



ASTRA | valuations

Your Reference: King Edward II, Parow
Our Reference: AV230171
Date: 20 June 2023

ATTENTION:
XXX

VALUATION OF
LOCATED AT NO.
FOR



PREPARED BY

S.E. Jacobs
Professional Associated Valuer
(MIVSA)



1. INSTRUCTION

1.1 We have been instructed by Mr. Gustav Terblanche of Blackbird Group to visit and inspect the Subject Property and to advise you of our opinion of the Open Market Value as of 01 June 2023. For ease of reference, Erf 9224 Parow will be referred to as "**the Subject Property**" in the remainder of this report. The Subject Property is currently a vacant unimproved erf. The client intends to construct student accommodation. Our instruction is to determine a value on completion of this construction, and this will form the basis of our valuation

1.2 Our market research was done during the period of 02 June 2023 and 19 June 2023

2. DATE OF INSPECTION: 02 June 2023

3. TITLE DEED INFORMATION

We had no sight of the relevant title deed, with a Windeed enquiry indicating the Subject Property to be held as follows:

3.1 Registered Description:

3.2 Title Deed No. of Subject Property:

3.3 Registered Owner of Subject Properties:

3.4 Registered Erf Extent of Subject Sections: 496m²

3.5 Date of Purchase: 2 October 2020

3.6 Purchase Price: R400 000.00

3.7 Mortgage Bonds: None

3.8 Servitudes Noted: We did not have access to the title deed of the Subject Property. Our valuation will however assume that there are no onerous conditions contained herein that may have an impact on the value determined. If this is not the case, we reserve the right to amend our valuation

4. TOWN PLANNING CONDITIONS AND LOCAL AUTHORITY INFORMATION

4.1 Local City of Cape Town: Tygerberg Administration

4.2 Zoning: General Business 1



4.3 Primary Uses Business premises, dwelling house, second dwelling, boarding house, flats, place of instruction, place of worship, institution, hospital, place of assembly, place of entertainment, hotel, conference facility, service trade, authority use, utility service, rooftop base telecommunication station, multiple parking garage, private road and open space.

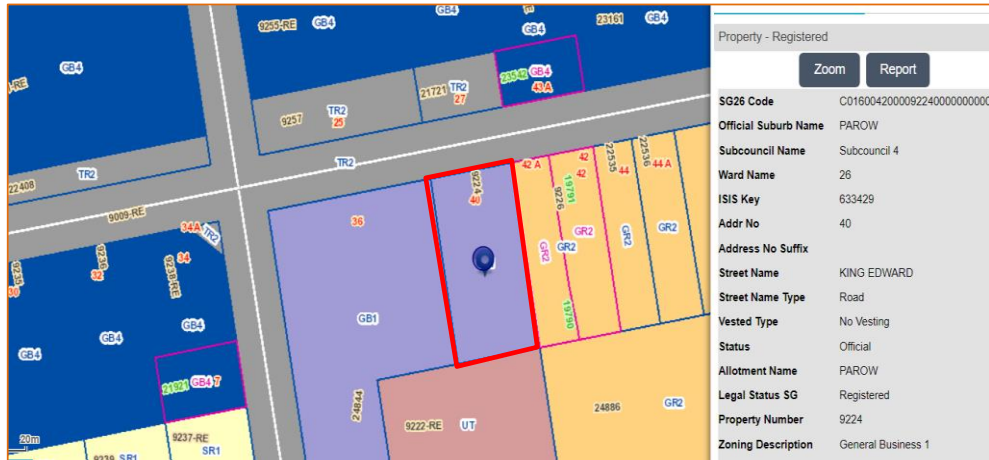


Figure 1: Electronic Municipal Zoning Map indicating Subject Property in red

4.4 Consent Uses Adult shop, adult entertainment business, adult services, informal trading, expo centre, motor repair garage, warehouse, freestanding base telecommunication station, wind turbine infrastructure, transport use, helicopter landing pad and service station.

4.5

Table 1: Town Planning Parameters	
Land Use:	Permitted
Zoning:	General Business 1
Coverage:	100%
Height:	15m
FAR/Bulk:	1.5
Building Lines:	Street boundary 4.5m, Common boundary 0.0 where height is over 10.0 meter and up to 25.0 meter
Parking:	The Subject Property is located in a PT2 zone. Therefore, no parking is required
Comments:	The Subject Property is currently a vacant stand. As per the building plans, it comprises an apartment block with a ground floor plus two or three storeys. We assume that the building will comply with all Town Planning conditions. Should this not be the case, we reserve the right to amend the valuation

4.6 Municipal Valuation

The municipal valuation is based on the valuation roll dated 01 July 2022. According to this, the Subject Property is valued at R580,000. As municipal values are determined by means of the CAMA (Computer Assisted Mass Appraisal) system, they are not necessarily accurate reflections of open market values.

5. NEIGHBOURHOOD AREA

- 5.1 Parow is a well-established area and forms part of Cape Town's popular northern suburbs. It is situated approximately 15km from Cape Town Central Business District and is located between the suburbs of Goodwood and Bellville. Access to the area is good, with various main routes leading to it. Public transport, as well as most amenities, are also available alongside most main routes

Figure 2: Google Map with Subject Property in red



- 5.2 Parow comprises both upmarket and middle-to-low income residential nodes. Commercial properties are mainly concentrated alongside the main routes (Voortrekker Road, Platteklouf Road, Giel Basson Drive, Frans Conradie Drive, etc.) and comprise both offices and retail facilities. Several industrial pockets can also be found in the broader Neighbourhood Area
- 5.3 There are many tertiary institutions in the area, including the medical faculty of Stellenbosch University, Northlink College, University of South Africa and the University of the Western Cape. In light hereof, the demographics of the area point to a large part of the population being relatively young
- 5.4 The Subject Property comprises a rectangular-shaped erf, on King Edward Road. Only one property a block of flats, King Edward, separating the Subject Property from the corner of King Edward Road with Carstens Street. It has easy access to Voortrekker Road, which is one of the main routes through the area. The Subject Property has an average location in the suburb, with most surrounding properties comprising flats, dated residential dwellings as well as old residential properties now converted to commercial buildings.



6. SUBJECT PROPERTY

- 6.1 The Subject Property is currently an unimproved erf. We viewed building plans provided to us by the client, indicating that it will be improved with a three or four-storey apartment block known as King Edward II. Although this plan indicates a third floor, the diagrams on the plan do not provide for this level. We opted to apply the potential offering of the Subject Property as indicated on the drawings. As per these plans, the ground level will comprise residential units and the service areas such as a refuse room with apartments on the first and second floors. It will be a reinforced concrete structure with plastered and painted brick infill walls with aluminium window frames. For this valuation, we will assume that all units will be in a good state of repair and completed to good standard and level of workmanship. Should this not be the case, we reserve the right to amend our valuation. It appears that these units will comprise of average quality finishes and fittings
- 6.2 Although these are not approved building plans, we assume the building will be completed without significant variance. As mentioned earlier, the plan does not indicate a third floor, but diagrams/drawings only indicate a ground floor, first and second floors. As per these drawings, the building is to comprise 11 Two-Bedroom and 13 One-Bedroom apartments. The ground floor will offer 5 One-Bedroom and 3 Two-Bedroom apartments, with 4 Two-Bedroom and 4 One-Bedroom apartments on the first and second floors each. The different floors are accessed via a concrete staircase. Refuse rooms are indicated to be located on the ground floor. The plan does not indicate specific parking bays, but the description on the plan provides for 8 bays. The client intends to use the apartment block as student accommodation. The intention is to accommodate 55 students. As per our instruction, the intended use of the Subject Property as student accommodation will form the basis of our valuation
- 6.3 We assume that all units will be in a good state of repair. As per the building plans, the accommodation of the Two-Bedrooms units will consist of a lounge with an open-plan kitchen, two bedrooms and one bathroom, while the One-Bedroom units comprise 1 bedroom and a bathroom. We have not viewed a schedule of finishes. Therefore, we assume that similar fixtures and fittings will be provided as viewed with other student apartments owned by the client. These include built-in cupboards in bedrooms and kitchens, as well as fitted appliances in the kitchen. All units are to be fitted with pre-paid electricity meters. These fixtures and fittings will be of an average quality
- 6.4 Internal finishes are assumed to be of an average standard and in good state of repair, comprising ceramic tiled floors, painted brick and tiled walls with concrete and gypsum board ceilings. The kitchens are to be fitted with average quality built-in cupboards and fittings, while the bathrooms' sanitary ware and tiles will be of good quality



7. CONSTRUCTION EXTENTS

Table 2: Approximate Construction Extents as per plan.

Floor	Building	Utilities	Walkways	Stairs	Lift shaft	Total
Ground floor		15.50m ²		11.20m ²		26.70m ²
First Floor	279.30m ²		43.00m ²	11.20m ²		333.50m ²
Second Floor	279.30m ²		36.60m ²			315.90m ²
Third Floor	182.80m ²		36.60m ²			219.40m ²
Total	741.40m²	15.50m²	116.20m²	22.40m²	0.00m²	895.50m²

9. MARKET TENDENCIES

- 9.1 There is currently a significant shortage of student accommodation in South Africa. In this regard, the South African government has shown a strong commitment to increasing student housing with support from the public and private sectors by providing a clear regulatory framework for student accommodation. Further, funding support for lower-income students through programs such as the National Student Financial Aid Scheme ("NSFA S") is essential in the funding process. The Student Housing Infrastructure Program ("SHP") was also recently launched to fund and facilitate the development of student housing
- 9.2 The South African student market, also referred to as purpose-built student accommodation ("PBSA"), can be divided into three primary segments - the affordable, mid and high-end markets. During the last number of years, private developers have mainly catered to the mid (±R3,000 to ±R4,500 per month) and high-end (±R5,000 to ±R8,000 per month) markets. This results in a significant gap between the affordable and mid-level student accommodation segments. As of 2020, there were ±223,000 purpose-built student beds available in South Africa. This represents a shortfall of some ±511,600 beds, which is anticipated to grow to around ±781,000 beds by 2025
- 9.3 There are some concerns raised by a COVID-19 induced preference to online learning, which could have a negative impact on physical, campus-based enrolment rates and consequently dampen the demand for student accommodation. Due to the pandemic, the Department of Higher Education and Learning has announced plans to roll out a national online open learning system, starting with the Technical and Vocational Education and Training Colleges. However, the view from various industry stakeholders is that it will take some time before South Africa can accommodate a largely online tuition system. Factors such as the lack of IT infrastructure and high data costs are currently restricting this potential



- 9.4 According to a prominent student accommodation portfolio fund manager, managing quality student accommodation is fairly complex. These buildings require more ongoing maintenance than the average property and the strong administrative platforms required because of the management of numerous tenants, rental collections and the mitigation of complaints. The "Fees Must Fall" movement has also politicized this asset class. Accommodation must now be accredited by the university, and between 25% to 30% of the students must belong to Nsfas. The problem with this is that funding is only made available to the respective tertiary facility after April, and this has a significant impact on cashflows
- 9.5 Although there is a good demand for these types of facilities, various investors point to the fact that returns are not extraordinarily high. It was stated that student accommodation facilities are difficult to develop at a yield of $\pm 10.5\%$ or better. This is usually due to the expensive land costs, especially close to popular higher-learning facilities. The market can be lucrative if the occupancy is high, with a return of between $\pm 10\%$ to $\pm 11\%$ envisaged. Due to the high demand, there are several amateur operators for this type of accommodation, which has a negative impact on the income of formal and established student residences
- 9.6 Find below some of the challenges that investors/buyers of student housing experiences
- 9.6.1 Short Lease Periods:
Most students generally sign leases between February to November. This results in early pressure on marketing and leasing to ensure a fully-tenanted building for the following academic year
- 9.6.2 Higher Tenant Turnover:
Tenant turnovers during the academic year are generally low. Due to the short lease periods, these tenants can usually cancel the respective lease with a one-month notice period which places some risk on the income stream
- 9.6.3 Management Intensive:
Compared to conventional apartments, student housing present significant operational challenges that include high-tenant turnovers, risk management issues and intensive marketing, which generally requires an experienced operator. Often students are also hired as on-site assistants to facilitate property management. Maintenance costs are also usually higher than a conventional apartment block

10. LEASE DETAILS

Although the Subject Property is currently unimproved vacant land, our instruction is to determine a value after construction and improving to student accommodation only. We will therefore determine a value based on its market-related income as a student residence, i.e. 53 students






11. VALUATION METHODOLOGY


- 11.1 The main focus of a valuation exercise is to interpret how the market will view and react to a property. This pertains to its value attributes (i.e. marketability), as well as factors such as affordability, who the most likely buyer would be and how this buyer would determine value
- 11.2 In the case of a business property as an investment, the income such a property can generate (rental) is usually the main feature. In such a case the most apt method to determine value would be the *Market Data Approach of Indirect Comparison* (also known as the Income Method). This method determines the net normalised annual income of the property, assuming the property is fully let at market related rentals, and market escalations, with an allowance made for vacancies (where applicable). Market related operating expenses are deducted, resulting in a net annual income which is then capitalised at a market related rate. The capitalisation rate is determined from the market (i.e. the rate at which similar assets have traded recently), and is influenced by: rates of return of similar properties, risk, obsolescence, inflation, market rental growth rates, rates of return on other investments, as well as mortgage rates
- 11.3 In the second instance, the sectional title ownership will be used to determine the short-term option and value. For this, the values of the various unregistered sections will be determined by means of the *Market Data Approach of Direct Comparison*. With this method, transactions of sectional title units in the Neighbourhood Area are researched and investigated. Only those properties with similar value adding attributes are then compared to the Subject Units and values derived from this
- 11.4 In the market that the Subject Property trades, this is often used in a *Discounted Cash Flow*, to determine the value of a property as a whole. However, due to the scale of the development and the short sell-out term envisaged for the Subject Property, this method will not be applied here. Instead, a static cash flow will be done, taking into account the costs and profit foreseen for this development. This is also the method most employed by the market place

12. MARKET RESEARCH

Please refer to our attached *Annexure A for Student Accommodation Rentals* in the broader Cape Town

TABLE 3: TRANSACTIONS OF RESIDENTIAL PROPERTIES IN PAROW					
Section	Development	Extent (m ²)	Price	Date	Rate per m ²
8	Shayna-Hof	38m ²	R390 000	8-Mar-21	R10 263
6	Shayna-Hof	66m ²	R550 000	3-Sep-20	R8 333
9	Shayna-Hof	66m ²	R550 000	28-May-20	R8 333
		<p>Comments: Dated sectional title complex with an inferior location directly opposite the railway line and adjacent to the taxi rank. It has an inferior appeal and appears to require general renovations</p>			
Section	Development	Extent (m ²)	Price	Date	Rate per m ²
41 + 31	SS Tierhof	64m ²	R630 000	3-Dec-22	R9 844
6 + 18	SS Tierhof	64m ²	R620 000	12-Dec-22	R9 688
		<p>Comments: Sectional title complex located in close proximity to the Subject Property. This development comprises a somewhat dated apartment block but appears well-maintained</p>			
Section	Development	Extent (m ²)	Price	Date	Rate per m ²
16	Kevin Court	53m ²	R490 000	20-Sep-22	R9 245
13	Kevin Court	41m ²	R485 000	23-Mar-21	R11 829
15	Kevin Court	41m ²	R450 000	12-Feb-21	R10 976
11	Kevin Court	53m ²	R495 000	8-Oct-20	R9 340
		<p>Comments: A triple-storey apartment block with a comparable location. Although it has a somewhat dated appeal, it appears well-maintained with good security in place</p>			

Please find attached some transactions of student accommodation that assisted in our value determination of the Subject Property. Please note that due to the limited available transactions of this asset class, our research has been extended to include both dated sales and those located in other neighbourhoods. Adjustments will be made to these where deemed necessary:

Transaction No. 3	Image
<p>Description: Remainder Erf 54377 Cape Town Location: Main Road, Claremont Erf Extent: 3 432m² Price Paid: R244 000 000 Purchase Date: 14 May 2021 GBA (±m²): 15 075m² Price Per Room R458 647 532 rooms Price Per Bed R419 244 582 beds Yield (%): ±10.23% Rate per Bld. ±R 16 186 per m² Location: Superior</p>	
<p>Remarks: This transaction has a good location alongside Main Road in Claremont, within proximity to the popular Cavendish Square. It was initially the site of the Shoprite premises but has been extensively renovated and altered to form upmarket student accommodation. It was a joint venture between Redefine Properties and Respublica and has been let to UCT. The facility comprises ±532 single, sharing and studio apartments (four-sleepers) comprising a total of ±582 beds. Communal areas comprise various recreation/relaxation areas, a gymnasium, a computer centre, dedicated study areas, kitchen, ablutions and dining halls</p>	
Transaction No. 4	Image
<p>Description: Erf 2981 Stellenbosch Location: No. 9 Moffat Street, Stellenbosch Erf Extent: 497m² Price Paid: R3 000 000 Purchase Date: 15 August 2022 GBA (±m²): 319m² Price Per Room R5 639 9 rooms Price Per Bed R5 155 14 beds Yield (%): ±10.39% Rate per Bld. ±R 9 404 per m² Location: Inferior</p>	
<p>Remarks: Although this transaction is located in Stellenbosch, it has an average to below-average location in a middle to low-income extension of the suburb. It is improved with a partially double-storey dwelling used as student accommodation. It has four single rooms and five double rooms. Additional accommodation comprises 2 kitchens and two recreational areas. Internal finishes are of basic quality but are overall well-maintained</p>	

13. CONCLUSIONS

13.1 With consideration of the before-mentioned market research, a rental of **R5,200 per student per month** can be applied to the private rooms and **R4,200 per student per month** for the shared rooms



- 13.2 Based on the before-mentioned research and conclusions, a total monthly rental in the order of R255,600 is determined, or **R3,067,200 per annum**. After allowing for a **10%** long-term vacancy, a gross annual income of **R2,760,480** is reflected. We were only provided with a summary of expected expenses and therefore applied market-related norms where deemed necessary. These include rates and taxes, management fees, audit fees, and sundries. We opted to apply a market-related municipal value in our calculations. A total annual expenditure of **R885,793** is reflected, which in turn indicates an income/expense ratio of **±32.09%** or **±R82.43 per m² per month**. This ratio can be regarded as fair for a property of this nature. A net annual income in the order for **R1,874,687** is calculated
- 13.3 With consideration of the improvements on the Subject Property, the quality of finishes and the number of units, a capitalisation in the order of **10.25%** is deemed fair and will be applied in our calculations. With this, a value in the order of R18,289,625 say **R18,300,000** is determined based on its income potential

14. VALUATION CONDITIONS

- 14.1 Our On-Completion value will be based on the information provided by the client. This includes the fact that 24 apartments will be constructed to accommodate 53 students.
- 14.2 The completion of the construction in terms of the information attached to this report. We assume that workmanship will be of an acceptable standard
- 14.3 We have not inspected the title deeds of the property and assume that there are no onerous conditions or servitudes affecting the property and that the extent of the property is as indicated in the report
- 14.4 This valuation report may contain confidential and sensitive information and is to be handled by the requestor of the valuation following the terms of the *Protection of Personal Information Act 4 of 2013 (POPI Act)*. All contents in the report are for the client's sole use and may not enter the public domain or be utilised for any other purpose than the motivation of an open market valuation for the Subject Property and to be viewed and treated accordingly. All market information reflected in this valuation is regarded and treated as confidential. The client, intended recipient, and reader of this report, agree to abide by the terms and conditions of the POPI Act and indemnify the Valuer should any confidential information contained within the valuation report be utilised in any form that may in effect contravene the provisions of the POPI Act



15. VALUATION CALCULATIONS

Based on the before-mentioned market evidence and analysis, the following market value is deemed fair for the Subject Property and will be certified with our report:

TABLE 6: VALUATION CALCULATION OF SUBJECT PROPERTY					
Description	No. of Units	Rate per student	Monthly Rental	Lease Expiry	Annual Rental
Single Bedrooms	33	R 5 200	R 171 600	Annual	R 2 059 200
Shared Bedrooms	20	R 4 200	R 84 000	Annual	R 1 008 000
Potential Monthly Income	53	R4 823	R 255 600		
Potential Annual Income					R 3 067 200
Add: Recoveries					R -
Provision for Vacancies				10.0%	R 306 720
Normalised Annual Income					R 2 760 480
Total Annual Expenses					
			R 82.43	32.09%	R 885 793
Rates & Taxes	Estimated GV2022 Value	R 12 000 000	0.00634		R 76 080
Insurance	0.30%	of Replacement Cost			R 25 003
Management	10.00%	of Normalised Income			R 306 720
Audit Fees	0.50%	of Normalised Income			R 13 802
Maintenance	0.25%	of Replacement Cost			R 20 836
Electricity		R 6 730			R 80 760
Water		R 5 800			R 69 600
Sewerage		R 1 265			R 15 180
Refuse		R 3 601			R 43 212
Security		R 13 800			R 165 600
Internet		R 5 000			R 60 000
Laundry		R 500			R 6 000
Sundries Expenses					R 3 000
Net Annual Income					R 1 874 687
Capitalised Net Annual Income at :				10.25%	R 18 289 625
Value, Say					R 18 300 000

- 15.1 As mentioned earlier in our report, a static cash flow will also be undertaken on the Subject Property to determine the value on a sell-out basis. For this purpose, we have allocated a value per unit based on the registered apartment transactions in Parow. With consideration hereof, we believe that a value in the order of **R575,000 per 2-bedroom apartment**, and a value in the order of **R470,000 per 1-bedroom apartment** can be deemed market-related and will be applied in our calculations.



TABLE 7: VALUE CALCULATION OF SUBJECT PROPERTY (EXCLUDING VAT)			
Unit Description	Extent (m ²)	Rate	Price (Excl. VAT)
1 Bedroom, 1 bathroom	±36 m ² each	R470 000/flat	R6 110 000.00
2 Bedrooms, 2 Bathrooms	±42m ² each	R575 000/flat	R6 325 000.00
Gross Sellout Value (Excluding VAT)			R12 435 000.00
Less Agent Comm.	@	5.0%	R621 750.00
Sub total			R11 813 250.00
Less: Estimated Maintenance and Repairs			R0.00
Nett Sellout Value			R11 813 250.00
Say,			R11 800 000.00

- 15.2 Based on the above, a value in the order of R18,300,000 is determined for the Subject Property on an investment scenario and R11,800,000 on a sell-out basis. In our opinion, the significant variance in value is largely due to the achievable income as student accommodation. The investment scenario therefore indicates the highest and best use and the value of **R18,300,000** will be certified in our report

Taking due consideration of all relevant factors, we Stanford E. Jacobs and Jan Viljoen, on behalf of Astra Valuations, in our capacity as Professional Associated Valuers, consider the above value of **R18,300,000 (Eighteen Million Three Hundred Thousand Rand)** to be a true and fair assessment of its current open market value







S.E. Jacobs
Professional Associated Valuer
Reg. No. 4626

J.H. Viljoen
Professional Associated Valuer
Reg. No. 7764

for Astra Valuations

Date of Signature: 20 June 2023

ANNEXURE A | STUDENT ACCOMMODATION RENTALS

Location	Suburb	Institution	No. of rooms	No of Beds	Accommodation	Common Baths	Monthly Rates	Incl. Water & Electricity	Image	Features
Durban Road	Bellville	Northville	Unknown	Unknown	Private Room	Yes	R4,515	Yes		Old Mutual Building Located in CBD of Bellville Cleaning of common areas Wifi DSTV in common areas Coin operated laundry
					Two people sharing - bunk beds	Yes	R3,800	Yes		
					Four people sharing - bunk beds	Yes	R3,600	Yes		
Picton Road	Parow	Private	Unknown	Unknown	Private Room	Yes	R5,200	Partial		Purpose-built student accommodation (Picton Apartments) Modern facilities Water/electricity extra Communal bathroom Fully equipped kitchens
					Shared Room	Yes	R4,200	Partial		
No. 5 Vygie Close	Belhar	Private (Accredited)	Unknown	9	Shared Room	Yes	R3,195	Yes		Modern house with bachelor flat Bachelor flat has own kitchen and bathroom Upmarket finishes Secured parking Wifi Built-in cupboards in all the rooms
					Private Room	Yes	R3,950	Yes		
					Bachelor Flat	No	R5,000	Yes		
Voortrekker Road	Bellville	Private	13	24	Private Rooms	Yes	R3,500	Yes		Apartment block Good finishes Wifi Domestic services Secure parking Communal kitchens, bathrooms and laundry 24-hour security
					Shared Rooms	Yes	R2,400	Yes		
Varsity Street	Belhar	South Point	700	1 288	Shared Rooms	Yes	R5,238	Yes		Newly developed facility Wifi Close to UWC Shared communal facilities Entertainment areas Domestic services Good security
					Private Rooms	Yes	R5,762	Yes		
					Parking		R450			
Durban Road	Bellville	Park Central	76	164	Standard Private Room	Yes	R5,762	No		24-Hour security with biometric access CCTV cameras Laundry Wifi Communal kitchen, entertainment areas Daily domestic cleaning service
					Shared Private Room	Yes	R5,238	No		



VALUATION CERTIFICATE

We the undersigned certify that,

1. This report has been prepared in conformity with recognized standards of appraisal procedure and ethics. To the best of our knowledge and belief the statements contained in this report are correct
2. The opinions stated are based on a full and fair consideration of all the pertinent factors available. The statements are subject to the Assumptions and Limiting Conditions stated in this report
3. We have no present or contemplated interest in this or any other property or any other interests, which would affect the statements or values contained herein. Neither the employment nor compensation are contingent upon reporting predetermined or specified amounts of value
4. A personal inspection of the Neighbourhood Area and the Subject Property was done. An investigation was also done of other comparable market data to assist us with the value
5. Words importing any one gender in this report shall also include the other, words importing the singular shall include the plural and vice versa and words importing persons shall include partnerships, bodies corporate and companies they represent
6. In our opinion, a willing buyer will pay a willing seller the following amount in the open market, for the particular property (**Erf 9224 Parow**), at the date of our value determination (**01 June 2023**):

R 18 300 000 (**Eighteen Million Three Hundred Thousand Rand**)

7. All mapping and photography was conducted by Astra Valuations
8. Value Added Tax (VAT) and the influence thereof is not taken into consideration with this valuation



Stanford E. Jacobs

Professional Associated Valuer (MIVSA)

For

Astra Valuations

Date: 20 June 2023



ASSUMPTIONS AND LIMITING CONDITIONS

Neither all nor any part of this report shall be conveyed to the public or anybody/person other than the addressee or his principals through advertising, public relations, news sales or any other media, without the written consent of

Stanford E. Jacobs of Astra Valuations

This particularly pertains to the rental and value conclusion, the identity of the appraiser/s or any reference to the professional appraisal organisation to which I/we belong. No responsibility is assumed for matters legal in nature. Information provided by property owners, parties to rentals/sales and others are assumed reliable but its accuracy is not guaranteed. This value determination has been prepared on the basis that full disclosure of all information and factors, which may affect the valuation, has been made to ourselves, and we cannot accept any liability or responsibility whatsoever for the value determination, unless such full disclosure has been made. We emphasise that we have not carried out a structural survey of the improvements, nor have we examined them for signs of timber infestation, and accordingly, cannot be responsible for possible defects

We have not carried out investigations on site in order to determine the suitability of ground conditions and services for any future proposed development. Our value determination is on the basis that these aspects are satisfactory

We have assumed that there is no contamination, other than that associated with its existing usage, affecting the property or neighbouring property, which would affect our rental determination. However, we reserve the right to review our rental, should it be established subsequently that contamination, other than that associated with its existing usage, exists at the property or on any neighbouring land, or that the premises have been or are being put to any contaminate use

DEFINITIONS

The open market and rental determination with our report is defined by the International Valuation Standards Council (2020) as:





Open Market Value:

“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.”

Open Market Rent:

“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.”

Highest and Best Use:

“The highest and best use must be physically possible (where applicable), financially feasible, legally allowed and result in the highest value. If different from the current use, the costs to convert an asset to its highest and best use would impact the value.”

The value determination is made for the purpose as stated and should not be used for any other purpose

TERMS OF REFERENCE

The purpose of this report is to determine the Open Market Value of the Subject Property, for possible mortgage finance, On Completion of the proposed alterations

DATE OF VALUATION

16 June 2023