

KREAL/VAL/008/151/2017

02nd August, 2017

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
L.R. NO. 2/85 (ORIG NO.2/44/2), 2/86 (ORIG NO.2/44/3)
AND 2/87 (ORIG NO.2/44/4)
ARGWINGS KODHEK AND ELGEYO MARAKWET ROADS INTERSECTION,
KILIMANI AREA, NAIROBI COUNTY
“I.N.O. MISSIONARY AVIATION FELLOWSHIP (KENYA) REGISTERED
TRUSTEES”
ACC.CYTONN REAL ESTATE LIMITED**

Terms of Reference:

We refer to your letter of instructions ref 1016/PP/AW/02/17/2017 dated 24th July 2017 requesting us to inspect the above captioned properties with a view to advising on their market value for purchase/joint venture purposes. 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.

KREAL/VAL/008/151/2017

-5-

L. R. NO. 2/85 (ORIG NO.2/44/2), 2/86 (ORIG NO.2/44/3) AND 2/87 (ORIG NO.2/44/4) ARGWINGS KODHEK AND ELGEYO MARAKWET ROADS INTERSECTION, KILIMANI AREA, NAIROBI COUNTY

Date of Inspection: 31st July, 2017 by our Valuer I.B. Oyuga.



SITUATION: The properties identifiable through “MAF” is situated at the Argwings Kodhek and Elgeyo Marakwet roads intersection in Kilimani area of Nairobi County. A location sketch map and Google earth directional imagery are here in attached.

Survey Maps:

We have perused the relevant survey maps plan for *LR. No.2/85-87 Folio Nos. 48* and *154 Register Nos.87* and *63* registration section and confirm that the properties described in this report as valuation concurs with what we inspected on the ground.

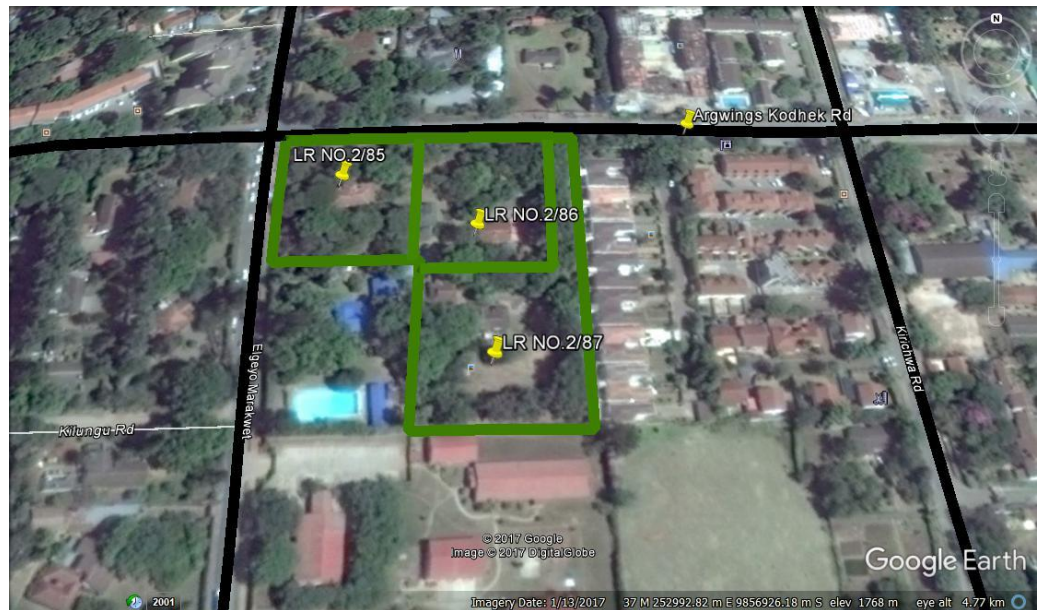
L. R. NO. 2/85 (ORIG NO.2/44/2), 2/86 (ORIG NO.2/44/3) AND 2/87 (ORIG NO.2/44/4) ARGWINGS KODHEK AND ELGEYO MARAKWET ROADS INTERSECTION, KILIMANI AREA, NAIROBI COUNTY

Google Earth Imagery:

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

Latitude	-1.292752
Longitude	36.779588

Google earth imagery is herein attached.



TENURE:

LR. NO.	TENURE	REGISTERED OWNER
2/85	FEE	<i>Missionary Aviation Fellowship (Kenya)</i>
2/86	SIMPLE	<i>Registered Trustees</i>
2/87		

L. R. NO. 2/85 (ORIG NO.2/44/2), 2/86 (ORIG NO.2/44/3) AND 2/87 (ORIG NO.2/44/4) ARGWINGS KODHEK AND ELGEYO MARAKWET ROADS INTERSECTION, KILIMANI AREA, NAIROBI COUNTY

Encumbrances:

L.R. NO.	Encumbrance
2/85	NIL
2/86	
2/87	

AREA:

L.R. NO.	AREA (ACRES)
2/85	1
2/86	1.5
2/87	1.497

The Parcel:

This is a regular shaped southward gently sloping gradient parcel of red loam soils whose boundary are marked with masonry wall to perimeter. Access into the property is via a double leaf steel gate opening onto a precast concrete or earthen driveway and parking yard. The parcel fronts Argwings Kodhek and Elgeyo Marakwet roads.

L. R. NO. 2/85 (ORIG NO.2/44/2), 2/86 (ORIG NO.2/44/3) AND 2/87 (ORIG NO.2/44/4) ARGWINGS KODHEK AND ELGEYO MARAKWET ROADS INTERSECTION, KILIMANI AREA, NAIROBI COUNTY

IMPROVEMENTS: Developed on the parcel are a double storey maisonette, three(3) single storey units, a single storey wooden unit, two (2) permanent stores and three(3) container stores

a). Maisonette Block



Construction:

Roof: - Pitched roof overlaid with clay bricks and fitted with rainwater gutters and downpipes at the eaves.

Ceiling: - Plastered and painted/rendered to undersides/'T' & G panel lined to some part first floor.

Walls: - Reinforced concrete framework infilled with quarry stone walls, keyed, partly rendered and colour washed externally, internally plastered and painted.

Doors:-External doors solid timber panels whereas internal ones are semi solid timber flush types.

Windows:-Glazed steel casements reinforced with steel grilles.

Floor: - Mass/reinforced concrete finished with non-slip ceramic tiles and wood parquet.

L. R. NO. 2/85 (ORIG NO.2/44/2), 2/86 (ORIG NO.2/44/3) AND 2/87 (ORIG NO.2/44/4) ARGWINGS KODHEK AND ELGEYO MARAKWET ROADS INTERSECTION, KILIMANI AREA, NAIROBI COUNTY

Staircase:-Access into the upper floors is via a reinforced concrete staircase finished in terrazzo with granolithic paving and fitted with wooden rails and steel balustrades.

Wardrobes:-All bedrooms are fitted with built in wardrobes.

Accommodation

Comprise three (3) units with similar accommodation details as follows:-

Ground Floor:

Entrance verandah;

Living room;

Dining area;

Passage;

Kitchen with aluminium sink unit, cupboards and cabinets;

Cloakroom with WC and WHB;

First Floor:

Staircase to landing;

Three (3) bedrooms;

Shower room with an overhead shower, WC and pedestal WHB;

Staff quarter:

These are of similar construction to the maisonette units above.

Built up Area (Maisonette): Approximately 5,831 square feet

Built up Area (Staff Quarter): Approximately 605 square feet

L. R. NO. 2/85 (ORIG NO.2/44/2), 2/86 (ORIG NO.2/44/3) AND 2/87 (ORIG NO.2/44/4) ARGWINGS KODHEK AND ELGEYO MARAKWET ROADS INTERSECTION, KILIMANI AREA, NAIROBI COUNTY

ii). Bungalow 1



Roof: - Pitched roof overlaid with clay bricks and fitted with rainwater gutters and downpipes at the eaves.

Ceiling: - Softboard panel lined

Walls: - Quarry stone walls, rendered and colour washed externally, internally plastered and painted.

Doors:-External doors solid timber panels whereas internal ones are semi solid timber flush types.

Windows:-Glazed steel casements reinforced with steel grilles.

Floor: - Mass/reinforced concrete finished with non-slip ceramic tiles

L. R. NO. 2/85 (ORIG NO.2/44/2), 2/86 (ORIG NO.2/44/3) AND 2/87 (ORIG NO.2/44/4) ARGWINGS KODHEK AND ELGEYO MARAKWET ROADS INTERSECTION, KILIMANI AREA, NAIROBI COUNTY

Accommodation:

Living room;

Dining area;

Kitchen;

Three (3) bedrooms;

Two cloakrooms each with a WC;

Shower room with an overhead shower;

Plinth Area: Approximately 1,842 square feet

iii) Bungalow 2:

This is of similar construction to the bungalow 1 above.



KREAL/VAL/008/151/2017

-12-

L. R. NO. 2/85 (ORIG NO.2/44/2), 2/86 (ORIG NO.2/44/3) AND 2/87 (ORIG NO.2/44/4) ARGWINGS KODHEK AND ELGEYO MARAKWET ROADS INTERSECTION, KILIMANI AREA, NAIROBI COUNTY

Accommodation:

Living room;

Dining area;

Kitchen;

Two (3) bedrooms;

Two cloakrooms each with a WC;

Shower room with an overhead shower;

Plinth Area: Approximately 1092 square feet

iv). Bungalow 3:



L. R. NO. 2/85 (ORIG NO.2/44/2), 2/86 (ORIG NO.2/44/3) AND 2/87 (ORIG NO.2/44/4) ARGWINGS KODHEK AND ELGEYO MARAKWET ROADS INTERSECTION, KILIMANI AREA, NAIROBI COUNTY

Roof: - Pitched roof overlaid with clay bricks and fitted with rainwater gutters and downpipes at the eaves.

Ceiling: - Soft board panel lined

Walls: - Quarry stone walls, rendered and colour washed externally, internally plastered and painted.

Doors:-External doors solid timber panels whereas internal ones are semi solid timber flush types.

Windows:-Glazed steel casements reinforced with steel grilles.

Floor: - Mass concrete finished with non-slip ceramic tiles and wood parquet

Accommodation:

Living room;

Dining area;

Kitchen;

Four (4) bedrooms;

Two cloakrooms each with a WC;

Shower room with an overhead shower;

Plinth Area: Approximately 1,462 square feet

v). Bungalow 4:



L. R. NO. 2/85 (ORIG NO.2/44/2), 2/86 (ORIG NO.2/44/3) AND 2/87 (ORIG NO.2/44/4) ARGWINGS KODHEK AND ELGEYO MARAKWET ROADS INTERSECTION, KILIMANI AREA, NAIROBI COUNTY



Roof: - Pitched roof overlaid with galvanized corrugated iron sheets and fitted with rainwater gutters and downpipes at the eaves.

Ceiling: - Soft board panel lined

Walls: - Wooden strips colourwashed externally, internally painted.

Doors:-External doors solid timber panels whereas internal ones are semi solid timber flush types.

Windows:-Glazed steel casements reinforced with steel grilles.

Floor: - Mass concrete finished with non-slip ceramic tiles and wood parquet

Accommodation:

Living room;

Dining area;

Kitchen;

Three (3) bedrooms;

Cloakroom each with a WC;

Shower room with an overhead shower;

Plinth Area: Approximately 1,448 square feet

L. R. NO. 2/85 (ORIG NO.2/44/2), 2/86 (ORIG NO.2/44/3) AND 2/87 (ORIG NO.2/44/4) ARGWINGS KODHEK AND ELGEYO MARAKWET ROADS INTERSECTION, KILIMANI AREA, NAIROBI COUNTY

vi). Store 1 and 2:



Store 1



Store 2

Roof: - Pitched roof overlaid with galvanized corrugated iron sheets and fitted with rainwater gutters and downpipes at the eaves.

Walls: - Masonry stones keyed externally, internally plastered.

Doors:-Doors are solid steels types

Windows:-Glazed steel casements reinforced with steel grilles.

Floor: - Mass concrete finished with concrete

L. R. NO. 2/85 (ORIG NO.2/44/2), 2/86 (ORIG NO.2/44/3) AND 2/87 (ORIG NO.2/44/4) ARGWINGS KODHEK AND ELGEYO MARAKWET ROADS INTERSECTION, KILIMANI AREA, NAIROBI COUNTY

Accommodation:

Store 1:

Verandah;

Three (3) stores;

Cloakroom with WC;

Shower room with an overhead shower;

Store 2:

Verandah;

Store;

Plinth Area (Store 1): Approximately 653 square feet

Plinth Area (Store 2): Approximately 484 square feet

vii). Container Stores



L. R. NO. 2/85 (ORIG NO.2/44/2), 2/86 (ORIG NO.2/44/3) AND 2/87 (ORIG NO.2/44/4) ARGWINGS KODHEK AND ELGEYO MARAKWET ROADS INTERSECTION, KILIMANI AREA, NAIROBI COUNTY



SERVICES: Mains water, electricity and trunk sewer services are connected to the property. Argwings Kodhek road is tarmac surfaced.

Condition survey:

The units are in a fair state of structural condition, repair and decoration.

REMARKS: *i). Title and Search:*

In comparing the copy of the title provided and the property search undertaken, the registered owner, the title number, the parcel size, the tenure and encumbrances for LR. Nos. 2/85 and 2/87 are in harmony.

We have applied for a search for L.R. No. 2/86 and will update the details upon receipt.

ii). Search

A copy of the official search is herein attached.

L. R. NO. 2/85 (ORIG NO.2/44/2), 2/86 (ORIG NO.2/44/3) AND 2/87 (ORIG NO.2/44/4) ARGWINGS KODHEK AND ELGEYO MARAKWET ROADS INTERSECTION, KILIMANI AREA, NAIROBI COUNTY

iii). Map (LR No. 2/86)

We note that this parcel has been subdivided into L.R.No.2/86/2 (2/437) and L.R No.2/86/3 (2/438). We have attached the cadastral maps indicating this sub-division.

iv). Neighbourhood

The immediate neighbourhood is characterized by mixed user comprising rental apartment units, residential maisonettes, commercial developments and office blocks. The estate is easily accessible with readily available public transport.

The property is easily accessible and situated in a neighbourhood that is in a close proximity social amenities such as shopping facilities including Yaya Centre, Prestige plaza, Junction mall and Valley arcade; sporting facilities including Impala club, wadi degla offices, Kenya harlequin and Ligi ndogo; Schools including Makini School, St. Hannah's, Riara School; Entertainment joints and many more.

From the aforementioned and taking into cognizance the situation of the property and the neighbourhood renewal and development, the property is ideal for redevelopment.

v). Highest and Best:

The parcels current use does not optimize the user as per the new zoning guidelines. Commercial tower, high value high-rise residential apartment or hotel user would maximize the parcels user.

L. R. NO. 2/85 (ORIG NO.2/44/2), 2/86 (ORIG NO.2/44/3) AND 2/87 (ORIG NO.2/44/4) ARGWINGS KODHEK AND ELGEYO MARAKWET ROADS INTERSECTION, KILIMANI AREA, NAIROBI COUNTY

vi). Public User Compliance:

As per our field survey and title search; the subject property is not situated within a road reserve, public user/ utility plot, gazetted forest land, grabbed land, wetland, riparian wayleaves; and has not been mentioned in the Ndungu Report on *Irregular/Illegal Allocation of Public Land in Kenya*.

vii). Physical Planning Compliance:

As per our inspection and available information, the subject property has not received any notices of objection from the local relevant authority/ council.

viii). Environmental Issues:

There are currently no environmental issues including contaminated land either on the subject of our valuation or on adjoining sites that could materially affect the value of the subject property.

ix). Age of the buildings & development approvals:

The properties are deemed a redevelopment site

x). Title registration:

The ownership of the subject property is under the Government Land Act (Cap 280) of the Laws of Kenya now repealed. The certificate Title for the subject properties was issued on 23rd April 1964.

L. R. NO. 2/85 (ORIG NO.2/44/2), 2/86 (ORIG NO.2/44/3) AND 2/87 (ORIG NO.2/44/4) ARGWINGS KODHEK AND ELGEYO MARAKWET ROADS INTERSECTION, KILIMANI AREA, NAIROBI COUNTY

xi). Comparable:

In arriving at the market value, we have taken cognizance of the location of the property, its general conditions, size, state of repair of the available development and evidence of comparable of similar parcels within Kilimani area some of which we have appended here below:-

LR. No.	Location	Date of sale	Sale/Valuation	Size (Acres)	Price (Kshs.)	Price Per Acre - Analysis(Kshs.)
209/11380	Kiambere-Lower Hill road intersection	2014	Sale	1.2	580,000,000.00	480,000,000.00
209/1819	4th Ngong Avenue,Opp George Hilliamson House	2013	Sale	1	400,000,000.00	400,000,000.00
209/12923	Upperhill,Opp Don Bosco	2014	Sale	1.24	490,000,000.00	395,000,000.00
Plot No. 19	Ngong and Ndemi roads intersection	2014	Sale	1	450,000,000.00	450,000,000.00
209/404/3	Kilimani	2015	Offered	2.471	988,400,000.00	400,000,000.00
Plot No. 17	Kilimani	2015	Sale	1	500,000,000.00	500,000,000.00
1/183	Chaka Road,Kilimani	2012	Sale	1.13	350,000,000.00	310,000,000.00
209/365/5	Lenana Road	2016	Valuation	1	413,200,000.00	413,000,000.00
1/655	Lenana Road	2016	Valuation	0.5021	200,000,000.00	400,000,000.00
1/834	Lenana Road	2017	Sale	0.4418	200,000,000.00	450,000,000.00
1/138	Dennis Pritt	2017	Sale/Valuation	1.655	585,000,000.00	350,000,000.00
1/711	Dennis Pritt	2017	Valuation	0.982	350,000,000.00	360,000,000.00
Unascertained	Hurlingham	2016	On Sale	1	400,000,000.00	400,000,000.00
Unascertained	Kilimani-Near yaya	2016	On Sale	1.1	450,000,000.00	410,000,000.00
Unascertained	Kilimani-Near yaya	2016	On Sale	0.73	350,000,000.00	480,000,000.00
Average						413,200,000.00

L. R. NO. 2/85 (ORIG NO.2/44/2), 2/86 (ORIG NO.2/44/3) AND 2/87 (ORIG NO.2/44/4) ARGWINGS KODHEK AND ELGEYO MARAKWET ROADS INTERSECTION, KILIMANI AREA, NAIROBI COUNTY

From the comparable table above, the average price of 1 acre within Kilimani and its immediate neighbourhood amounts to Kshs. 413,200,000.00.

With reference to the subject parcel, we will adopt Kshs.400, 000,000.00 per acre reflective of the immediate neighbourhood price with similar characteristics.

VALUATION: In our opinion, the market value of the unencumbered freehold interest in **L. L.R. NO. 2/85 (ORIG NO.2/44/2), 2/86 (ORIG NO.2/44/3) AND 2/87 (ORIG NO.2/44/4)** for purchase/Joint venture purposes could be stated in the sum of Kenya Shillings One Billion Six Hundred Million Only - (Kshs.1,600, 000,000.00) broken down as follows:-

<i>L.R.NO. 2/85 (ORIG NO.2/44/2)</i>	<i>Kshs.400, 000,000.00</i>
<i>L.R.NO. 2/86 (ORIG NO.2/44/3)</i>	<i>Kshs.600, 000,000.00</i>
<i>L.R.NO. 2/87 (ORIG NO.2/44/4)</i>	<i>Kshs.600, 000,000.00</i>

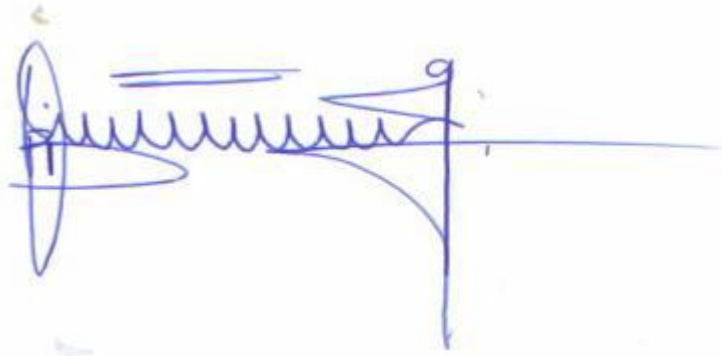
L. R. NO. 2/85 (ORIG NO.2/44/2), 2/86 (ORIG NO.2/44/3) AND 2/87 (ORIG NO.2/44/4) ARGWINGS KODHEK AND ELGEYO MARAKWET ROADS INTERSECTION, KILIMANI AREA, NAIROBI COUNTY

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', with a long horizontal line extending to the right.

I. B. OYUGA

B.A. LAND ECON (HONS.) NBI

M.I.S.K. REGISTERED VALUER

02nd August 2017