

**REPORT AND VALUATION**  
**UPON**  
**A MASTER PLANNED RESIDENTIAL PROJECT**



**TITLE NO: KIAMBAA/RUAKA/520, TARAJI HEIGHTS**  
**RUMINYI, ALONG LIMURU ROAD IN RUAKA,**  
**KIAMBU COUNTY**



Our Ref: RVI/V. O/2022/6490

Friday, December 31<sup>st</sup> 2021

Senior Finance Manager,  
Cytonn Investments Management Plc,  
6<sup>th</sup> Floor, The Chancery, Valley Road,  
P.O Box 20695-00200,  
Nairobi, Kenya.

Dear Sir,

**RE: VALUATION OF TITLE NO: KIAMBAA/RUAKA/520; TARAJI HEIGHTS, RUAKA  
IN KIAMBU COUNTY**

Pursuant to your request and in accordance with an award of contract received dated **Thursday 21<sup>st</sup> April 2022**, we inspected the above captioned property on **Thursday, 12<sup>th</sup> May 2022**, and we are pleased to submit the accompanying Report and Valuation.

The report, including exhibits, fully describes the approach to value and contains all pertinent data gathered in the investigation of the subject property.

The value opinion reported below is qualified by certain assumptions, limiting conditions, certifications, and definitions, which are set forth in the report; including the fact that it's a backdated valuation referring to **Friday 31<sup>st</sup> December, 2021**.

Respectfully submitted,

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**STEPHEN R. KIROTICH**  
**B.A. LAND ECONOMICS (HONS), M.I.S.K (VS)**  
**REGISTERED AND PRACTISING VALUER**  
**DIRECTOR**

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## EXECUTIVE SUMMARY

This Executive Summary must be read in the context of and in conjunction with the full valuation report of which it forms a part of. All comments, terms and conditions contained in the full valuation report relate directly to this Executive Summary.

## SUMMARY OF SALIENT FACTS

<b>INSTRUCTING PARTY:</b>	<b>CYTONN INVESTMENTS MANAGEMENT PLC</b>
<b>PROPERTY ADDRESS:</b>	<b>TITLE NO: KIAMBAA/RUAKA/520, TARAJI HEIGHTS, RUMINYI, ALONG NORTHERN BY-PASS IN RUAKA, KIAMBU COUNTY</b>
<b>DATE OF INSPECTION:</b>	<b>THURSDAY, 12<sup>TH</sup> MAY 2022</b>
<b>DATE OF VALUATION:</b>	<b>FRIDAY, 31<sup>ST</sup> DECEMBER 2021</b>
<b>REGISTERED PROPRIETOR:</b>	<b>CYTONN INVESTMENT PARTNERS TEN LLP</b>
<b>INTEREST APPRAISED:</b>	<b>FREEHOLD TENURE</b>
<b>PURPOSE OF VALUATION:</b>	<b>BOOK PURPOSES</b>
<b>MAIN DEVELOPMENTS:</b>	<b>FOUR (4) APARTMENT BLOCKS &amp; A CLUB HOUSE</b>
<b>LAND SIZE:</b>	<b>1.21 HECTARES OR 3.0 ACRES</b>
<b>LAND USE:</b>	<b>PLANNED RESIDENTIAL USE</b>

## BRIEF PROPERTY AND NEIGHBOURHOOD DESCRIPTION

This is a development site for a master planned residential community situated in Ruminyi along Limuru road and directly opposite Westview Apartments in Ruaka, Kiambu County. The site which slopes gently southwards and has deep red soils, is currently being developed with four residential blocks which upon completion shall comprise a total of 290 apartments; (146No two bedroom, 126No three bedrooms and 18No three bedrooms + DSQ). Work done as at the date of this valuation is estimated at 43.4 percent. Upon completion it shall offer other support services such as a retail facility, a private clubhouse with a swimming pool, gym and spa and well-manicured gardens as well as borehole, water storage, back-up power generators, ample parking, et cetera.

Notable estates or landmarks in the immediate neighbourhood include, Ruaka town, Two Rivers Mall, Rosslyn Riviera Mall, Runda Estate, The Tribe, among others.

## VALUATION SUMMARY

		<b>Current Values (KES)</b>	<b>Values upon Completion (KES)</b>
<b>(i)</b>	Fair Market Value	1,508,000,000.00	3,045,000,000.00
<b>(ii)</b>	Forced Sale Value	1,131,000,000.00	2,284,000,000.00

## 1. INTRODUCTION

### 1.1. DEFINITION OF VALUATION

A “**valuation**” refers to the act or process of determining an estimate of value of an asset or liability by applying **IVS** (International Valuation Standards). The process involves an individual, group of individuals or a firm referred as the ‘**valuer**’ who is qualified, registered and licenced to practise. The valuer is expected to be objective, unbiased and competent.

### 1.2. VALUATION APPROACHES/METHODS

There are many methods that can be employed in asset valuation. These can largely be classified into three: the Market Approach, the Cost Approach and the Income or Investment Approach. The approaches and accompanying methodologies are outlined by *The International Valuation Standards 2020*, under **IVS 105**. They are all based on the economic principles of price equilibrium, anticipation of benefits or substitution.

#### 1.2.1 Sales Comparison/Market Approach

According to *IVS 105, Section 20*; the Sales Comparison/Market Approach of valuation provides an indication of value by comparing the subject assets with identical or similar assets for which price information is available. We have adopted this methodology in analysing the sampled comparable sales within the subject property’s neighbourhood.

#### 1.2.2 Cost Approach

This is also sometime referred to as Contractors Approach. *IVS 105, Section 60*, defines the Cost Approach as one that provides an indication of value using the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or by construction, unless undue time, inconvenience, risk or other factors are involved.

The most common valuation methods adopted in real estate valuations under this approach include; the *Replacement Cost Method*, *Reproduction Cost Method* and the *Summation Method*.

### 1.2.3 Income/ Investment Approach

The income approach provides an indication of value by converting future cash flow to a single current value. Under the income approach, the value of an asset is determined by reference to the value of income, cash flow or cost savings generated by the asset (*IVS 105, Section 40*). The most common valuation methods adopted in real estate valuations under this approach include; the *Discounted Cash Flow (DCF) Method* and the *Income Capitalization Method*.

The DCF method is based upon an explicit forecast of the likely net income to be generated by the subject property over a defined forecast period. The Exit Value is then calculated applying an appropriate capitalisation rate to the forecasted net income for the year immediately following the end of the cash flow period.

The Capitalisation Method estimates the value of the property through the capitalisation of its income at a certain rate of return. This procedure assumes that there is equivalence between the market value of a property and the sum of its ordinary incomes discounted to the present. In the direct income capitalization method, the estimated income stream from the property has been capitalized using a market supported yield to arrive into a value indication for the property.

### 1.2.4 Residue Method

The Residual Method is a hybrid of the market approach, the income approach and the cost approach (*IVS 410, Sections 90*). This is based on the completed “gross development value” and the deduction of development costs and the developer’s return to arrive at the residual value of the development property.

The residual method of valuation could be expressed in the form of a simple equation where the value of a property is the residue (a sum left over) after deducting the cost of development from the value of development. It may also be considered as the amount that a developer would be prepared to pay for such a property in order to obtain the development potential.

## 1.3. BASIS OF VALUATION

According to the *International Valuation Standards (IVS) 2020* Bases of value (sometimes called standards of value) describe the fundamental premises on which the reported values are based. It is critical that the basis (or bases) of value be appropriate to the terms and purpose of the valuation assignment, as a basis of value may influence or dictate a valuer’s selection of methods, inputs and assumptions, and the ultimate opinion of value.

The basis of valuation can either be IVS defined or not. The choice made should then be expressly stated and the source indicated. According to *IVS 104*, the main bases of value are as follows:

- i. Market Value;
- ii. Market Rent;
- iii. Equitable Value;
- iv. Investment Value/Worth;
- v. Synergistic Value; and
- vi. Liquidation Value.

### 1.3.1 Market Value

According to *IVS 104 (Section 30)*, Market value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

### 1.3.2 Market Rent

According to *IVS 104 (Section 40)*, Market Rent is the estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

### 1.3.3 Investment Value/Worth

According to *IVS 104 (Section 60)*, Investment Value is the value of an asset to a particular owner or prospective owner for individual investment or operational objectives. It is an entity-specific basis of value. Although the value of an asset to the owner may be the same as the amount that could be realised from its sale to another party, this basis of value reflects the benefits received by an entity from holding the asset and, therefore, does not involve a presumed exchange.

## 1.4. PREMISE OF VALUE

This is the actual, assumed or situational use of an asset or liability. It gives perspective to valuations in terms of applicable laws, prevailing market conditions, variations in investment decisions, etc. *IVS 104, Section 130* states that a Premise of Value or Assumed Use describes the circumstances of how an asset or liability is used.

Different bases of value may require a particular Premise of Value or allow the consideration of multiple Premises of Value. Some common Premises of Value include the following:

#### **1.4.1 Existing/Present use**

This is the current way an asset, liability, or a group of assets/liabilities is used. The current use may be the highest and best use of the property. At the time of inspection and valuation, the current use of the subject property was residential.

#### **1.4.2 Highest and Best Use**

This is the reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported and financially feasible and that results in the highest value. If different from the current use, the cost to convert an asset to its highest and best use would impact the value.

The difference between the present use of a property and the highest and best use of the same property is referred to as its *Potential*.

#### **1.4.3 Orderly Liquidation**

An orderly liquidation describes the value of a group of assets that could be realised in a liquidation sale, given a reasonable period of time to find a purchaser (or purchasers), with the seller being compelled to sell on an as-is, where-is basis. The reasonable period of time to find a purchaser (or purchasers) may vary by asset type and market conditions.

#### **1.4.4 Forced Sale**

According to the *International Valuation Standards - IVS 104, Section 170*; Forced Sale is used where a seller is under compulsion to sell and that, as a consequence, a proper marketing period is not possible and buyers may not be able to undertake adequate due diligence. The price that could be obtained in these circumstances will depend upon the nature of the pressure on the seller and the reasons why proper marketing cannot be undertaken.

Forced Sale values are therefore not homogenous and would essentially vary depending on timing and how the limiting circumstances are interpreted/applied. We have however based our estimated forced sale value on 75% of the Current Market Value. This is as guided by the Land Act, 2012 section 97(1) which stipulates that a chargee shall be in breach of duty, in exercising power of sale, if a property is disposed of at less than 75% of its Current Market Value.



## 1.5. VALUATION RATIONALE

The subject property consists of approximately 3.0 acres of a planned gated estate site fronting Limuru road, Ruminyi in Ruaka, Kiambu County.

Whereas work done is estimated at 43.4%, the project is currently inactive with the contractor having removed most of the materials and equipment from site. However, we understand that plans are underway to mobilize for resumption of construction work in the coming months.

This valuation therefore reflects the improved site value of whole site without taking into consideration any losses or sunk cost resulting from the prolonged stoppage. We have provided the Fair Market Value of the entire project *as is* and upon full completion.

Considering that the developments were under construction we have adopted the Contractors Method/Cost Approach and Sales Comparison/Market to arrive at the opinion of Market Value.

## 1.6. VALUATION ASSUMPTIONS

Whenever one undertakes a valuation exercise, it would be expected that given assumptions are made. This is mainly because; the circumstances of each exercise are often different from what would otherwise be considered ideal. Whereas valuations are guided by the International Valuation Standards (IVS), and the Institution of Surveyors of Kenya guidelines; not everything can be so standardized or guided. We therefore made the following assumptions in our valuation: -

- i. That the valuation of the individual asset items summed up together forms the valuation of the property;
- ii. That the title is valued free of any encumbrances;
- iii. That construction shall resume soon and the pending works completed within the projected timelines;
- iv. That the project is a going concern;
- v. That this is a backdated valuation referring to **Friday 31<sup>st</sup> December, 2021** which is about a year ago;
- vi. That any cost overruns due to delayed construction shall be structured; and
- vii. That whereas the ongoing Covid-19 pandemic has hit every sector hard the world over and generally slowed down the major forces driving the global economic growth, the national and global economies will experience a sense of rejuvenation once pandemic ceases, albeit slowly.

## 2. PROPERTY SETTING

### 2.1 LOCATION

The property is in Ruminyi area fronting Limuru road in Ruaka, Kiambu County.

The geographical coordinates of the site's approximate centre are **1°12'2.60"S** and **36°45'26.62"E**.

### 2.2 NEIGHBOURHOOD AND LOCAL DATA

Taraji Heights and the immediate neighbourhood is zoned as a low to medium density residential area. However, sections along Limuru road, Ruminyi and Ruaka towns are heavily commercialized. This neighbourhood, whereas not so well planned, has well-organised systems of service provision. Developments are characterised mainly by high rise blocks of apartments.

Notable estates or landmarks in the immediate neighbourhood include, Ruaka town, Two Rivers Mall, Rosslyn Riviera Mall, Runda Estate, The Tribe, among others.

### 2.3 SERVICES AND AMENITIES

Mains water, electricity and sewer are connected to the property.

Immediate access roads are all tar surfaced

## 3. PARCEL AND ASPECTS OF TITLE

### 3.1 TENURE AND PROPRIETORSHIP

An inspection of the copy of title and a copy of certificate of official search from the Kiambu Lands Registry revealed that the property is held as freehold interest registered in the name of **Cytonn Investment Partners Ten LLP**.

### 3.2 PARCEL ACREAGE

According to the copy of title and map, the parcel measures **1.21 hectares** or **3.0 acres** approximately.

### 3.3 ENCUMBRANCES

No encumbrances were registered against the title.

A copy of the certificate of official search is attached as Appendix IV.

### 3.4 LAND RENT & PLOT RATES

This is a freehold title hence does not attract land rents.

### 3.5 LAND DESCRIPTION

#### 3.5.1 Land Ownership in Kenya

In Kenya, there are three (3) different land classifications: private land, public land and community land.

Private land is land owned by an individual under freehold or leasehold tenure.

Public land is vested in the government for the benefit of the people of Kenya. It includes roads, all water bodies, forests, national parks, and land that have minerals, among others.

Community land is held by and managed by communities. It includes land registered under group representatives, shrines, grazing areas and ancestral lands.

#### 3.5.2 Title No: Kiambaa/Ruaka/520, Taraji Heights,

This property lies on a prime **3.0-acre** parcel in Ruminyi along Limuru road in Ruaka, Kiambu County.

The title is held on freehold Interest granted under The Land Registration Act No. 3 of 2012 and The Registered Land Act, (Cap 300) now repealed.

## 4 POTENTIAL, HIGHEST AND BEST USE ANALYSIS

The property is located in Ruminyi along Limuru road in Ruaka, Kiambu County. The site as is currently; is yet to realize its potential. However, the proposed project: Taraji Heights, which is based on a well-planned master plan ensuring creation of a secure and well serviced gated community; shall indeed, upon full completion, result into the highest and best use of the land.

## 5. IMPROVEMENTS/DEVELOPMENTS

### 5.1 GENERAL DESCRIPTION

This is a development site for a master planned mixed use gated community situated in Ruminyi along Limuru road in Ruaka area of Kiambu County. The site is currently being developed with four residential blocks which upon completion shall comprise a total of 290 apartments (146No two bedroom, 126No three bedrooms and 18No three bedrooms + DSQ). Work done as at the date of this valuation is estimated at 43.4 percent. Other support

services such as a retail facility, a private clubhouse with a swimming pool, gym and spa, well-manicured gardens, borehole, water storage, back-up power generators, ample parking, et cetera; shall be provided.

## 5.2 General Construction Details

The following construction details were obtained from both the field inspection of the ongoing work and the details of the building plans on site.

The buildings are constructed of concrete block walls rendered and painted or stone clad externally, plastered and painted or clad with ceramic tiles to wet areas internally. Roofs are pitched timber trusses covered with decra roofing tiles with parts being flat reinforced concrete slabs converted to rooftop gardens. Ceilings are painted concrete slab undersides while topmost floors are/will be lined with gypsum boards.

Floors shall be finished either in solid laminated or timber boards to the main areas, ceramic tiles and marble to the wet areas or wood plastic composite decking on some terraces.

Doors shall be the heavy steel panelled type externally, solid timber panelled type or standard timber flush type internally and sliding steel/aluminium casements to balconies.

Windows shall either be standard or full height glazed steel framed casement type with views of proposed gardens and landscaping below.

Fittings shall include a double drain sinks, fully fitted kitchens with provisions for refrigeration, oven, dishwasher and both electric and gas cookers, full height wardrobes to the bedrooms.

The units will be fitted and connected to state-of -the -art security, fire safety and internet system.

## 5.3 Accommodation Details

The four blocks are arranged back to back and have a mix of two bedrooms, three bedrooms and three bedrooms apartments with servant's quarters. The units have typical accommodation details.

A summary of the blocks and distribution of units is provided in the table below.

SUMMARY OF UNITS ATTACHED HEIGHTS																											
FLOOR	BLOCK 1					BLOCK 2					BLOCK 3					BLOCK 4											
	3 BEDRM + DSQ	3 BEDROOM	2 BEDROOM	1 BEDROOM	OTHERS	3 BEDRM + DSQ	3 BEDROOM	2 BEDROOM	1 BEDROOM	OTHERS	3 BEDRM + DSQ	3 BEDROOM	2 BEDROOM	1 BEDROOM	OTHERS	3 BEDRM + DSQ	3 BEDROOM	2 BEDROOM	1 BEDROOM	OTHERS							
B	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
GR	0	2	4	0	0	0	4	2	0	0	0	2	4	0	0	1	1	R	0	0	0	0	0	0	0	0	0
1	0	2	4	0	0	0	4	2	0	0	0	2	4	0	0	1	1	1	0	0	0	0	0	0	0	0	0
2	0	2	4	0	0	0	4	2	0	0	0	2	4	0	0	2	2	2	0	0	0	0	0	0	0	0	0
3	0	2	4	0	0	0	4	2	0	0	0	2	4	0	0	2	2	2	0	0	0	0	0	0	0	0	0
4	0	2	4	0	0	0	4	2	0	0	0	2	4	0	0	2	2	2	0	0	0	0	0	0	0	0	0
5	0	2	4	0	0	0	4	2	0	0	0	2	4	0	0	2	2	2	0	0	0	0	0	0	0	0	0
6	0	2	4	0	0	0	4	2	0	0	0	2	4	0	0	2	2	2	0	0	0	0	0	0	0	0	0
7	0	2	4	0	0	0	4	2	0	0	0	2	4	OT	0	2	2	2	0	0	0	0	0	0	0	0	0
8	0	2	4	0	0	0	4	2	0	0	0	2	4	0	0	2	2	2	0	0	0	0	0	0	0	0	0
9	0	2	4	0	0	0	4	2	0	0	0	2	4	0	0	2	2	2	0	0	0	0	0	0	0	0	0
10	0	2	4	0	0	0	4	2	0	0	0	2	4	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	0	2	4	0	0	0	4	2	OT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12	0	2	4	0	0	0	4	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	0	2	4	OT	0	0	2	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>28</b>	<b>56</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>52</b>	<b>29</b>	<b>0</b>	<b>0</b>	<b>22</b>	<b>44</b>	<b>0</b>	<b>0</b>	<b>12</b>	<b>22</b>	<b>17</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Summary of Units	
3 Bedroom + DSQ	18
3 Bedroom	126
2 Bedroom	146
<b>Total</b>	<b>290</b>

**KEY**  
 B - Basement parking  
 P - Ground floor parking  
 GR - Ground Floor  
 T - Roof Terrace  
 R - Retail

### 5.4 Accommodation Details for Typical Apartments

#### Two Bedroom Apartment

- Entrance PORCH;
- LIVING ROOM with door to small BALCONY;
- DINING AREA with door to KITCHEN;
- KITCHEN with PANTRY;
- PASSAGEWAY;
- Two (2) BEDROOMS each ensuite with a BATHROOM having a shower CUBICLE, Wash Hand Basin and a WC; and wall-wall wardrobes.

Gross Built Up Area: 84.0 m<sup>2</sup> approximately.

#### Three Bedroom Apartment

- Entrance PORCH;
- LIVING ROOM with door to small BALCONY;
- DINING AREA with door to KITCHEN;

- KITCHEN with PANTRY;
- PASSAGEWAY;
- BEDROOM 1;
- Common SHOWER ROOM having a Shower CUBICLE, Wash Hand Basin and a WC;
- BEDROOM 2;
- Master BEDROOM ensuite with a BATHROOM having a shower CUBICLE, Wash Hand Basin and a WC; and wall-wall wardrobes.

**Gross Built Up Area:** 117.0 m<sup>2</sup> approximately.

### Three Bedroom Apartment + DSQ

- Entrance PORCH;
- LIVING ROOM with door to small BALCONY;
- DINING AREA with door to KITCHEN;
- KITCHEN with PANTRY;
- PASSAGEWAY;
- BEDROOM 1;
- Common SHOWER ROOM having a Shower CUBICLE, Wash Hand Basin and a WC;
- BEDROOM 2;
- Master BEDROOM ensuite with a BATHROOM having a shower CUBICLE, Wash Hand Basin and a WC; and wall-wall wardrobes.
- DSQ with BATHROOM having a OHS, Wash Hand Basin and a WC; and wardrobes.

**Gross Built up Area:** 130.0 m<sup>2</sup> approximately.

### 5.5 Construction Progress & Level of Completion

The blocks were under various stages of construction and upon completion shall have high standards of fixtures and fittings as demonstrated by the internal finishing and fitting to the show house.

We approximate the completion levels as follows:

Block	Approximate completion level	Work progress
Block 1	8%	Preliminary work, excavation and construction up to foundation level done. The rest of the work is still pending.

Block 2	29%	Substructure, superstructure done up to fifth floor Wing A & sixth floor Wing B. All other works are still pending.
Block 3	65%	Substructure, superstructure done up to seventh floor. All other works are still pending.
Block 4	73%	Substructure, superstructure done up to fourth floor. Roofing and plastering partly done. All other works are still pending.
Swimming Pool	80%	Substructure, superstructure and plastering done. All other works are still pending.
Club House	80%	Substructure, superstructure and plastering done. All other works are still pending.

		Stage of Construction					
#	Description	At 100%	Block Description				Club House & Pool
			1	2	3	4	
1	Setting out	1	1	1	1	1	1
2	Excavation and Earthwork	3	2	3	3	3	3
3	Concrete foundations	2	1	1	2	2	2
4	Walls to D.P.C	2	1	2	2	2	2
5	Hardcore infill	3	1	3	3	3	3
6	Concrete floor slab	5	1	4	5	5	5
7	Walling	12	0	7	12	12	12
8	Door frames and windows	14	0	4	13	13	14
9	Roof support	6	0	0	3	4	6
10	Roof covering	10	0	0	5	7	9
11	Ceiling joists and brandering	2	0	0	1	1	1
12	Wardrobes and cupboards	5	0	0	3	3	3
13	Internal plumbing and drainage	10	1	4	7	9	8
14	Wall finishes	6	0	0	3	4	4
15	Ceiling boards	4	0	0	0	2	2
16	Window boards, picture rails, sundries in woodwork	1	0	0	0	0	0.5
17	Floor finishes	2	0	0	1	1	1
18	Doors complete	5	0	0	1	1	4
19	Glazing	2	0	0	0	0	1
20	Painting and decoration	5	0	0	0	0	2
	<b>TOTAL</b>	<b>100</b>	<b>8</b>	<b>29</b>	<b>65</b>	<b>73</b>	<b>83.5</b>

The overall work done as at the date of this valuation can be estimated at 43.4%. However, the project is currently inactive with the contractor having removed most of the materials and equipment from site. Nevertheless, we understand that plans are underway to mobilize for resumption of construction work in the coming months. Until work resumes, we cannot confirm when the project should be complete.

#### 5.4 ENVIRONMENTAL & LAND CONTAMINATION CONCERNS

Although this is not an Environmental Impact Assessment/Audit, we can confirm that there was no evidence of pollution or land contamination on the subject property or on the adjoining site. Our physical inspection of the property and its neighbourhood can be summarized in the table below: -

	Property Observations	Motivation
1	Briefly describe the surrounding environment of the property (e.g. industrial, residential, rural or commercial)	Mix of commercial and residential
2	Is the property located close to a water source or a sensitive ecological area (e.g. river, protected area, nature reserve)? If yes, please elaborate.	No
3	Do the operations/activities on the property involve the handling, storage, transportation or disposal of hazardous material (e.g. fuel, chemicals and fertilizer)? If yes, please elaborate.	No
4	In your opinion, are potential environmental and/or social risks satisfactorily managed on the property/site? (E.g. Yes, an Environmental Management System is in place)?	Yes

## 6 TENANCY / OCCUPANCY

### 6.1 TENANCY/OCCUPANCY

At the time of inspection, the property was vacant with no construction happening.

## 7 SWOT ANALYSIS

We provide a SWOT analysis of the subject property as below:

#### Strengths:

- Prime location of the property;
- Frontage to a major road;

#### Weaknesses:

- Location too close to busy and noisy highways;
- Relatively sloppy site resulting to a lot of soil erosion and exposing the unmade access and property boundaries to threats of possible landslides;



**Opportunities:**

- Close proximity shopping and recreational facilities;
- Located in a busy and popular controlled neighbourhood.

**Threats:**

- Volatility of the national and global economy is negatively impacting on the local property market;
- Current slowed activity in residential real estate hence a slumped absorption of new housing units in the Kenyan market;
- The ongoing Covid-19 pandemic which has hit economies across the world.

## 8. MARKET OVERVIEW

### 8.1 Market Commentary

This is a prime three-acre parcel of land situated in Ruminyi along Limuru road in Ruaka area of Kiambu County, a location characterised by high-rise residential developments, mostly occupied by middle class population owing to proximity to Nairobi Business District, expansive road network, quality and affordable house units and access to retail facilities. Taraji Heights is in close proximity to popular malls such as Two Rivers Mall, Rosslyn Riviera Mall, The Village Market, among others. These factors coupled with the tasteful planned development that will upon completion offer convenience, comfort and security; make Taraji Heights a popular destination for home buyers in Nairobi and Kiambu as well as those looking for a place to invest in terms of rental units.

Considering the competitive prices being offered by the developer as well as a guarantee to complete the project on time as planned, a good number of units have been purchased off plan. Other prospective buyers have also given commitments to purchase units upon completion.

The project has highlighted the fact that the Kenyan real estate market is still vibrant and can offer good returns for developers who are going the extra mile to offer the public affordable housing where and when needed.

The development is located in the heart of Ruaka which is one of the fastest growing residential and commercial neighbourhoods in Nairobi. It is easily accessible through both Limuru road and the Northern Bypass. The later provides quick access to Thika Road and to the Jomo Kenyatta International Airport.

The location is a short distance from the popular Two Rivers Mall, Paradise Lost, The Village Market and Ridgeways Mall. It also enjoys close proximity to the CID Headquarters and international bodies such as the UNEP, Canadian & US Embassies, international schools amongst others. This makes Taraji Heights both the ultimate home and also an ideal Real Estate Investment Opportunity.

The Ruaka residential market has exponentially grown over the past few years with hitherto agricultural parcels converting to residential and commercial user. As by the end of 2020, land prices in Ruaka had surpassed the Kes. 100 million mark rivalling and even outperforming hitherto exclusive residential neighbourhoods such as Runda, Kitsuru and Rosslyn.

The demand for apartment units both for rental and purchase is strong owing to the ready market from persons working or doing business in Ruaka town and the surrounding areas as well those working in Nairobi. There is also an option for furnished apartment market to serve short term employees and visitor to the UNEP, the surrounding embassies and the numerous multinationals stationed in Gigiri.

### **Confirmations**

According to title documents available to us, this is a private property and had not, previously been set aside or gazetted for public use. Further, there was no planning, highway and other statutory considerations or likelihood of change of user or other developments of the subject property or those in the neighbourhood which could materially affect the value of the subject property.

We have also perused the Ndung'u Land Report and the property does not appear to have been illegally allocated or acquired.

The property is also not mentioned in the National Land Commission Review of Grants and Disposition of Public Land Report of July 2017.

There is no evidence of pollution or contamination that would in our opinion impact negatively on the value of the subject property.

## 8.2 Market Analysis and Comparables

In considering the value of the property, we have analysed information relating to the **average** going prices for similar properties and projects within Ruminyi area of Ruaka, Kiambu County.

### 8.2.1 Apartment Sales & Rental Comparables

RUAKA APARTMENT SALES COMPARABLES						
	LOCATION	DESCRIPTION	PLINTH AREA (SQ FT)	SALE PRICE (KSHS)	PRICE PER SQ FT (KSHS)	DATE
1	Cascade Apartments, Two Rivers Complex.	1 Bedroom apt	613.55	8,500,000.00	13,853.80	Dec-19
2	Cascade Apartments, Two Rivers Complex.	2 Bedroom apt	968.80	12,300,000.00	12,696.10	Dec-19
3	Cascade Apartments, Two Rivers Complex.	3 Bedroom apt	1,097.90	14,400,000.00	13,116.00	Dec-19
4	Cascade Apartments, Two Rivers Complex.	3 Bedroom apt + DSQ	1,259.40	16,500,000.00	13,101.50	Dec-19

### 8.2.2 Land Sales Comparables

RUAKA LAND SALES COMPARABLES						
	LOCATION	DESCRIPTION	SIZE (ACRES)	SALE PRICE (KSHS)	PRICE PER ACRE (KSHS)	DATE
1	Next to Malberry Apartments, Ruaka	Vacant plot	0.1673	20,000,000.00	119,545,726.00	Dec-18
2	Near Joyland Supermarket, Ruaka	Vacant plot	0.2743	41,000,000.00	149,471,382.00	Dec-18
3	Along Kiambu road at Ridgeways	Vacant plot commercial plot	0.612	87,500,000.00	142,973,856.00	May-21
4	Off Kiambu rd. near Ridgeways Mall	Vacant residential plot	0.57	49,000,000.00	80,000,000.00	Dec-19

## 8.3 Status of Approvals

All the necessary planning approvals for the proposed project from the relevant authorities have been obtained. The overall work done as at the date of this valuation can be estimated at 43.4%. However, the project is currently inactive with the contractor having removed most of the materials and equipment from site. We have appended some of the development approvals.

## 8.4 Current Level of Sales

Taraji Heights is being developed with four residential blocks which upon completion shall comprise a total of 290 apartments (146No two bedroom, 126No three bedrooms and 18No three bedrooms + DSQ). According to the developer, a total of 27 have so far been sold or reserved.

## 9. VALUATION CERTIFICATE

We have analysed the information obtained from the physical inspection of the property, information pertaining the asking prices for similar parcels of land in the area, current costs of construction, as well as taken into account the economic conditions on the date of valuation to arrive at the opinion of value of the property as of **Friday 31<sup>st</sup> December, 2021** as follows:

	Value	Current Values (43.4% Complete) (KES)	Values upon Completion (100%) (KES)
<b>(i)</b>	Market Value	<b>1,508,000,000.00</b>	<b>3,045,000,000.00</b>
		Read: Kenya Shillings One Billion, Five Hundred Eight Million only	Read: Kenya Shillings Three Billion, Forty Five Million only
<b>(ii)</b>	Forced Sale Value	<b>1,131,000,000.00</b>	<b>2,284,000,000.00</b>
		Read: Kenya Shillings One Billion, One Hundred Thirty One Million only	Read: Kenya Shillings Two Billion, Two Hundred Eighty Four Million only

### Apportionment of Market Value of Improvements

#	Block	At 43.4 % (KES)
1	Block 1	52,245,000.00
2	Block 2	195,843,000.00
3	Block 3	383,375,000.00
4	Block 4	414,798,000.00
	<b>Total</b>	<b>1,046,261,000.00</b>

FOR AND ON BEHALF OF  
REGENT VALUERS INTERNATIONAL (K) LIMITED

VINCENT OGENDO NYABWARI  
B.A. LAND ECONOMICS (HONS), M.I.S.K (VS)  
SENIOR VALUER

STEPHEN R. KIROTICH  
B.A. LAND ECONOMICS (HONS), M.I.S.K (VS)  
REGISTERED AND PRACTISING VALUER  
DIRECTOR

DATED: FRIDAY 31<sup>ST</sup> DECEMBER, 2021

APPENDIX I: PICTORIAL ILLUSTRATION OF THE PROPERTY



-Various views of the subject property -



**-View of the site entrance & access road-**



**-View of the neighborhood-**

### DISCLAIMER

We certify that the valuer has inspected the subject property on the date above and has assessed the market value on the date above. This valuation is made subject to the details, remarks and qualifications made in this final report and it is intended for the sole use of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third parties in relation to this valuation and report. The valuer has neither a pecuniary interest in, nor with either party associated with the transaction that would conflict with the independent valuation of the property.

Where it is stated in the Report that information has been supplied to the Company by another party, this information is believed to be reliable but the Company accepts no responsibility if this should prove not to be so. Where information is given without being attributed directly to another party, this information has been obtained by our search of records and examination of documents or by enquiry from government or other appropriate departments.

Where Market Value is assessed, it reflects the full contract value and no account is taken of any liability for taxation on sale or of the costs involved in effecting a sale.

The Valuation is not valid, unless it is duly signed by the Principal Valuer of this company and bears the Official Company Seal.

#### TERMS OF ENGAGEMENT

Neither the whole nor any part of this report or valuation, nor any reference thereto, may be included in any published document, circular or statement, nor published in any way, nor disclosed to any third party without the prior written consent of the firm.

Neither all nor part of the contents of the report shall be reproduced for dissemination to the public through advertising media, public relations media, news media, sales media, social media or any other public means of communication without the prior consent and written approval of the appraisers.

This appraisal is based on the condition of the local and national economy, purchasing power of money and financing rates prevailing on the effective date of valuation.

#### SCOPE AND EXTENT OF INSPECTION

Our valuation report includes; the site together with its all supporting systems such as electrical and mechanical systems. The progress on the ongoing project has been inspected, and due consideration given in this report and valuation.

We have inspected the property as far as is reasonably necessary for valuation purposes. This has comprised a visual inspection of the exterior and interior of the property, such as could be undertaken from standing at ground level within the boundaries of the site and adjacent public/communal areas and as was readily accessible with safety and without undue difficulty including standing at the various floor levels.

We have not carried out a building survey of the buildings nor have we inspected woodwork, steelwork or other parts of the property which are covered, unexposed or inaccessible and we are therefore unable to report that any such parts of the property are free from defect. Our report does not purport to express an opinion about or to advise upon the condition of uninspected parts. Neither have we carried out any tests of any kind on the electrical, plumbing or other services installed.

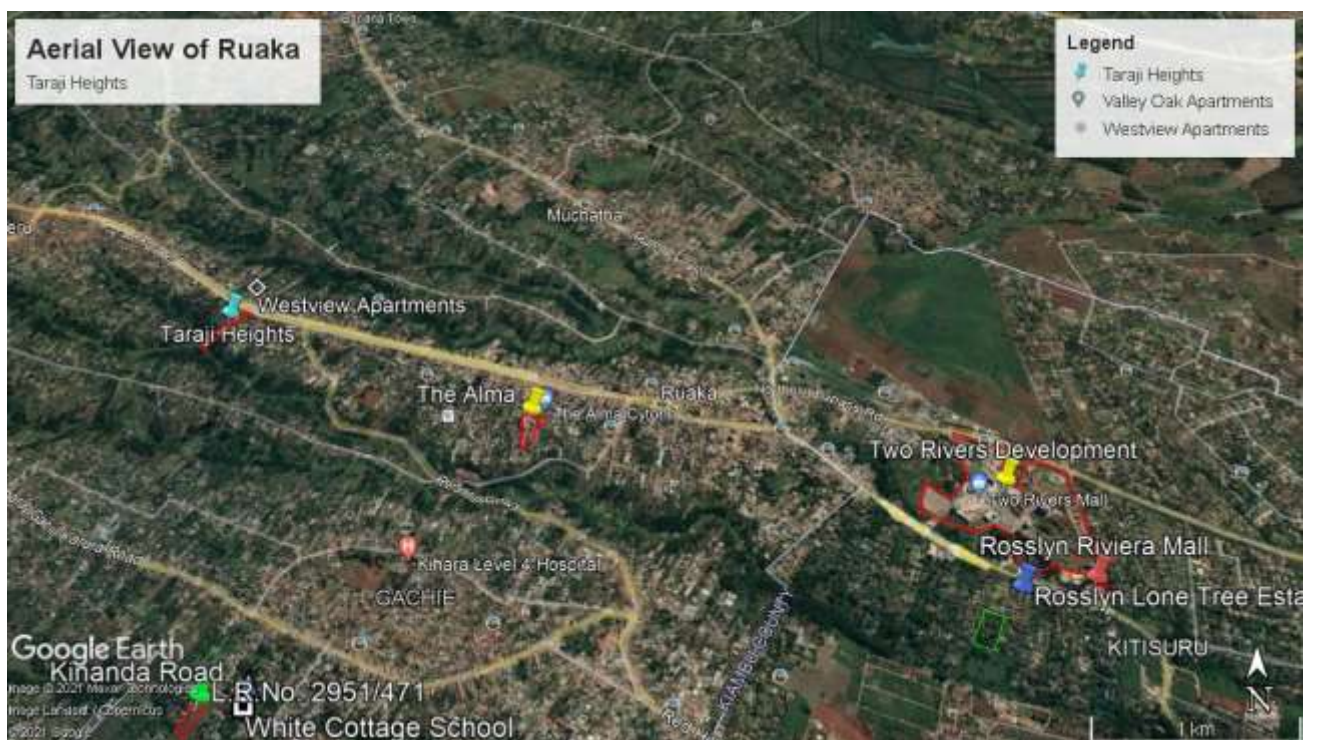


### MARKET CHANGE DISCLAIMER

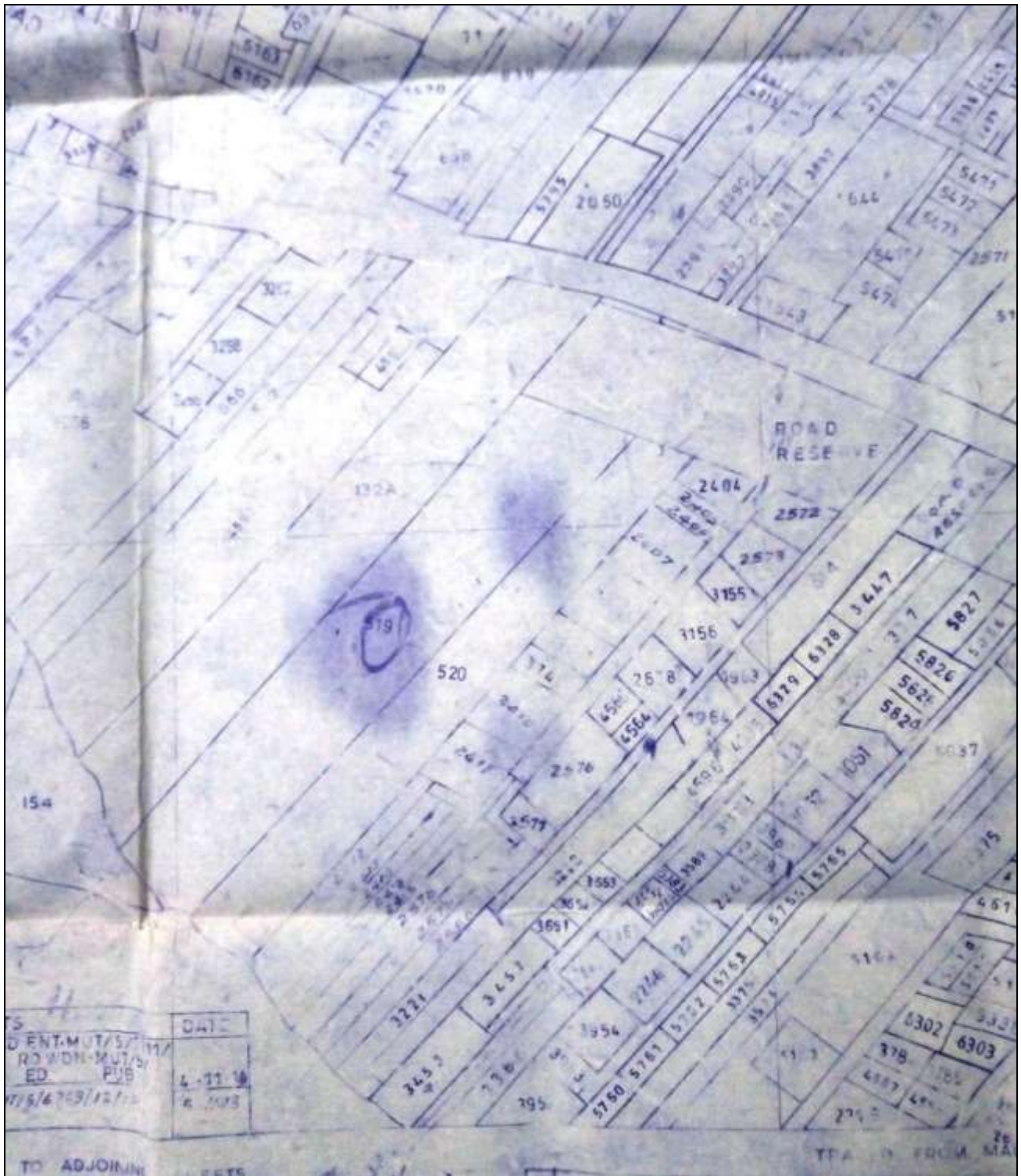
This valuation is current as of the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to this particular property). We do not accept liability for losses arising from such subsequent changes in value. Without limiting the generality of the above comment, we do not assume any responsibility or accept any liability where this valuation is relied upon a year from the date of the valuation, or such earlier date if you become aware of any factors that have any effect on the valuation.



APPENDIX II: GOOGLE EARTH IMAGES OF THE PROPERTY



APPENDIX III: COPY OF THE SURVEY MAP EXTRACT





APPENDIX IV: COPY OF SEARCH CERTIFICATE

Form LRA-85

REPUBLIC OF KENYA

THE LAND REGISTRATION ACT

THE LAND REGISTRATION (GENERAL) REGULATIONS, 2017

**CERTIFICATE OF OFFICIAL SEARCH**

TITLE NO. KIIMBAA RUAKA 520

SEARCH NO. 52

On the 23<sup>RD</sup> day of NOV 2021 the following were the subsisting entries on the register of the above-mentioned title:

**Part A – Property Section (easements, etc.)**

Nature of title ABSOLUTE

Approximate area 1.21 HA

**Part B – Proprietorship Section**

Name and address of proprietor 11.19.10.2016 CYTOMI INVESTMENT PARTNERS TEM LP

Inhibitions, cautions and restrictions 12.19.10.2016 TD ISSUED

**Part C – Encumbrances Section (leases, charges, etc.)**

.....

The following applications are pending:

(a) .....

(b) .....

(c) .....

(d) .....

The following certified copies are attached as requested:

(a) .....

(b) .....


(c) .....

(d) .....

Date 23<sup>RD</sup> day NOV 2021

Signed by the Registrar Seal .....

Name: .....

Signature: 

GPC (L3)002-400m-7/18