

**KREAL/VAL/04/003(2)/2016**

**23<sup>rd</sup> December, 2016**

The Real Estate Services Manager,  
Cytonn Real Estate,  
P.O. Box 20695-00200,  
**NAIROBI-KENYA**

**Attn: Johnson Denge (Mr.)**

Dear Sir,

**REPORT AND VALUATION  
OF  
TITLE NOS. KIAMBAA/RUAKA/6260, 3557&5230  
THE ALMA-OFF LIMURU ROAD, WITHIN RUAKA TOWN, KIAMBU COUNTY  
“ACC. CYTONN INTEGRATED PROJECT LLP”**

**Terms of reference:**

We refer to your instructions requesting us to inspect the above captioned properties with a view to advising on their market value for book purposes as at 31<sup>st</sup> December 2016. Here below is our report and valuation:-

### **LIMITING CONDITIONS**

The property Report and Valuation is subject to the following limiting conditions:-

1. Neither the whole nor any part of this Report and Valuation or any reference to it may be included in any published document, circular to statement and/or published in any way without the prior written approval of the Company of the form and context in which it may appear.
2. 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 will accept no responsibility if this should prove not be so. Where information is given without being attributed directly to another party, this information has been obtained by our own search of records and examination of documents or by enquiry from Government or other appropriate departments.
3. The responsibility of the Company in connection with this Report and Valuation is limited to the client to whom the report is addressed and for the purposes to which it is intended.
4. The values assessed in this Report are the subject property and any allocation of values between parts of the property applies only in the terms of and for the purpose of this Report. The value assessed should not be used in conjunction with any other assessment as they may prove incorrect if so used.
5. While due care is taken to note significant building defects in the course of inspection this is a Report and Valuation and not a structural assessment and no guarantee is given in respect to rot, termite and pest infestation or any other defects whether exposed or unexposed.
6. Where market values are assessed, they reflect the full contract value and no account is taken of any liability to taxation on sale or of the costs involved in effecting a sale.
7. This valuation is invalid unless it is signed by an Authorized signatory and bears our Official Company Seal.

**Basis of Valuation:****a). Market Value:**

An opinion of the best price, at which the sale of an interest in property might be expected to have been completed unconditionally for cash consideration on the date of valuation, assuming: -

- i) a willing seller;
- ii) that, prior to the date of valuation, there had been a reasonable period (having regard to the nature of the property and the state of the market) for the proper marketing of the interest, for the agreement of the price and terms and for the completion of the sale.
- iii) that the state of the market, level of values and other circumstances were, on any earlier assumed date of exchange of contracts, the same as on date of valuation.
- iv) that no account is taken of any additional bid by a prospective purchaser with a special interest;
- v) that both parties to the transaction had acted knowledgeably, prudently and without compulsion.

**b) Estimated Realisation Price:**

An opinion as to the amount of cash consideration before deduction of costs of sale which the Valuer considers, on the date of valuation, can reasonably be expected to be obtained on future completion of an unconditional sale of the interest in the subject property assuming: -

- i) a willing seller;
- ii) that completion will take place on a future date specified by the valuer to allow reasonable period for proper marketing (having regard to the nature of the property and the state of the market);
- iii) that no account is taken of any additional bid by a prospective purchaser with a special interest; and
- iv) that both parties to the transaction will act knowledgeably, prudently and without compulsion.

**Methods of Valuations:****a). Comparable Approach:**

This is also referred to as the **'Direct Capital Comparison Method'**. By this method, the valuer equates the value of the property under appraisal to the value of a known comparable property whereby the latter's value is taken to be the best price that can be obtained by the property being valued, with due allowance made for value affecting differences between the subject property and the comparable property such as condition, location, level and amount of services provided, accessibility, plot size, planning and zoning regulations, date of transaction, parties to the transaction, motive of sale and tenure and the unexpired term.

**b) Investment Approach:**

This is based upon a percentage yield. An investor will be expecting rates of return that will differ according to the type and quality of investment. Given a known or estimated stream of net rental income, the end value is thus driven by the yield that is expected. The choice of yields is made by comparison with such other investments as bear the nearest relationship in such matters as the physical characteristics, use and degree of risk and life of the investment.

**c) Contractors' Approach:**

The basic assumption is that cost of vacant land summed with the cost of erecting a building will yield the value of the developed property. This method is used to value properties that there is little general demand and which are rarely sold in the market e.g. public hospitals, schools, libraries, churches etc. Noteworthy to mention is that cost and value are hardly the same. In valuing old buildings allowance should be made for depreciation and obsolescence of the building.

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**TITLE NOS. KIAMBAA/RUAKA/6260, 3557&5230 THE ALMA-OFF LIMURU ROAD,  
WITHIN RUAKA TOWN, KIAMBU COUNTY**

**Date of Inspection:** 22<sup>nd</sup> December 2016 by our valuer I.B. Oyuga.



**SITUATION:**

The plots fronting an earthen road lie about 200 meters due south west of the access road and Limuru roads intersection. This intersection is situated directly opposite Chomba Timber Sales signage and has Crestwood/Daisy Flower School signage and lies about 300 meters to the west of Limuru and Northern bypass roads intersection/Ruaka Landmark building within Ruaka town, Kiambu County. A location sketch plan and a google earth directional imagery are herein attached.

**Survey Maps:**

We have perused the relevant survey plans and in particular the registry index map for Kiambaa/ Ruaka Sheet No. 13 registration section and confirm that the property described here in this report and valuation concurs with what we inspected on the ground.

**TITLE NOS. KIAMBAA/RUAKA/6260, 3557&5230 THE ALMA-OFF LIMURU ROAD,  
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***Google Earth Imagery:***

We confirm the directional imagery for the estate from google earth and the accompanying coordinates concurs with what we inspected on the ground. The coordinates for the property identified are as follows:

Title.No	Latitude	Longitude
Kiambaa/Ruaka/6260	-1.2067620	36.7731205
Kiambaa/Ruaka/3557	-1.2060830	36.7729740
Kiambaa/Ruaka/5230	-1.2062025	36.7728043

**TENURE:**

TITLE NO.	TENURE	ENCUMBRANCE	REGISTERED NAME
6260	Freehold	Nil	Cytonn Integrated Project LLP
3757	Freehold	Nil	Cytonn Integrated Project LLP
5230	Freehold	Nil	Cytonn Integrated Project LLP

**Land Rent:**

The plots are of freehold interest and have not assessed for land rent.

**Land Rates:**

The plots have not been assessed for land rates.

**AREA:**

TITLE NO.	AREA(HECTARES)	AREAS(ACRES)
KIAMBAA/RUAKA/6260	1.5654	3.8681
KIAMBAA/RUAKA/3757	0.0960	0.2372
KIAMBAA/RUAKA/5230	0.1050	0.2595
	<b>1.7664</b>	<b>4.3648</b>

**TITLE NOS. KIAMBAA/RUAKA/6260, 3557&5230 THE ALMA-OFF LIMURU ROAD,  
WITHIN RUAKA TOWN, KIAMBU COUNTY**

**The Plots:**

These are regular shaped gently sloping gradient agricultural cum residential plots of red loam soils whose boundaries are temporarily marked with live hedges and beacons as the construction is ongoing. Access into the property is via a double leaf steel gate.

**IMPROVEMENTS:** The plots were developed as follows as at the time of our inspection:

**a). TITLE NO. KIAMBAA/RUAKA/6260**



**TITLE NOS. KIAMBAA/RUAKA/6260, 3557&5230 THE ALMA-OFF LIMURU ROAD,  
WITHIN RUAKA TOWN, KIAMBU COUNTY**

The stage of construction for the planned development for blocks A-F is as shown here below;

**Stage of Construction:**

**Ministry of Works**

**Housing (with plumbing) revision (Scale 'A')**

		Stage of Construction						
Stage	Description	At 100%	At present stage (Unit No.)					
			A	B	C	D	E	F
1	Setting out	1	1	1	1	1	0	0
2	Excavation and earthwork	2	2	2	2	0.5	0	0
3	Concrete foundations	2	2	2	2	0	0	0
4	Walls to D.P.C	2	2	2	2	0	0	0
5	Hardcore infill	3	3	3	3	0	0	0
6	Concrete floor slab	5	5	4	4	0	0	0
7	Walling	12	12	9	9	0	0	0
8	Door frames and windows	14	0	0	0	0	0	0
9	Roof support	6	4	0	0	0	0	0
10	Roof coverings	10	5	0	0	0	0	0
11	Ceiling joists and brandering	2	2	1	1	0	0	0
12	Wardrobes and cupboards	5	0	0	0	0	0	0
13	Internal plumbing and drainage	10	2	2	2	0	0	0
14	Wall finishes	6	0	0	0	0	0	0
15	Ceiling boards	4	2	1	1	0	0	0
16	Window boards, picture rails, sundries in woodwork	1	0	0	0	0	0	0
17	Floor finishes	2	0	0	0	0	0	0
18	Doors complete	5	0	0	0	0	0	0
19	Glazing	2	0	0	0	0	0	0
20	Painting and decoration	6	0	0	0	0	0	0
	<b>Total</b>	<b>100</b>	<b>42</b>	<b>27</b>	<b>27</b>	<b>1.5</b>	<b>0</b>	<b>0</b>

At the time of our inspection, we estimate that the blocks were at different stages of construction as per the stage of construction table above



**TITLE NOS. KIAMBAA/RUAKA/6260, 3557&5230 THE ALMA-OFF LIMURU ROAD,  
WITHIN RUAKA TOWN, KIAMBU COUNTY**

The stage of construction for the planned development for blocks G, H, J Nursery and Commercial Centre is as shown here below;

		Stage of Construction					
Stage	Description	At 100%	At present stage (Unit No.)				
			G	H	J	Nursery	Commercial
1	Setting out	1	1	0	0	0	0
2	Excavation and earthwork	2	2	0	0	0	0
3	Concrete foundations	2	2	0	0	0	0
4	Walls to D.P.C	2	2	0	0	0	0
5	Hardcore infill	3	3	0	0	0	0
6	Concrete floor slab	5	5	0	0	0	0
7	Walling	12	12	0	0	0	0
8	Door frames and windows	14	0	0	0	0	0
9	Roof support	6	4	0	0	0	0
10	Roof coverings	10	5	0	0	0	0
11	Ceiling joists and brandering	2	2	0	0	0	0
12	Wardrobes and cupboards	5	0	0	0	0	0
13	Internal plumbing and drainage	10	2	0	0	0	0
14	Wall finishes	6	0	0	0	0	0
15	Ceiling boards	4	1	0	0	0	0
16	Window boards, picture rails, sundries in woodwork	1	0	0	0	0	0
17	Floor finishes	2	0	0	0	0	0
18	Doors complete	5	0	0	0	0	0
19	Glazing	2	0	0	0	0	0
20	Painting and decoration	6	0	0	0	0	0
	<b>Total</b>	<b>100</b>	<b>41</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

At the time of our inspection, we estimate that the blocks were at different stages of construction as per the stage of construction table above

**TITLE NOS. KIAMBAA/RUAKA/6260, 3557&5230 THE ALMA-OFF LIMURU ROAD,  
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Upon successful completion, we anticipate that the building will be as per the 3D designs below and developed as follows:-

**The Planned (The Alma):**



The Alma is designed to have the following units:-

Block No.	No. of Floors (Parking Incl).	One(1) Bedroom	Two(2) Bedroom	Three(3) Bedroom	Total Built up Area (M <sup>2</sup> )
A	9	16	16	13	6,771
B	10	0	27	14	10,046
C	10	0	27	14	10,046
D	10	0	86	0	10,260

**TITLE NOS. KIAMBAA/RUAKA/6260, 3557&5230 THE ALMA-OFF LIMURU ROAD,  
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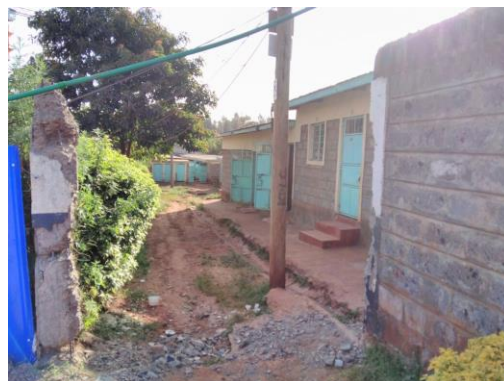
Block No.	No. of Floors (Parking Incl).	One(1) Bedroom	Two(2) Bedroom	Three(3) Bedroom	Total Built up Area (M <sup>2</sup> )
E	10	0	15	9	2,326
F	10	0	0	27	3,528
G	10	0	27	0	2,394
H	9	83	26	0	5,922
J	6	0	0	18	2,862
Nursery	1	0	0	0	333
Commercial	2	0	0	0	2,341
<b>TOTAL</b>		<b>99</b>	<b>224</b>	<b>95</b>	<b>56,829</b>

*(Source: Cytonn Real Estate)*

*At the time of our inspection, construction was ongoing and there were labourers and materials on the ground.*

**b). TITLE NO. KIAMBAA/RUAKA/3557**

**i). Rental Units:**



**Construction:**

**Roof:** Galvanized corrugated iron sheets roof fitted with timber fascia boards at the eaves

**TITLE NOS. KIAMBAA/RUAKA/6260, 3557&5230 THE ALMA-OFF LIMURU ROAD,  
WITHIN RUAKA TOWN, KIAMBU COUNTY**

**Walls:** Of natural quarry stone walls, keyed and partly colour washed externally, plastered and painted internally.

**Doors/Windows:** Glazed steel casements

**Floor:** Cement screed

**Accommodation:**

Verandah;

Twenty (20) single room units;

Five (5) one (1) bedroomed units each having a living room, bedroom and shower room;

Six (6) bath rooms;

Six (6) pit latrines;

**ii). Contactors residence:**

This is of similar construction to rental units above;

**Accommodation:**

Verandah;

Fourteen (14) single room units;

Shower room with an overhead shower, tap and eastern WC;

Two Cloakrooms with WC;

Two (2) shower rooms with an overhead shower;

**iii). Main House:**

**Roof:** IT4 sheets roof fitted with timber fascia boards and PVC panels at the eaves

**TITLE NOS. KIAMBAA/RUAKA/6260, 3557&5230 THE ALMA-OFF LIMURU ROAD,  
WITHIN RUAKA TOWN, KIAMBU COUNTY**

**Ceiling:** PVC and soft board panel lined;

**Walls:** Natural stone walls, keyed and partly colour washed externally, plastered and painted internally.

**Doors:** External doors are timber panels reinforced with steel grilles whereas internal ones are timber flush types;

**Windows:** Glazed steel casements;

**Floor:** Cement screed;

**Accommodation:**

Entrance verandah;

Living room;

Dining area with pedestal WHB;

Kitchen;

Two (2) bedrooms with wardrobes;

Shower room with an overhead shower;

Cloakroom with WC;

**Built up area:** Approximately 10,410 square feet

*NB: The units will be demolished and redeveloped as part of block J*

**c). TITLE NO. KIAMBAA/RUAKA/5230**

There were no structural developments on this plot as at the time of our valuation. The plot was grown with subsistence crops.

**TITLE NOS. KIAMBAA/RUAKA/6260, 3557&5230 THE ALMA-OFF LIMURU ROAD,  
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**SERVICES:** Mains water and electricity services are available in the neighbourhood for connection to the property. Foul drainage would be to either septic tank/soak away pits or sewerage treatment plant. The immediate access road is earthen.

**Condition survey:**

The blocks were under construction as at the time of our inspection.

**Tenancy**

The property is under construction for residential user.

**REMARKS:**

*i). Title and Search:*

In comparing the copies of the title provided and the property search undertaken, the registered owner, the title number, the plot size, the tenure and encumbrances details are in harmony.

*ii). Search*

Copies of the official searches are herein attached.

*iii). Neighbourhood:*

The neighbourhood is marked by high value residential apartment's developments and agricultural user.



**TITLE NOS. KIAMBAA/RUAKA/6260, 3557&5230 THE ALMA-OFF LIMURU ROAD,  
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*iv). Highest and Best Use (Planned User):*

The ongoing development (The Alma) will optimize the plots user

*v). Infrastructure:*

The access road is earth surfaced. The developer will upgrade the estate access to either precast concrete or tarmac to standard.

*vi). Public Utility User:*

The subject parcels appear not to be a Government land and there is no evidence to suggest that it had been designated for public utility user.

*vii). Planning, Highway and other Statutory Considerations:*

In our opinion we do not foresee any significant prospect of or potential for change of use of the subject property or those in the vicinity, which could materially affect the value of the subject property.

*viii). Environmental Issues:*

There are currently no visible environmental issues including contaminated land either on the subject or on an adjoining site that materially would affect the value of the property. A detailed environmental impact assessment report would then verify this in greater details.

We wish to confirm that after conducting the title searches and on perusal of the relevant documents (copy of title and map) and from our own physical inspection and information gathered on the ground has not revealed any past or present public user reservation in respect of the subject security property, neither does it lie on a road reserve

**TITLE NOS. KIAMBAA/RUAKA/6260, 3557&5230 THE ALMA-OFF LIMURU ROAD,  
WITHIN RUAKA TOWN, KIAMBU COUNTY**

**VALUATION:** In our opinion, the market value of the unencumbered freehold interest in **TITLE NOS. KIAMBAA/RUAKA/6260, 3557&5230 THE ALMA-OFF LIMURU ROAD, WITHIN RUAKA TOWN, KIAMBU COUNTY** for book purposes could be stated in the sum of *Kenya Shillings One Billion One Hundred Thirty Four Million Seven Hundred Thirty Five Thousand Three Hundred Twenty Seven Only*— (Kshs. 1,134,735,327.00) broken down as follows:-

a). Title No. Kiambaa/Ruaka/6260

Land:	Kshs. 448,711,200.00
Construction Cost:	Kshs. 303, 203,100.00
Materials on the Ground:	Kshs. 46, 000,000.00
Fees	Kshs. 266, 388,863.00
Borehole:	Kshs. 1, 737,564.00

b). Title No. Kiambaa/Ruaka/3557

Land:	Kshs. 27,515,200.00
Buildings:	Kshs. 11, 127,400.00

c). Title No. Kiambaa/Ruaka/5230

Land:	Kshs. 30,102,000.00
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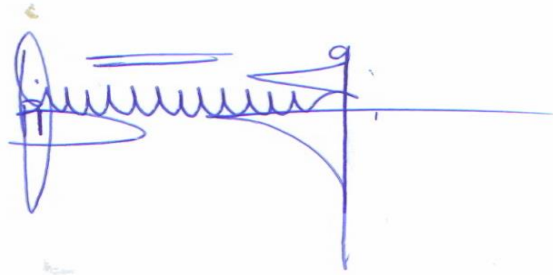
TITLE NOS. KIAMBAA/RUAKA/6260, 3557&5230 THE ALMA-OFF LIMURU ROAD,  
WITHIN RUAKA TOWN, KIAMBU COUNTY

**Concluding Remarks:**

We confirm that neither Kenval Realtors (EA) Limited nor the valuer has any conflict of interest in providing this report and valuation and that we have no undisclosed relationship with the applicant(s).

Yours faithfully,

**For: KENVAL REALTORS (EA) LIMITED**

A handwritten signature in blue ink, appearing to be 'I. B. Oyuga', written over a horizontal line. The signature is stylized with a large initial 'I' and a long horizontal stroke.

**I. B. OYUGA:**

**B.A. LAND ECON (HONS) NBI**

**M.I.S.K. REGISTERED VALUER**

23<sup>rd</sup> December 2016