

# VALUATION REPORT

Villa Regina

Julianaweg 47, Doorn, The Netherlands

*Holland Immo Group*

**Date of Valuation: 8 September 2020**

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### Legal Notice and Disclaimer

This valuation report (the “Report”) has been prepared by CBRE Valuation & Advisory Services B.V. (“CBRE”) exclusively for Holland Immo Group (the “Client”) in accordance with the terms of engagement entered into between CBRE and the client dated 24 August 2020 (“the Instruction”).

The Report is confidential to the Client and any other Addressees named herein and the Client and the Addressees may not disclose the Report unless expressly permitted to do so under the Instruction.

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- i. an amount of three (3) times the fee that has been agreed in the Instruction; or
- ii. € 1 million (one million euro).

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None of the information in this Report constitutes advice as to the merits of entering into any form of transaction.

If you do not understand this legal notice then it is recommended that you seek independent legal advice.

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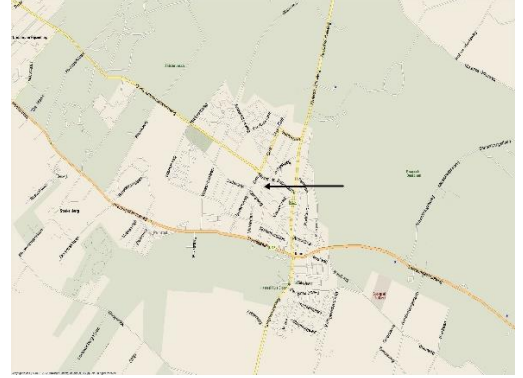
# 1

## EXECUTIVE SUMMARY

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## EXECUTIVE SUMMARY

*This executive summary should be read in conjunction with the valuation report and should not be relied upon in isolation. It is provided subject to the assumptions, disclaimers and limitations detailed both throughout this report.*



## The Property

<b>Address:</b>	Villa Regina Julianaweg 47, Doorn, The Netherlands
<b>Main Use:</b>	Private nursing home
<b>Area:</b>	445 sq m LFA 902 sq m GFA

## Tenure

According to the information available from the Land Registry Office (Kadaster) the property is held freehold by De heer Petrus Hubertus Carolus Josephus van Doorne and Mevrouw Carolina Maria Gabrielle van Doorne and registered as follows:

Municipality:	Doorn
Section:	A
Number:	5888
Area:	1,331 sq m

### Comment

- We have read the title deed and have not found easements or perpetual clauses.
- We would like to mention that the above is our interpretation of the documentation reviewed. As we are not legal advisors we advise to obtain an opinion from a legal expert.
- The property is a nationally listed building.

Copies of the land registry extracts can be found in Appendix C.

## Tenancies and Covenant Strengths

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At valuation date, the property is let to Senior Living B.V. by means of a masterlease contract. Senior Living B.V. is part of Korian SA, a French listed multinational healthcare provider. The healthcare operator is Stepping Stones Home & Care B.V. Stepping Stones Home & Care B.V. was acquired in April 2019 by Korian SA. As of January 2021, there will be a name change to "Korian Zorg B.V."

The property comprises 13 apartments, which are leased individually to senior residents with alzheimer's dementia or problems with amnesia. The property also benefits from a relatively large communal area and a private outside area.

As of the valuation date, the remaining lease term amounts to 10.2 years. An in-depth analysis of the tenant falls out of the scope of this report. We have assumed that the property investment market would be of the opinion that the tenant provides good financial security.

## Gross Income

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€ 217,815 per annum	€ 489 per sq m per annum
	€ 1,396 per apartment per month

## Net Income

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€ 212,009 per annum	€ 476 per sq m per annum
	€ 1,359 per apartment per month



## Gross Market Rent

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€ 202,800 per annum

€ 455 per sq m per annum

€ 1,300 per apartment per month

## Net Market Rent

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€ 199,758 per annum

€ 449 per sq m per annum

€ 1,281 per apartment per month

### Rental income – the potential effect of Covid-19

The valuation we have provided reflects the rental income as at the date of valuation, as set out within this report, which you have confirmed to be correct and comprehensive. It also reflects any issues concerning the anticipated cash-flow that you have advised us of, as set out within this report. Given the uncertainties relating to the Covid-19 virus and the current restrictions on business activities, it is likely that there will be significant rental defaults and/or insolvencies leading to voids and a resulting shortfall in rental income. Should this occur, there will be a negative impact on the value of the subject property.

We would like to address that we assume the current tenant provides a good financial security. Also, part of the healthcare costs are compensated by the government, which reduces the financial risk. The current Covid-19 virus could affect the occupancy rate. However, we did not investigate nor did we receive detailed information about the financial security, the turnover and occupancy rate of the property. This falls out of the scope of this report.

## Market Value

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**€ 4,255,000 (four million two hundred fifty-five thousand euros)**

### Comment

- With the above Market Value the purchaser should allow for additional purchasers' costs, including transfer tax, broker and legal fees. The above value is exclusive of VAT, if applicable.

## Yield Profile

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Net Initial Yield	4.92%
Gross Initial Yield (v.o.n.)	4.97%
Gross Initial Yield (k.k.)	5.12%
Gross Multiplier	19.53x

## SWOT-analysis

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### Strengths

- Authentic appearance of the subject property (p. 26)
- Located near a large public park (p. 25)
- Daily facilities and city centre nearby (p. 25)
- 2% transfer tax applicable (instead of 6%) (p. 42)

### Weaknesses

- Relative small amount of apartments (13) (p. 26)

### Opportunities

- The average age of elderly will increase the demand of healthcare, this results in a growth for potential tenants (p. 33)
- Increasing interest of investors to invest in healthcare properties in the Netherlands (p. 33)

### Threats

- Market uncertainty due to COVID-19 (p. 39)
- Changes in care legislations could affect the way healthcare is organized and financed (p. 33)



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# 2

## VALUATION REPORT

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# VALUATION REPORT



CBRE Valuation & Advisory Services B.V.

Gustav Mahlerlaan 405

1082 MK Amsterdam

+31 (0) 20 626 26 91

<b>Report Date</b>	9 October 2020.
<b>Addressee</b>	Holland Immo Group Mrs. T. van Dalen Flight Forum 154 5606 LS Eindhoven E-mail: t.vandalen@hollandimmogroup.nl
<b>The Property</b>	Villa Regina Julianaweg 47, Doorn, the Netherlands.
<b>Property Description</b>	The property comprises a health care villa (private nursing home) with a lettable floor area of 445 sq m.
<b>Ownership Purpose</b>	Investment.
<b>Instruction</b>	To value the unencumbered freehold-equivalent interest in the property on the basis of Market Value as at the valuation date in accordance with the terms of engagement entered into between CBRE Valuation & Advisory Services B.V. and the addressee(s) dated 24 August 2020.
<b>Valuation Date</b>	8 September 2020.
<b>Type of Valuation</b>	Full valuation.
<b>Method of Valuation</b>	Income capitalisation approach. In appendix D a further explanation on the method of valuation can be found.
<b>Capacity of Valuer</b>	External Valuer, as defined in the current RICS Valuation – Global Standards.



**Purpose of Valuation**

Acquisition and financing purpose.

The valuation will be prepared for the abovementioned purpose and may not be used for other purposes.

**Market Value**

€ 4,255,000 (four million two hundred fifty-five thousand euros)

**Comment**

- With the above Market Value the purchaser should allow for additional purchasers' costs, including transfer tax, broker and legal fees. The above value is exclusive of VAT, if applicable.

Our opinion of Market Value is based upon the Scope of Work and Valuation Assumptions attached, and has been primarily derived using comparable recent market transactions on arm's length terms.

**Special Assumptions**

No.

**Events after valuation date**

We are not aware of events after valuation dates that would substantially affect value.

**Number of draft report versions**

2.

**Compliance with Valuation Standards**

The valuation has been prepared in accordance with the current RICS Valuation – Global Standards including the International Valuation Standards (the "Red Book") and the Dutch Register of Real Estate Valuers (Nederlands Register Vastgoed Taxateurs or NRVt).

CBRE Valuation & Advisory Services B.V. and her valuers are regulated by the RICS and the valuers are regulated by the NRVt. As a part of this regulation, audits can be carried out by RICS and NRVt and as a part of this process they have the right to access our files, purely for audit purposes.

We confirm that we have sufficient current local and national knowledge of the particular property market involved and have the skills and understanding to undertake the valuation competently from experience with the valuation of comparable real estate and keep up with research/literature regarding the real estate market and market transactions.

Where the knowledge and skill requirements of the Red Book have been met in aggregate by more than one valuer within CBRE, we confirm that a list of those valuers has been retained within the working papers, together with confirmation that each named valuer complies with the requirements of the Red Book.

This Valuation is a professional opinion and is expressly not intended to serve as a warranty, assurance or guarantee of any particular value of the subject property. Other valuers may reach different conclusions as to the value of the subject property. This Valuation is for the sole purpose of providing the intended user with the Valuer's independent professional opinion of the value of the subject property as at the valuation date.

## **Assumptions**

The property details on which each valuation is based are as set out in this report. We have made various assumptions as to tenure, letting, town planning, and the condition and repair of buildings and sites – including ground and groundwater contamination – as set out below.

If any of the information or assumptions on which the valuation is based are subsequently found to be incorrect, the valuation figures may also be incorrect and should be reconsidered.

## **Variation from Standard Assumptions**

None.

We would advise you that whilst we have valued the Properties reflecting current market conditions, there are certain risks which may be, or may become, uninsurable. Before undertaking any financial transaction based upon this valuation, you should satisfy yourselves as to the current insurance cover and the risks that may be involved should an uninsured loss occur.

**Valuer**

The Property has been valued by a valuer who is qualified for the purpose of the valuation in accordance with the Red Book and the Dutch Register of Real Estate Valuers.

**Independence**

The valuers declare that they comply with the fundamental principles of objectiveness and independence in carrying out this valuation. The objectiveness and independence are ensured by following the ethical codes of the Royal Institution of Chartered Surveyors and the Dutch Register of Real Estate Valuers.

The total fees, including the fee for this assignment, earned by CBRE Valuation & Advisory Services B.V. (or other companies forming part of the same group of companies within the Netherlands) from the Addressee (or other companies forming part of the same group of companies) are less than 5.0% of the total Dutch revenues.

**Conflict of Interest**

We have valued this property on 14 February 2019 for another client. We have informed Holland Immo Group about this. We have prepared our valuations in the knowledge that there is no conflict of interest.

**Reliance**

The contents of this Report may only be relied upon by:

- (i) Addressees of the Report; and
- (ii) Parties who have received prior written consent from CBRE in the form of a reliance letter;

for the specific purpose set out herein and no responsibility is accepted to any third party for the whole or any part of its contents.

## Publication

Neither the whole nor any part of our report nor any references thereto may be included in any published document, circular or statement nor published in any way without our prior written approval of the form and context in which it will appear.

Such publication of, or reference to this report will not be permitted unless it contains a sufficient contemporaneous reference to any departure from the Royal Institution of Chartered Surveyors Valuation Standards or the incorporation of the special assumptions referred to herein.

## Novel Coronavirus (COVID-19)

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a “Global Pandemic” on the 11th March 2020, continues to impact many aspects of daily life and the global economy – with some real estate markets having experienced lower levels of transactional activity and liquidity. Travel restrictions have been implemented by many countries and “lockdowns” applied to varying degrees. While restrictions have now been lifted in some cases, local lockdowns may continue to be deployed as necessary – and the emergence of significant further outbreaks, or a “second wave”, is possible.

The pandemic and the measures taken to tackle COVID-19 continue to affect economies and real estate markets globally. Nevertheless, as at the valuation date, some property markets have started to function again, with transaction volumes and other relevant evidence returning to levels where enough market evidence exists upon which to base opinions of value. Accordingly – and for the avoidance of doubt – our valuation is not reported as being subject to ‘material valuation uncertainty’, as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards.

For the avoidance of doubt this explanatory note has been included to ensure transparency and to provide further insight as to the market context under which the valuation opinion was prepared. In recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of COVID-19, we highlight the importance of the valuation date.

Yours faithfully,

For and on behalf of

CBRE Valuation & Advisory Services B.V.,



**R.H. Smorenburg MRICS RT CIS  
HypZert (MLV) REV**

**RICS Registered Valuer**

**Registered in the NRVt under number  
RT679820773**

**Chamber Commercial Real Estate –  
Large Real Estate**

**Executive Director**

E: Roderick.Smorenburg@cbre.com

Yours faithfully,

For and on behalf of

CBRE Valuation & Advisory Services B.V.,



**E. Zonnenberg MSc MRICS RT**

**RICS Registered Valuer**

**Registered in the NRVt under number  
RT663124402**

**Associate Director**

E: Erik.Zonnenberg@cbre.com



Yours faithfully,

For and on behalf of

CBRE Valuation & Advisory Services B.V.,

A handwritten signature in blue ink, consisting of a series of loops and a long, sweeping diagonal stroke.

**M. Beckers MSc**

**Consultant**

E: [Milou.Beckers@cbre.com](mailto:Milou.Beckers@cbre.com)

Our ref.: CLIQ#0061Y00000sDheL

## SOURCES OF INFORMATION

We have carried out our work based upon information supplied to us by the client and upon information we received from sources which we deem to be credible. We assume that all relevant information has been provided to us and that this information is correct and comprehensive. An overview of the received and consulted information, including an explanation on the verification of the information can be found in the below table.

Description	Source	Explanation / Verification
<b>Ownership</b>		
Title deed	Client	Consulted.
Cadastral information	Land Registry	Consulted.
Ground rent deed	Land Registry	Not applicable.
<b>Property information</b>		
Drawings	Client	We have consulted the drawings prepared by De Jong Architecten dated 9 September 2013.
Overview of areas	Client	We have been provided with an area overview.
Measurement certificate according to Dutch norm NEN2580	-	Not received.
Long Term Maintenance Budget / assessment of maintenance costs	Vastgoed Adviseurs Online B.V.	For assessing the annual maintenance provision, we used the index booklet Vastgoed Taxatiewijzer Exploitatiekosten.
Property Tax	-	n/a.
Water Tax	-	n/a.
Sewage	-	n/a.
Sustainability	ep-online.nl	n/a.
Insurance Premium	BIM Media B.V.	The insurance premium has been based on the index number from the booklet [her]bouwkosten bedrijfspanden.

Description	Source	Explanation / Verification
<b>Tenancy information</b>		
Tenancy schedule with actual incomes and expiration dates	-	Not received.
Lease agreements and amendments	Client	We have been provided with the lease agreement and an addendum about the new tenant.
<b>Environmental Considerations</b>		
Soil Survey	-	Not received.
Environmental reports	-	Not received
Bodemloket.nl	-	Consulted.
Asbestos	-	Not received.
<b>Zoning Information</b>		
Zoning Plan	Ruimtelijkeplannen.nl	We have checked the website ruimtelijkeplannen.nl for the prevailing zoning plan.
<b>Market information</b>		
Estimated Rental Value	STRABO and CBRE	To obtain comparable transaction we have used VTIS, an online database with rental transactions. Also, we used the internal CBRE database.
Market Value / yield	CBRE Valuation & Advisory Services	CBRE Valuation & Advisory Services maintains an internal database with investment transactions.
<b>Other</b>		
Other information	BAG-Viewer	Consulted.
Investment memorandum	Client	We have received the investment memorandum for this property.
Maintenance plan	Client	We have received the maintenance plan prepared by NIBAG and dated 8 December 2014.
Occupancy rate	Client	We have received an overview with the occupancy rate.
WOZ value	Client	We have received the WOZ value.
Court ruling regarding transfer tax	Client	We have received the "uitspraak van de meervoudige belastingkamer van 02 sep. 2020" from "Rechtbank Gelderland"
Organisation chart	Client	We have received an organisation chart of Korian SA.

If apparent that the information or assumptions on which we have based our valuations are not, or not completely, applicable, the calculated value of a Property can be incorrect and the Property should be assessed once more.

Any information received by CBRE Valuation & Advisory Services B.V. after the report date of the final valuation report has not been taken into consideration for this valuation.

## SCOPE OF WORK

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### **The Property**

Our report contains a brief summary of the property details on which our valuation has been based.

### **Inspection**

We inspected the Property internally and externally on 8 September 2020. The inspection was undertaken by M. Beckers. Furthermore, an external inspection was undertaken by R.H. Smorenburg on 14 February 2019. R.H. Smorenburg is registered in the NRVt under the number RT679820773. We do not consider it necessary the property has to be inspected externally again, because there were no changes within the property or events which could have affect the property.

Valuations and accompanying research and inspections are carried out in a manner that we consider most fitting to the content of the valuation report as agreed in the Terms of Engagement and the circumstances of the case.

### **Areas**

In The Netherlands areas are determined according to the NEN2580 norm. We have not measured the Property but have relied upon the floor areas provided by you, which we have assumed to be correct and comprehensive and that they indeed reflect the lettable floor area.

### **Environmental Matters**

We have not undertaken, nor are we aware of the content of, any environmental audit or other environmental investigation or soil survey which may have been carried out on the Property and which may draw attention to any contamination or the possibility of any such contamination.

We have not carried out any investigation into the past or present uses of the Property, nor of any neighbouring land, in order to establish whether there is any potential for contamination and have therefore assumed that none exists.

### **Services and Amenities**

We understand that all main services including water, drainage, electricity and telephone are available to the property.

None of the services has been tested by us.

**Repair and Condition**

We have not carried out building surveys, tested services, made independent site investigations, inspected woodwork, exposed parts of the structure which were covered, unexposed or inaccessible, nor arranged for any investigations to be carried out to determine whether or not any deleterious or hazardous materials or techniques have been used, or are present, in any part of the Property. We are unable, therefore, to give any assurance that the Property is free from defect.

We have seen a copy of a maintenance plan prepared by NIBAG and dated 8 December 2014.

**Town Planning**

We have checked the town planning on the national website [www.ruimtelijkeplannen.nl](http://www.ruimtelijkeplannen.nl). We cannot accept responsibility for incorrect information on this website.

**Titles, Tenures and Lettings**

Details of title/tenure under which the Property is held and of lettings to which it is subject are as supplied to us. We have not generally examined nor had access to all the deeds, leases or other documents relating thereto. Where information from deeds, leases or other documents is recorded in this report, it represents our understanding of the relevant documents. We should emphasise, however, that the interpretation of the documents of title (including relevant deeds, leases and planning consents) is the responsibility of your legal adviser.

We have not conducted credit enquiries on the financial status of any tenants. We have, however, reflected our general understanding of purchasers' likely perceptions of the financial status of tenants.

## VALUATION ASSUMPTIONS

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### Capital Values

The valuation has been prepared on the basis of "Market Value" which is defined as:

"The estimated amount for which a property should exchange on the valuation date 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".

No allowances have been made for any expenses of realisation nor for taxation which might arise in the event of a disposal. Acquisition costs have not been included in our valuation.

The valuation represents the figure that would appear in a hypothetical contract of sale at the valuation date. No adjustment has been made to this figure for any expenses of acquisition or realisation - nor for taxation which might arise in the event of a disposal.

No account has been taken of any inter-company leases or arrangements, nor of any mortgages, debentures or other charges.

No account has been taken of the availability or otherwise of capital based Government or European Community grants.

### Rental Values

Rental values indicated in our report are those which have been adopted by us as appropriate in assessing the capital value and are not necessarily appropriate for other purposes nor do they necessarily accord with the definition of Market Rent.

### The Property

Where appropriate we have regarded the shop fronts of retail and showroom accommodation as forming an integral part of the building.

Landlord's fixtures such as lifts, escalators, central heating and other normal service installations have been treated as an integral part of the building and are included within our valuations.

Process plant and machinery, tenants' fixtures and specialist trade fittings have been excluded from our valuations.

All measurements, areas and ages quoted in our report are approximate.

### **Environmental Matters**

In the absence of any information to the contrary, we have assumed that:

(a) the Property is not contaminated and is not adversely affected by any existing or proposed environmental law;

(b) any processes which are carried out on the Property which are regulated by environmental legislation are properly licensed by the appropriate authorities.

### **Sustainability**

We have not been provided with information concerning sustainability certificates. In the valuation we have based our assessment of the property's sustainability on the information received and our inspection.

### **Repair and Condition**

In the absence of any information to the contrary, we have assumed that:

(a) there are no abnormal ground conditions, nor archaeological remains, present which might adversely affect the current or future occupation, development or value of the property;

(b) the Property is free from rot, infestation, structural or latent defect;

(c) no currently known deleterious or hazardous materials or suspect techniques, including but not limited to Composite Panelling, have been used in the construction of, or subsequent alterations or additions to, the Property; and

(d) the services, and any associated controls or software, are in working order and free from defect.



We have otherwise had regard to the age and apparent general condition of the Property. Comments made in the property details do not purport to express an opinion about, or advise upon, the condition of uninspected parts and should not be taken as making an implied representation or statement about such parts.

### **Title, Tenure, Planning and Lettings**

Unless stated otherwise within this report, and in the absence of any information to the contrary, we have assumed that:

(a) the Property possesses a good and marketable title free from any onerous or hampering restrictions or conditions;

(b) all buildings have been erected either prior to planning control, or in accordance with planning permissions, and have the benefit of permanent planning consents or existing use rights for their current use;

(c) the Property is not adversely affected by town planning or road proposals;

(d) all buildings comply with all statutory and local authority requirements including building, fire and health and safety regulations;

(e) only minor or inconsequential costs will be incurred if any modifications or alterations are necessary in order for occupiers of each Property to comply with the provisions of the relevant disability discrimination legislation;

(f) there are no tenant's improvements that will materially affect our opinion of the rent that would be obtained on review or renewal;

(g) tenants will meet their obligations under their leases;

(h) there are no user restrictions or other restrictive covenants in leases which would adversely affect value;

(i) where appropriate, permission to assign the interest being valued herein would not be withheld by the landlord where required; and

(j) vacant possession can be given of all accommodation which is unlet or is let on a service occupancy.

**Gross Initial Yield**

The Gross Initial Yield reflects the gross yield of the property and is calculated as follows: the gross rental income divided by the Market Value.

**Net Initial Yield**

The Net Initial Yield reflects the net yield of the property and is calculated as follows: the net rental income divided by the Market Value before acquisition costs.

**Gross Rental Income**

The rental income as paid by the tenants, exclusive of VAT and service charges.

**Net Rental Income**

The rental income as paid by the tenants, exclusive of VAT and service charges minus the estimated annual non-recoverables.

**Gross Estimated Rental Value**

The rental value for the property / a unit in the property as estimated by the valuer, exclusive of VAT and service charges.

**Net Estimated Rental Value**

The rental value for the property / a unit in the property as estimated by the valuer, exclusive of VAT and service charges minus the estimated annual non-recoverables.

**Floor Areas**

Below, the most widely used definitions of floor areas are provided. In The Netherlands, areas are generally measured using the Dutch norm NEN2580. The below area definitions are concise. For the full definitions we refer to the definition book as provided by NEN (the company who prepared the definition).

**Gross Floor Area  
(GFA)**

The gross floor area (according to Dutch norm NEN2580) of a room or group of rooms is the area, measured at floor level, along the perimeter of the vertical dividing structures that enclose the room or group of rooms in question. In the GFA included are the areas of stairwells, lift shafts and vertical utility shafts and the area of a free-standing exterior column if its ground area is greater than or equal to 0.5 sq m.

**Net Lettable Area  
(NLA)**

The net lettable floor area (according to Dutch norm NEN2580) of a room or group of rooms is the area, measured between the vertical dividing structures that enclose the room or group of interior rooms in question. Where identical building functions adjoin each other, the measurement is to the centre of the dividing structure in question.

At the location of window openings in the vertical dividing structures on the exterior walls, measurement takes place up to the inside of the glass at 1.5 metres above the floor and at the width of these window openings.

Several areas such as amongst others technical areas, vertical transport areas, an airlock to the stairwell, if the airlock provides access to the stairwell only, (parts of) areas less than 1.5 metres in height, do not fall within the lettable area.

**Usable Floor Area  
(UA)**

The usable floor area (according to Dutch norm NEN2580) of a room or group of rooms is the area, measured at floor level, between the vertical dividing structures that enclose the room or group of rooms in question.

Several areas such as technical areas, vertical transport areas, (parts of) areas less than 1.5 metres in height, do not fall within the usable floor area.

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# 3

## PROPERTY REPORT

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## PROPERTY DETAILS

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### Location

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Doorn is a village part of the municipality Utrechtse Heuvelrug, which is located in the centre of the Netherlands, in the province of Utrecht. Doorn is located at circa 20 kilometers from Utrecht which is the capital of the province of Utrecht. Doorn is located at circa 50 kilometers from Amsterdam. The village of Doorn has an estimated population of 10,000 inhabitants. The average disposable income in Doorn is above the national average.

### Conclusion

We are of the opinion the location can be considered as good for the use of a private nursing home.

Location map is attached in Appendix A.

### Situation

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The subject property is situated at the Julianaweg 47, in a green residential area with a large public park in the direct vicinity. The property is situated at approximately 750 north-west of the city centre.

The property is located at circa 200 metres from the nearest bus stop, by which the train station Driebergen-Zeist can be reached in circa 20 minutes. Therefore, we are of the opinion that the accessibility by public transport can be considered as ample.

By car, the subject property is best accessible through the motorway N225 via the Berkenweg or via the motorway N227 via the Willem de Zwijgerlaan. The entrances to these motorways are located at circa 750 metres and circa 350 metres respectively. Therefore, the accessibility by car can be considered as good.

### Conclusion

We are of the opinion the subject property is situated on a good location.

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## Description

The subject property is situated north-west of the city centre of Doorn. It concerns a former residential use property, which has recently been transformed to its current use. It comprises 13 apartments with their own private sanitary facilities. The size of the rooms varies between 20 sq m and 62 sq m. Furthermore, there is a large shared living room and outdoor space surrounding the property.

The current tenant is Stepping Stones, a small-sized, private healthcare provider/operator in the Netherlands. Stepping Stones was acquired in April 2019 by Korian SA, a French listed multinational healthcare provider and provides healthcare through small-sized and luxurious villas, creating a pleasant atmosphere for its residents. Stepping Stones's target group are elderly with dementia and dementia related diseases whom cannot live independently and require specific healthcare. Patients with a 'ZZP' indication 4 or higher are allowed to live in the villas. Residents can use extra services such as 24-hour services, meals and facilities like general practitioner, physiotherapy, ergotherapy, hairdressers and dentist.

The main structure of the building consists of a masonry base and façade. The window frames are made of wood and equipped with double glazed windows. The property has a pitched roof. We are of the opinion that the properties external state of repair can be considered as good. The inside of the building has a luxurious appearance. Therefore, we believe the internal state of repair can be considered as good as well.

The property is built in 1936 (recently renovated) and consist of three floors. It currently meets all standards necessary for the exploitation of care.

## Conclusion

The subject property concerns a private nursing home for the care of elderly with 13 apartments. We are of the opinion the property has a good quality and state of repair.

Photographs of the property are attached in Appendix B.

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## Usability and Alternative Use

The property includes healthcare facilities with 13 apartments. Given the characteristics of the building and the market conditions, we believe a private care home is the most suitable use. However, we would like to note that the current zoning plan allows for residential use as well.

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## Services and Amenities

We understand that all main services including water, drainage, electricity and telephone are available to the property.

None of the services has been tested by us.

## Accommodation

We have not measured the property, but as instructed, we have relied upon the floor areas as provided via the area overview prepared by De Jong Architecten and dated 11 September 2013. Furthermore, the floor areas have been provided via a unit list. We have cross-referenced the floor areas during our inspection, with the provided ground plans and have also consulted BAG-viewer (a Dutch property repository from the Land Registry Office). On the basis of these two checks we deem the floor areas to be plausible.

In summary, the floor areas are as follows:

### Floor areas

Floor/unit	Use	LFA (sq m)	GFA (sq m)
Basement & Ground floor	Private healthcare	229	509
First floor	Private healthcare	145	249
Second floor	Private healthcare	71	144
<b>TOTAL</b>		<b>445</b>	<b>902</b>

Source: Area overview by De Jong Architecten (d.d. 11 September 2013) and the Unit list.

## State of Repair

CBRE have not undertaken a structural survey, nor tested the services. We have been provided with a maintenance plan prepared by NIBAG dated 8 December 2014 and a Technical Due Dilligence report provided on 27 February 2019. We have undertaken only a limited inspection for valuation purposes. From the report provided and our limited inspection we believe the state of repair can be considered above average.

## Environmental Considerations

We have checked Bodemloket to determine environmental circumstances at the subject site. At Bodemloket, there is no information available for this location about soil investigation or remediation.

Based on the findings of this report, CBRE's own inspection and planning enquiries, we have not identified any environmental risk factors which, in our opinion, would affect value. However, CBRE give no warranty as to the absence of such environmental risk factors.

Taking into account the building age of the subject property, asbestos might be present in the building. In our valuation, we have not taken any possible presence of asbestos into account. When in doubt, we advise to have a specialized advisor carry out an asbestos survey.



## Annual Non-recoverables

The client has provided us with information on the following annual non-recoverables: maintenance costs, property tax, water tax and insurance premium. Due to the nature of the so called 'triple-net' lease agreement, all the non-recoverable costs are for the account of the tenant.

See chapter "Sources of Information" for an overview of the sources used for this valuation.

In the table below the adopted annual non-recoverables are provided:

Cost type	Annual amount (€)
Maintenance	-
Management	2,178
Property tax	-
Water tax	-
Insurance premium	-
VAT loss	457
<b>TOTAL</b>	<b>2,635</b>

### Comment

In our valuation, the VAT loss is shown as a capital cost. This amount concerns the total VAT loss for the remaining lease term of 10.2 years.

## Town Planning

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We have checked Planning on the national website [www.ruimtelijkeplannen.nl](http://www.ruimtelijkeplannen.nl). We assume the information obtained from [www.ruimtelijkeplannen.nl](http://www.ruimtelijkeplannen.nl) to be correct and complete.

The property is subject to the prevailing zoning plan 'Doorn Centrum', which was approved by the Municipality of Doorn on 10 November 2016. The subject property is zoned for "wonen – s3" (translated: Residential use – s3). Additionally, the subject property is zoned for the designated use "zorgwoning" (translated: care home)

The grounds designated for residential use are intended for:

- a. Residential use, whether or not in combination with a professional and/or home business, with the understanding that care homes are only permitted at the location of the term 'care home' with associated common and/or social facilities for the care-providing function including a meeting room, a central kitchen, a general practice and a practice for physiotherapy;

With the associated:

- b. Gardens and yards, paths, water management facilities and parking on site.

In summary, we are not aware of any issues which would adversely impact upon the value of the property. According to the information available to us, we have no reason to believe the current use is in violation with the prevailing zoning plan.

## VAT

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We have not been advised whether the property is elected for VAT.

All rents and capital values stated in this report are exclusive of VAT.

## LEGAL CONSIDERATIONS

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### Tenure

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According to the information available from the Land Registry Office (Kadaster) the property is held freehold by De heer Petrus Hubertus Carolus Josephus van Doorne and Mevrouw Carolina Maria Gabrielle van Doorne and registered as follows:

Municipality:	Doorn
Section:	A
Number:	5888
Area:	1,331 sq m

### Comment

- We have read the title deed and have not found easements or perpetual clauses.
- We would like to mention that the above is our interpretation of the documentation reviewed. As we are not legal advisors we advise to obtain an opinion from a legal expert.
- The property is a nationally listed building.

Copies of the land registry extracts can be found in Appendix C.

## Tenancies

At valuation date, the property is let to Senior Living B.V. by means of a masterlease contract. Senior Living B.V. is part of Korian SA, a French listed multinational healthcare provider. The healthcare operator is Stepping Stones Home & Care B.V. Stepping Stones Home & Care B.V. was acquired in April 2019 by Korian SA. As of January 2021, there will be a name change to "Korian Zorg B.V." The property comprises 13 apartments, which are leased individually to senior residents with alzheimer's dementia or problems with amnesia. The remaining lease term of this lease agreement is approximately 10.2 years and the total rental income amounts to € 217,815 per annum.

We have been provided with a copy of the lease agreement and the principle terms of the lease are stated below.

<b>Landlord</b>	Carolina Maria Gabrielle van Doorne en Petrus Hubertus van Doorne
<b>Tenant</b>	Senior Living B.V.
<b>Area</b>	445 sq m LFA
<b>Parking spaces</b>	Not specified
<b>Term</b>	15 year
<b>Start date</b>	1 December 2015
<b>Break option</b>	Not applicable
<b>Expiration date</b>	30 November 2030
<b>Extensions</b>	5 year
<b>Notice period</b>	1 year
<b>Current rental income</b>	€ 217,815
<b>Payment period</b>	Monthly
<b>Rent Reviews/Indexation</b>	Yearly per 1 December
<b>VAT</b>	Tenant is not liable to paying VAT

The lease is drawn on triple-net terms. Due to the nature of the lease agreement, the costs for maintenance, the property tax, water tax, sewage charge and insurance are for the account of the tenant.

**Rental income – the potential effect of Covid-19**

The valuation we have provided reflects the rental income as at the date of valuation, as set out within this report, which you have confirmed to be correct and comprehensive. It also reflects any issues concerning the anticipated cash-flow that you have advised us of, as set out within this report. Given the uncertainties relating to the Covid-19 virus and the current restrictions on business activities, it is likely that there will be significant rental defaults and/or insolvencies leading to voids and a resulting shortfall in rental income. Should this occur, there will be a negative impact on the value of the subject property.

We would like to address that we assume the current tenant provides a good financial security. Also, part of the healthcare costs are compensated by the government, which reduces the financial risk. The current Covid-19 virus could affect the occupancy rate. However, we did not investigate nor did we receive detailed information about the financial security, the turnover and occupancy rate of the property. This falls out of the scope of this report.

## MARKET COMMENTARY

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The Dutch healthcare real estate investment market is relative new, but still immature when compared to for example the real estate investment market of offices or retail.

### **Demand**

The demand for healthcare real estate in the investment market remains unprecedented. Despite the coronavirus, in recent months there has been interest from parties in healthcare real estate in the Netherlands. These include both Dutch and foreign (European) parties.

Many transactions have been delayed as a result of the pandemic. For sales that require approval from the Board for the Restructuring of Healthcare Institutions (College Sanering Zorginstellingen), this may mean that the relevant notarial submissions will no longer take place this year. In addition, preparatory applications involving local authorities will take longer and healthcare operators have delayed decisions on sales or contracts to supervise divestments.

### **New entrants**

In other European countries, alternative concepts exist for residential care for senior citizens with and without care requirements. Korian and Orpea – both of which are French in origin – have already made acquisitions in the Netherlands and both have significant expansion targets. However, they are not the only two European operators showing an interest in the Netherlands. In the coming years, we expect to see more new foreign parties enter the Dutch market; in part this will take the form of acquisitions, but notably also by bringing their own distinctive models to the Netherlands.

### **Private nursing homes**

If home is no longer an option due to increasing care needs, many other forms of living are possible. Partly due the ageing of our population, the demand for all forms of quality real estate that can house these forms of accommodation is increasing sharply. Quality real estate for the care sector, in contrast to much outdated care real estate, increasingly provides the look and feel of real homes.

As clients (or their families) become increasingly critical consumers, more and more of them are making conscious choices about where they wish to live and receive care. Many of them visit various care locations before making a final decision.

The government has enabled new forms of financing in order to try to mitigate the increasing cost of care in the Netherlands. This is leading to the emergence of (new) healthcare providers, who are rolling out new residential care concepts.

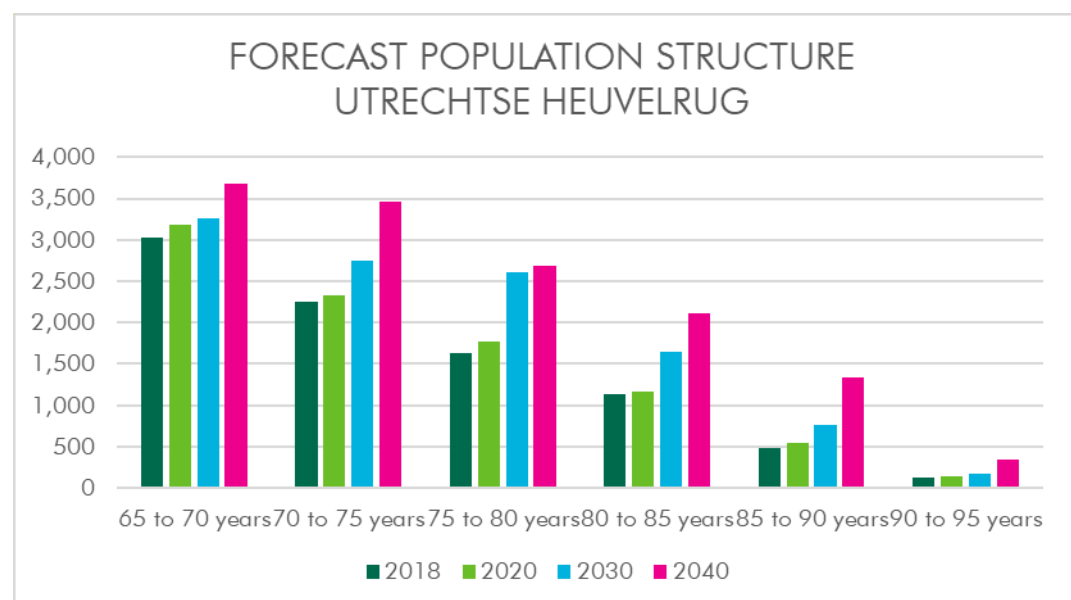
Accommodation for care-dependent senior citizens can be divided into three broad categories:

1. Extramural, for seniors who wish to be ready for the future and/or who do not (initially) require a great deal of care.
2. Intramural (nursing), for seniors who require care and supervision 24 hours a day.
3. Private nursing homes, for those who require care and supervision 24 hours a day and who prefer to live in a smaller-scale location.

Increasing numbers of healthcare organisations are deciding to sell (extramural) real estate suitable for assisted living. This means that liquidity is released that can be invested in nursing homes. This reduces the real estate risks for the care providers so that they can continue to focus on providing good care over the long term. Increasingly, this type of real estate transaction is happening through close cooperation between healthcare organisations and investors. This cooperation is beneficial for all parties involved: residents, healthcare organisations and investors.

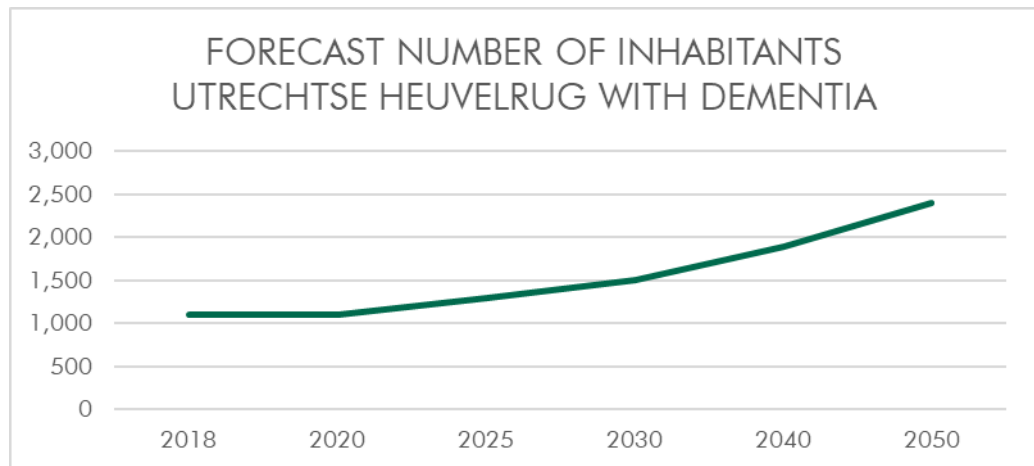
Within the intramural accommodation sector, changing forms of funding are leading to new care and real estate concepts. In 2018, the current payment structure changed and healthcare organisations will receive one integrated fee for providing care and accommodation.

The proportion of private nursing home locations has doubled to over 275 locations over the last four years. This market is expected to continue to grow rapidly in the coming years. Although in the past, private nursing home locations were mainly aimed at very high-income groups, care providers are now launching more and more initiatives aimed at private nursing homes for the middle segment of the market.



Source: CBRE Research





Source: CBRE Research

## Rental Evidence

In order to determine the rental value of the subject property, we have used the two following approaches:

1. Comparison based on rental transactions of residential units;
2. Comparison based on the price per unit of comparable private nursing homes.

### 1. Comparison based on rental transactions of residential units;

The rental transactions below represent the best available data for comparison with the subject property. In our opinion, transactions of residential units are comparable with the apartments of the subject property. The comparables were chosen based upon their size, condition/quality, and location.

Address	Analysis of rental transactions	Location	Property
<b>Doorn</b> <b>Dorpsstraat 35 C</b> 	<p>In February 2020 an apartment of 45 sq m located in the city centre of Doorn was let. The reported rent was € 870 per month (€ 19.33 per sq m per month). We are of the opinion this comparable is located at a slightly better location due to its location in the city centre. Furthermore, we consider the quality to be comparable.</p>	+	=
<b>Doorn</b> <b>Dorpsstraat 29 J</b> 	<p>In April 2020 an apartment of 32 sq m located in the city centre of Doorn was let. The reported rent was € 740 per month (€ 23.12 per sq m per month). We are of the opinion this comparable is located at a slightly better location due to its location in the city centre. Furthermore, we consider the quality to be comparable.</p>	+	=
<b>Maarsbergen</b> <b>Woudenbergseweg 50 C</b> 	<p>In May 2020 an apartment of 54 sq m in Maarsbergen was let. The reported rent was € 995 per month (€ 18.43 per sq m per month). We are of the opinion the location of this reference is inferior compared to the subject. We consider the quality to be comparable.</p>	-	=

Location is an opinion on the quality of the location of the comparable transaction in relation to the location of the subject property

Property is an opinion on the quality of the property of the comparable transaction in relation to the quality of the subject property

We have used residential rental transactions for the estimation of the rental value of this property. In our opinion, transactions of residential units are comparable with the apartments of the subject property, but lack the facilities of a professional healthcare operator. The selected residential rental transactions show a bandwidth between € 18.43 and € 23.12 per sq m per month.

## 2. Comparison based on the price per unit of comparable private nursing homes.

We have also compared other, comparable, healthcare living concepts to the subject property. In our opinion, this is a good method to determine the rental value and these are provided below.

Address	Analysis of rental transactions	Location	Property
<b>Heemstede</b> <b>Van Merlenlaan 2</b> <b>Villa Meerlhorst</b> 	<p>This reference concerns a private nursing home for the care of elderly, built in 2016. The property has a total lettable floor area of 1,070 sq m. This is divided over 17 units, of ca. 35 sq m, with their own sanitary facilities and general space (such as a common living room). The property is leased based on a masterlease with a triple-net condition - this means that all the costs are for the account of the tenant, except for the management costs. The total gross rental income amounts € 316,200 per annum, which results in € 1,550 per healthcare unit per month.</p>	+	=
<b>Zeist</b> <b>Woudenbergseweg 7</b> <b>Zonneburg Zeist</b> 	<p>This reference concerns a private nursing home for the care of elderly. The property has a gross floor area of 1,341 sq m, divided over 22 apartments. The property was built in 1960. The total gross rental income amounts € 280,000 per annum, which results in € 1,061 per healthcare unit per month.</p>	=	-
<b>Oegstgeest</b> <b>Prins Hendriklaan 2</b> <b>Villa Oranjepark</b> 	<p>This reference concerns a private nursing home for the care of elderly, built in 2007. The property has a total gross floor area of 942 sq m, divided over 14 units. The total gross rental income amounts € 184,800 per annum, which results in € 1,100 per healthcare unit per month. The property is leased based on a triple-net lease.</p>	+	=

Location is an opinion on the quality of the location of the comparable transaction in relation to the location of the subject property

Property is an opinion on the quality of the property of the comparable transaction in relation to the quality of the subject property

## Opinion of Market Rent

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Based on the abovementioned references, the location and quality of the subject property and our knowledge of the healthcare market, we have estimated the rental value as follows:

Healthcare unit: € 1,300 per apartment per month

The total rental value amounts € 202,800. We are of the opinion this property is let above market rates, due to the total annual rental income amounts € 217,815 (approx. € 1,400 per apartment per month).

## Investment Market Commentary and Yield Evidence

### Investment volume

In the first half of 2020, investors acquired healthcare real estate worth approximately € 375 million. This represents a decrease of approximately 33% compared to H1 of 2019. This fall is mainly due to the coronavirus outbreak, which has meant that transactions have been delayed or objects have not (yet) been put on the market.

After reaching a record-high investment volume of € 1.0 billion in 2019, the outlook for the 2020 healthcare market was very positive. However, due to the Corona crisis, healthcare investments came to a near standstill at the end of the first quarter. Many transactions are currently on hold because of the COVID-19 measures for client safety, but also due to the uncertainty regarding the short-term course of the crisis. Development projects have also been halted and some have been postponed.

The total healthcare investment volume in the first quarter of 2020 totaled € 117.0 million, a decrease of 44.1% compared with the € 209.2 million of Q1 2019. The average volume per transaction was € 6.2 million during the first three months of 2020, 14.6% lower than in the same period last year. The highest volumes were invested in South-Holland (43.8%), North-Brabant (23.5%) and Gelderland (20.5%). Of the total number of transactions, 42.1% was in traditional nursing homes and 36.8% was in first-line healthcare locations. The figures below show the investment volume and prime yields for the past six quarters.

It is possible that the current crisis will negatively impact the investment volume as well as the yields. However, it is not possible to quantify this impact, given the uncertainty of the current situation. Yet, there is still a high demand for healthcare real estate due to the aging of the population.

### Development of net yields

The percentages below represent the 'lowest' prime net initial yields (costs payable by seller) in the first half of 2020. This is based on 15-year market-based lease agreement(s) with solvent tenant(s), in a new building in an advantageous location that is entirely dedicated to the healthcare operations in question.

	Prime yield 2019 H2	Prime yield 2020 H1
CURE - Primary health care centres (medical office)	5.15%	5.25%
CURE - Secondary health care centres (clinics)	5.60%	5.75%
CARE - Public nursing homes	4.65%	4.75%
CARE - Assisted living	3.75%	3.80%
CARE - Private nursing homes	4.90%	5.00%

Source: CBRE Research

## Yield Evidence

Address

Analysis of investment transactions

Oegstgeest

Endegeesterlaan 4

"Het Witte Huis"



In May 2020 Care Property acquired "Het Witte Huis". The reference property is private nursing home for the care of elderly, built in 2011. The property has a total lettable floor area of 1,453 sq m. This is divided over 25 units, with their own sanitary facilities and general space (such as a common living room). The overall quality of the subject property is very good.

The property was sold for € 9,396,200 and was fully let to a healthcare operator (i.e. Valuas). The total gross rental income amounts € 465,000 per annum, which results in € 1,550 per healthcare unit per month based on a triple-net lease agreement. The remaining lease term is 20 years. The gross initial yield k.k. on rental income is 4.95% and the gross initial yield v.o.n. is approximately 4.63%. The net initial yield (v.o.n.) is approximately 4.56%.

We are of the opinion this reference is located at a better location. Furthermore, we are of the opinion the quality of this reference is comparable to the subject property, since it both concerns properties in a good state of repair in an older building. We consider the tenant to be comparable.

Location	Property	Tenant	Market
+	=	=	=

Bergen op Zoom

Veilingdreef 6

"Residentie Moermont"



In July 2020 the healthcare property at Veilingdreef in Bergen op Zoom was sold. The reference property is a nursing home for the care of elderly and was built in 2010. The property has a total gross floor area of 16,652 sq m. This is divided over 224 units, with their own sanitary facilities and general space (such as a common living room).

The property was sold for € 43,500,000 and was fully let to a healthcare operator (Stichting Tante Louise), based on a double-net lease agreement. The total gross rental income amounts € 2,200,000 per annum, which results in € 818 per apartment per month. The remaining lease term is 14 years. The gross initial yield k.k. on rental income is 5.06% and the gross initial yield v.o.n. is 4.77%. We have not been provided with the annual net rental income and therefore we do not know the net initial yield (v.o.n.).

We are of the opinion the subject property is located at a comparable location. Furthermore, we are of the opinion the overall quality of the subject is superior compared to this reference.

Location	Property	Tenant	Market
=	-	=	=

Address	Analysis of investment transactions
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**Heemstede****Van Merlenlaan 2****“De Meerhorst”**

In May 2020 the healthcare property at Van Merlenlaan 2 in Heemstede was sold. The reference property is private nursing home for the care of elderly, built in 2016. The property has a total lettable floor area of 1,070 sq m. This is divided over 17 units, of ca. 35 sq m, with their own sanitary facilities and general space (such as a common living room). There are a few owned parking places in front of the property and there is some limited outdoor space at the back of the property. The overall quality of the subject property is very good.

The property was sold for € 5,966,038 and was fully let to a healthcare operator (i.e. Valuas) based on a masterlease with a triple-net condition - this means that all the costs are for the account of the tenant, except for the management costs. The total gross rental income amounts € 316,200 per annum, which results in € 1,550 per healthcare unit per month. The remaining lease term is 20 years. The gross initial yield “k.k.” on rental income is 5.30% and the gross initial yield “v.o.n.” is 4.95%. The net initial yield is 4.88%. This transaction was part of a portfolio transaction.

We are of the opinion this comparable is located at a better location and we are also of the opinion the overall quality of the subject is superior compared to the subject property.

Location	Property	Tenant	Market
+	+	=	=

Location is an opinion on the quality of the location of the comparable transaction in relation to the location of the subject property

Property is an opinion on the quality of the property of the comparable transaction in relation to the quality of the subject property

Tenant is an opinion on the quality of the tenant (mix) of the comparable transaction in relation to the tenant (mix) of the subject property

Market is the general market movement since the comparable transaction

## Opinion of Valuation Yields

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The subject property can be compared to the investment comparables that have an estimated gross initial yield (k.k.) ranging from 4.95% to 5.30%. We have been informed by the client the transfer tax for the acquisition of this property will be 2% (and not 6%). We have received a court ruling about this and we have included this in our valuation. Because of this transfer tax of 2%, we are of the opinion it is best to compare the “v.o.n.” yields of the comparable transactions to the “v.o.n.” yields of the subject property. The gross initial yield (v.o.n.) varies between approximately 4.63% and 4.95%. The net initial yields of the comparables in Oegstgeest and Heemstede are, respectively, approx. 4.56% and 4.88%.

The subject property is let with a remaining lease term of 10.2 years on a triple-net basis. Both the references in Oegstgeest and Heemstede are based on a triple-net rental agreement as well and therefore the gross rental income and the net rental income are more or less the same. The only difference between the gross rental income and the net rental income are the management costs and the (possible) VAT loss. This means the gross initial yield (v.o.n.) and the net initial yield (v.o.n.) are almost equal as well.

In this valuation, we have taken into account that despite the coronavirus, the healthcare investment market remains stable. Furthermore, this type of healthcare product seems to be scarce, as we don't see a lot of comparable transactions in the last couple of months (most comparable transactions are from a few months ago).

Based on the above, the quality of the subject property, the location and the remaining lease term, we have estimated a gross initial yield (v.o.n.) of 4.97% and a net initial yield (v.o.n.) of 4.92%. These yields correspond to a market value of € 4.225.000.

### Portfolio sale

The subject property is part of a portfolio sale. This portfolio consists of five private nursing homes in The Netherlands (Arnhem, Apeldoorn (2x), Doorn and Cothen), all let to Stepping Stones Home & Care Zorg B.V. with an average remaining lease term of 10.2 years. The net initial yields for this portfolio vary between 4.56% and 4.92%, with an average net initial yield of 4.69%.

We have compared the subject portfolio to the sale of the “Valuas Portfolio”, a portfolio of four private nursing homes in The Netherlands (Boarnsterhim, Oegstgeest (2x) and Heemstede) let to Valuas, which we consider to be a comparable healthcare operator. The comparables in Oegstgeest and Heemstede are part of the Valuas Portfolio sale. The portfolio was sold in May 2020 with an average remaining lease term of 20 years. The net initial yield for the four properties vary between 4.56% and 5.42%, with an average net initial yield of 4.82%.

We have adopted a lower average net initial yield for the subject portfolio, however the net initial yield for the subject property is within the mentioned bandwidth of the Valuas Portfolio.



## VALUATION CONSIDERATIONS

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### Income Summary and Analysis of Passing Rent

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The annual rental income for the 13 apartments amounts to € 217,815. The total gross rental value amounts to € 202,800 per annum. We believe the remaining rental period of 10.2 years can be considered reasonable (compared to transactions of prime (private) nursing homes, which often have a remaining lease term of approximately 20 years).

### Tenant Covenant Strength

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At valuation date, the property is let to Senior Living B.V. by means of a masterlease contract. Senior Living B.V. is part of Korian SA, a French listed multinational healthcare provider. The healthcare operator is Stepping Stones Home & Care B.V. Stepping Stones Home & Care B.V. was acquired in April 2019 by Korian SA. As of January 2021, there will be a name change to “Korian Zorg B.V.” The property comprises 13 apartments, which are leased individually to senior residents with alzheimer's dementia or problems with amnesia.

As of the valuation date, the remaining lease term amounts to 10.2 years. An in-depth analysis of the tenant falls out of the scope of this report. We have assumed that the property investment market would be of the opinion that the tenant provides good financial security.

### Void Periods and Re-Lettability

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If the property would be vacant as of today, we would consider the lettability to be reasonably good. The property is located just outside the centre of Doorn. The demand for private healthcare apartments with facilities can be considered as good. If the property would be vacant and offered for rent as of the valuation date, we would expect a rental period of approximately 3 to 6 months.

### Marketability and Potential Purchasers

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The subject property is situated in Utrecht. We expect that there will be reasonable interest from potential investors given the growing demand for private nursing homes. We believe the most probable interest will be from (inter)national institutional investors and that it will take 3 to 6 months to find a willing buyer.

# OPINION OF VALUE

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## Market Value

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Upon the assumption that there are no onerous restrictions or unusual outgoings of which we have no knowledge and the specific comments and assumptions which are set out in this valuation statement, we are of the opinion that the total market value of the respective freehold interest in the subject property, as at 8 September 2020, is (rounded):

**€ 4,255.000 (four million two hundred fifty-five thousand euros)**

### Comment

- With the above Market Value the purchaser should allow for additional purchasers' costs, including transfer tax, broker and legal fees. The above value is exclusive of VAT, if applicable.

We have been informed by the client the transfer tax for the acquisition of this property will be 2% (and not 6%) and have received the court ruling. We have included this in our valuation. Allowing for purchaser's costs of 3.00%, our opinion of Market Value reflects the following yield profile:

Net Initial Yield	4.92%
Gross Initial Yield (v.o.n.)	4.97%
Gross Initial Yield (k.k.)	5.12%
Gross Multiplier	19.53x

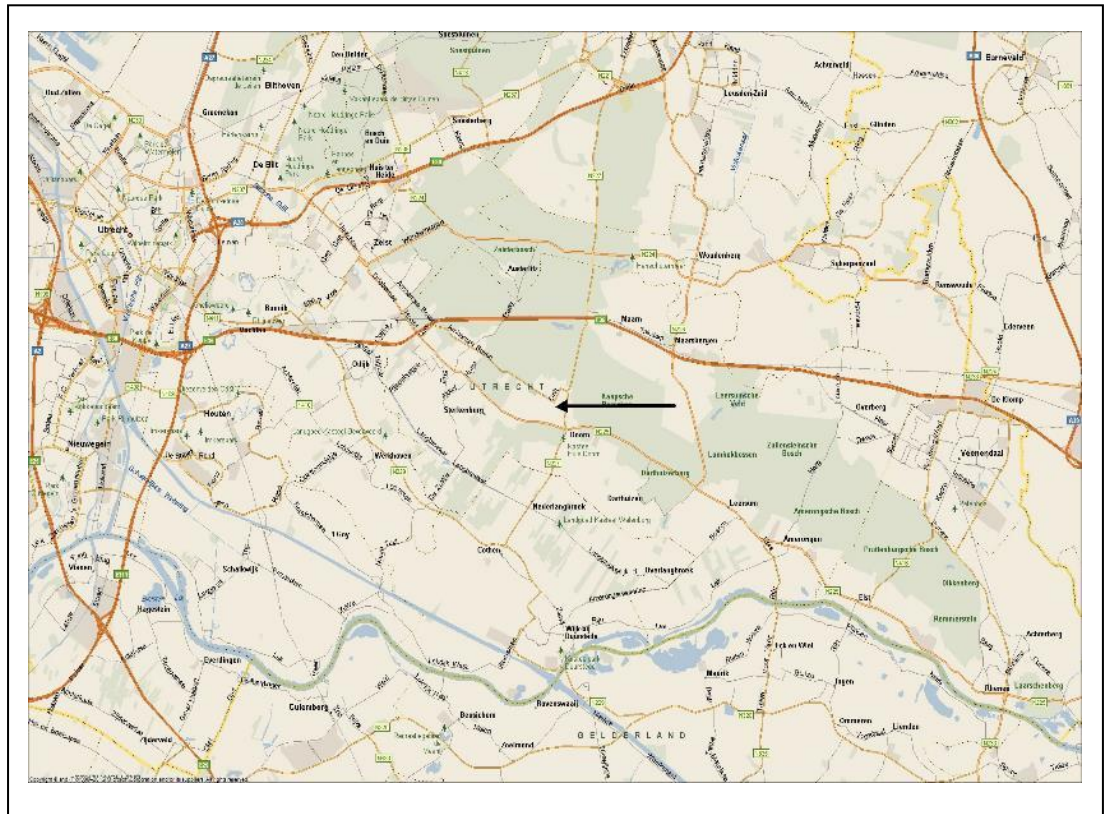
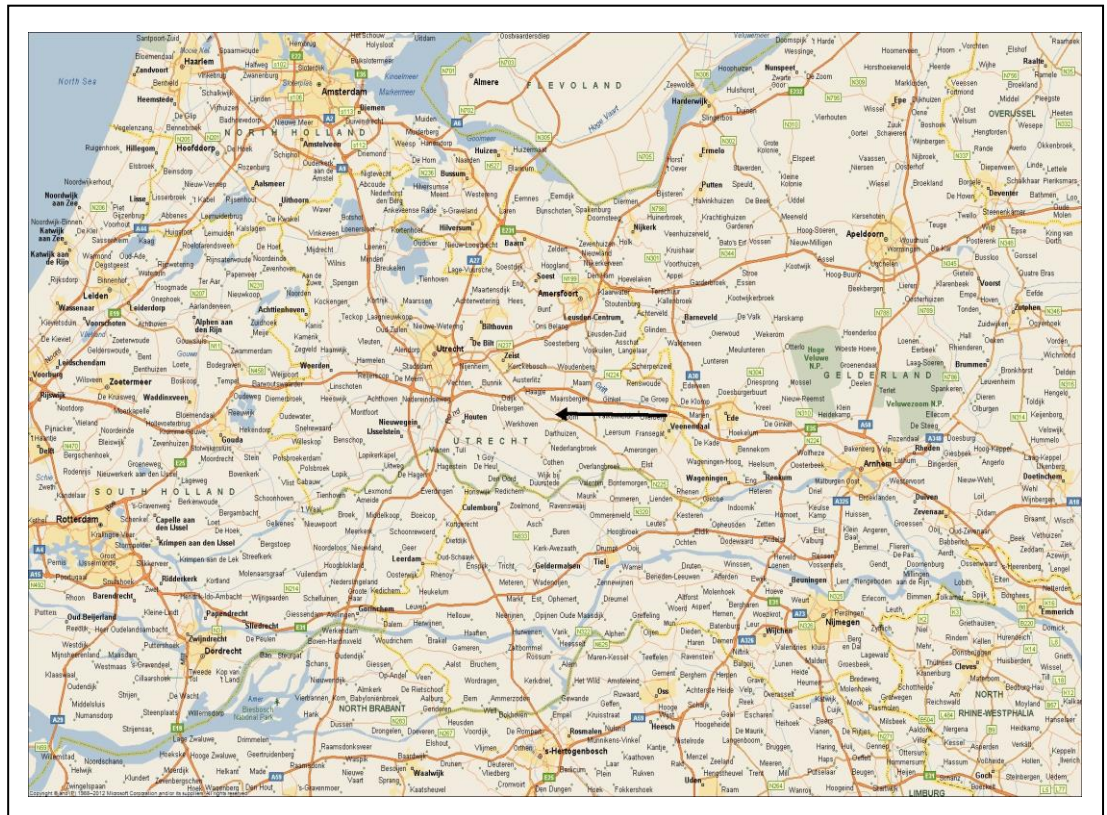
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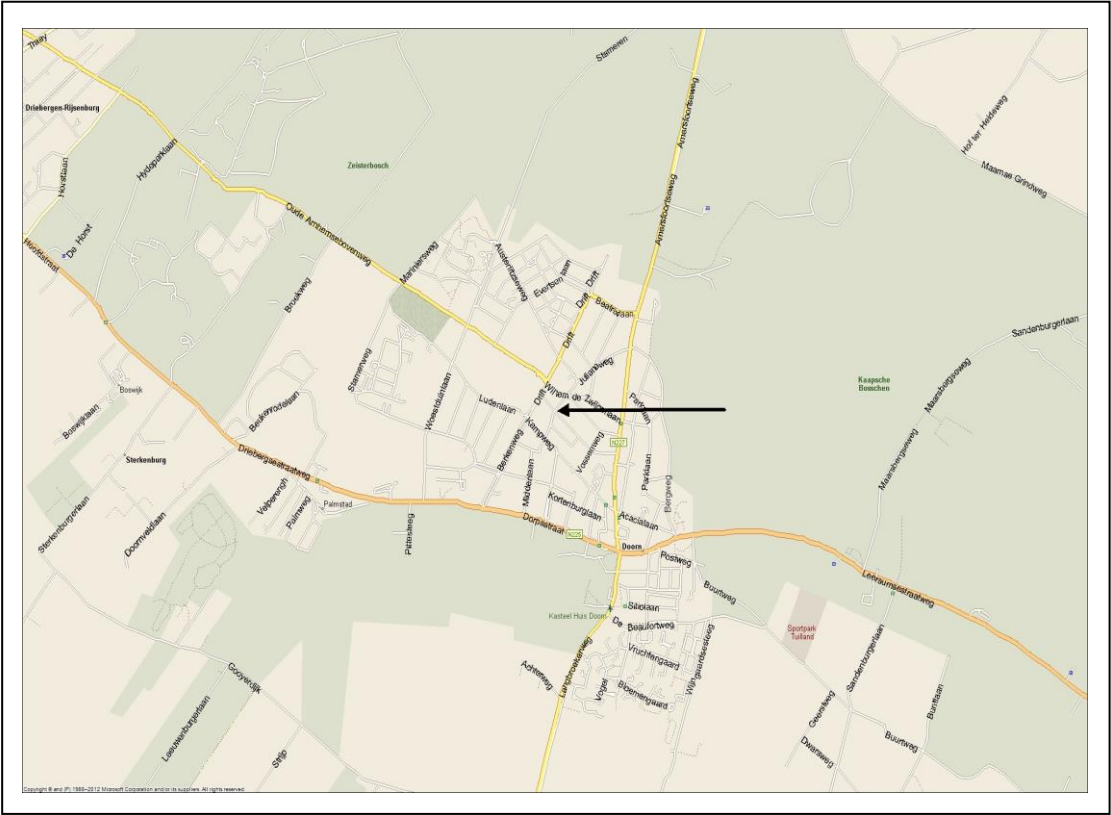
## LOCATION PLANS

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# LOCATION PLANS







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# B

## PHOTOGRAPHS

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## PHOTOGRAPHS









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# C

## LAND REGISTRY

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## Eigendomsinformatie

### ALGEMEEN

Kadastrale aanduiding [Doorn A 5888](#)

Kadastrale objectidentificatie : 026310588870000

**Locatie** Julianaweg 47  
3941 DL Doorn

Locatiegegevens zijn ontleend aan de Basisregistratie Adressen en Gebouwen

**Kadastrale grootte** 1.331 m²

**Grens en grootte** Vastgesteld

**Coördinaten** 151827 - 450205

**Omschrijving** Wonen

Erf - tuin

**Koopsom** € 2.696.791

**Koopjaar** 2015

### AANTEKENINGEN

**Publiekrechtelijke beperking** Er zijn geen beperkingen bekend in de Basisregistratie Kadaster.

**Basisregistratie Kadaster**

**Publiekrechtelijke beperking** Beschermd monument, Gemeentewet

**Landelijke Voorziening**

**Betrokken gemeente** Utrechtse Heuvelrug

**Afkomstig uit stuk** 259

**Ingeschreven op** 23-04-2013

Gegevens zijn conform de gemeentelijke beperkingenregistratie

### RECHTEN

#### 1 Eigendom (recht van)

**Aandeel** 1/2

**Afkomstig uit stuk** [Hyp4 67297/80](#)

**Ingeschreven op** 02-12-2015 om 09:00

**Naam gerechtigde** [De heer Petrus Hubertus Carolus Josephus van Doorne](#)

**Adres** Herdersweg 22  
1251 ER LAREN NH

**Geboren** 13-03-1965

**te** GELDROP

Persoonsgegevens zijn ontleend aan de Basisregistratie Personen

**Burgerlijke staat** Gehuwd (ten tijde van verkrijging)

**Betrokken persoon** [Mevrouw Cecile Alexandra Hart Nibbrig](#) (ten tijde van verkrijging)

Persoonsgegevens zijn ontleend aan de Basisregistratie Personen



BETREFT

Doorn A 5888

UW REFERENTIE

nst

GELEVERD OP

11-09-2020 - 09:58

PRODUCTIEORDERNUMMER

S11074089490

VOLLEDIG GESIGNALEERD T/M

10-09-2020 - 14:59

VOLLEDIG BIJGEWERKT T/M

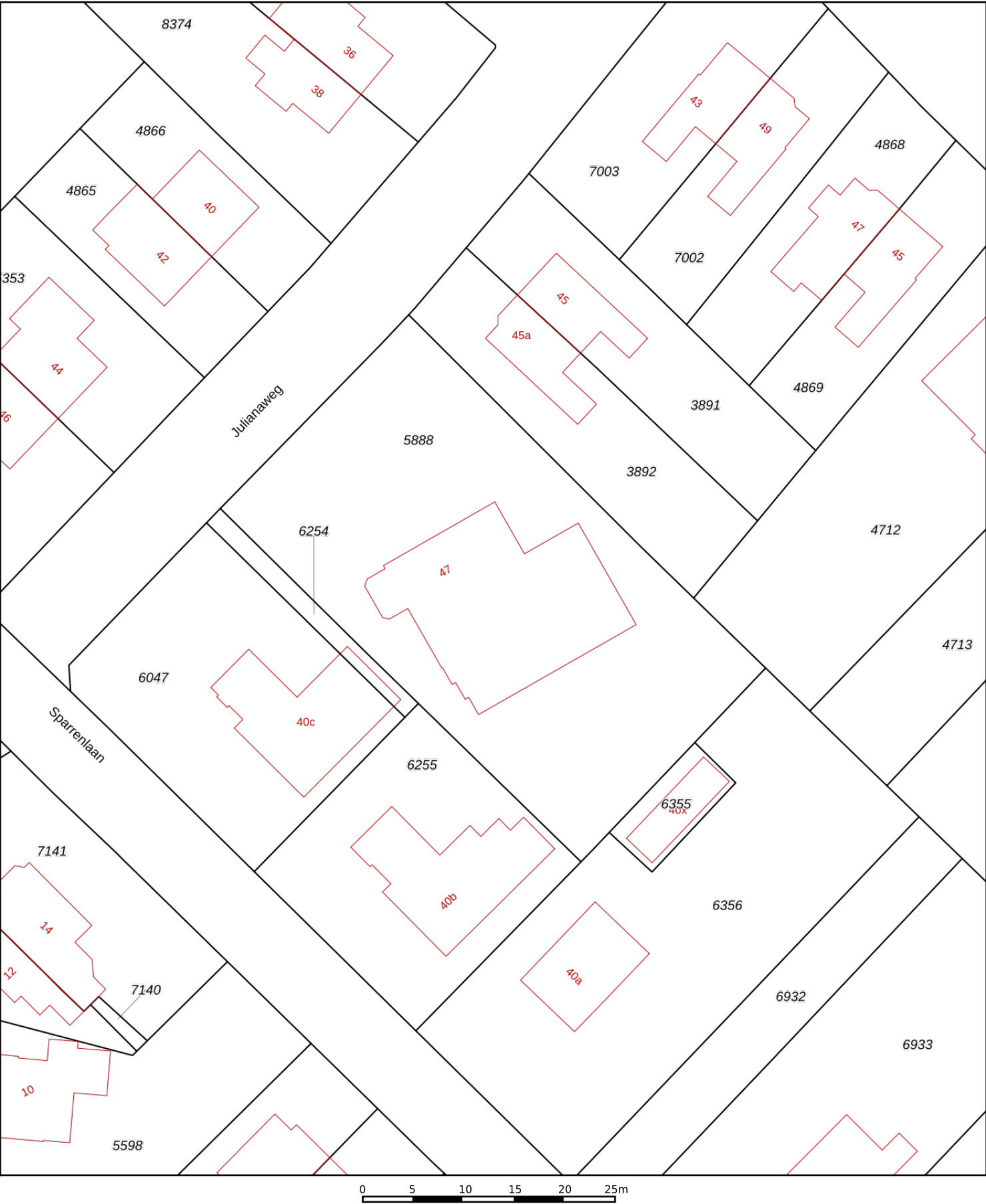
10-09-2020 - 14:59

BLAD

2 van 2

**1 Eigendom (recht van)**

<b>Aandeel</b>	1/2	
<b>Afkomstig uit stuk</b>	<a href="#">Hyp4 67297/80</a>	<b>Ingeschreven op</b> 02-12-2015 om 09:00
<b>Naam gerechtigde</b>	<a href="#">Mevrouw Carolina Maria Gabrielle van Doorne</a>	
<b>Adres</b>	Joelaan 1 1217 GG HILVERSUM	
<b>Geboren</b>	21-12-1966	<b>te</b> GELDROP
	Persoonsgegevens zijn ontleend aan de Basisregistratie Personen	
<b>Burgerlijke staat</b>	Gehuwd (ten tijde van verkrijging)	
<b>Betrokken persoon</b>	<a href="#">De heer Eric-Jan Huijskes</a> (ten tijde van verkrijging)	
	Persoonsgegevens zijn ontleend aan de Basisregistratie Personen	



12345

25

Deze kaart is noordgericht

Perceelnummer

Huisnummer

Vastgestelde kadastrale grens

Voorlopige kadastrale grens

Administratieve kadastrale grens

Bebouwing

Schaal 1: 500

Kadastrale gemeente

Sectie

Perceel

Doorn

A

5888


Voor een eensluitend uittreksel, geleverd op 11 september 2020

De bewaarder van het kadaster en de openbare registers

Aan dit uittreksel kunnen geen betrouwbare maten worden ontleend.

De Dienst voor het kadaster en de openbare registers behoudt zich de intellectuele eigendomsrechten voor, waaronder het auteursrecht en het databankenrecht.

kadaster



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# D

## **VALUATION METHODOLOGY**

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## VALUATION METHODOLOGY

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CBRE Valuation & Advisory Services B.V. values real estate using the income capitalisation approach. Within this approach CBRE utilises the Hard core/Top Slice/Reversion method (“main method”) of capitalizing net income. CBRE capitalises the most secure income (“hard core”) but also capitalises any over rent (“top slice”) or future upside potential (“reversion”). This is an internationally accepted valuation method with a strong resemblance to the general Dutch approach of valuation on gross initial or net initial yield. The net income stream for each tenant is subdivided based on perceived risk. Different yields are applied, to capitalise the identified income streams:

- Hard core yield: this yield is applied to capitalize the believed most secure, certain net income stream and is applied in perpetuity. The believed most secure income stream is either the estimated net rental value or the estimated net rental income, whichever is the lower.
- Top Slice yield: when a lease agreement is over-rented (i.e. the rental income received is higher than the estimated rental value) the net present value of the over-rent situation (current rental income minus estimated rental value) is calculated using the Top Slice yield for the length of the remaining lease term.
- Reversion yield: if a lease agreement is under-rented (the rental income from the tenant is below the estimated rental value), then the potential future rental income increase that might occur after expiry of the lease is capitalised using the Reversion yield. Consequently, the present value of the future value is calculated using the Layer yield.

To arrive at the gross value of a property, the different capitalised incomes are added up. Then, the (net) present value of expenditures (i.e. investments in building installations, rent free incentives, break penalties, et cetera or any one-off income) is calculated and added to the gross value to arrive at the market value before acquisition costs. To arrive at Market Value transfer tax and acquisition costs are deducted.

In the Hard core/Top Slice/Reversion method, important input parameters for the valuer are the market rental value and the yields. These are assessed based on comparable transactions. Further, the current tenancy situation and rental income are based on received lease agreements and (if applicable) a recent tenancy schedule. The annual non-recoverable items are also an important input parameter. To assess these, the valuer uses information received from the landlord, information available from municipalities (i.e. tax rates) and index booklets.

CBRE Valuation Advisory is of the opinion that in most situations involving investment property the Hard core/Top Slice/Reversion method is the best approach for assessing Market Value. Calculations using the Hard core/Top Slice/Reversion method provide good insight in the rental values assessed, the landlord’s annual non-recoverable and corrections on property as well as tenant level. The method is easily comparable to market transactions.

Different yields can be adopted pertinent which gives a more accurate reflection of incomes. In the Dutch market, the Gross Initial Yield (GIY) or the Net Initial Yield (NIY) are numbers generally published on transactions and can be compared and used easily to identify and support the yield adopted for the subject valuation.

Optionally, as a second valuation method the Discounted Cash Flow method (DCF method) is used. In this approach the expected future cash flows (rental income, annual non-recoverables, other costs and/or investments in building installations, rent free incentives, break penalties, et cetera) and also expected future voids are presented in a cash flow model. In most cases such a model runs for a period of ten to fifteen years. At the end of the modelling period an 'exit value' is calculated (usually by capitalising the prognosticated rental value or rental income at an assessed exit yield). All cash flows and the exit value are discounted to the valuation date and add up to the net value before acquisition costs. To arrive at Market Value transfer tax and acquisition costs are deducted.

For the DCF method, important input parameters are the discount rate, inflation/cost increase expectation, the anticipated future re-lettability and the assessment of the exit yield. The DCF approach gives excellent insight to all costs and income streams and so is very transparent. However, input parameters are often not published for investment transactions and therefore difficult to sense check in the market. Also, investors tend to have a wide range of differing parameters therefore we consider the comparability of the input parameters of DCF calculations to be more uncertain.

In conclusion, CBRE therefore usually adopts the rent capitalisation approach as its main valuation method, with the DCF used as a second, sense check calculation. Nevertheless, in some circumstances and certain types of property CBRE will give preference to the DCF method.

In certain instances, the subject property is valued using the comparison approach. With this approach comparable transactions and/or listings are researched and calculated back to one indicator, generally the price per sq m. Consequently, the comparable transactions are analysed and amended to improve the comparability to the subject property. The comparison approach holds a strong relation with the market as market transactions are directly compared to the subject property. The comparison method is mainly used for the valuation of vacant / owner-occupied properties and undeveloped land.

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# E

**VALUATION  
PRINTOUT**

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Valuation output - summary

Julianaweg 47, Doorn



Valuation date: 8 September 2020

Print date: 9 October 2020



Valuation summary

Gross valuation	€	4,385,413
Capital costs	€	-3,375
Net value before fees	€	4,382,038
Acquisition costs		
Stamp duty	2.00% of Net Value	- 85,088
Agent fee	0.80% of Net Value	- 34,035
Legal fees	0.20% of Net Value	- 8,509
Total acquisition costs	€	-127,632
Net value	€	4,254,406
Market value (rounded)	€	4,255,000

Rental situation

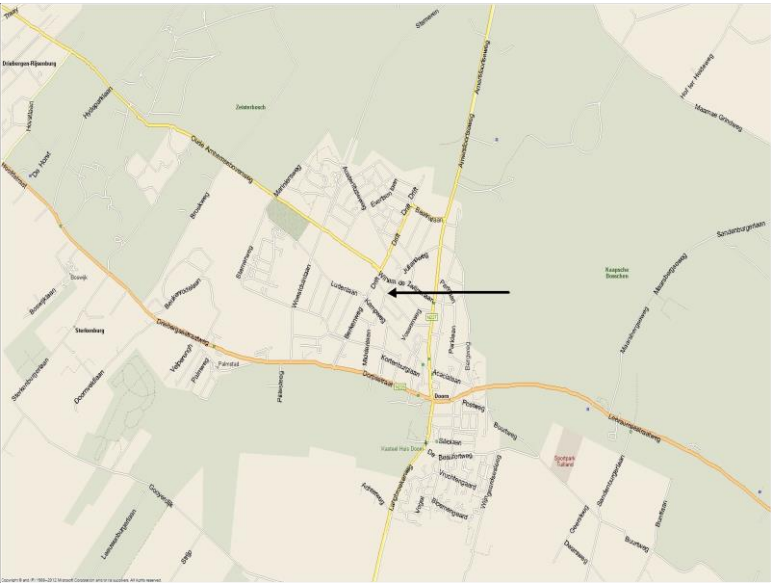
Occupancy rate (based on ERV)	100.00%
Weighted average lease length (WALL)	10.23
Gross rental income	€ 217,815
Annual non-recoverable costs	€ 2,178
Net rental income	€ 215,637
Gross rental value vacancy	€ -
Potential gross income	€ 217,815
Gross rental value	€ 202,800
Net rental value	€ 200,772

Yield profile

Net yields		
Net initial yield	4.92%	
Reversion yield	4.49%	
Yields/multiplier on gross rental income		
Net value before fees (v.o.n.)	4.97%	20.12
Market value	5.12%	19.53
Yields/multiplier on gross rental value		
Net value before fees (v.o.n.)	4.63%	21.61
Market value	4.77%	20.98
Capital value / sq m	€ 9,562	

Property

Building name	Villa Regina
Address	Julianaweg 47
Town	Doorn
Country	The Netherlands
Ref. no.	0061Y00000sDheL
Primary use	Healthcare
Tenure	Freehold
Ground rent	-
Net lettable area (sq m)	445.00
Number of parking spaces/units	-



Estimated rental values

Description	€ per sq m / per unit
Living & care	455.73

Annual non recoverables

Maintenance	€ -	0.00% Of rental value
Management	€ 2,178	1.07% Of rental value
Property tax	€ -	0.00% Of rental value
Water tax	€ -	0.00% Of rental value
Insurance	€ -	0.00% Of rental value
Sewage charge	€ -	0.00% Of rental value
Ground rent	€ -	0.00% Of rental value
Vat loss	€ -	0.00% Of rental value
Total cost	€ 2,178	1.07% Of rental value
		1.00% Of rental income

General comment

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Disclaimer

- The calculation model is an inseparable part of the valuation report.
- In the case the calculation concerns an (indicative) draft, this implies a provisional determination of the value(s) of the property which is provided in anticipation of the final value(s) which are to be determined in the valuation report. No rights can be derived from the (indicative) draft model and the provisional value(s) stated therein. CBRE Valuation & Advisory Services B.V. reserves the right to adjust the (indicative) draft on the basis of changes that influence the value(s) of the property before proceeding to issue or making available the final valuation report, of which the calculation model forms part.

Valuation summary / tenancy schedule



Julianaweg 47, Doorn

Valuation date: 8 September 2020

Print date: 9 October 2020

Tenant	Lease start	Break option	Lease expiry	RR date	Total area (sq m lfa)	Car parking spaces / units	Gross rental income (€)	Gross rental value (€)	Gross rental review value (€)	Vat applicable?	Hardcore (%)	Reversion (%)	Top slice (%)	Gross value (€)	Letting fees (€)
Senior Living B.V.	01/12/2015	None	30/11/2030	None	445	-	217,815	202,800	202,800	Yes	4.70%	6.70%	5.20%	4,385,413	-
Total					445	-	217,815	202,800	202,800					4,385,413	-

Valuation date: 8 September 2020

Print date: 9 October 2020

Tenant	Unit	Description	Area (sq m) / parking spaces	ERV/sq m / parking space (€)	RRV/sq m / parking space (€)	% (ITZA)	Total unit ERV (€)	Total unit RRV (€)
Senior Living B.V.		Care apartment	393.00	455.73	455.73	100%	179,102	179,102
		Common area	52.00	455.73	455.73	100%	23,698	23,698
Tenant total			445.00	456	456		202,800	202,800

Capital corrections

Julianaweg 47, Doorn



Valuation date: 8 September 2020

Print date: 9 October 2020

Tenant	Correction type	Cashflow (€)	Cashflow type	Annual index	Start date correction	End date correction	Total correction (€)	Discount rate	PV correction (€)
1_Senior Living B.V.	VAT loss	457	Expenditure	0.00%	01/12/2015	30/11/2030	-4,679	7.00%	-3,375