by Charterland, it is my pleasure to present our report on the previous year, 2019. In our review, we have undertaken a detailed analysis of every single property transfer and lease registered with the Cayman Islands Government's Land Registry in order to observe whether the property boom experienced in previous years in the Cayman Islands continued unabated during 2019, or whether there are any indicators of the market slowing. We have also examined whether the boom has been experienced by all sectors of the market, or whether it is more focused on certain types of property, or locations.

Continuing our aim of producing the Cayman Property Review to the highest standards of independence and objectivity, our annual review has been undertaken by Charterland's qualified Chartered Valuation Surveyors acting in

accordance with the strict guidelines of the Code of Conduct of the Royal Institution of Chartered Surveyors. Further, we confirm that no one involved in the production of the Cayman Property Review has received commissions from the sales of property and has only provided professional property advice on the basis of fixed fee engagements only. Therefore, anyone reading this report can be assured that the information provided is prepared without any ulterior motive of promoting any specific property, nor is there any other conflict of interest. Readers are, however, reminded that the data set out in this report is provided for general information purposes only and anyone interested in seeking market information, or valuation advice, regarding a specific property should obtain professional advice from an established Chartered Valuation Surveyor with relevant experience in the local market.

As always, we hope that you will find our report to be the best in independent, unbiased information on the Cayman Islands property market and, should you wish to find out more, please feel free to contact us directly and the Partners and Staff at Charterland will be more than happy to assist.

Simon J Watson BSc FRICS
Partner
Charterland Ltd.





“Our review has been undertaken by qualified Chartered Surveyors acting with independence, integrity and objectivity”





Overview

Since 2008*, Charterland have prided ourselves in providing the best in independent, impartial analysis of the Cayman Islands property market and our review of the 2019 property market follows the same rigorous methodology in order to ensure that our readers can rely on the most accurate reporting. As per previous reports, our analysis of the Cayman Islands property market in 2019 begins with a review of every single property transfer registered with the Cayman Islands Government’s Land Registry for the calendar year. Since we are interested in the true market for “arm’s-length transactions” we have excluded from our analysis any sales by Court Order for nil consideration, transfers for Natural Love and Affection and transfers where there was no change in beneficial ownership. Using this methodology, we are able to account for all sales for monetary value, rather than just part of the market, such as with CIREBA’s statistics, for example, whilst also ignoring any possible distortions possible through non-market transactions.

Based on our analysis of data obtained from the Cayman Islands Government’s Land Registry, the total number of open market transfers registered with the Land Registry for 2019 was 1,936. This represents a 4.3% increase in the total number of transfers registered over the 1,857 sales registered in 2018. This continues the general upward trend in the total number of sales since 2013 (Fig. 1), although it is noted that it is less than half the percentage increase between 2017 and 2018 of 9%.

The continued, rising market is also reflected in the increase in the total value of sales with over C\$826 million in 2019 compared with C\$800 million in 2018, an increase of 3.3%, which again is lower than the huge 17.8% increase between 2017 and 2018 (Fig. 2).

* Go to www.charterland.ky to download all the previous editions of the Cayman Property Review.

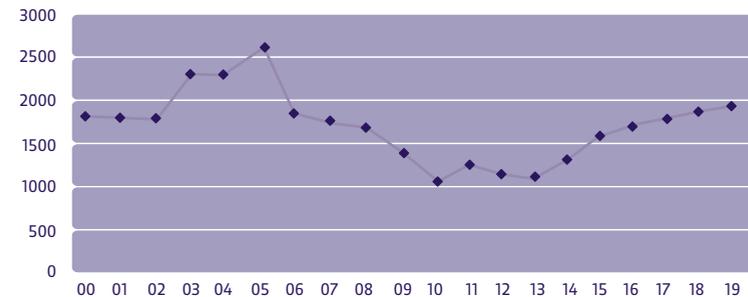


Fig. 1 Total Number of Property Transfers

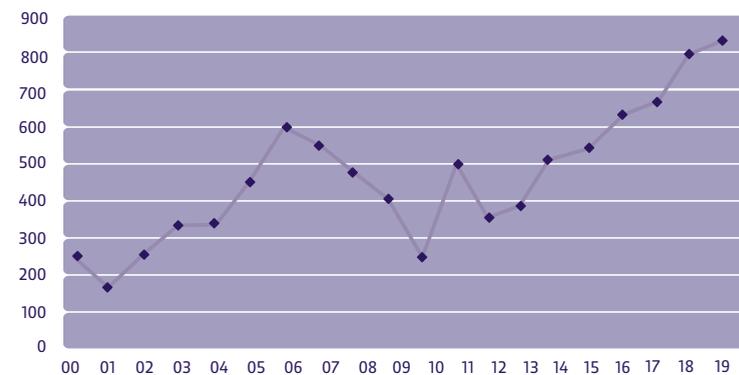


Fig. 2 Total Value of Property Transfers (CIS Millions)





Interestingly, the increase in the total number of sales and the total value of these sales does not translate to an increase in the average value of the total sales (**Fig. 3**). Nevertheless, this does not apply to all areas of the market as we will see later in this report where it can be seen that sub-markets of the Cayman Islands property market can perform very differently from each other.

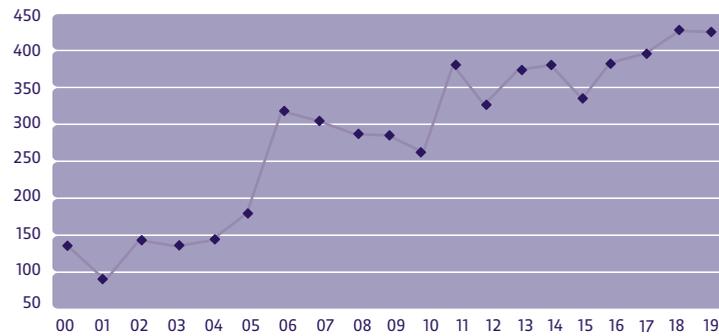


Fig. 3 Average Value of Property Transfers (CIS 000s)



Pre-Construction Sales

When considering the total and average value of the total sales each year, it is worth noting that the market data can be distorted by a number of factors, one of these being the registration of pre-construction sales for site value.

This happens where a purchaser of a condominium registers a transfer with the stated consideration being based on the nominal 'site value' of the condominium only. This results in the transfer being registered for a sale value generally in the tens of thousands, whilst the true value of the condominium is really in the hundreds of thousands or more, thus significantly reducing the Stamp Duty payable by the purchaser. Statistically, however, this results in many transfers being registered at significantly lower sale prices than the actual purchase price being paid and thus lowering the true total value of the sales for a year and indeed the average value for that year.

Whilst this loophole has in theory been closed by the Government since the end of December 2019, pre-construction sales on this basis are still being accepted through 2020 on a number of pre-approved developments.





Fig. 4 Range of Sale Prices

When all the transfers in 2019 are analysed by sale price and compared with 2018 we see that there have not been any significant changes in the market, apart from a slight increase in the number of sales in the C\$1M to C\$4.99M sector and a corresponding decrease in the sector below of C\$500K to C\$999K.

In 2019 there was one more sale in the upper end of the market, the C\$10M and above sector, with 3 sales in 2019 compared with 2 in 2018. These 3 high-end sales comprise the sale of the Comfort Suites Hotel for C\$15,426,576 Net* (US\$18,364,971 Net), a 5.8-acre West Bay Road development site for C\$12,180,000 (US\$14,500,000) and the site of the former Spanish Bay Resort in West Bay, which sold for C\$10,164,000 (US\$12,100,000).

The highest priced condominium sale registered in 2019 was a 3,643 SF** condominium at the Seafire Residences which sold for C\$6,315,802 Net (US\$7,518,812 Net), whilst the highest priced single family home was a house on South Sound Road which sold for C\$5,122,882 Net (US\$6,098,669 Net).

* Net of Chattels / ** Square Feet



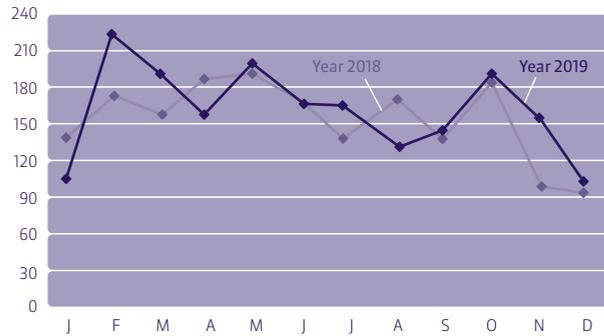


Fig. 5 Total Number of Property Transfers 2019

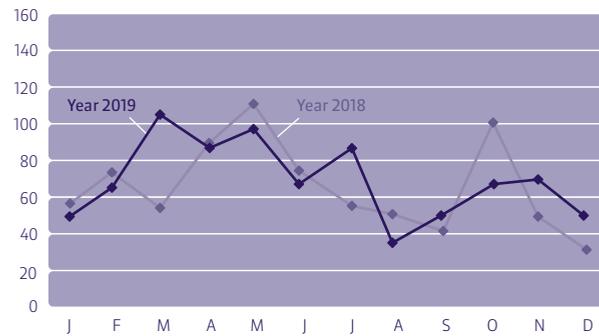


Fig. 6 Total Value of Property Transfers 2019 (CIS Millions)



Fig. 7 Average Value of Property Transfers 2019 (CIS 000s)

Transfers by Month

As in previous editions of the Cayman Property Review, in addition to a year on year comparison, we have also examined the distribution of sales through the calendar year. In terms of the number of sales, 2019 followed a similar pattern to 2018 with the exception of a slightly stronger end to the year (Fig. 5).

When the total value of the sales are considered the pattern is again fairly similar, although the total value of sales in March 2019 is significantly higher due to the inclusion in that months registrations of the sale of a property portfolio in

Cayman Brac at over CI\$9 million and 2 Seven Mile Beach condominiums in excess of CI\$5million and as well as the highest single-family home sale in 2019. The October 2018 peak is due to the sale of the Grand Caymanian Hotel which was registered in that month (Fig. 6).

Similarly, the trend for the average value of sales is fairly similar for both years (Fig. 7), notwithstanding the peaks discussed above.

Transfers by Chargee

In recent years there has been much discussion regarding the number of repossessions of property by lenders, which are registered as ‘Transfers by Chargee’ and the percentage that these represent of the total number of property transfers.

Based on our research at the Land Registry there were 48 Transfers by Chargee registered in 2019, of which 6 related to a single repossession of 6 strata units. These represent only 2.5% of all the transfers registered in 2019 and appear to be fairly evenly spread between the main lenders.

By comparison, there were 99 Transfers by Chargee registered in 2018, therefore showing a 51% decrease in the total number in 2019 when compared with the preceding year.

Condominiums

In accordance with our established practice for our Cayman Property Review, we have divided our analysis of the condominium market into two main sections. The first group consists of those condominiums located along Seven Mile Beach, generally 'higher-end' condominiums many of which are bought by overseas purchasers, whilst the second group comprises the more 'lower-end' condominiums located inland, in the George Town/South Sound area. From each of these two groups we have selected specific developments where there have been sufficient sales of condominiums in each calendar year in order to be able to identify meaningful trends in the market for these properties, whilst also trying to maintain an element of diversity in our selection.

In presenting our analysis of the sub-markets in the already relatively small Cayman Islands property market, we must remind the reader that the limited number of sales being analysed can mean that there is a risk of trends being easily distorted by anomalous sales.

These may be as a result of the sale of a particularly upgraded or improved property, or conversely by a dilapidated, or perhaps otherwise inferior, property. It should, therefore, always be remembered that the following analysis and commentary is presented for general information purposes only and that in order to establish the Market Value of any specific property it is most advisable to retain the services of a qualified Chartered Valuation Surveyor with extensive relevant, professional experience in the Cayman Islands property market.

Seven Mile Beach

Our analysis of the Seven Mile Beach condominium market reveals that there were only 71 sales of beachfront condominiums in 2019 compared with 101 in 2018 and 130 in 2017. The total value of these 71 sales in 2019 was just over C\$131 million, compared with C\$134 million for the 101 sales in 2018 and a total of C\$125 million in 2017. This equates to an average value of Seven Mile Beach condominium sales in 2019 of over C\$1.84 million compared with C\$1.3 million in 2018 and C\$965,000 in 2017. We have commented

in previous editions of the Cayman Property Review that it is our opinion that the decrease in the number of sales is more a result of the lack of available inventory rather than a lack of demand and this is supported by the dramatic increase in the average value of the transfers by year, a record breaking 41.5% increase in the average values overall between 2018 and 2019, and a 90% increase over 2017.

In reading this report, readers are reminded that all the sale prices quoted are in Cayman Islands Dollars, since this is the principle currency of the Cayman Islands; however, United States Dollars are accepted for property transfers and this is often the currency used in the purchase of high-end properties. When registering sales stated in United States Dollars, the Cayman Islands Governments uses a conversion rate of 0.84 and it is this rate that we have used in any conversions stated in this report. Further, all prices quoted are excluding (Net) of chattels, furnishings and furniture, in order to ensure that the figures are comparable.



The Discovery Club

The average sale price for this beachfront Seven Mile Beach development in 2019 was C\$1,135,680 Net (US\$1,352,000 Net). This represents a 15% increase over the average value for 2018 of C\$989,965 Net (US\$1,178,529 Net), but more significantly it is an increase of 156% since 2015 (Fig. 8).



Fig. 8 The Discovery Club
(Average Sale Price Net CIS Millions)



Fig. 9



Silver Sands

The average sale price in 2019 for this older Seven Mile Beach, beachfront condominium development was C\$1,096,359 Net (US\$1,305,189 Net), a 19% increase over the average sale price for 2018 and a 83% increase over the average for 2015 (Fig. 10).



Fig. 10 Silver Sands
(Average Sale Price Net CIS Millions)



Fig. 11





Fig.13

The Regal Beach Club

Similar to 2018, there were 2 sales registered in 2019 at the Regal Beach condominium development of 57 units, located at the southern end of Seven Mile Beach. The average price of the 2 sales in 2019, however, was C\$1,044,334 Net (US\$1,243,255 Net), a 10% increase over 2018, but a 100% increase over the average in 2015 (Fig. 12).

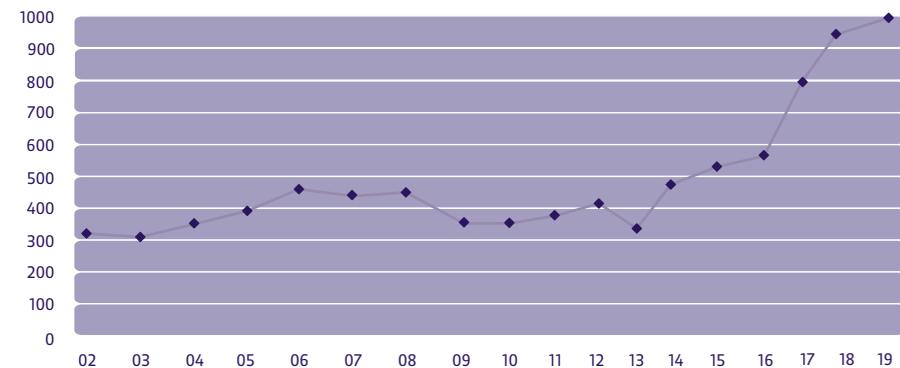


Fig. 12 The Regal Beach Club

(Average Sale Price Net C\$ 000s - 2 Bed Units)



George Town Villas

There were also only 2 condominium sales in George Town Villas registered in 2019, again a similar number to 2018. However, the average value of the 2019 sales was C\$800,275 Net (US\$952,708 Net) a 22% increase over the average value of the 2 sales in 2018 and a 127% increase over the average sale price in 2015 (Fig 14).

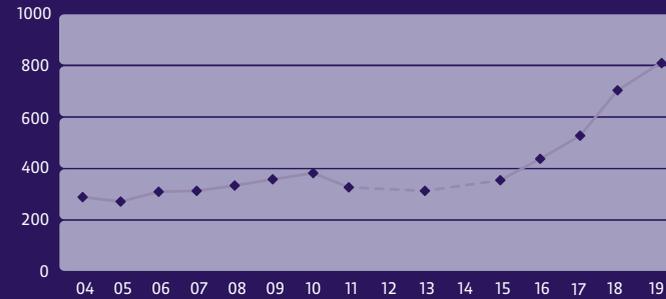


Fig. 14 George Town Villas
(Average Sale Price Net C\$ 000s)



Fig. 15





George Town and South Sound

The second sector of the condominium market that we have analysed for our Cayman Property Review is the more lower-end, two-bedroom, townhouse market in the south George Town and South Sound areas which are generally acquired by Cayman residents rather than the overseas purchasers that are more common for Seven Mile Beach properties. These units may be acquired for owner-occupation, or for rental income, investment purposes.

Garden, Coco, Mystic and Sunset Retreat

As per previous editions, the best dataset for this sub-market are the four ‘Retreat’

developments located in south George Town, off Bobby Thompson Way and consisting of Garden, Coco, Mystic and Sunset Retreat. These developments of a total of 185 similar townhouse units provide an excellent barometer on the state of the George Town townhouse market.

The average sale price of the two-bedroom units in the four developments in 2019 was C\$280,772, a 13.5% increase over the average sale price in 2018 of C\$247,440 and a 45% over the average price in 2015. Whilst these increases are lower than those being experienced on Seven Mile Beach, they still represent significant increases compared with previous market norms (Fig. 16).

Southern Skies

Located along South Sound Road, the average sale price in this development in 2019 was C\$373,665 an 18% increase over the average for 2018 of C\$315,537 and a significant 99% increase over the average sale price in 2015 of C\$188,147 (Fig. 17).

Readers are, however, reminded that average sale prices across a calendar year do not represent the Market Value of all, or any of the units, but are an average of all the sales that were registered in that calendar year and average values may be distorted by particularly upgraded units, or conversely unimproved units or those in poorer condition.

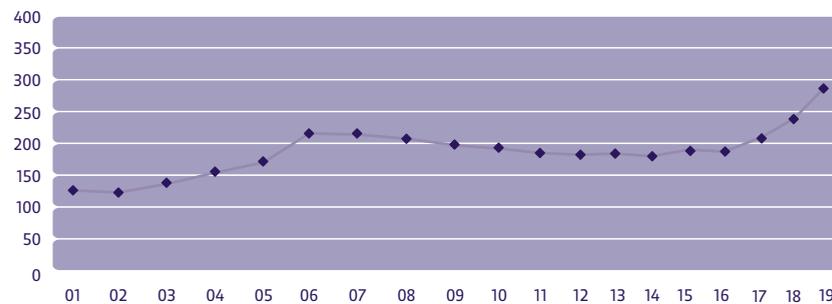


Fig. 16 Garden, Coco, Mystic & Sunset Retreat: 2-Beds
(Average Sale Price Net C\$ 000s)



Fig. 17 Southern Skies: 2-Beds
(Average Sale Price Net C\$ 000s)



West Bay

Whilst sales have previously been limited in this lower-end geographical dataset, there were actually 4 sales registered in 2019, compared with 2 in 2018. When analysed on a per square foot basis the average sale price for these 4 houses equated to CI\$161 per SF, an increase of 22% over the average for 2018 of CI\$132 per SF (Fig 20).

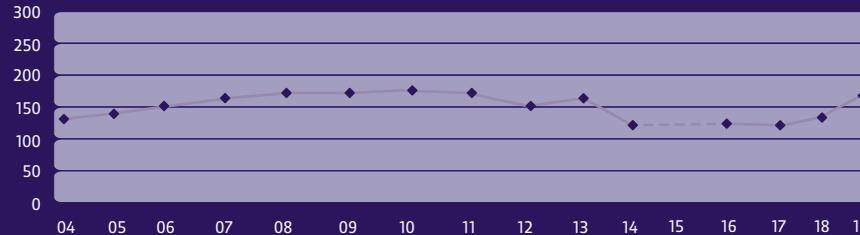


Fig. 20 West Bay: House Sales
(Average Sales Price CI\$ per SF)



Fig. 21





Savannah

House sales in Savannah shows the first divergence from the overall upward trend that we have seen previously in our report. Unlike the areas of the market analyses earlier in this report, the average price for house sales in Savannah in 2019 actually fell 19% from C\$152 per SF to C\$123 per SF between 2018 and 2019; although they still remained 30% up on 2015 (Fig 22).

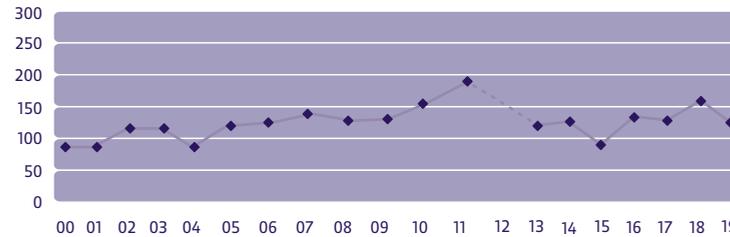


Fig. 22 Savannah: House Sales
(Average Sales Price CIS per SF)

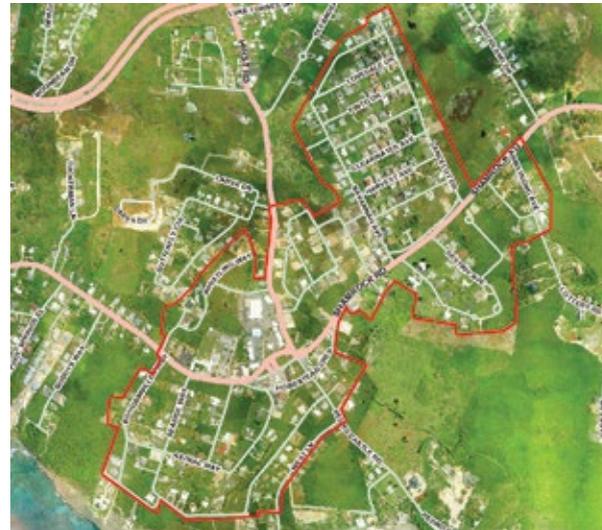


Fig. 23

Readers are of course reminded that these statistics are based on very limited datasets and that they can easily be skewed by anomalous sales in terms of the condition of the houses sold, or the terms of the sale, for example. Therefore anyone seeking to establish the actual Market Value of their property should seek the services of a Chartered Valuation Surveyor who will be able to provide a valuation report based on a detailed inspection of the subject property and which will be prepared to the strict internationally accepted guidelines of the RICS Valuation – Global Standards 2020, incorporating the International Valuation Standards.



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Land

Compared with the analysis of house sales set out in the previous section of this report, the analysis of undeveloped house lot sales provides a much more reliable indication of trends since there are fewer variables to consider. In this regard, we have undertaken the analysis of five different sub-divisions, from the high-end Crystal Harbour and Grand Harbour canal front residential sub-divisions, to the mid-range Savannah sub-divisions, and the lower-end Frank Sound and Cayman Brac Bluff areas.

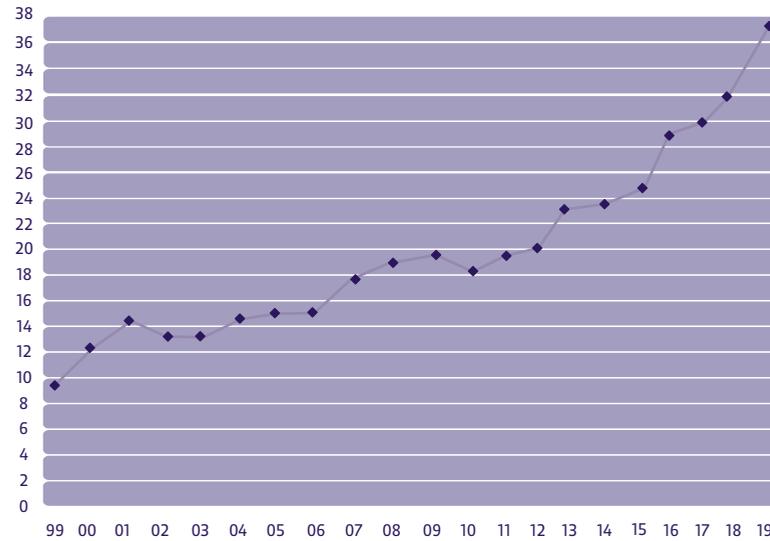


Fig. 24 Crystal Harbour: Land Sales
(Average Sales Price CIS per SF)



Fig. 25

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Crystal Harbour

Sales of house lots in this high-end, canal front sub-division have continued to be very consistent with 8 sales in our dataset compared with 10 sales registered at the Land Registry in 2018. The average sale price for these lots equated to C\$37.50 per SF, a 16% increase over the average for 2018 of C\$32.27 per SF and 52% more than the average sale price in 2015 (Fig. 24).

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Grand Harbour

With the original house lots in this canal front development now being mainly built out, we have widened our dataset for Grand Harbour to include the new phase called 'Harbour Reach'. Therefore overall, the average sale price of house lot sales in the Grand Harbour residential sub-division equates to C\$27 per SF, similar to the average for 2018, but still a 49% increase since 2015 (Fig. 26).



Fig. 27

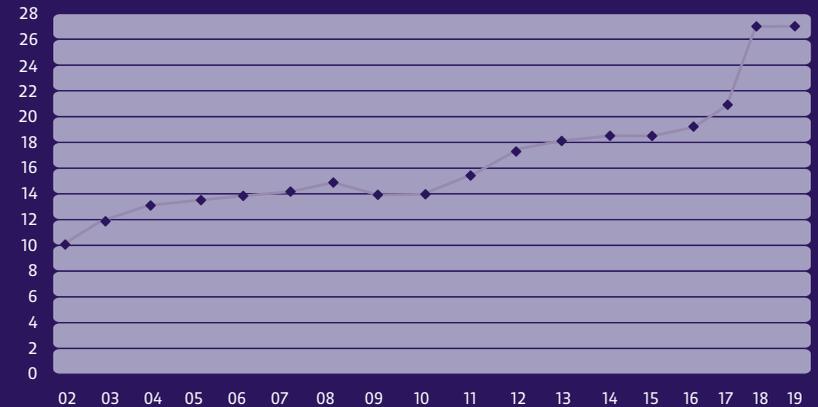


Fig. 26 Grand Harbour: Land Sales
(Average Sales Price CIS per SF)



Savannah

There were 5 sales of undeveloped house lots in this mid-range, geographical dataset in 2019, the same number as 2018. However, the average value of the house lots decreased in value in 2019 by 4% when compared with 2018, although they were still 9% higher than sales in 2015. This is a similar pattern exhibited by the house sales in Savannah and may reflect the increasing frustration with the traffic situation affecting demand for properties east of the Grand Harbour junction (Fig. 28).



Fig. 29

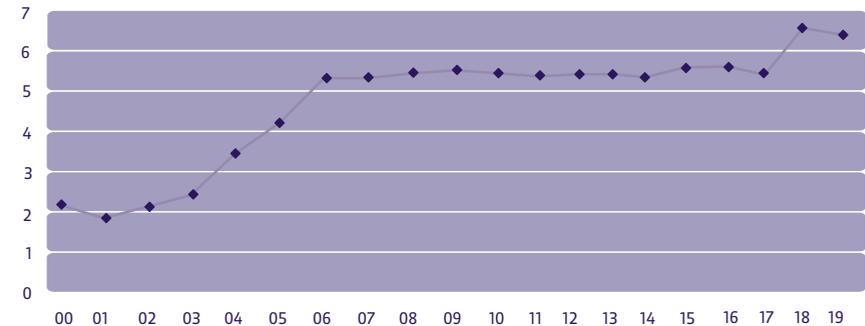


Fig. 28 Savannah: Land Sales

(Average Sales Price CIS per SF)

Frank Sound

Notwithstanding the trend shown in Savannah of average land and house prices falling slightly between 2018 and 2019 (although both still being higher than say 5 years ago), the average sale price of house lots in the Frank Sound area has shown a significant increase of 17% between 2018 and 2019 (Fig 32). This could be because the average sale prices for these lots had been quite depressed for many years as demonstrated by the fact that the 2019 average is only a 15% increase over the average sale prices in 2015. The area could now finally see a positive impact from an increase demand for development around Heath City and positive news about the long-awaited Ironwood mixed use development off Frank Sound Road (Fig. 30).



Fig. 31

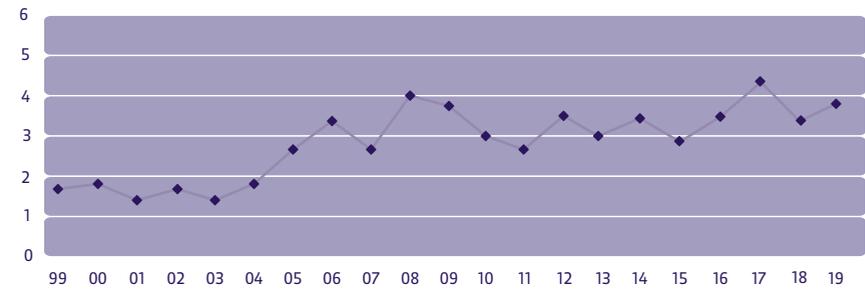


Fig. 30 Frank Sound: Land Sales

(Average Sales Price CIS per SF)





Cayman Brac, Land on The Bluff

In 2019 there were 6 house lot sales in our subject geographical dataset on the Bluff of Cayman Brac, compared with 5 in 2018. However, the average sale price for 2019 dropped by 18% when compared with the average for 2018, continuing the pattern of the average value for these lots fluctuating between C\$1.50 and C\$2.50 back to 2006 (Fig. 32).

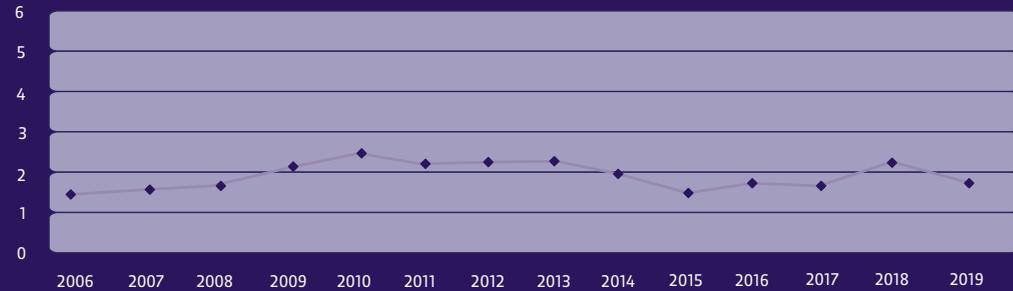


Fig. 32 Cayman Brac: Land Sales
(Average Sale Price CIS per SF)



Fig. 33

Dual Market?

One of the interesting trends when analysing land sales on The Bluff in Cayman Brac is the appearance of what could be seen as a dual market. As noted from our research, land sales in the subject sub-division which benefits from services, close proximity to local amenities and sites which generally require minimal fill has average sale prices of between C\$1.50 and C\$2.50 per SF.

However, in a remote sub-division at the far end of The Bluff, in a sub-division with no services and sites with generally poor topographical conditions that may require significant fill, the average sale price in 2020 was C\$7.20 per SF. What is significant

is that all the purchasers in our subject sub-division were local buyers, whereas the purchasers in the second sub-division were mainly from China.

In considering the wide difference in sale prices between these two sub-divisions, which are the opposite of what one may expect, it is worth noting that the RICS definition of Market Value requires that the parties have acted ‘knowledgeably’ i.e. they have relied on their own knowledge of the market, like the local buyers in our subject sub-division, or were professionally advised by independent property professionals, knowledgeable in the local market. It remains to be seen if this was the case with respect to the purchasers in the second sub-division.



Commercial Market



It should be remembered that the following data and commentary is presented for general information purposes only and that not all the registered leases during 2019 are represented in this review and that in order to establish the Market Rent or Market Value of any specific property it is most advisable to retain the services of a qualified Chartered Valuation Surveyor with extensive experience in the Cayman Islands property market.

In this year's edition of the Cayman Property Review, we have again focused solely on the commercial/retail leases registered within the geographical areas of Central George Town (Fig 34) and the Seven Mile Beach corridor (Fig 35). In addition, we have analyzed and commented, where possible on any commercial property sales.



Stewart Connelly BSc MRICS
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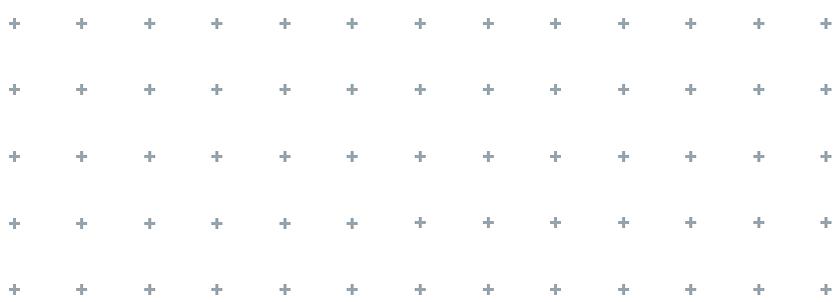




Fig. 34



Fig.35





Central George Town

Cayman Corporate Centre

There were three (3) registered leases for Cayman Corporate Centre during the 2019 year. The first being between Cayman Corporate Centre Holdings Ltd. (landlord) and NORTHVIEW SERVICES LTD. (tenant), for a term of five (5) years, with an annual reserved rent of C\$320,478 equating to C\$34.44 per SF, based upon a registered area of 9,305 SF.

The second being again between Cayman Corporate Centre Holdings Ltd. (landlord) and STERLING SECURITY SOLUTIONS (tenant), with effect from April 2019, for a term of three (3) years, at an annual reserved rent of C\$20,903 equating to C\$29.40 per SF, based upon a registered area of 711 SF.

The third and final being between Cayman Corporate Centre Holdings Ltd. (landlord) and HARMONIC FUND SERVICES (tenant), with effect from July 2019, for a term of four (4) years, at an annual reserved rent of C\$11,145 equating to C\$11.56 per SF, based upon a registered area of 964 SF.

Citrus Grove

There were three (3) registered leases for Citrus Grove during 2019. The first being between UBW Ltd. (landlord) and DELOITTE & TOUCHE (tenant), for a term of five (5) years, with an annual reserved rent of C\$303,339 equating to C\$37.38 per SF, based upon a registered area of 8,115 SF.

The second being between UBW Ltd. (landlord) and UTC LTD. (tenant), with effect from October 2019, for a term of three (3) years, at an annual reserved rent of C\$29,803 equating to C\$33.60 per SF, based upon a registered area of 887 SF.

The third and final being between UBW Ltd. (landlord) and GOVERNOR OF THE CAYMAN ISLANDS (tenant), for a term of ten (10) years, at an annual reserved rent of C\$184,369 equating to C\$39.55 per SF, based upon a registered area of 4,662 SF.





Cricket Square

Cricket Square had seven (7) leases registered during 2019, the first between Cricket Square Ltd. (landlord) and SALT TECHNOLOGY LTD. (tenant), for a 5 year term, with an annual reserved rent of C\$60,752 which equates to C\$32.79 per SF, based upon a demised area of 1,853 SF.

The second lease being between, Cricket Square Ltd. (landlord) and McCORMICK SWITZERLAND GMBH (tenant) for a 5 year term, with an annual reserved rent of C\$181,260 which equates to C\$37.82 per SF, based upon a demised area of 4,793 SF.

The third lease being between, Cricket Square Ltd. (landlord) and MORVAL BANK & TRUST CAYMAN LTD. (tenant), for a 5 year term, with an annual reserved rent of C\$93,771 which equates to C\$33.61 per SF, based upon a demised area of 2,790 SF.

The fourth lease was between, Cricket Square Ltd. (landlord) and CODAN MANAGEMENT (CAYMAN) LTD. (tenant) for a 10 year term, with an annual reserved rent of C\$812,536 with a demised area of 20,152 SF, which equates to C\$40.32 per SF.

The fifth registered lease was between Cricket Square Ltd. (landlord) and CAYMAN ISLANDS MONETARY AUTHORITY (tenant) for a 10-year term, at an annual reserved rent of C\$221,848 with a demised area of 5,869 SF, which equates to C\$37.80 per SF.

The sixth registered lease being between Cricket Square Ltd. (landlord) and PAGET-BROWN TRUST COMPANY LTD. (tenant) for a 10 year term, at an annual reserved rent of C\$223,058 with a demised area of 5,311 SF, which equates to C\$42.00 per SF.

The seventh and final lease between Cricket Square Ltd. (landlord) and BESSEMER TRUST COMPANY (CAYMAN) LTD. (tenant) for a 5 year term, with an annual reserved rent of C\$142,943 with a demised area of 2,986 SF, which equates to C\$47.88 per SF.



Elizabethan Square

There were two leases registered at Elizabethan Square during 2019, both between Montpelier Properties (Cayman) Ltd (landlord) and HIMALAYA PROPERTIES (CAYMAN) LTD. (tenant), in July 2019, for a term of one (1) year, the first at an annual reserved rent of C\$31,027 with a registered area of 1,349 SF, which equates to C\$23.00 per SF.

The second lease between also Montpelier Properties (Cayman) Ltd (landlord) and HIMALAYA PROPERTIES (CAYMAN) LTD. (tenant), for a term of one (1) year, at an annual reserved rent of C\$48,622 equating to C\$23.00 per SF, based upon a registered area of 2,114 SF.

Kensington House

There was a single registered lease at Kensington House during 2019, being a lease between Southern Property Services Ltd (landlord) and HOLDUN INVESTMENTS LTD. (tenant), for a term of three (3) years, with effect from August 2019 at an annual reserved rent of C\$73,356 equating to C\$43.68 per SF, based upon a registered area of 1,679 SF.

Strathvale House

There was also a single registered lease at Strathvale House during 2019, being a lease between 90 North Church Street Ltd (landlord) and AO TRUST COMPNT (tenant), for a term of three (3) years, with effect from June 2019 at an annual reserved rent of C\$72,475 equating to C\$64.88 per SF, based upon a registered area of 1,117 SF.

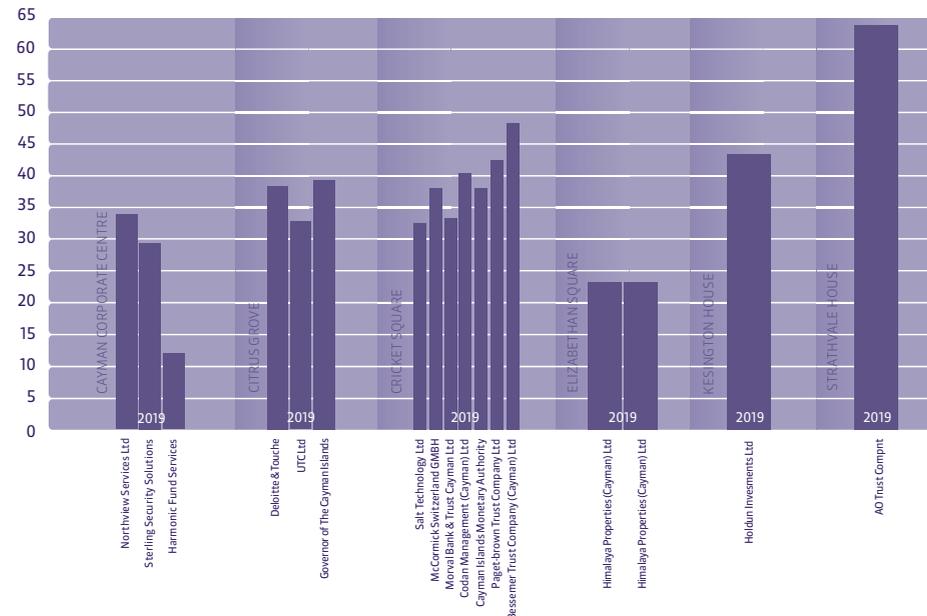


Fig. 36 George Town - Commercial/Retail
(Rent Cost C\$ per SF)



Seven Mile Beach Corridor

Camana Bay

Camana Bay had thirteen (13) leases registered during 2019, we have listed them with the tenant details and rents per square foot only. Should any readers require further information with regards to terms, demised areas etc... then please contact the author directly.

TENANT	RENT/SF
NM VENTURES LTD	\$27.30
CRESTBRIDGE CAYMAN LTD	\$35.06
SMJ CAYMAN LTD	\$32.88
SAND ANGELS INC	\$33.60
EMR CAPITAL MANAGEMENT LIMITED	\$40.10
PREMIER ASSURANCE GROUP SPC LTD	\$67.93
RED SAIL SPORTS CAYMAN LTD	\$27.51
LITOR LIMITED	\$42.00
INTERCAP REGISTRY INC	\$46.20
UNITED INSURANCE	\$44.92
DIGICEL CAYMAN LTD	\$35.07
CCB CAYMAN LTD T/A STARBUCKS	\$21.00
CLT LTD	\$40.30

Governors Square

Governors Square had ten (10) leases registered during 2019, we have listed them with the tenant details and rents per square foot only. Should any readers require further information with regards to terms, demised areas etc... then please contact the author directly.

TENANT	RENT/SF
GOLD FYR INC	\$42.00
FS INC	\$42.00
ATHENA INT'L MANAGEMENT LTD	\$33.60
CAPTIVA MANAGERS (CAYMAN) LTD	\$33.60
CAYHAUS HOLDINGS LTD	\$42.00
PARHELION LTD	\$33.60
AMS CORPORATE SERVICES LTD	\$33.60
VISTA DEL MAR DEV LTD	\$42.00
JESSIE'S JUICE BAR LTD	\$50.00
MY ISLAND DENTIST LTD	\$42.00

Grand Pavillion

Grand Pavillion had nine (9) leases registered during 2019, we have listed them with the tenant details and rents per square foot only. Should any readers require further information with regards to terms, demised areas etc... then please contact the author directly.

TENANT	RENT/SF
DIGITAL STORY LTD	\$50.40
BANK OF CHINA LIMITED	\$27.62
LEGGE COMMUNICATIONS (CAYMAN) LTD	\$54.60
LDM GLOBAL LTD	\$54.60
FRASSER PROPERTIES CAYMAN	\$54.60
CARTAN GROUP LLC	\$54.60
NATURE INFRASTRUCTURE CAPITAL	\$50.40
BALBOA MANAGEMENT LTD	\$25.20
SAS ASSET RECOVERY LTD	\$23.52



Regatta Business Park

Regatta Business Park had three (3) leases registered during 2019, between Corporate Centre Ltd (landlord) and AMICORP CAYMAN FIDUCIARY LIMITED (tenant) for a 5 year term, with an annual reserved rent of C\$98,855 which equates to C\$30.73 per SF, based upon a demised area of 3,217 SF.

The second lease being between, Corporate Centre Ltd (landlord) and RAWLINSON AND HUNTER (tenant) for a 5 year term, with an annual reserved rent of C\$54,954

which equates to C\$28.52 per SF, based upon a demised area of 1,927 SF.

The third lease being between, Corporate Centre Ltd (landlord) and RAWLINSON AND HUNTER (tenant) for a 5 year term, with an annual reserved rent of C\$629,060 which equates to C\$47.22 per SF, based upon a demised area of 13,321 SF.

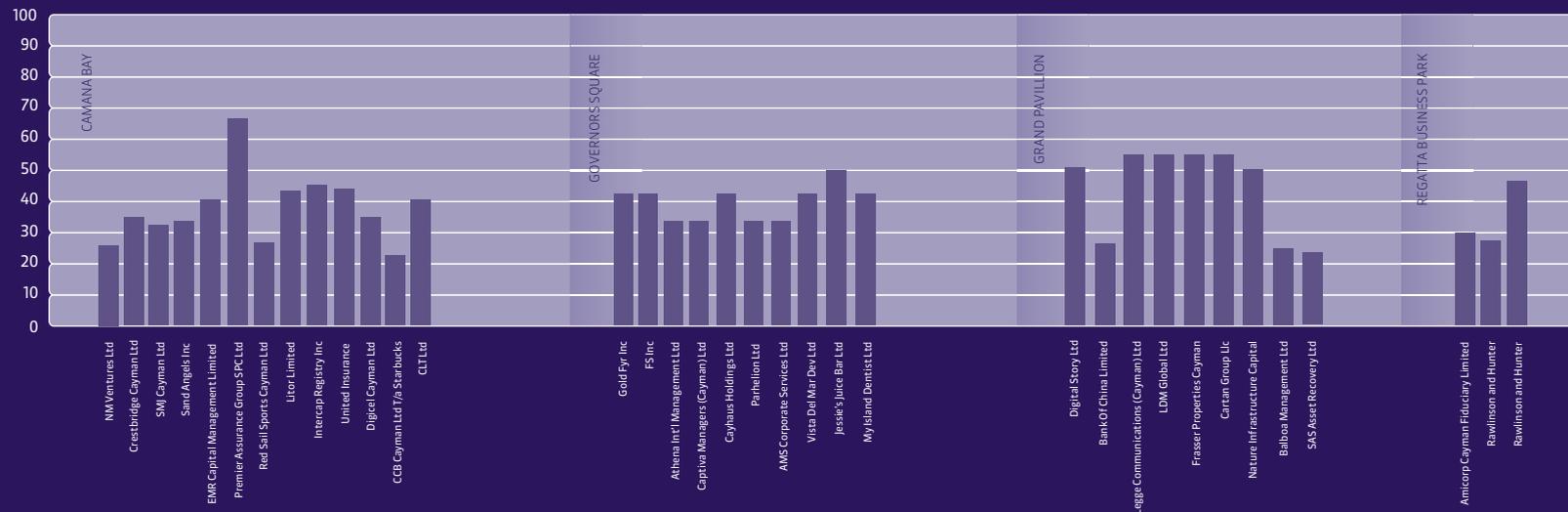


Fig. 37 Seven Mile Beach - Commercial/Retail
(Rent Cost C\$ per SF)



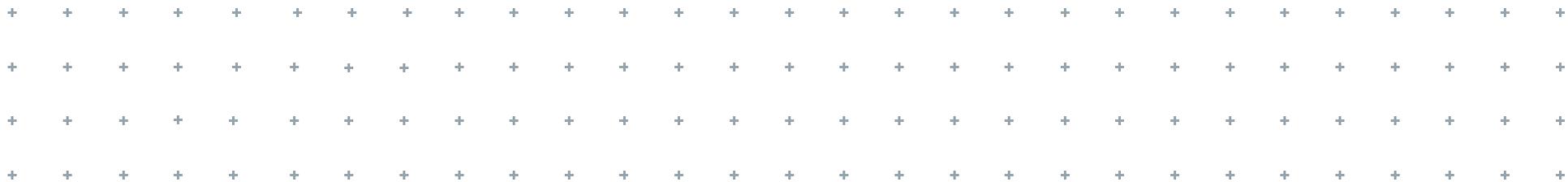


Construction Market

In order to provide an analysis of the construction market in the Cayman Islands for the calendar year of 2019 we have reviewed data obtained directly from the relevant Cayman Islands Government's Planning Department including an analysis of all approved Planning Applications and

Building Permits for that year. Our review process includes removing all planning applications for sub-divisions, applications of no value and modifications to existing approvals from the data set in order to ensure that our results are a true reflection of the construction market for 2019.

Based on our analysis of the data provided, we note that the total value of the new construction projects approved in 2019 was C\$469 million, a huge 41% increase over the total value of projects in 2018 of C\$333 million (**Fig 38**).



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When the projects are analysed by sector it is clear that the vast majority of planning applications are in the residential sector, accounting for 93% of all new planning applications against 88% in 2018. In value terms the Residential sector is up 21% from 2018, with a total value of C\$347,309,895 in 2019, compared with C\$286,649,941 in 2018. There were no significant changes in the other sectors of the construction market showing that the overall increase is being driven by the large increase in Residential planning applications and condominium applications in particular. It will be interesting to see what impact this will have on the supply side of the market when these developments come online in the next few years.



Fig. 38 Total Value of Approved Projects (CIS Millions)

YEAR	TOTAL VALUE
2009	C\$295,330,598
2010	C\$213,485,782
2011	C\$184,143,707
2012	C\$110,701,252
2013	C\$170,930,245
2014	C\$600,287,424
2015	C\$401,127,806
2016	C\$406,720,750
2017	C\$727,441,339
2018	C\$333,364,571
2019	C\$469,122,358

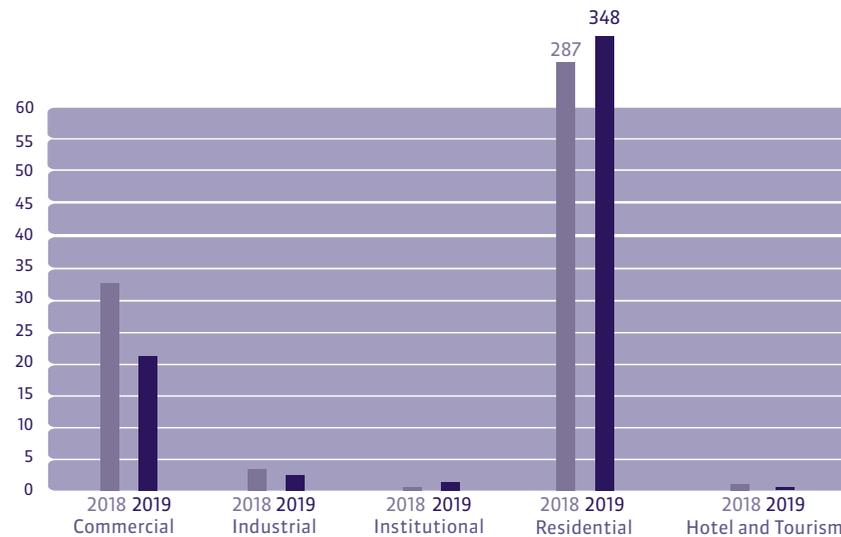


Fig. 39 Total Value of Approved Projects by Sector - 2017-2018 (CIS Millions)

SECTOR	TOTAL VALUE	
	2018	2019
Commercial	C\$33,544,100	C\$21,698,705
Industrial	C\$3,778,000	C\$2,975,000
Institutional	C\$570,000	C\$1,363,000
Residential	C\$286,649,941	C\$347,309,895
Hotel and Tourism	C\$638,680	C\$150,000
TOTAL	C\$325,180,721	C\$373,496,600

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About Charterland

Charterland is an RICS Regulated Firm of Chartered Surveyors providing a comprehensive range of professional property services with integrity and independence, and in a timely manner, focusing on our clients' needs, with a view to building long-term relationships.

With offices in the Cayman Islands and the British Virgin Islands, Charterland have assisted clients with valuation, cost consulting and property management services across the Caribbean region, including engagements in Antigua & Barbuda, Aruba, The Bahamas, Barbados, the British Virgin Islands, the Cayman Islands, Costa Rica, Cuba, Grenada, Jamaica, Panama, St. Kitts & Nevis, St. Lucia, Trinidad & Tobago and the Turks & Caicos Islands.





Our Services

Valuations & Appraisals

Professional, impartial and independent real estate valuations all carried out to strict deadlines and with the emphasis on accuracy and professionalism. All valuation reports will be prepared by a Chartered Valuation Surveyor in accordance with internationally accepted standards of The Royal Institution of Chartered Surveyors and the International Valuation Standards.

With professional experience covering all types of property including commercial, residential, hotel & leisure, industrial, institutional and specialized across the Caribbean region, we can provide the client with all required valuations including Market Valuations, Mortgage Valuations, Insurance & Reinstatement Cost Assessments and Asset Valuations for Financial Reporting.

Strata & Property Management

Property management that reduces risk and improves the value of your asset. Our innovative and rigorous property management strategies backed up by our local knowledge and international qualifications will help our clients to reduce their operating and ownership costs and enhance property values. With experience in the management of the premier commercial and residential properties in the Cayman Islands we are well placed to become the provider of choice for property management services.

Quantity Surveying & Cost Management

Commercial or residential, new build or fit-out, with our international qualifications and local experience we are able to advise on all aspects of the construction process, including construction estimates, pre and post contract services, interim certificates for payment and works in progress, project, contract and cost management and settlement of final accounts.

Business Valuations

Whether required for financial reporting, internal restructuring, share transfer, inheritance or taxation purposes our RICS Certified Business Valuer can provide you with valuation reports prepared to the latest in international professional standards.

Stamp Duty, Compensation & Asset Management

Knowledge of the local Cayman Islands legislation on property finance; such as the payment of Stamp Duty and the claim of statutory compensation is an area of specialized knowledge in which we excel. With experience both within and acting against the Cayman Islands Government, our professional knowledge has resulted in the substantial reduction in the Stamp Duty being paid, and increase in the compensation being received, by our Clients.

Insurance Loss Adjusting

With in-depth experience of hurricane and fire damage insurance claims we are able to represent our clients in all types of disaster recovery. We can also provide risk surveys and analysis.





“...one of the most qualified and experienced Chartered Surveyors based in the Caribbean.”

Our People

Simon J Watson BSc FRICS Partner

Simon is a founding Partner of Charterland, a firm of Chartered Surveyors with offices in the Cayman Islands and the British Virgin Islands providing professional, property consulting services throughout the Caribbean region. A Fellow of the Royal Institution of Chartered Surveyors (FRICS), Simon has over 25 years' professional experience in the Caribbean. Prior to founding Charterland, Simon was previously the Director of Deloitte responsible for the Property Consulting Division in the Caribbean & Bermuda. He also worked in the Cayman Islands Valuation Office, advising the Government on valuation and other property related matters.

Simon has a broad background in property consulting but has specialised in preparing valuations, cost estimates and feasibility studies for hotels, resorts and other major properties throughout the Caribbean region, including engagements in Antigua & Barbuda, Aruba, The Bahamas, Barbados, the British Virgin Islands, the Cayman Islands, Costa Rica, Grenada, Jamaica, Panama, St. Kitts & Nevis, St. Lucia, St. Vincent & the Grenadines, Trinidad & Tobago and the Turks & Caicos Islands. Simon has also provided expert witness evidence and assisted the legal teams with respect to the two largest legal actions relating to property values in the Caribbean, the Half-Moon Bay Hotel compulsory acquisition case in Antigua &

Barbuda, and the legal action relating to Dellis Cay in the Turks & Caicos Islands.

With RICS Certifications in Valuations, Business Valuations and Quantity Surveying, Simon is one of the most qualified and experienced Chartered Surveyors based in the Caribbean. Simon is a founding Board Member of the regional Chapter of The Royal Institution of Chartered Surveyors, RICS Caribbean, and also the Cayman Islands National Chapter, RICS Cayman. He was the first accredited RICS Assessor for the Valuation Faculty in the Caribbean and he was also previously the Caribbean representative to the Board of RICS Americas. Simon currently serves on the Council of the Cayman Islands Chamber of Commerce.

Professional Designations & Qualifications

- Bachelor of Science in Urban Estate Management
- RICS Certification in Quantity Surveying
- RICS Certification in Business Valuations
- RICS Registered Valuer #0088812
- Member of the Royal Institution of Chartered Surveyors
- Fellowship by Achievement of The Royal Institution of Chartered Surveyors





Stewart T. Connelly BSc MRICS Partner

Prior to founding Charterland, Stewart was the Manager of the Commercial Property Department of Deloitte Property Consulting, where he worked previously. Stewart is a Chartered Surveyor (MRICS), whilst also being a member of The British Institute of Facilities Management (MBIFM) and a member of the International Facilities Management Association. Stewart has over fifteen years experience in facilities, property/real estate management, valuations and commercial agency spread across Australasia, Europe and the Caribbean. Five of those years based in London and, since 2005, in the Cayman Islands specializing in facilities/property management, commercial agency, valuations and health and safety in the built environment. Stewart holds a BSc (Hons) in Estate Management, through the prestigious College of Estate Management, Reading University in the UK.

Stewart has managed a Cayman portfolio worth in excess of \$50million with annual budgets in excess of \$2.5million.

Professional Designations & Qualifications

- Bachelor of Science (Hons) - Estate Management
- Member of The Royal Institution of Chartered Surveyors (MRICS)
- Member of The British Institute of Facilities Management (MBIFM)
- Member of The International Facility Management Association
- Member of The Cayman Society of Architects, Surveyors and Engineers

“Premises costs are second only to staff in a company's outgoings. Reduce these through professional facilities management.”



“When employing the services of a Chartered Valuation Surveyor it is essential that the valuer has a proven track record of relevant on-island experience.”

Neal Ainscow MSc MRICS Senior Valuation Surveyor

Prior to joining Charterland, Neal was a member of the Valuation and Estates Office team in the Lands & Survey Department of the Cayman Island Government. His main responsibilities involved the provision of valuation advice, both informal and ‘Red Book’, mainly on individual properties over the majority of property asset classes throughout the islands. The purposes of valuation ranged from the revaluation of all the Government’s property assets, potential Government acquisitions, disposals and determining the market value of property for stamp duty purposes.

Neal worked in Romania in the valuation and investment department of King Sturge’s Bucharest Office before joining the Lands & Survey Department. He was involved in the provision of ‘Red Book’ valuation advice on individual or property portfolios over the majority of property asset classes throughout Romania on behalf of banks, investment funds, and developers, for financial statements, loan security & stock listing purposes, in addition to providing market over views and feasibility studies for these clients. The investment remit covered all asset classes providing advice and

recommendations regarding acquisition and disposals of investment products, exit strategies, international marketing, property characteristics, tenant profile and market analysis, either for individual or property portfolios.

Preceding his move to Romania, Neal has worked for GVA Grimley and King Sturge in their UK Birmingham Office’s, assembling a broad range of valuation experience over various asset classes around the West Midlands.

Professional Designations & Qualifications

- Masters of Science in Estate Management
- RICS Registered Valuer
- Member of The Royal Institution of Chartered Surveyors (General Practice Surveying)



“Accurate valuations of real estate assets and sound professional advice are fundamental to the investment decision-making process.”

James J. Cooper BSc (Hons) MSc Proplnv Senior Valuation Surveyor

Similar to other members of Charterland’s professional staff, prior to joining Charterland, James was part of the Valuation and Estates Office team in the Lands & Survey Department of the Cayman Islands Government. His responsibilities comprised providing advice to Government on valuation and other professional property matters, including the provision of ‘Red Book’ valuation reports across all of the major property classes and across all three islands. The purposes of valuation ranged from potential acquisitions and disposals, asset re-valuation, and determining the market value of property for stamp duty assessment.

James was involved in some notable projects during his time at Government, to include the valuation of a US\$100 million + hotel and subsequent successful negotiation of a ground lease extension, and the valuation and marketing of the George Town Police Station. Preceding his move to the Cayman Islands, James worked for a niche firm of Chartered Surveyors in the UK, being based in Cardiff, Wales, but working across the wider region and into London. He was primarily involved in investment and valuation matters for property

funds, this including the management of a high value investment portfolio, providing valuation advice, implementing asset management initiatives and undertaking financial modelling analysis to maximize the investment value of individual assets and portfolios.

James recently completed a Master’s of Science degree in Property Investment at the prestigious College of Estate Management, University of Reading in the UK.

Professional Designations & Qualifications

- Masters of Science in Property Investment
- Bachelor of Science with Honors in Real Estate Appraisal and Management
- RICS Registered Valuer
- Member of The Royal Institution of Chartered Surveyors
- Member of The Investment Property Forum



“... a wealth of knowledge in residential property management.”

**Lisa Terry Assoc RICS
Residential & Commercial Property Manager**

Lisa joined Charterland from the United Kingdom in 2013, bringing with her a wealth of knowledge in residential property management. With over 10 years’ experience in the property industry, Lisa previously worked for the largest residential property management company in the United Kingdom and was responsible for the management of a portfolio of 33 developments and over 2,000 homes.

Throughout her time working in the property industry, Lisa has completed the professional qualifications to obtain Membership status of the Institute of Residential Property Management and has qualified as an Associate Member of the Royal Institution of Chartered Surveyors. Lisa is currently working towards an MSc in Quantity Surveying through the prestigious University College of Estate Management.

Professional Designations & Qualifications

- Member of the Institute of Residential Property Management
- Associate Member of The Royal Institution of Chartered Surveyors





“You have enough to worry about... leave the numbers to me!”

Natasha Marius BSc CFA FCCA Accountant

Originally from St. Lucia, Natasha had over fourteen years’ experience in Finance and Accounting. Prior to moving to Cayman, she worked in various roles in St. Lucia including, Group Financial Controller for Sea Island Cotton Shop and Assistant Financial Controller for Renwick & Company.

On Moving to Cayman, Natasha served as the Senior Accountant and Settlements Manager for Dart Management Services Limited, a position she held until 2013, when she migrated to Bermuda to take up a position as Valuations Accountant for Bermuda Investments Services Limited.

Natasha moved back to Cayman in 2014 and prior to joining Charterland, worked as the Senior Accountant for Artemis, where she managed a portfolio of clients.

Professional Designations & Qualifications

- Bachelor of Science – Accounting
- Certified Financial Analyst Charter Holder
- Fellow of the Association of Certified Chartered Accountants



Notes

- 1 All property transfer data was obtained from the Cayman Islands Government's Land Information System and Land Registry. All information provided is in the public realm and no confidentiality has been breached in its presentation in this format.
- 2 Aerial photography is by Licence Agreement with the Cayman Islands Government's Lands & Survey Department.
- 3 All stated consideration for property transfers is in Cayman Islands Dollars and is net of chattels, unless stated otherwise.
- 4 All US Dollar sale prices have been converted at 0.84 in accordance with the Cayman Islands Government's standard conversion rate for property transfers.
- 5 Average sale prices and rentals have been arrived at either by analysis of all, or a best sample of, similar property transfers within a specified development, sub-division or other.
- 6 The opinions stated in this report are based on information obtained from sources considered reliable and believed to be true and correct; however no guarantees are offered on the accuracy of the information provided.
- 7 Average sales prices should not be interpreted as the Market Values of any particular property and any person seeking the same should procure the services of a qualified Chartered Valuation Surveyor with professional experience of the Cayman Islands property market.
- 8 Average rental rates should not be interpreted as the Market Rent of any particular property and any person seeking the same should procure the services of a qualified Chartered Valuation Surveyor with professional experience of the Cayman Islands property market.
- 9 This report has been prepared for general information purposes only and the whole, or any part of this report, or any reference hereto, should not be included in any published document, circular or statement, or published in any way, without the author's prior written approval.
- 10 Neither the authors, nor Charterland Ltd., accept any responsibility for persons or companies relying on information provided in this report for any reason whatsoever. Property, by its very nature, is often heterogeneous and can therefore provide anomalous results when subjected to mass analysis. It is therefore always advisable when considering a specific property in particular, to directly engage the services of an experienced Chartered Valuation Surveyor prior to making any monetary decisions.
- 11 This report has been prepared in accordance with the Royal Institution of Chartered Surveyors strict code of professional conduct and the author's declare that they have acted independently and objectively in their analysis.





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