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Your Reference: No. 36A Price Drive
Our Reference: AV230255
Date: 07 August 2023

ATTENTION:

**No. 36A Price Drive
High Constantia
CAPE TOWN
7806**

VALUATION

LOCATED AT NO. 36A PRICE DRIVE, HIGH CONSTANTIA



PREPARED BY

S.E. Jacobs
Professional Associated Valuer (Reg. No. 4626)
(MIVSA)

L. Simons
Candidate Valuer



1. INSTRUCTION

- 1.1 We have been instructed by Mr. to visit and inspect the Subject Property and to advise you of our opinion of the Open Market Value as at 07 August 2023. As per our instruction, a market value must be supplied. For ease of reference, Erf 10694 Constantia will be referred to as "**the Subject Property**" in the remainder of this report
- 1.2 Our market research was done during the period of 07 August 2023 and 15 August 2023

2. DATE OF INSPECTION: 07 August 2023

3. TITLE DEED INFORMATION

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

- 3.1 Registered Description:
- 3.2 Title Deed No. of Subject Property:
- 3.3 Registered Owner of Subject Property:
- 3.4 Registered Erf Extent of Subject Property:
- 3.5 Date of Purchase: 23 June 2020
- 3.6 Purchase Price:
- 3.7 Mortgage Bonds:
- 3.8 Servitudes Noted: Unknown

4. TOWN PLANNING CONDITIONS AND LOCAL AUTHORITY INFORMATION

- 4.1 **Local Authority:** City of Cape Town: South Peninsula Administration
- 4.2 **Zoning:** Single Residential 1
- 4.3 **Municipal Valuation (GV2022)** According to this, the Subject Property has a municipal value in the order of **R000,000**. 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 Constantia is one of the oldest suburbs in the Cape Peninsula, located ± 15 km south of Cape Town CBD. The area has a tranquil setting at the base of Table Mountain, resulting in good views for most properties, especially those with an elevated location. Constantia was established in the late 1600's as a predominantly agricultural area (vineyards), with centuries-old vineyards still active today. Access is good, with the M3-Freeway and the Constanta Main Road being the main access routes to the area. Due to the exclusivity of the suburb, public transport is limited to large parts of the region. Development in the area can be described as being of a medium to low density

Figure 1: Google Map with Subject Property in red



- 5.2 One of the major drawcards for the area is that it has some of the most fertile soils in the province. Therefore, given their age, some of the oldest wineries in the country are established here. These include wine estates such as Klein Constantia, Groot Constantia, Constantia Uitsig, Steenberg and Buitenverwachting. Although the area was conceived as a rural node, it has various upmarket amenities/facilities scattered throughout the area. This includes various private schools (American International School, Herzlia, Reddam House and Constantia Primary/Waldorf). During the last number of years, several award-winning residential security estates were also established in the area, which includes Steenberg, Stonehurst, Silverhurst and Silvertree Estate, to name a few. Various retail and commercial developments can also be found in designated areas in Constantia
- 5.3 Constantia is divided into various extensions, each with its value features. These include Wittenbomen, Alphen, High Constantia, Constantia Heights and Sillery. Erven are generally more than 1,000m² in extent, which enhances the rural atmosphere of the node. Although most dwellings were initially designed with a Cape Dutch theme, several more modern/contemporary dwellings can also be found in the suburb

5.4 The Subject Property is located in the High Constantia extension of the suburb. High Constantia has an elevated location at the base of the Constantiaberg Mountains, which results in good views of the valley below, sea and mountain for several properties here. Due to its location, the presence of Baboons is a problem here, but we were informed that the local municipality is looking into ways to keep these Baboons out of Constantia

6. SUBJECT PROPERTY

6.1 The Subject Property is improved with a double-storey contemporary dwelling. Due to the site's steep slope, the ground floor is below street level. The dwelling has a north-easterly orientation, which results in good valley, mountain and some sea views. This has a positive impact on its marketability. Accommodation is explained in more detail below:







6.2

TABLE 2: ACCOMMODATION			
No.	Accommodation	Floors	Comments
1	Entrance Hall	Oak	
1	Music Room	Oak	Double-volume
1	Lounge	Oak	Fireplace
1	Dining Room	Oak	Fireplace
1	TV-Room	Carpets	
1	Kitchen	Oak	Fitted with Caesarstone countertops, high-end appliances, new centre-island
1	Scullery	Porcelain	
1	Laundry	Porcelain	
1	Pantry	Porcelain	
2	Cloakroom	Oak	
1	Safe Room	Oak	
4	Bedrooms	Oak	Located on ground and first floors
4	Bathrooms	Porcelain	Upmarket and includes ceramic wall tiles to ceilings, freestanding bath, Caesarstone vanity tops, Hans Grohe sanitary ware
1	Pyjama lounge	Carpets	With a kitchenette area
1	Study	Oak	
1	Dressing Room	Oak	
1	Gaming Room	Oak	Part of the third bedroom
1	Covered Patio	Porcelain	
Outbuildings			
2	Garages	Tiles	Automated door
1	Teen pad	Tiles	
1	Outside toilet	Tiles	
1	Guest Suite	Tiles	
Other			
1	Swimming Pool		



7. CONSTRUCTION EXTENTS

EXTENTS	
Description	Extent
7.1 Dwelling	678m ²
7.2 Covered Patio	109m ²
7.3 Guest Suite	47m ²
7.4 Teen Pad	34m ²
7.5 Garages	56m ²
Total Extents	924m²

8. MARKET TENDENCIES

- 8.1 Despite the uncertainties surrounding COVID-19 and the subsequent lockdowns, the residential property market in South Africa became one of the more robust sectors. While first-time buyers boosted the housing market in 2020 (primarily due to low interest rates), repeat purchasers drove the national housing market during 2021, as first-time buyers felt the brunt of a sluggish economy and the fading benefits of the interest rates cuts
- 8.2 The purchase of freehold dwellings has been steadily decreasing in South Africa, with buyers opting for sectional title units and dwellings in security estates. Increased security, affordability, and the communal lifestyle are positive aspects of sectional title property/secure estates. A slight decrease in the purchase of freehold properties was seen year-on-year, while sectional title/security estate purchases remained consistent, along with a growth of $\pm 5\%$ year-on-year
- 8.3 In the Western Cape, the recent spike in semigration has increased market activity in the Province. Western Cape estate agents have reported an exceptionally busy festive season and numerous enquires from local and international buyers. Semigration has fuelled the security development sector. This is amplified by developments located close to scenic amenities, golf courses, mountain bike/hiking trails and beaches
- 8.4 Lightstone reported that $\pm 43\%$ of homeowners who sell their properties in Gauteng, $\pm 36\%$ hereof relocate to the Western Cape. This semigration is believed to be one of the main catalysts for Cape Towns' resilient property market, as skilled workers, entrepreneurs and big corporates migrate to more favourable conditions. A few property pundits believe that although the national economic outlook remains difficult to forecast, the city's property sector is fast-tracking its recovery. Some of the reasons for semigration to Cape Town are primarily due to homeowners looking for safety and security, lower pollution and a better quality of life



- 8.5 The last few years have been the busiest that most property brokers have experienced for some time in Constantia. Due to it being one of the oldest suburbs in Cape Town, numerous properties are improved with historical dwellings, offering contemporary finishes within a scenic and rural setting. Due to the growing demand for residential properties here, densification was needed, but this was restricted by historical and environmental legislation. However, most developers' creative planning and commitment to preservation have significantly increased security developments during the last ± 5 years


10. VALUATION METHODOLOGY

- 10.1 In valuing property, the valuer has to interpret how the market will react to a certain property within a wider property market, i.e. to analyse both the positive and negative attributes of that property and to determine the most likely value to be reached in negotiations between a willing seller and willing buyer. It is also important to note that the parties involved must not only be willing to trade, they must also be informed and under no duress to transact. The valuer must therefore go through the same process as those parties, determining which factors add to or detract from the value, and how the market will quantify these factors and their effect on value
- 10.2 The most apt method to value residential property is by means of the *Market Data Approach of Direct Comparison*, also referred to as the Sales Approach. With this method, transactions and asking prices are used to determine a value for the Subject Property, by analysing the value attributes of the transaction properties and adjusting these in terms of the Subject Property's value adding attributes. These include factors such as location, extent, accommodation, finishes etc.



13. MARKET RESEARCH

Transaction No. 1	Image
<p>Description: Erf 7393 Constantia Location: No. 26 Price Drive, Constantia Erf Extent: 4 047m² Price Paid: R19 650 000 Purchase Date: 10 December 2021 Bldg (±m²): 850m² Accommodat. Similar Finishes: Partially renovated Location: Similar Land.R/per m²: ±R 23 118 per m²</p>	
<p>Remarks: The transaction has a comparable location, bordering the southern boundary of the Subject Property. It is improved with a typical, double-storey house with partially renovated finishes and fittings. The property has a comparable building extent and comprises an entrance hall, guest cloakroom, lounge, dining room, upmarket kitchen (Bubinga/Rosewood), scullery, laundry, family room, sunroom with feature fireplace, study, 5 bedrooms, 4 bathrooms, guest toilet, garaging, rim-flow pool and staff accommodation. Due to its comparable building extent and location but partially renovated finishes and fittings, the purchase price is deemed a minimum value proxy</p>	
Transaction No. 2	Image
<p>Description: Erf 1138 Constantia Location: No. 15 Ou Wingerd Road, Constantia Erf Extent: 6 920m² Price Paid: R23 500 000 Purchase Date: 06 June 2022 Bldg (±m²): 1 200m² Accommodat. Superior Finishes: Renovated Location: Similar Blg.R/per m²: ±R 19 583 per m²</p>	
<p>Remarks: This transaction has a comparable location, located ±380m direct south-east of the Subject Property. At the time of the transaction, it was improved with a partially double-storey dwelling with a character appeal but was well-renovated when sold. It has significantly larger improvements accommodating 7 bedrooms, 3 reception rooms, kitchen, study, 4 bathrooms, staff quarters and garaging. Due to its larger erf and building extents, the purchase price is deemed a fair indicator of value. This property was recently sold and is yet to be registered at the deeds office</p>	

Transaction No. 3	Image
<p>Description: Erf 9522 Constantia Location: No. 29 Price Drive, Constantia Erf Extent: 4 836m² Price Paid: R28 000 000 Purchase Date: 23 August 2022 Bldg (±m²): 650m² Accommodat. Similar Finishes: Partially renovated Location: Similar Blg.R/per m²: ±R 43 077 per m²</p>	
<p>Remarks: This transaction is situated within close proximity of the Subject Property. It is improved with a contemporary, double-storey dwelling with modern finishes and fittings. It has similar improvements, comprising an entrance hall, 2 reception areas, an open plan kitchen, 4 en-suite bedrooms, home office, garaging, staff quarters and pool. Due to its similar extent, contemporary design and renovated finishes and fittings, the purchase price is deemed a maximum value proxy</p>	

14. CONCLUSION ON VALUE

The above-listed transactions indicate a value range of between ±R19,650,000 and ±R28,000,000. Transaction No. 1 indicates the lowest value and is for a property with a comparable location, erf and building extents. It is, however, only partially renovated and with this in mind, the purchase price of R19,650,000 is deemed a minimum value proxy. This transaction is also dated, and an adjustment can be considered for the efflux in time. Transactions 2 and 3 indicate the highest values of R23,500,000 and R28,000,000, respectively. We believe these should be viewed as fair to maximum value proxies. This is mainly because although these dwellings are also renovated, they have similar to larger extents. With consideration of the renovations/alterations of the Subject Property, erf and building extents, accommodation offered, views and internal finishes, a value in the order of **R25,000,000** is deemed fair and will be certified in this report

SUMMARY OF ON COMPLETION TRANSACTIONS						
Trans. No.	Location	Erf Extent	Bldg. Extent	Price	Date	Bld. Rate per m ²
1	Similar	4 047m ²	850m ²	R19 650 000	Dec-21	±R 23 118 per m ²
2	Similar	6 920m ²	1 200m ²	R23 500 000	Jun-22	±R 19 583 per m ²
3	Similar	4 836m ²	650m ²	R28 000 000	Aug-22	±R 43 077 per m ²
Averages		5 268m ²	900m ²	R23 716 667	±R 26 352 per m ²	
Subject Property		4 140m²	815m²	R25 000 000	±R 30 675 per m²	



15. VALUATION CONDITIONS

- 15.1 It is essential to note that although we will endeavour to include the potential impact that the Covid-19 virus might have on property values, it is at this point in time not yet possible to fully quantify such impact. Our valuation is therefore reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA of the Royal Institution of Chartered Surveyors Red Book Global. Consequently, less certainty - and a higher degree of caution – should be attached to our valuation than would normally be the case
- 15.2 The completion of the development in terms of the specifications and finishes attached to this report
- 15.2 Due to the value band in which the Subject Property trades, the unique nature of the improvements and current market sentiment, we believe the value determined will be subject to a value band of 10%

A handwritten signature in black ink, appearing to read "S.E. Jacobs".

S.E. Jacobs
Professional Associated Valuer (Reg. No. 4626)
(MIVSA)
for Astra Valuations
Date of Signature: 15 August 2023

A handwritten signature in black ink, appearing to read "L. Simons".

L. Simons
Candidate Valuer

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 10694 Constantia**), at the date of our value determination (07 August 2023):

R 25 000 000 (Twenty Five Million 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)
Registration Number: 4626

For

Astra Valuations

Date: 15 August 2023



Lee-Anne Simons
Candidate Valuer
Registration Number: 8017



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.”

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

DATE OF VALUATION

07 August 2023