

9-29-25

Commonwealth Valuation Services
Ronald Howard
3015 Estate Orange Grove #22
Christiansted VI 00820
Phone: 340-642-7089

To Whom It May Concern,

I am a Certified Residential Real Estate Appraiser in the US Virgin Islands. I have held this position for the past 20 years. Many times members of the public have asked me to address hypothetical situations regarding real estate. A hypothetical situation is contrary to what actually exists in reality.

I have addressed such situations often in the past with real estate market participants of all kinds and buyers and sellers of real estate.

This response does not address any specific property.

Zoning has been applicable in the US Virgin Islands since 1972 as a part of Virgin Islands law. Zoning provides a framework for development that is in the public interest for orderly growth.

As a real estate appraiser, I always consider a property as if it were vacant and available for development at its highest and best use. Highest and best use is defined in Real Estate Appraisal as:

- 1) Legally Permissible (as per applicable zoning laws; building codes that may apply; and other land use restrictions that may apply.
- 2) Physically Possible; pertaining to size, shape, topography, and other physical characteristics
- 3) Financially Feasible: the use must be able to generate more income than it costs to develop the land
- 4) Maximally Productive: as complying with the other three criteria listed above.

It is generally accepted amongst real estate professionals and appraisal peers that zoning that provides more options for development generates more value in the marketplace than zoning with more restrictive options. For example land with B2 Business – Secondary Neighborhood allows for more options than Residentially zoned land.

It is my experience that parcels of land zoned B2 tend to sell for more per sf/acre than land zoned Residential, as a general rule, given that it provides a developer with more options in developing the land to be maximally productive.

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October 10, 2025