

**APPRAISAL REPORT AND VALUATION
OF
A PROPOSED A MIXED USE DEVELOPMENT**



**ON
L.R NO(s): 28055, 28056 & 13208/2; MYSTIC PLAINS
ATHI RIVER, MUTUNGONI ROAD
MACHAKOS COUNTY**



Our Ref: RVI/V.O/2021/6414

Thursday, December 31st 2020

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

Dear Sir,

**RE: APPRAISAL OF L.R NO(s): 28055, 28056 & 13208/2
ATHI RIVER, MACHAKOS COUNTY**

Pursuant to your request and in accordance with an award of contract received dated **Thursday 11th November 2021**, we inspected the above captioned property on **Wednesday, 24th November 2021**, 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.

Respectfully submitted.

STEPHEN K. KATEI
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

INSTRUCTING PARTY:	CYTONN INVESTMENTS MANAGEMENT PLC
PROPERTY ADDRESS:	ATHI RIVER, ALONG MUTUNGONI ROAD- MACHAKOS COUNTY
DATE OF INSPECTION:	WEDNESDAY, 24TH NOVEMBER 2021
DATE OF VALUATION:	THURSDAY, 31ST DECEMBER 2020
REGISTERED PROPRIETOR(s):	JAMES KASYULA MUTUA, RUTH KALEKYE MUTUA, SARAH NZEMBI MUTUA, ANNE NDUKU MUTUA, DAVID MUTUA KASYULA, JOHN KIOKO MUTUA, SIMEON MUTUA, MOSES WAMBUA AND PETER MWEU
INTEREST APPRAISED:	LEASEHOLD TENURE
MAIN DEVELOPMENTS:	IGNORED
LAND SIZE(COMBINED TITLES):	383.03 HECTARES OR 946.47 ACRES
LAND USE:	PROPOSED MIXED USE

BRIEF PROPERTY AND NEIGHBOURHOOD DESCRIPTION

Newtown is an exceptional master planned development within the greater Nairobi Metropolis that once complete, will comprise of residential, commercial, educational, logistics, recreational and hospitality precincts. Newtown sits on approximately 1000 acres located in Kinanie Area, Athi River, Machakos County, approximately 10 km off Mombasa Road along Mtungoni Road. The development aims to provide a world-class city that will create a Live, Work, Play & Learn environment while creating attraction for the area.

The neighbourhood is predominantly agricultural characterised by vast vacant agricultural parcels with some recently sub divided into various residential plot portions.

VALUATION SUMMARY

		Current Values (KES)
(i)	Fair Market Value	4,466,000,000.00
(ii)	Forced Sale Value	3,350,000,000.00

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 947 acres of an expansive agricultural property with a proposed living master plan. The property which is situated along Mutongoni road in Machakos County will be developed into a mixed use city over many years. We have therefore valued the property as a is wile taking into consideration the proposed master plan as well as real estate user trends in the immediate neighbourhood.

Consequently, we adopted the Sales Comparison/Market Approach 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 the existing buildings (which are currently being vandalized) shall be demolished to pave way for new developments;
- iv. 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 the pandemic subsides, albeit slowly.

2. PROPERTY SETTING

2.1 LOCATION

The subject properties are contiguous land parcels situated along Mtungoni Road in Kinanie area within larger Athi River Area. It is approximately 10 Kilometres off Mombasa Road as you branch off at Athi River Town road junction. The subject properties front Mbagathi River to the North West and are few kilometres from Kinanie Trading Centre.

The geographical coordinates of the site’s approximate centres are tabled below;

PROPERTY COORDINATES		
	Latitude	Longitude
L.R No.28055	1°22' 35.69" S	37° 02' 51.74" E
L.R No.28056	1°22' 35.68" S	37° 02' 57.46" E
L.R No.13208/2	1°21' 59.22" S	37° 02' 49.88" E

2.2 NEIGHBOURHOOD AND LOCALE DATA

Kinanie, Athi River is growing mixed use area situated approximately 9 Kilometres from Mombasa Road via Mutungoni Road. Within the subject area is Ngelani Smart City to the Northwest of our subject property a proposed master planned mixed use development with all the state of the art communication technology.

The area is predominantly agricultural as evidenced by vast agricultural parcels with large scale horticultural cultivation. To the south of our subject property, there have been recent sub divisions into smaller plots and gated and controlled residential estates which include; River View Karibu Homes, Paradise Park Estate, River Park Estate, Sunset Boulevard Estate among others.

2.3 SERVICES AND AMENITIES

Currently most of the important amenities such as; health facilities, police posts, schools, convenience shops and others are located within 1 – 1.5 kilometres from the subject property making it well located for mixed use purposes.

We noted that mains electricity and water are readily available for connection. Water boreholes have also been sunk within the subject property.

Boundaries to the property are left open. Access to the development is via an entry and exit walk ways.

3. PARCEL/PARCEL AND ASPECTS OF TITLE

3.1 TENURE AND PROPRIETORSHIP

An inspection of the Photostat copy of the title deeds availed by the client revealed that the property is held as follows:

L.R No.	Tenure	Registered Owner(s)	Land Size (Ha)
L.R No.28055	Leasehold	The title is held as a Leasehold Interest for a term of 99 years from 1st August, 2008 at an annual rent of Kes. 64,845.00 (Revisable) and is jointly registered in the name of James Kasyula Mutua, Ruth Kalekye Mutua, Sarah Nzembi Mutua, Anne Nduku Mutua, David Mutua Kasyula, John Kioko Mutua, Simeon Mutua, Moses Wambua and Peter Mweu	8.093
L.R No.28056	Leasehold	The title is held as a Leasehold Interest for a term of 99 years from 1st August, 2008 at an annual rent of Kes. 30,104.00 (Revisable) and is jointly registered in the name of James Kasyula Mutua, Ruth Kalekye Mutua, Sarah Nzembi Mutua, Anne Nduku Mutua, David Mutua Kasyula, John Kioko Mutua, Simeon Mutua, Moses Wambua and Peter Mweu	4.040
L.R No.13208/2	Leasehold	The title is held as a Leasehold Interest for a term of 99 years from 1st August, 2008 at an annual rent of Kes. 278,000.00 (Revisable) and is jointly registered in the name of James Kasyula Mutua, Ruth Kalekye Mutua, Sarah Nzembi Mutua, Anne Nduku Mutua, David Mutua Kasyula, John Kioko Mutua, Simeon Mutua, Moses Wambua and Peter Mweu	370.9
Total Land Area in Hectares			383.033 Hectares
Total Land Area in Acres			946.474 Acres

3.2 PARCEL/PARCEL ACREAGE

As a combined block, the subject properties measure approximately **383.033 Hectares or 946.474 Acres**.

3.3 ENCUMBRANCES

Title No.	Encumbrances
L.R No.28055	NIL
L.R No.28056	NIL
L.R No.13208/2	NIL

3.4 LAND DESCRIPTION

3.4.1 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.

3.4.2 L.R. No. (s): 28055, 28056 & 13208/2 (Mystic Plains)

Newtown is a proposed master planned development on 3 titles of approximately 1000 acres of prime undeveloped agricultural land along Mtungoni Road in Kinanie, Athi River Area.

The respective titles are currently held under leasehold tenure registered under the Land Registration Act No. 3 of 2012, The Land Act (No. 6 of 2012), The Government Lands Act (Cap 280) (now repealed).

4 POTENTIAL, HIGHEST AND BEST USE ANALYSIS

This is an integrated mixed use master planned development. The project will be constructed in phases. It is anticipated that a change of user and approvals of developments will greatly increase the value of land both for the subject project and the entire neighbourhood.

Given the nature of the neighbourhood and proposed developments thereon, it's our opinion that the parcels will attain their highest and best use upon full development of the project. All phases will give the subject property and the neighbouring parcels considerable improvement in capital and market values upon completion.

5. IMPROVEMENTS/DEVELOPMENTS

5.1 GENERAL DESCRIPTION

The development will upon completion provide a world-class city that will create a Live, Work, Play & Learn environment while creating traction for the area.

Newtown is strategically designed to enable efficient use of spaces, provide ample transportation corridors for easier mobility within the city while preserving the ambiance of all integrated land uses.

The project will be implemented in phases with Phase 1 catering for amenities such as landscaping, access roads which will include Cabbro paved roads, water provision, street lights, and electricity.

5.2 GENERAL STATE OF REPAIR & MAINTENANCE

We were not instructed to carry out structural surveys of any buildings and since substantive works are yet to commence, we have provided information regarding the site as currently is.

Our findings can be summarized in the table below as: -

	YES	NO
Is the subject property located in an area where adverse soil conditions exist?		NO
Are any structural cracks visible?		N/A
Would you recommend a Structural Engineer to inspect the property?		N/A

5.3 ENVIRONMENTAL & LAND CONTAMINATION CONCERNS

Although this is not an Environmental Impact Assessment, 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 neighborhood 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 agricultural/rural 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.

6.2 SUBJECT PROPERTY RATINGS

On a scale of 1-9 the subject property would perform in the current and future markets as tabulated below. These rating assessments have taken into consideration the factors outlined in this report as at the date of valuation.

CURRENT DEMAND				
SCALE	RATING	LETTABILITY	SALEBILITY	BUILDING CONDITION
9	Excellent			N/A
8	Very Good			
7	Good			
6	Above average			
5	Average			
4	Below average			
3	Poor			
2	Very poor			
1	Unlettable			
ANTICIPATED FUTURE DEMAND				
SCALE	RATING	LETTABILITY	SALEBILITY	BUILDING CONDITION
9	Excellent			N/A
8	Very Good			
7	Good			
6	Above average			
5	Average			
4	Below average			
3	Poor			
2	Very poor			
1	Unlettable			

OVERALL RATING			
RATING	LETTABILITY	SALEABILITY	BUILDING CONDITION
Average	5	7.5	N/A

7 SWOT ANALYSIS

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

Strengths:

- Large parcel ideal for a state of the art master planned development;
- Designated access route up to subject property earmarked for tarmacking;
- Well levelled into split levels for ease of development;

Weaknesses:

- Immediate neighbourhood characterised by mostly agricultural land with low density and low purchasing power.
- Fronting two seasonal rivers

Opportunities:

- Close proximity to Mombasa Road and industrial Athi River Town;
- Ongoing improvement of local infrastructure such expansion of Mombasa, tarmacking of Mutungoni road, etc.;
- Mutungoni road earmarked for upgrade to bituminous standards.

Threats:

- Volatility of the national and global economy is negatively impacting on the local property market;
- The ongoing Covid-19 pandemic which has hit economies across the world.

8. MARKET OVERVIEW

8.1 GENERAL MARKET COMMENTARY

The subject property is within a mixed use zone within Athi River Area, Machakos County. These are vacant agricultural land parcels measuring about 1000 acres in total; situated about along Mtungoni road and about 10 kilometers from Mombasa road in Athi River, Machakos County.

The area is predominantly agricultural with anticipated master planned developments and gated and controlled residential estates such as Karibu Homes, Paradise Park Estate,

River Park Estate, Sunset Boulevard Estate among others. This trend has seen demand for vacant land to develop similar estates as well as owner occupied residential homes escalate exponentially.

In addition to the above factors, infrastructural improvements such as provision of electricity, piped water, all weather access roads and recent expansion of Mombasa road has made demand for land in the area stronger.

Rapid urbanization puts tremendous pressure on population centres, and presents a challenge for cities to provide environmental sustainability and ensure the physical security and safety of residents. Economic advances represent little actual progress if they degrade the air, water, and soil. In addition, the threat of rising crime rates, poverty, and civic unrest make cities fragile. To avoid these challenges as much as possible, most thriving cities seek sustainable, but also resilient, growth. The proposed Newtown (Mystic Plains) represents part of the solution.

Our valuation has taken into consideration that a section of the property next to the riparian reserve of the Athi River has a terrain that would challenge any proposed development in line with the highest and best use in the neighbourhood. This could be taken as a riparian zone. The Survey Act of 1989, and Water Quality Regulations (2006) and Water Resources Management Rules (2007) define riparian land as being a minimum of 6 metres up to a maximum of 30 metres on either side of its banks from the highest water mark.

In addition to this, the EPZ trunk sewer cuts through apportion of the land near eastern boundary. Whereas these factors do not diminish the value of the parcel, they limit the size of the parcel that could actually be developed in line with trends in the immediate neighbourhood. Nevertheless, a detailed Environmental Impact Assessment Report of the property would be required to clarify these issues before the proposed project can be implemented.

The global and regional economic environment will also continue to influence Kenya's economic developments by influencing commodity prices, the volume and direction of international capital flows, and trade. As such, risks to the global economic outlook have the potential to affect consumer and investor confidence and curtail growth in the Kenyan economy. The major forces driving the global economic outlook are soft commodity prices and the turbulence in the global financial system triggered by increasingly divergent monetary policies across AEs (Advanced Economies) and these have direct implications for the Kenyan economy.

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 neighborhood 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.

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 within Kinanie Area as well as large Athi River area, Machakos County.



9. VALUATION CERTIFICATE

We have analyzed the information obtained from the physical inspection of the property, information pertaining asking prices for similar parcels of land in the area, the proposed and approved project; as well taken into account the economic conditions on the date of valuation to arrive at the opinion of value of the property as of **Thursday, 31st December, 2020** as follows:

- i. Fair Market Value: **Kshs. 4,466,000,000.00 (Kenya Shillings Four Billion, Four Hundred Sixty-Six Million only).**
- ii. Forced Sale Value: **Kshs. 3,350,000,000.00 (Kenya Shillings Three Billion, Three Hundred Fifty Million only).**

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



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



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

DATED: THURSDAY 31ST DECEMBER, 2020

APPENDIX I: PICTORIAL ILLUSTRATION OF THE PARCELS



-Views of Developments Therein-



-Views of the Property-



-Views of Mutungoni road-

RENDERING MODELS OF THE PROPOSED DEVELOPMENT



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

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.

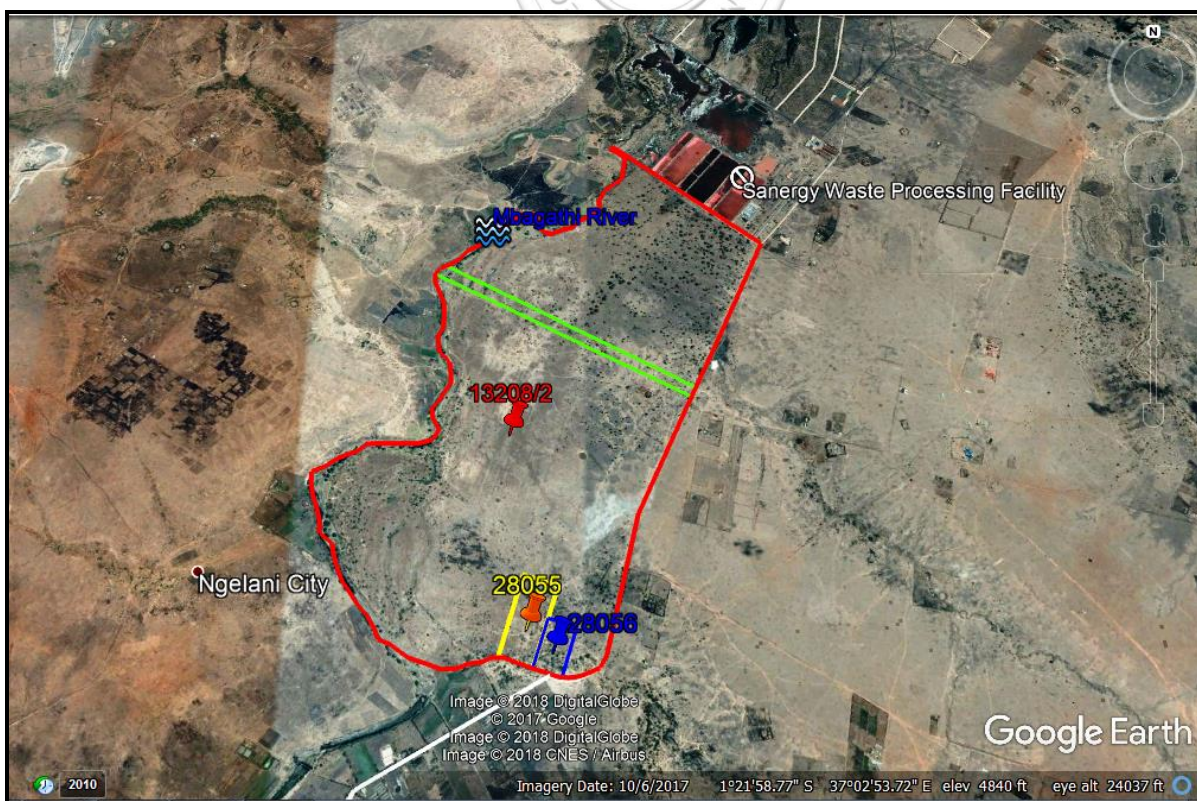
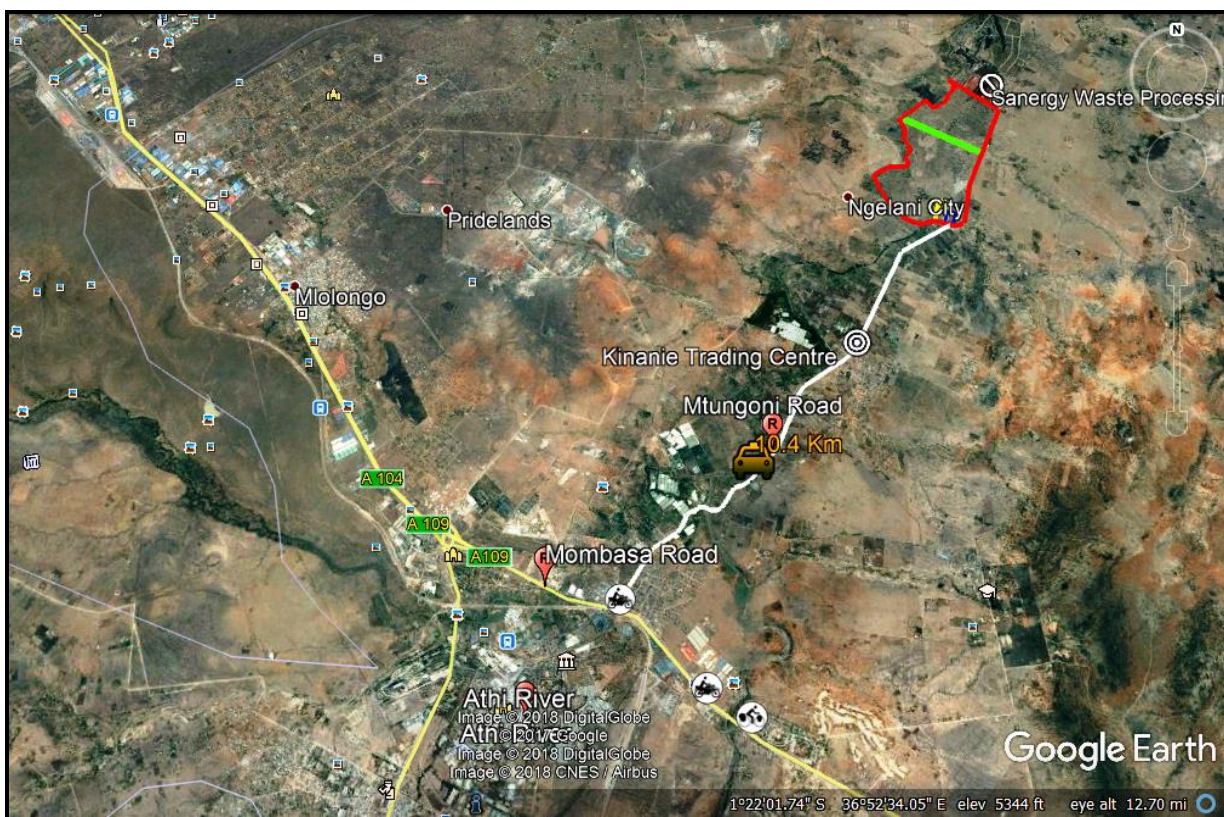
We have not carried out a building survey of the buildings nor have we inspected woodwork, steelwork or other parts of the property which are covered, unexposed or inaccessible and we are therefore unable to report that any such parts of the property are free from defect. Our report does not purport 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

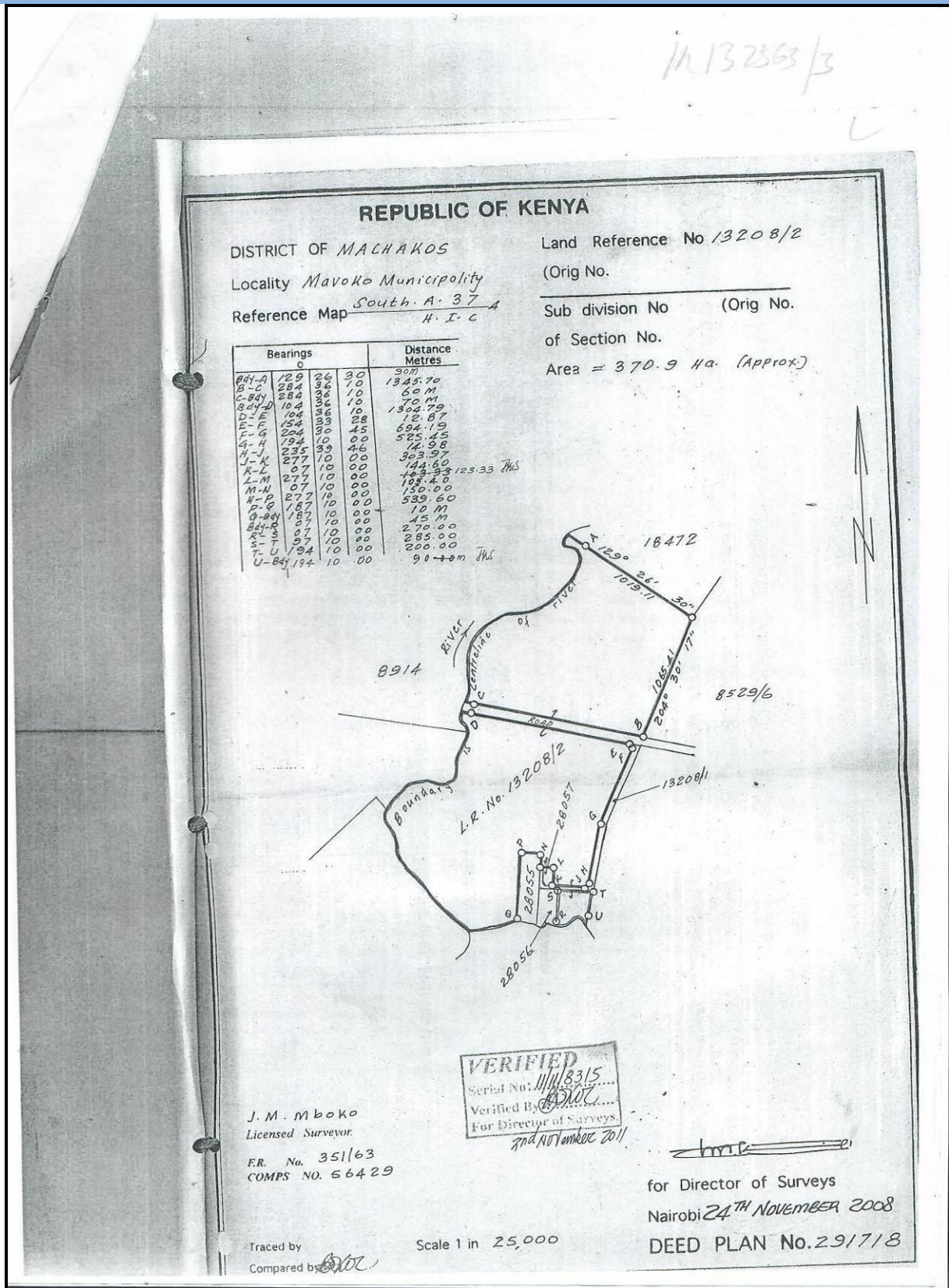
This valuation is current as of the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to particular property). We do not accept liability for losses arising 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 LOCATION OF THE PROPERTY



APPENDIX III: COPY OF THE SURVEY MAP EXTRACT



APPENDIX IV: COPY OF SEARCH CERTIFICATE


 REPUBLIC OF KENYA
THE REGISTRATION OF TITLES ACT
 (Chapter 281)

12119954/17
 13 OCT 2008
 9 24
 P.O. BOX 30001 NAIROBI

50 0 65
 R. M. NGARA 209
 [Signature]

GRANT No. IR 119954
 ANNUAL RENT: KShs. 64,845/= (REVISABLE)
 TERM: 99 Years from 1.8.2008

26 APR 2012

KNOW ALL MEN BY THESE PRESENTS that in pursuance of a surrender registered in the Government Land Titles Registry at Nairobi as I.R. No. 30104/5 THE PRESIDENT OF THE REPUBLIC OF KENYA hereby Grants unto **JAMES KASTULA MUTUA, RUTH KALEKYE MUTUA, SARAH NZEMBI MUTUA, ANNE NDUKU MUTUA, DAVID MUTUA KASTULA, JOHN KIOKO MUTUA, SIMEON MUTUA, MOSES WAMBUA and PETER MWEU** in tenants in common in equal shares of NAIROBI (Post Office Box Number 48181-00100).

(hereinafter called "the Grantee") all that piece of land situate Mavoko Municipality in MACHAKOS District containing by measurement Eight decimal nought nine three (8.093) hectares more or thereabouts that is to say Land Reference Number 28055 which said piece of land with the dimensions abutments and boundaries thereof is delineated on the plan annexed hereto and more particularly on Land Survey Plan Number 291719 deposited in the Survey Records Office at Nairobi To HOLD for the term of ninety nine (99) years from the first day of August Two thousand and eight

SUBJECT to (a) the payment in advance on the first day of January in each year of the annual rent of Shillings Sixty four thousand eight hundred and forty five (KShs. 64,845/=) (Revisable) w.e.f. 1.1.2009
 (b) the provisions of the Government Lands Act (Chapter 280)
 (c) the following special conditions (Namely):-

GPK (L)



18/04/2017

SPECIAL CONDITIONS

1. No further buildings shall be erected on the land nor shall additions or external alterations be made to any buildings otherwise than in conformity with plans and specifications previously approved in writing by the Commissioner of Lands and the Local Authority. The Commissioner of Lands shall not give his approval unless he is satisfied that the proposals are such as to develop the land adequately and satisfactorily.
2. The Grantee shall maintain in good and substantial repairs and conditions all buildings at any time erected on the land.
3. The Land and buildings shall only be used for residential purposes
4. The buildings shall not cover more than fifty per centum of the area of the land or such lesser area as may be laid down by the local authority in its by-laws
5. The Grantee shall not subdivide the land without prior written consent of the Commissioner of lands.
6. The Grantee shall not sell, transfer, sublet, charge or part with the possession of the land or any part thereof without the prior written consent of the Commissioner of lands.
7. The Grantee shall pay such rates, taxes, charges, duties, assessments or outgoings of whatever description as may be imposed, charged or assessed by any Government or Local Authority upon the land or the buildings erected thereon including any contributions or other sum paid by the Commissioner of Lands in lieu thereof.
8. The Commissioner of Lands or such person or authority as may be appointed for the purpose shall have the right to enter upon the land and lay and have access to water mains, service pipes and drains, telephone or telegraph wires and electric mains of all descriptions, whether overhead or underground. The Grantee shall not erect any buildings in such a way as to cover or interfere with any existing alignments of mains or service pipe or telephone or telegraph wires and electric mains.
9. The Commissioner of Lands reserves the right to revise the annual ground rent payable hereunder at the expiration of every ten years of the term. Such rental shall be at a rate to be determined by the Commissioner of lands of the unimproved value of the land as at the end of every tenth year of the term.

IN WITNESS WHEREOF I, ZABLON AGWATA MABEA)
 the Commissioner of Lands have by order of the)
 President hereunto set my hand this 2nd)
 day of April two thousand)
 and Nine in the presence of:-)

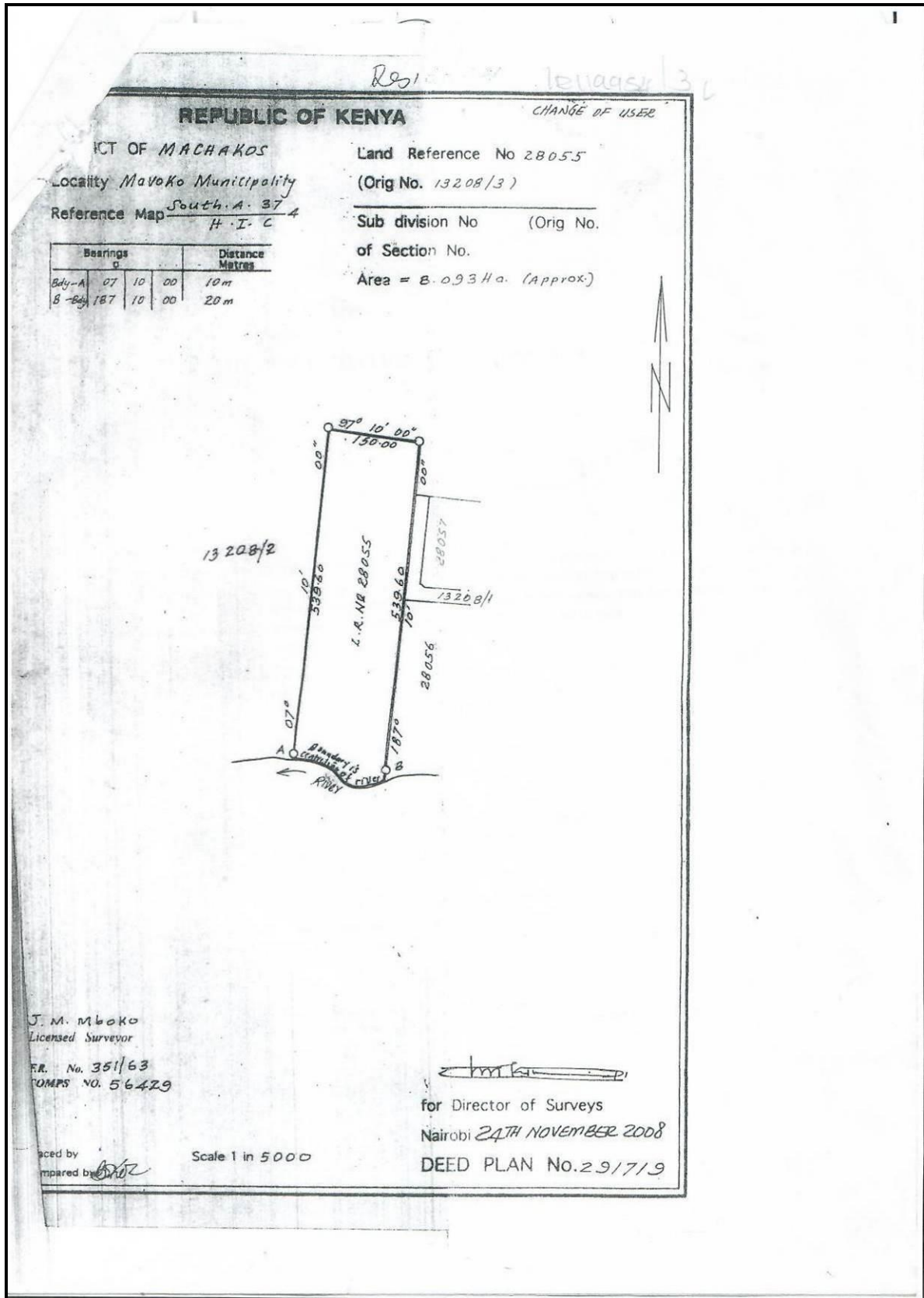
P. M. Nganga
REGISTRAR OF TITLES
 P. M. NGANGA 209

DRAWN BY:
 MBURU P.N.
 REGISTRAR OF TITLES
 P.O. Box 30089
 NAIROBI

I hereby certify this to be a true copy
 of the original
 500/-
 20/-
 520/-
 Date: 3rd January, 2017

LAND TITLES REGISTER
 REGISTRATION NO. 119954/1
 REGISTERED ON 13th October 2009
 PRESENTED BY P. M. NGANGA
 TIME 9:15 AM
 Registrar of Titles
 P. M. Nganga

C. K. Nyakundi 298
REGISTRAR OF TITLES



CF 2829 M

101100531

KENYA REVENUE 1000

22.08.09

13 OCT 2009

9.10.09

925


26 APR 2012

508 3710

15/4

P. M. NG'ANG'A

209



REPUBLIC OF KENYA

THE REGISTRATION OF TITLES ACT
(Chapter 281)

GRANT No. IR 119953

ANNUAL RENT: Kshs. 33,350/= (REVISABLE)

TERM: 99 Years from 1.8.2008

KNOW ALL MEN BY THESE PRESENTS that in pursuance of a surrender registered in the Government Land Titles Registry at Nairobi as I.R. No. 30104/5 THE PRESIDENT OF THE REPUBLIC OF KENYA hereby Grants Unto JAMES KASYULA MUTUA, RUTH KALEKYE MUTUA, SARAH NZEMBI MUTUA, ANNE NDUKU MUTUA, DAVID MUTUA KASYULA, JOHN KIOKO MUTUA, SIMEON MUTUA, MOSES WAMBUA and PETER MWEU as tenants in common in equal shares of NAIROBI (Post Office Box Number 48181 -00100)

(hereinafter called "the Grantee") all that piece of land situate Mavoko Municipality in MACHAKOS District containing by measurement Four decimal nought four nought (4.040) hectares

more or thereabouts that is to say Land Reference Number 28056

which said piece of land with the dimensions abutments and boundaries thereof is delineated on the plan annexed hereto and more particularly on Land Survey Plan Number 291720 deposited in the Survey Records Office at Nairobi To HOLD for the term of ninety nine (99) years

from the first day of August Two thousand and eight

SUBJECT to (a) the payment in advance on the first day of January in each year of the annual rent of Shillings Thirty three thousand three hundred and fifty (Kshs.33,350/=) (Revisable) w.e.f. 1.1.2009.

(b) the provisions of the Government Lands Act (Chapter 280)

(c) the following special conditions (Namely):-

GPX (L)



SPECIAL CONDITIONS

1. No further buildings shall be erected on the land nor shall additions or external alterations be made to any buildings otherwise than in conformity with plans and specifications previously approved in writing by the Commissioner of Lands and the Local Authority. The Commissioner of Lands shall not give his approval unless he is satisfied that the proposals are such as to develop the land adequately and satisfactorily.
2. The Grantee shall maintain in good and substantial repairs and conditions all buildings at any time erected on the land.
3. The Land and buildings shall only be used for inoffensive light industrial purposes with ancillary offices and stores.
ii) Accommodation not exceeding 100 sq feet may be provided for a caretaker or night watchman or such lesser area as may be laid down by the Local Authority in its by-laws.
4. The buildings shall not cover more than ninety per centum of the area of the land or such lesser area as may be laid down by the local authority in its by-laws.
5. The Grantee shall not subdivide the land without prior written consent of the Commissioner of lands.
6. The Grantee shall not sell, transfer, sublet, charge or part with the possession of the land or any part thereof without the prior written consent of the Commissioner of lands.
7. The Grantee shall pay such rates, taxes, charges, duties, assessments or outgoing of whatever description as may be imposed, charged or assessed by any Government or Local Authority upon the land or the buildings erected thereon including any contributions or other sum paid by the Commissioner of Lands in lieu thereof.
8. The Commissioner of Lands or such person or authority as may be appointed for the purpose shall have the right to enter upon the land and lay and have access to water mains, service pipes and drains, telephone or telegraph wires and electric mains of all descriptions, whether overhead or underground. The Grantee shall not erect any buildings in such a way as to cover or interfere with any existing alignments of mains or service pipe or telephone or telegraph wires and electric mains.
9. The Commissioner of Lands reserves the right to revise the annual ground rent payable hereunder at the expiration of every ten years of the term. Such rental shall be at a rate to be determined by the Commissioner of lands of the unimproved value of the land as at the end of every tenth year of the term.

IN WITNESS WHEREOF I, ZABLON AGWATA MABEA)
 the Commissioner of Lands have by order of the)
 President hereunto set my hand this 2nd) *Zablun Agwata Mabea*
 day of April two thousand)
 and nine in the presence of:-)
[Signature])
 REGISTRAR OF TITLES)

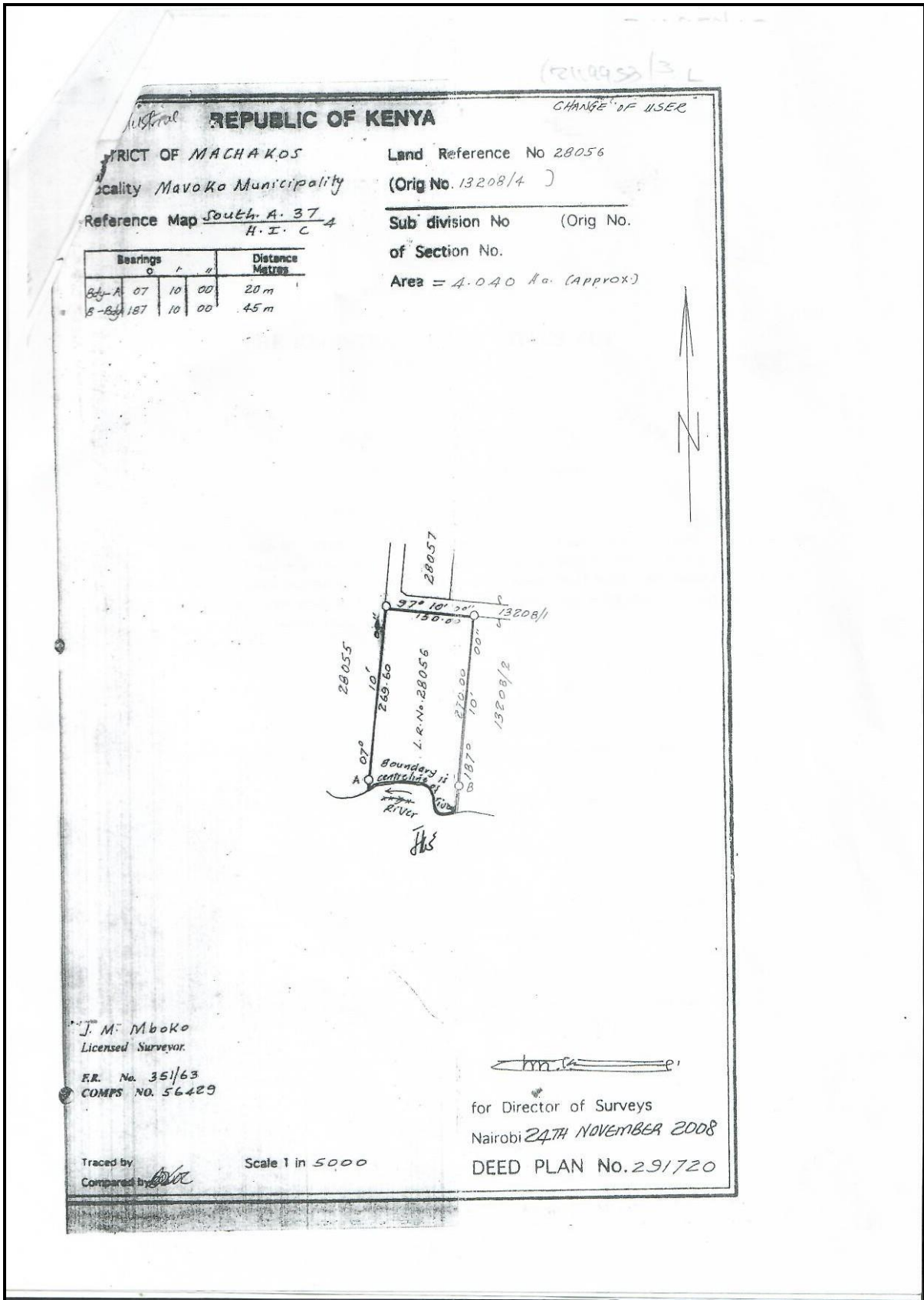
P. M. NGANGA 209
 DRAWN BY:
 MBURU P N
 REGISTRAR OF TITLES
 P.O. Box 30089
 NAIROBI

LAND TITLES REGISTRY - NAIROBI REGISTRY
 REGISTRATION OF TITLES ACT
 REGISTERED No. 119953/11
 PRESENTED 13th October 2009
 09:10 AM
[Signature]
 Registrar of Titles




I hereby certify this to be a true
 of the original
 stamp date 500/-
 Copying fee 20/-
 Date: 3rd January, 2017


C. K. Nyakundi
 REGISTRAR OF TITLES





1/R 132563/1



T/2


 REPUBLIC OF KENYA

THE REGISTRATION OF TITLES ACT
(Chapter 281)

SD E 278
of
36/9
P.N. 12488 217

GRANT No. **1R 132563.**

ANNUAL RENT: Ksh.278,000/- (Revisable)

TERM: 99 years w.e.f. 1.8.2008

KNOW ALL MEN BY THESE PRESENTS that in pursuance of a surrender registered in the Government Land Titles Registry at Nairobi as I.R. No. 30104/5 THE PRESIDENT OF THE REPUBLIC OF KENYA hereby Grants Unto JAMES KASYULA MUTUA, RUTH KALEKYE MUTUA, SARAH NZEMBI MUTUA, ANNE NDUKU MUTUA, DAVID MUTUA KASYULA, JOHN KIOKO MUTUA, SIMEON MUTUA, MOSES WAMBUA and PETER MWEU (as tenants in common in equal shares) all of NAIROBI (Post Office Box Number 48181 - 00100)

(hereinafter called "the Grantee") all that piece of land situate in Mavoko Municipality of MACHAKOS District containing by measurement three seven nought decimal nine (370.9) hectares

~~xxxx~~ or thereabouts that is to say Land Reference Number 13208/2

which said piece of land with the dimensions abutments and boundaries thereof is delineated on the plan annexed hereto and more particularly on Land Survey Plan Number 291718 deposited in the Survey Records Office at Nairobi To HOLD for the term of ninety nine (99) years

from the first day of August Two thousand and eight

SUBJECT to (a) the payment in advance on the first day of January in each year of the annual rent of Shillings two hundred and seventy eight thousand only (Ksh.278,000/-) (Revisable) w.e.f. 1.3.2009

(b) the provisions of the Government Lands Act (Chapter 280)

(c) the following Special Conditions (namely): -

GPK (L)



SPECIAL CONDITIONS

1. The land shall be used for Agricultural purposes and residence for the Grantee.
2. The land shall be used and managed in good husbandry manner and maintaining of the soil to the satisfaction of the Commissioner of Lands and the Director of Agriculture.
3. The Grantee shall not sell, transfer, sublet, charge or subdivide the land or any part thereof without prior written consent of the Commissioner of Lands (Land Control Board).
4. The Grantee shall develop the land to the satisfaction of the Commissioner of Lands and the Director of Agriculture.
5. The Grantee shall pay such rates, taxes, charges, duties, assessments or outgoings of whatever descriptions as may be imposed, charged or assessed by any Government or Local Authority upon the land or the buildings erected there upon including any contributions or any other such paid by the President in lieu thereof.
6. The Local Authority or such person or authority as may be appointed for the purposes shall have the right to enter upon the land hereby leased and have access to water mains, service pipes and drains, telephone wires and electric mains of all description whether overhead or underground and the Grantee shall not erect any buildings in such a way as to cover or interfere with any existing alignments or mains or service pipes or telephone or telegraph wires and electric mains.
7. The Commissioner of Lands reserves the right to revise the annual ground rent payable hereunder after the expiration of every tenth year of the term.

IN WITNESS WHEREOF I, ZABLON AGWATA MABEA)
 The Commissioner of Lands have by order of)
 The President hereunto set my hand this 28th)
 day of September Two thousand and eleven)
 in the presence of: -)

Mabeya

Registrar of Titles
 P.O. BOX 217

DRAWN BY: -

MBURU P.N.
 REGISTRAR OF TITLES
 P O BOX 30089
 NAIROBI



LAND TITLES REGISTRY - NAIROBI, KENYA
 REGISTRATION OF TITLES ACT
 REGISTERED AS No. LR. 132563/1
 Presented 1st November 2011
 Time 12-10 Hrs
 Registrar of Titles
 G. M. Mwangi 299

I hereby certify this to be a true copy
 of the Original

① stamp 500/-
 Copying 20/-

Date: 3rd January 2017

C. K. Nyakundi 298 *[Signature]*

M/132563/3

REPUBLIC OF KENYA

DISTRICT OF MACHAKOS

Locality *Mavoko Municipality*

Reference Map *South. A. 37-A*
H. I. C

Land Reference No *13208/2*

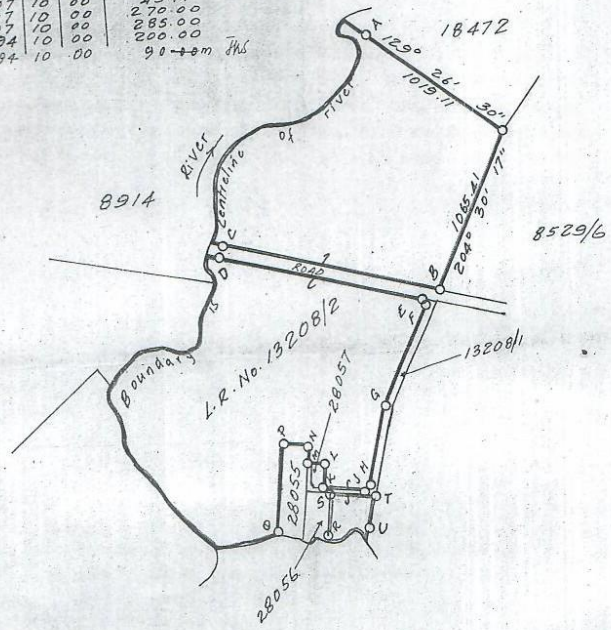
(Orig No.

Sub division No (Orig No.

of Section No.

Area = *370.9 Ha. (Approx.)*

Bearings	Distance Metres
Bdy-A	129 26 30
B-C	284 36 10
C-Bdy	284 36 10
Bdy-D	104 36 10
D-E	104 36 10
E-F	154 33 28
F-G	204 30 45
G-H	194 40 00
H-J	235 39 46
J-K	277 10 00
K-L	07 10 00
L-M	277 10 00
M-N	07 10 00
N-P	277 10 00
P-Q	187 10 00
Q-Bdy	187 10 00
Bdy-R	07 10 00
R-S	07 10 00
S-T	07 10 00
T-U	194 10 00
U-Bdy	194 10 00



VERIFIED
Serial No. *111/18315*
Verified By *[Signature]*
For Director of Surveys
2nd November 2011

J. M. Mboko
Licensed Surveyor.
F.R. No. 351/63
COMPS NO. 56429

[Signature]
for Director of Surveys
Nairobi *24TH NOVEMBER 2008*
DEED PLAN No. *2917/18*

Traced by *[Signature]*
Compared by *[Signature]*
Scale 1 in *25,000*

APPENDIX V: COPY OF INITIAL MASTERPLAN

