

REPORT AND VALUATION
UPON
A MASTER PLANNED RESIDENTIAL PROJECT



L.R. NO. 5910, RIVERRUN ESTATES

OFF RUIRU-KAMITI ROAD, RUIRU,

KIAMBU COUNTY

Our Ref: RVI/V.O/2021/6410

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: VALUATION OF L.R. 5910; RIVERRUN ESTATES, RUIRU, KIAMBU 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

TABLE OF CONTENTS

EXECUTIVE SUMMARY	4
SUMMARY OF SALIENT FACTS	4
1. INTRODUCTION	5
1.1. DEFINITION OF VALUATION	5
1.2. VALUATION APPROACHES/METHODS	5
1.3. BASIS OF VALUATION	6
1.4. PREMISE OF VALUE	8
1.5. VALUATION RATIONALE.....	9
1.6. VALUATION ASSUMPTIONS.....	9
2. PROPERTY SETTING.....	10
2.1 LOCATION.....	10
2.2 NEIGHBOURHOOD AND LOCAL DATA.....	10
2.3 SERVICES AND AMENITIES.....	10
3 PARCEL AND ASPECTS OF TITLE	11
3.1 TENURE AND PROPRIETORSHIP	11
3.2 PARCEL ACREAGE.....	11
3.3 ENCUMBRANCES.....	11
3.4 LAND RENT & PLOT RATES	11
3.5 LAND DESCRIPTION	11
4 POTENTIAL, HIGHEST AND BEST USE ANALYSIS.....	12
5. IMPROVEMENTS/DEVELOPMENTS.....	12
5.1 General Description	12
5.2 General Construction Details	12
5.3 Accommodation Details.....	13
5.4 Construction Progress & Level of Completion.....	13
5.5 Environmental & Land Contamination Concerns.....	15
6 TENANCY / OCCUPANCY.....	15
7 SWOT ANALYSIS	15
8. MARKET OVERVIEW	16
8.1 Market Commentary.....	16
8.2 Market Analysis and Comparable	17
8.3 Status of Approvals.....	18
8.4 Level of Sales.....	18
9. VALUATION CERTIFICATE.....	19
APPENDIX I: PICTORIAL ILLUSTRATION OF THE PROPERTY.....	20
DISCLAIMER.....	22
TERMS OF ENGAGEMENT.....	22
SCOPE AND EXTENT OF INSPECTION	23
MARKET CHANGE DISCLAIMER.....	23
APPENDIX II: GOOGLE EARTH IMAGES OF THE PROPERTY.....	24
APPENDIX III: COPY OF THE SURVEY MAP EXTRACT	25
APPENDIX IV: COPY OF SEARCH CERTIFICATE	27
APPENDIX V: COPY OF RELEVANT DEVELOPMENT APPROVALS	28

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:	L.R. NO. 5910, RIVERRUN ESTATES RUIRU, KIAMBU COUNTY
DATE OF INSPECTION:	WEDNESDAY, 24TH NOVEMBER 2021
DATE OF VALUATION:	THURSDAY, 31ST DECEMBER 2020
REGISTERED PROPRIETOR:	CYTONN INVESTMENTS PARTNERS FIVE, LLP
INTEREST APPRAISED:	FREEHOLD TENURE
PURPOSE OF VALUATION:	BOOK PURPOSES
MAIN DEVELOPMENTS:	96 VILLAS (PHASE 1) & UNIMPROVED SITE VALUE OF PHASE 2
LAND SIZE (COMBINED):	40.47 HECTARES OR 100.0ACRES
LAND USE:	PLANNED MIXED USE GATED ESTATE

BRIEF PROPERTY AND NEIGHBOURHOOD DESCRIPTION

This is a development site for a master planned mixed use gated community situated off Ruiru-Kamiti road and near Tatu City in Ruiru area of Kiambu County. The site is a 100 acre piece hived from a former coffee estate. It has a sloppy terrain complimented by a retaining dam stretching over 800 metres along the parcel's periphery and a river cutting across a section. It has rich deep red soils. The site is surrounded by active coffee farms. When complete, the proposed estate shall comprise 1258 residential units of 3 & 4 bedroom maisonettes; 2 & 3 bedroom apartment blocks, over 1000 square meters of retail space consisting of an ultra-modern hotel with a frontage to a manmade lake, a mini-mart and convenience stores to allow for convenience, a school, as well as lots of green spaces, outdoor play areas and recreational facilities including swimming pools, a water themed park, access to a dam and clubhouse facilities. Other support services such as a water treatment plant, water storage, back-up power generators, ample parking, et cetera; shall be provided. Phase 1 of the project which comprises 96 villas now at various stages of construction is was highly vandalized.

Notable estates or landmarks in the immediate neighbourhood include, Migaa Golf Estate, Tatu City, Risura Coffee estate, Muhugu Coffee estate, Kinjibbe river, et cetera.

VALUATION SUMMARY

		Current Values (KES)	Values upon Completion of Phase 1 (KES)
(i)	Fair Market Value	2,138,000,000.00	3,966,000,000.00
(ii)	Forced Sale Value	1,604,500,000.00	2,975,000,000.00

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 property is being developed in phases. Phase 1 whose construction is already ongoing comprises 96 detached or semi-detached houses at various stages of construction covering an approximate area of 27 acres; while phase 2 which will comprise all the remaining units on 73 acres is yet to start. The project is currently inactive, vandalized and overgrown with bushes. Most of the foundations have also cracked and caved in or filled up with debris. We understand that plans are under way to restructure the project in a bid to revive it.

This valuation therefore includes the improved site value of the 27 acres forming Phase 1 at an estimated completion level of 7% as well as the unimproved site value of 73 acres forming Phase 2 of the proposed project. We have provided the Fair Market Value of the entire project *as is* and upon full completion of Phase 1.

Considering that the developments were under construction we have adopted the Contractors Method/Cost Approach and Sales Comparison/Market Approach as well as Residual Method to arrive at the opinion of Market Value.

This valuation therefore reflects the value of the project as is and recognizes that a substantive additional investment would be required in order to mitigate the effects of the apparent vandalism, weather and losses resulting from the prolonged.

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 construction shall resume soon and the pending works completed within the projected timelines;
- iv. That the project is a going concern;
- v. That any cost overruns due to delayed construction shall be structured;
- vi. That additional investment shall be availed to mitigate the apparent effects of vandalism and prolonged stoppage of construction; and
- vii. 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 it subsides, albeit slowly.

2. PROPERTY SETTING

2.1 LOCATION

The property is situated off Ruiru-Kamiti road in Ruiru, Kiambu County. It lies about 700 metres west of the proposed Tatu City. The geographical coordinates of the site's approximate centre are **1°8'7.29"S** and **36°52'43.49"E**.

2.2 NEIGHBOURHOOD AND LOCAL DATA

The immediate neighbourhood is zoned for agricultural use as evidenced by the surrounding coffee estates. However, some of the farms are paving way for construction of master planned gated estates such Migaa Golf Estate, RiverRun Estates and Tatu City. The coffee farms are well planned each with ample access and water supply through artificial dams and water pans. These services together with the rather uneven terrain in the area, is providing a platform on which to design tasteful inland waterfront estates with a costal feel. This concept has been adopted by the upcoming estates such as Tatu City and RiverRun Estates.

Notable estates or landmarks in the immediate neighbourhood include Migaa Golf Estate, Tatu City, Risura Coffee Estate, Muhugu Coffee Estate, Kinjibbe River, et cetera.

2.3 SERVICES AND AMENITIES

Mains water and electricity are connected to the property. Sewer in the area is to septic tanks or cesspools.

Immediate access roads are all weather joining to tarmac about 2.5kilometres away.

3 PARCEL AND ASPECTS OF TITLE

3.1 TENURE AND PROPRIETORSHIP

An inspection of the copy of title and a copy of postal search from the Nairobi Lands Registry revealed that the property is held as freehold interest registered in the name of **Cytonn Investments Partners Five, LLP**.

3.2 PARCEL ACREAGE

According to the copy of title and map, the parcel measures **100.0 acres** approximately.

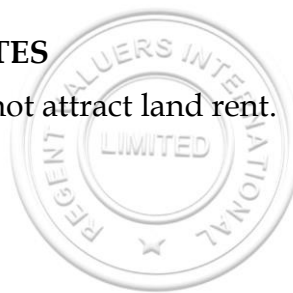
3.3 ENCUMBRANCES

None registered against the title.

A copy of the certificate of postal search is attached as **Appendix IV**.

3.4 LAND RENT & PLOT RATES

This title is a freehold hence does not attract land rent.



3.5 LAND DESCRIPTION

3.5.1 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.

3.5.2 L. R. No. 5910 (Orig. No. 92/1), RiverRun Estates,

This property lies on a **100.0-acre** parcel off Ruiru-Kamiti road in Ruiru, Kiambu County.

The title is held on freehold Interest granted under Government Lands Act, (Cap 280) now repealed and replaced by The Land Registration Act No. 3 of 2012.

4 POTENTIAL, HIGHEST AND BEST USE ANALYSIS

The property is located off Ruiru - Kamiti in Ruiru, Kiambu County. The site as currently used is yet to realize its full potential. However, the proposed project: Riverrun Estates, which is based on a well-planned master plan ensuring creation of a secure and well serviced gated community; shall indeed, upon full completion, result into the highest and best use of the land.

5. IMPROVEMENTS/DEVELOPMENTS

5.1 General Description

This is a development site for a master planned mixed use gated community situated off Ruiru-Kamiti road and near Tatu City in Ruiru area of Kiambu County. The site which is a former coffee estate has deep red soils, a sloppy terrain with a retaining dam and a river cutting across a section and a number of old farm structures; shall be cleared to pave way for establishment of the planned gated estates with a total of 1,258 residential units. The proposed RiverRun Estates shall comprise 3 & 4 bedroom maisonettes; 2 & 3-bedroom apartment blocks, over 1000 square meters of retail space consisting of an ultra-modern hotel with a frontage to a manmade lake, a mini-mart and convenience stores to allow for convenience, a school, as well as lots of green spaces, outdoor play areas and recreational facilities including swimming pools, a water themed park, access to a dam with a water frontage of 800metres and clubhouse facilities. Other support services such as borehole, water storage, back-up power generators, ample parking, et cetera; shall be provided.

The property is being developed in phases. Phase 1 whose construction had started but stopped comprises 96 detached or semidetached houses at various stages of construction covering an approximate area of 27 acres; while phase 2 which will comprise all the remaining units on 73 acres is yet to start. The houses are provided in three types: those on a ¼ acre portion, those on a 1/8-acre portion or those on a 1/16-acre portion. The units will comprise a floor area of about 250 m², 190m² and 140m²respectively.

A general description of sample units in Phase 1 is provided below.

5.2 General Construction Details

The following construction details were obtained from both the field inspection of the on-going work, renders of the proposed units as well as the details of the approved building plans on site.

The buildings are constructed of machine dressed natural stone walls to be rendered and painted or stone clad externally, plastered and painted or clad with ceramic tiles to wet areas internally. Roofs will be pitched timber trusses covered with decra roofing tiles. Ceilings shall be painted concrete slab undersides to lower floors while topmost floors shall be lined with gypsum boards.

Floors shall be finished in either laminated boards or solid timber boards to the main areas, ceramic tiles and marble to the wet areas or wood plastic composite decking on some terraces.

Doors shall be the heavy steel panelled type externally, solid timber panelled type or standard timber flush type internally and sliding steel/aluminium casements to balconies.

Windows shall either be standard or full height glazed steel framed casement type with magnificent views of well-manicured gardens and landscaping below.

Fittings shall include a double drain sinks, fully fitted kitchens with provisions for refrigeration, oven, dishwasher and both electric and gas cookers, full height wardrobes to the bedrooms.

The units will be fitted and connected to state-of-the-art security, fire safety and internet system.

5.3 Accommodation Details

Accommodation details for range of houses being offered shall be provided once the show houses are complete.

5.4 Construction Progress & Level of Completion

The project is currently inactive. However, plans are underway to re-structure and resume construction of Phase 1. However, the units in Phase 1 whose construction had already began are at various stages of construction and upon completion will have high standards of fixtures and fittings as demonstrated by available renders of the proposed houses. We have grouped the 96 units in Phase 1 into 4 clusters according to their levels of completion.

We approximate the completion levels as follows:

Cluster	Approximate completion level	Outstanding works
Cluster 1	13%	Site clearance, site excavation, levelling, setting out, substructure & part walling done. The rest of the work is still outstanding. Work done vandalized.
Cluster 2	9%	Site clearance, site excavation, levelling, setting out and part substructure done. The rest of the work is still outstanding. Foundations caved in or filled up.
Cluster 3	3%	Site clearance, site excavation, levelling and setting out done. The rest of the work is still outstanding
Cluster 4	1%	Site clearance, site excavation and levelling done. The rest of the work is still outstanding

		Stage of Construction for RiverRun Estates Phase I					
#	Description	At 100%	Unit Description				Preliminaries
			CL1	CL2	CL3	CL4	
1	Setting out	2	1	1	1	0	20
2	Excavation and Earthwork	5	3	2	2	1	
3	Concrete foundations	2	2	1	0	0	
4	Walls to D.P.C	2	1	1	0	0	
5	Hardcore infill	5	4	3	0	0	
6	Concrete floor slab	7	0	0	0	0	
7	Walling	12	1	0	0	0	
8	Door frames and windows	8	0	0	0	0	
9	Roof support	6	0	0	0	0	
10	Roof covering	8	0	0	0	0	
11	Ceiling joists and brandering	2	0	0	0	0	
12	Wardrobes and cupboards	5	0	0	0	0	
13	Internal plumbing and drainage	10	1	1	0	0	
14	Wall finishes	6	0	0	0	0	0
15	Ceiling boards	4	0	0	0	0	
16	Window boards, picture rails, sundries in woodwork	1	0	0	0	0	
17	Floor finishes	2	0	0	0	0	
18	Doors complete	5	0	0	0	0	
19	Glazing	2	0	0	0	0	
20	Painting and decoration	6	0	0	0	0	
	TOTAL	100	13	9	3	1	20

KEY

Cluster 1 - CL1 - 17 units on 1/4s

Cluster 2 - CL2 - 5 units on 1/4s

Cluster 3 - CL3 - 7 units on 1/4s; 36 units on 1/8s & 16 units on 1/16s

Cluster 4 - CL4 - 15 units on 1/8s

The overall work done for Phase 1 as at the date of this valuation can be estimated at 7%. Considering the current state of inactivity and vandalism on site, we are unable to authoritatively estimate the expected completion date. Nevertheless, as already stated mobilization is already on-going and construction work is expected to resume soon.

5.5 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 commercial, residential & recreational.
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.	Yes, there is a stream and dam which have been incorporated in the plan.
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

At the time of inspection, the property was vacant without any ongoing construction work.

7 SWOT ANALYSIS

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

Strengths:

- Prime location of the property;
- Availability of a river with a manmade dam;

Weaknesses:

- Location within busy coffee farmlands
- Immediate access roads still unmade;

Opportunities:

- Ongoing servicing and construction of Tatu City and other similar projects in the neighbourhood which is pulling potential clientele to the location;

Threats:

- Volatility of the national and global economy is negatively impacting on the local property market;
- Vandalism of the work done which will make resumption of work costlier;
- Prolonged stoppage of construction work which is eroding the gains initially obtained by launch of the project master plan;
- The ongoing Covid-19 pandemic which has hit economies across the world.

8. MARKET OVERVIEW

8.1 Market Commentary

Riverrun Estates is a development site for a master planned mixed use gated community situated off Ruiru-Kamiti road and near Tatu City in Ruiru area of Kiambu County. The site which is 100-acre piece hived from a former coffee estate.

It has a sloppy terrain complimented by a retaining dam stretching over 800 metres along the parcel's periphery and a river cutting across a section. It has rich deep red soils. The site is surrounded by active coffee farms. When complete, the proposed estate shall comprise 1258 residential units of 3 & 4 bedroom maisonettes; 2 & 3-bedroom apartment blocks, over 1000 square meters of retail space consisting of an ultra-modern hotel with a frontage to a manmade lake, a mini-mart and convenience stores to allow for convenience, a school, as well as lots of green spaces, outdoor play areas and recreational facilities including swimming pools, a water themed park, access to a dam and clubhouse facilities.

The development is located in the heart of Ruiru area of Kiambu County and less than an hour from the Nairobi central business district. The area which was until a decade or so largely agricultural with rows and rows of well-tended coffee plantations; is now slowly being converted to modern golf themed waterfront gated communities such as Riverrun, Tatu City, among others. Majority of these estates have grand master plans and are either selling turnkey units to prospective buyers i.e. (plots together with building plans, ready

affordable financing, professional services and any other support necessary to translate the plans to a finished product); serviced plots or completed housing units.

The area is easily accessible through Kamiti road, Kiambu road as well as the Northern bypass. The later provides quick access to Thika Road and the Jomo Kenyatta International Airport.

The location is a short distance from the popular Nova School, Woodcreek School as well as locations such the UN offices in Gigiri. This makes the area attractive to those seeking the quietness of country homes with coastal feel just a few kilometres from the nearby business districts.

The Ruiru-Kamiti road residential market node has exponentially grown over the past few years with hitherto agricultural parcels converting to residential and commercial user. As by the end of 2020, serviced residential land prices per acre in the area had surpassed the Kes. 20 million mark rivalling and even outperforming hitherto popular residential neighbourhoods such as Githurai, Kamiti and Mirema.

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.

The property is also not mentioned in the National Land Commission Review of Grants and Disposition of Public Land Report of July 2017.

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 Comparable

In considering the value of the property, we have analysed information relating to the **average** going prices for similar properties and projects within Ruiru area of Kiambu County.

8.2.1 House Sales Comparables

RUIRU HOUSE SALES COMPARABLES						
	LOCATION	DESCRIPTION	PLINTH AREA (SQ M)	SALE PRICE (KSHS)	PRICE PER SQ M (KSHS)	DATE
1	Jackridge Court, Membley in Ruiru	4 Bedroom house on 1/8 acre plot	120	17,500,000.00	120,690.00	Dec-19
2	Graystone Villas, off Kamiti road in Kiambu	4 Bedroom + SQ on 1/8 acre plot	292	35,000,000.00	119,863.00	Jan-19
3	Summer field, along Kiambu rd	4 Bedroom townhouse + SQ	232	38,000,000.00	163,793.00	Dec-18
4	Off Kamiti Rd, Ruiru	4 Bedroom Villa + SQ	324	43,000,000.00	132,716.00	Dec-18

8.2.2 Land Sales Comparables

RUIRU LAND SALES COMPARABLES						
	LOCATION	DESCRIPTION	SIZE (ACRES)	SALE PRICE (KSHS)	PRICE PER ACRE (KSHS)	DATE
1	Kijani Ridge, within Tatu City in Ruiru	Vacant serviced residential plot	0.5000	28,000,000.00	56,000,000.00	Dec-20
2	Kijani Ridge, within Tatu City in Ruiru	Vacant serviced residential plot	0.2500	15,000,000.00	60,000,000.00	Dec-20
3	Amani Ridge, off Ruiru-Kamiti rd	Vacant serviced residential plot	0.3212	10,695,000.00	33,297,011.00	Dec-19

8.3 Status of Approvals

All the necessary planning approvals for the proposed project from the relevant authorities have been obtained. Although currently inactive, work already done is estimated at 7% as at the date of valuation. We have appended some of the development approvals.

8.4 Level of Sales

Riverrun Estates is a proposed waterfront development that shall comprise 1258 residential units of 3 & 4 bedroom maisonettes; 2 & 3 bedroom apartment blocks, over 1000 square meters of retail space consisting of an ultra-modern hotel with a frontage to a manmade lake, a mini-mart and convenience stores to allow for convenience, a school, as well as lots of green spaces, outdoor play areas and recreational facilities including swimming pools, a water themed park, access to a dam and clubhouse facilities. A total of 34 units in Phase 1 have so far been reserved or sold off plan by end of 2019.

9. VALUATION CERTIFICATE

We have analysed the information obtained from the physical inspection of the property, information pertaining the asking prices for similar parcels of land or housing units in the area, current costs of construction, as well as 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:

	Value	Current Values (7% of Phase 1 Complete) (KES)	Values upon Completion (100% of Phase 1) (KES)
(i)	Fair Market Value	2,138,000,000.00	3,966,000,000.00
		Read: Kenya Shillings Two Billion, One Hundred Thirty Eight Million only	Read: Kenya Shillings Three Billion, Nine Hundred Sixty Six Million only
(ii)	Forced Sale Value	1,604,000,000.00	2,975,000,000.00
		Read: Kenya Shillings One Billion, Six Hundred Four Million only	Read: Kenya Shillings Two Billion, Nine Hundred Seventy Five Million only

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



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



-Views of the units under construction-



-View of collapsed foundations-



-View of some of the vandalized units on site-



-An artistic impression of the proposed estates-

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

Our valuation report includes; the site together with its all supporting systems such as electrical and mechanical systems. The progress on the ongoing project has been inspected, and due consideration given in this report and valuation.

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.

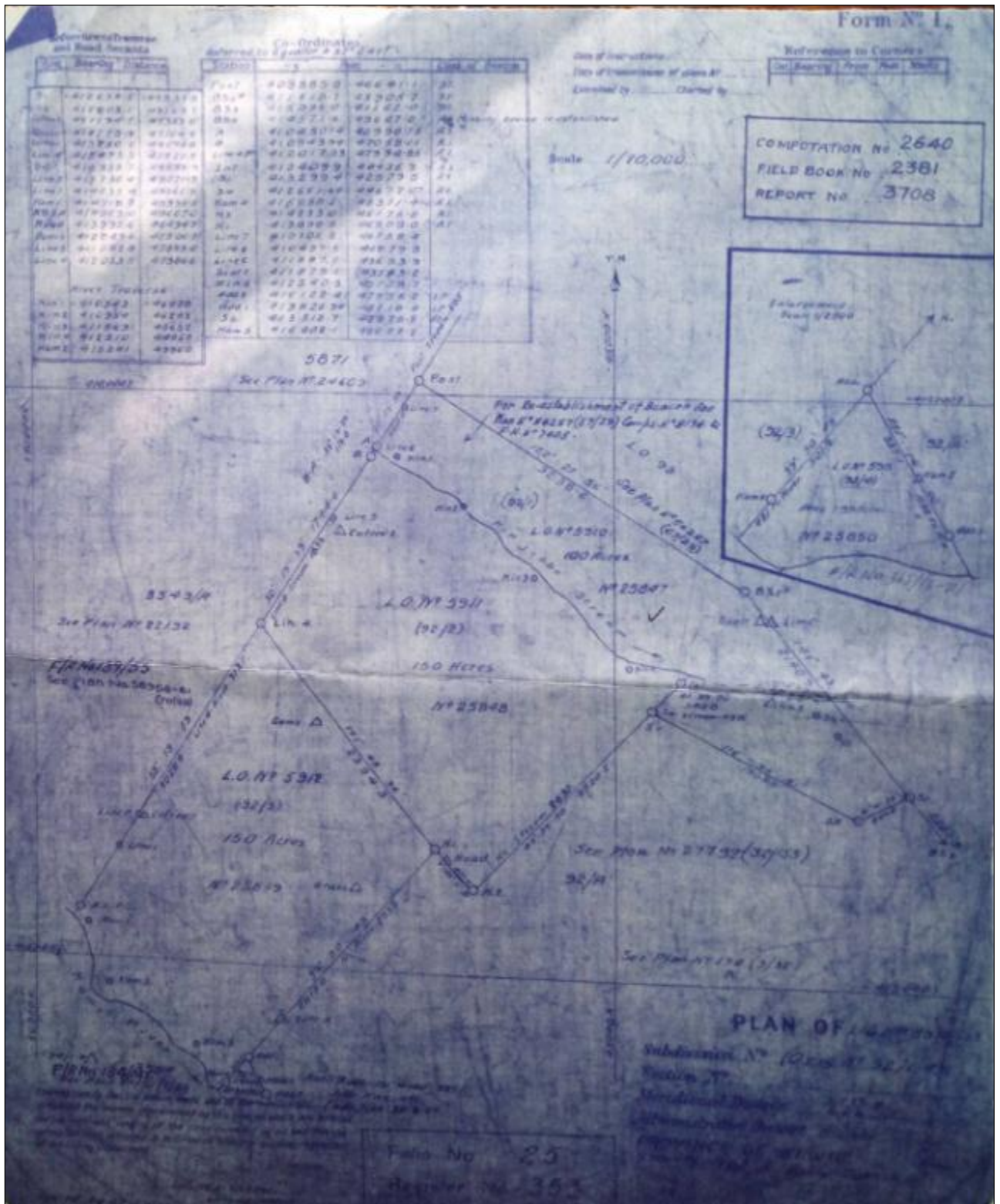
MARKET CHANGE DISCLAIMER

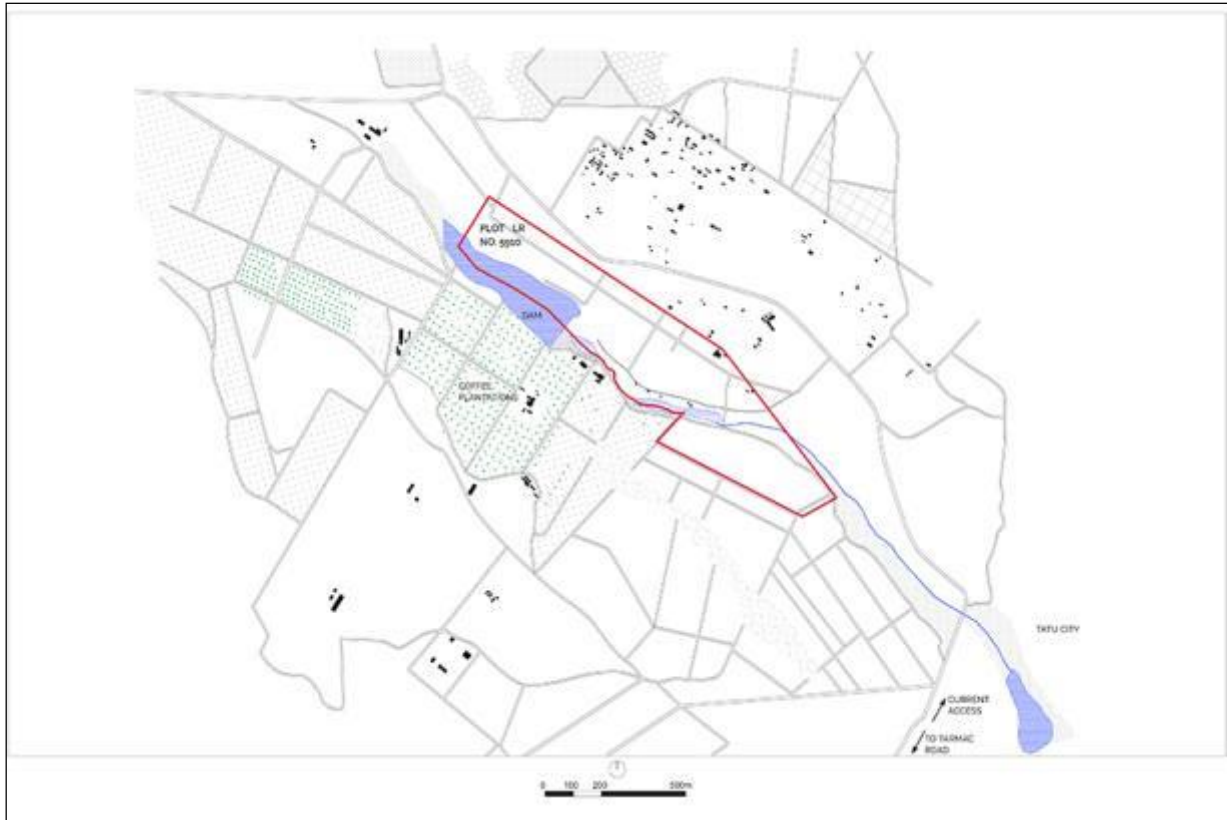
This valuation is current as of the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to this particular property). We do not accept liability for losses arising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



APPENDIX III: COPY OF THE SURVEY MAP EXTRACT





APPENDIX IV: COPY OF SEARCH CERTIFICATE

REPUBLIC OF KENYA

THE LAND ACT NO.6 OF 2012

THE LAND REGISTRATION ACT NO.3 OF 2012

GOVERNMENT LAND ACT CAP 280(REPEALED)

CERTIFICATE OF POSTAL SEARCH

18/11/2021
AS ON:
5910 (Orig.92/1)
L.R. NUMBER:
100.0 Acres
AREA.....

REGISTER: N 122 Folio 78 File 7057
.....
Fee Simple
TENURE

CURRENT REGISTERED PROPRIETOR: CYTONN INVESTMENT PARTNERS FIVE LLP.

ENCUMBRANCES

-NIL

Signed 
F. N. Lusweti *352
REGISTRAR OF GOVERNMENT LANDS

APPENDIX V: COPY OF RELEVANT DEVELOPMENT APPROVALS



NCA
NATIONAL CONSTRUCTION
AUTHORITY
www.nca.go.ke
ISO 9001:2015 Certified

Certificate of Compliance

Project Name : PROPOSED MASTER PLAN DEVELOPMENT IN RUIRU - RIVERRUN ESTATE PHSE 1

Project Location : Kiambu

Developer(s) : CYTONN REAL ESTATE

Address : P.O. BOX 20695-00200 NBI

Project Cost : Kshs 1,754,261,738.00

Main Contractor : 21282/B/1115 - CHINA JIANGSU INTERNATIONAL LTD

I certify that above project is fully compliant with the requirements of Section 31, (1) and (2) of the National Construction Authority Act No. 41 of 2011 and Regulation 25 of the National Construction Authority Regulations 2014

PROJ. REG. NO. : 40611515710075 **DATE :** 07-Jul-2018





Executive Director/ Registrar of Contractors



NATIONAL CONSTRUCTION AUTHORITY, KCB PLAZA, 9TH FLOOR, KENYA ROAD
P.O.BOX: 21046-00100, NAIROBI, KENYA. WEB SITE: WWW.NCA.GO.KE EMAIL: INFO@NCA.GO.KE



**NATIONAL ENVIRONMENT MANAGEMENT AUTHORITY (NEMA)
THE ENVIRONMENTAL MANAGEMENT AND CO-ORDINATION ACT
ENVIRONMENTAL IMPACT ASSESSMENT LICENSE**

License No: NEMA/EIA/PSL/5524

Application Reference No: NEMA/EIA/SR/1060

This is to certify that the Environmental Impact Assessment Study Report received from

Cytonn Investment Partners Five LLP.

P.O. Box 20695 - 00200, Nairobi.

submitted to the National Environment Management Authority in accordance with the Environmental Impact Assessment & Audit Regulations, 2003 regarding the:

Proposed Mixed Development.

whose objective is to carry on

Construction of a mixed development comprising of residential apartments (quarters 14, eighths 207 and sixteenths 177), hotel (74No.rooms), school(20 classrooms) commercial development, road network, associated facilities and amenities.

located at

Plot L.R. No.5910, Ruiru Sub-County, Kiambu County.

has been reviewed and a license is hereby issued for the implementation of the project, subject to attached conditions:

Issue Date : **15 December, 2017**

Signature



(Seal)

**Director-General
The National Environment
Management Authority.**

P.T.O



- 2.7 The proponent shall put up a project signboard as per the Ministry of Transport and Infrastructure Standards indicating the NEMA licence number among other information.
- 2.8 The proponent shall ensure air pollution control measures are put in place to mitigate against dust during the construction phase.
- 2.9 The proponent shall ensure that all excavated material and debris is collected, re-used and where need be disposed off as per the Environmental Management Coordination Management (Waste Management) Regulation 2006.
- 2.10 The proponent shall ensure strict adherence to the provisions of the Environmental Management and Coordination (Noise and Excessive Vibrations Pollution Control) Regulations of 2009.
- 2.11 The proponent shall ensure strict adherence to the Occupational Safety and Health Act (OSHA), 2007.
- 2.12 The proponent shall ensure strict adherence to the provisions of the Environmental Management and Coordination (Air Quality) Regulations of 2014.
- 2.13 The proponent shall ensure that construction workers are provided with adequate personal protection equipment (PPE), sanitary facilities as well as adequate training.
- 2.14 The proponent shall ensure strict adherence to the provisions of the Persons with Disability (PWD) Act of 2003.
- 2.15 The proponent shall ensure that the cooling systems employed are suitable alternatives with zero ozone depleting potential as per Environmental Management and Coordination (Controlled Substances) Regulations, 2007.
- 2.16 The proponent/developer shall ensure that construction activities are undertaken during the day (and not at night) - between 08.00 hrs and 18.00 hrs; and on Saturdays between 0800 hrs to 1300 hrs. No work shall be undertaken on Sundays; and that transportation of construction materials to and from site are undertaken during weekdays and Saturdays only during the hours specified herein
- 2.17 The proponent shall ensure the project will not encroach on any way-leave and road reserves, and will leave the required space for such services.
- 2.18 The proponent shall ensure that the development adheres to zoning specifications issued for development of such a project within the jurisdiction of the County Government of Kiambu with emphasis on approved land use for the area.
- 2.19 The proponent shall ensure strict adherence to the Environmental Management Plan developed throughout the project cycle.
- 3. Operational Conditions**
- 3.1 The proponent shall obtain authorization to drill any borehole from the Water Resource Authority and an EIA license from NEMA before drilling and abstracting water.
- 3.2 The proponent shall ensure that all waste water is disposed of as per the standards set out in the Environmental Management and Coordination (Water Quality) Regulations, 2006.
- 3.3 The proponent shall install ensure that waste water is discharged into a functional waste water treatment plant.
- 3.4 The proponent shall obtain an effluent discharge license from NEMA for the proposed waste water treatment plant within the first year of operation.
- 3.5 The proponent shall ensure that rain water harvesting facilities are provided to supplement surface and ground water.

CPD006A

SN:CPD027M

**COUNTY GOVERNMENT OF KIAMBU
LANDS, HOUSING & PHYSICAL PLANNING SECTOR**



**NOTIFICATION OF APPROVAL FOR ARCHITECTURAL
DRAWINGS**

RefNo: CPD027M

Minute No CPTC/033/2017/094 of The County Planning Technical Committee Meeting Held On:- 24 October 2017

TO: CYTONN INVESTMENT PARTNERS FIVE LLP

Thro Architect PAUL ISAYA WASONGA OBURU Architect Reg No A1585

Dear Sir/Madam,

Your Plan Reg. No: **INV-KBU-CPD001-AAA1892** for the proposed **Integrated Development - Houses, Amusement Park, Hotel, cottages, conference centre, hotel, education Centre** To be erected on Plot L.R.NO: **5910**

Is hereby:-

Approved

Submit Structural drawings to enable issuance of the **Construction Permit**

Name James Ndungu Designation **CHIEF OFFICER LANDS, HOUSING & PHYSICAL PLANNING**

Signed:.....
County Director Urban Development and Management

Date:- 26 December 2017

1. Submission of satisfactory structural design and calculations
2. Submission of certificate as to workmanship
3. Submission of satisfactory plumbing and drainage details
4. Submission of satisfactory electrical and scheme designs
5. Submission of satisfactory mechanical ventilation scheme
6. Submission of drawings for ground soakage septic tank or conservancy tank to be approved and constructed to the satisfaction of the County Chief Officer – Roads, Transport, Public Works & Energy
7. Satisfactory surface water drainage to be agreed on site
8. All debris and excavated materials to be dumped on the site approved by County Chief Officer – Water, Environment and Natural Resources
9. Replacement of cut down trees and landscaping implementation to the satisfaction of the County Chief Officer – Water, Environment and Natural Resources
10. Satisfactory canalization of river to the approval and satisfaction of County Chief Officer – Water, Environment and Natural Resources
11. Structures coloured yellow to be demolished and debris dumped on site approved by the County Chief Officer – Water, Environment and Natural Resources
12. Strip of land coloured blue being reserved for road widening
13. Temporary access to the plot to be constructed/provided to the satisfaction of County Chief Officer – Roads, Transport and Public Works
14. The developer obtaining the required completion/occupation certificate
15. Road frontage landscaping scheme to be approved and implemented to the satisfaction of the County Chief Officer – Roads, Transport and Public Works
16. Land must be free from any encumbrances and/or any disputes
17. Compliance with sections 36,41 and 52 of the Physical Planning Act
18. Compliance with the approved Zoning Policy
19. The development not falling within an existing/designated electricity power or any other way leave
20. Pre-treatment of all effluents to the satisfaction of the County Chief Officer – Water, Environment and Natural Resources before discharge to the Public Sewer
21. Treatment of all effluents to the satisfaction of the County Chief Officer – Water, Environment and Natural Resources before discharge to the Natural Water Course

Approval subject to recommendation by WARMA

