

**KREAL/VAL/01/004(2)/2016**

**23<sup>rd</sup>December, 2016**

The Real Estate Services Manager,  
Cytonn Real Estate,  
P.O. Box 20695-00200,  
**NAIROBI-KENYA**

**Attn: Johnson Denge (Mr.)**

Dear Sir,

**REPORT AND VALUATION  
OF  
L.R. NOS. 5830/7 AND 5954/2,  
SITU VILLAGE-ALONG OLOOLUA ROAD,  
OLOOLUA ESTATE- KAREN, NAIROBI COUNTY  
“I.N.O. OLOOLUA ESTATES LLP”  
ACC.CYTONN REAL ESTATE LIMITED**

**Terms of Reference:**

We refer to your instructions requesting us to inspect the above captioned property with a view to advising on its market value for book purposes as at *31<sup>st</sup> December 2016*. Here below is our report and valuation:-

**LIMITING CONDITIONS**

The property Report and Valuation is subject to the following limiting conditions:-

1. Neither the whole nor any part of this Report and Valuation or any reference to it may be included in any published document, circular to statement and/or published in any way without the prior written approval of the Company of the form and context in which it may appear.
2. Where it is stated in the report that information has been supplied to the Company by another party, this information is believed to be reliable but the Company will accept no responsibility if this should prove not to be so. Where information is given without being attributed directly to another party, this information has been obtained by our own search of records and examination of documents or by enquiry from Government or other appropriate departments.
3. The responsibility of the Company in connection with this Report and Valuation is limited to the client to whom the report is addressed and for the purposes to which it is intended.
4. The values assessed in this Report are the subject property and any allocation of values between parts of the property applies only in the terms of and for the purpose of this Report. The value assessed should not be used in conjunction with any other assessment as they may prove incorrect if so used.
5. While due care is taken to note significant building defects in the course of inspection this is a Report and Valuation and not a structural assessment and no guarantee is given in respect to rot, termite and pest infestation or any other defects whether exposed or unexposed.
6. Where market values are assessed, they reflect the full contract value and no account is taken of any liability to taxation on sale or of the costs involved in effecting a sale.
7. This valuation is invalid unless it is signed by an Authorized signatory and bears our Official Company Seal.

**Basis of Valuation:**

**Market Value:**

An opinion of the best price, at which the sale of an interest in property might be expected to have been completed unconditionally for cash consideration on the date of valuation, assuming: -

- i) a willing seller;
- ii) that, prior to the date of valuation, there had been a reasonable period (having regard to the nature of the property and the state of the market) for the proper marketing of the interest, for the agreement of the price and terms and for the completion of the sale.
- iii) that the state of the market, level of values and other circumstances were, on any earlier assumed date of exchange of contracts, the same as on date of valuation.
- iv) that no account is taken of any additional bid by a prospective purchaser with a special interest;
- v) that both parties to the transaction had acted knowledgeably, prudently and without compulsion.

**Methods of Valuations:**

**Comparable Approach:**

This is also referred to as the '**Direct Capital Comparison Method**'. By this method, the valuer equates the value of the property under appraisal to the value of a known comparable property whereby the latter's value is taken to be the best price that can be obtained by the property being valued, with due allowance made for value affecting differences between the subject property and the comparable property such as condition, location, level and amount of services provided, accessibility, plot size, planning and zoning regulations, date of transaction, parties to the transaction, motive of sale and tenure and the unexpired term.

KREAL/VAL/01/004(2)/2016

-4-

**L.R. NOS. 5830/7 AND 5954/2, SITU VILLAGE-ALONG OLOOLUA ROAD,  
OLOOLUA ESTATE- KAREN, NAIROBI COUNTY**

**Date of Inspection:** 21<sup>st</sup> December, 2016 by our Valuer I.B. Oyuga.



**SITUATION:** The property fronting Ngong view road is situated about 2.8/ 2.5 kilometers due South East of the Ngong and Ngong view/Ololua Ridge roads intersection respectively. Both the turn offs have a KCB training school signage. The parcels lie within Ololua Estate, Karen in Nairobi County. A location sketch map and Google earth directional imagery are here in attached.

**Survey Maps:**

We have perused the relevant cadastral maps and in particular computation folio no.61 register no.121 registration section and confirm that the property described in this report as valuation concurs with what we inspected on the ground.

**Google Earth Imagery:**

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

KREAL/VAL/01/004(2)/2016

-5-

**L.R. NOS. 5830/7 AND 5954/2, SITU VILLAGE-ALONG OLOOLUA ROAD,  
OLOOLUA ESTATE- KAREN, NAIROBI COUNTY**

<b>Longitude</b>	-1.3493234
<b>Latitude</b>	36.6986633

Google earth imagery is herein attached.



**TENURE:** Freehold interest registered in the name of Ololua Estates LLP.

***NB:** An indenture Title is a legally recognized property ownership title document under the Government Land Act cap 280 laws of Kenya*

**Encumbrances:**

Nil

KREAL/VAL/01/004(2)/2016

-6-

L.R. NOS. 5830/7 AND 5954/2, SITU VILLAGE-ALONG OLOOLUA ROAD,  
OLOOLUA ESTATE- KAREN, NAIROBI COUNTY

**AREA:**

L.R. NO	AREA (ACRES)
5830/7	21
5954/2	8.4

**The Parcel:**

This is a regular shaped gently sloping gradient residential parcel of red loam soils whose boundary are marked with live hedges and chain-link wire on wooden posts to perimeter. Access into the property is via a double leaf steel gate hinged on stone pillars opening onto a driveway and yard.

**IMPROVEMENTS: 1). The Present State:**

Developed on the parcels are Farm houses, Stores and Horse Stables as follows;

**a) Farm House 1**



**Construction:**

**Roof:** - Pitched GCI sheets roof fitted with timber fascia boards, rainwater gutters and downpipes at the eaves.

**L.R. NOS. 5830/7 AND 5954/2, SITU VILLAGE-ALONG OLOOLUA ROAD,  
OLOOLUA ESTATE- KAREN, NAIROBI COUNTY**

**Ceiling:** - Soft board panel lined to 1<sup>st</sup> floor while in wood boards/plastered and painted smooth to ground floor undersides.

**Walls:** - In masonry walls, colour washed externally, plastered and painted internally.

**Doors:**-External doors are either Steel or solid timber paneled whereas internal ones are either semi solid timber flush or timber paneled types.

**Windows:**-Glazed steel casements.

**Floor:** - Mass/reinforced concrete finished with non-slip PVC tiles and timber panels.

**Staircase:**-Access into the upper floors is via a wooden staircase fitted with wooden rails and balustrades.

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

**Accommodation**

**Ground Floor:**

Verandah;

Sunken lounge with fireplace

Dining area;

Passage;

Spacious Kitchen with low & high level cupboards, ceramic tiled worktops and sink units;

Pantry with shelves;

Laundry;

Passage;

Guest bedroom with built in wardrobes;

Cloak room;

Small store under staircase;

**L.R. NOS. 5830/7 AND 5954/2, SITU VILLAGE-ALONG OLOOLUA ROAD,  
OLOOLUA ESTATE- KAREN, NAIROBI COUNTY**

**First Floor:**

Passage;

Comprises four (4) bedrooms;

Common shower with western type WC and WHB;

**Built up Area:** Approximately 1, 506 square feet

**b) Farm House 2**

This is of similar construction to the main house above.



**Accommodation**

Bed rooms with a common WC and an overhead Shower

**Plinth Area:** Approximately 999 square feet

**d) Farm House 3**

This is of similar construction to the main house above.

**Accommodation**

Rooms with common western type WC and an overhead shower



KREAL/VAL/01/004(2)/2016

-9-

L.R. NOS. 5830/7 AND 5954/2, SITU VILLAGE-ALONG OLOOLUA ROAD,  
OLOOLUA ESTATE- KAREN, NAIROBI COUNTY



**Plinth Area:** Approximately 1,670 square feet

**d) Store**

This is of similar construction to a/b above.



**Accommodation**

Three rooms

**Built up Area:** Approximately 713 square feet

L.R. NOS. 5830/7 AND 5954/2, SITU VILLAGE-ALONG OLOOLUA ROAD,  
OLOOLUA ESTATE- KAREN, NAIROBI COUNTY

e) Other Developments on the parcels:

Development	Area (Ft <sup>2</sup> )
<b>Farm Houses</b>	
Farm House 4 (Incomplete)	666
Farm House 5	2,230
Farm House 6 (Block A)	916
Farm House 6 (Block B)	1,574
Farm House 7	2041
Farm House 8	648
Farm House 9	1,928
<b>Stores</b>	
Store 2	143
Store 3	633
Store 4	2,314
<b>Horse Stables</b>	
Horse stable1	1,057
Horse Stable 2	725
Horse Stable 3	1,459
Horse Stable 4	3,032
Horse Stable 5	1,365
Horse Stable 6	105
Horse Stable 7	1,092

L.R. NOS. 5830/7 AND 5954/2, SITU VILLAGE-ALONG OLOOLUA ROAD,  
OLOOLUA ESTATE- KAREN, NAIROBI COUNTY

Farm House (Photographs):



L.R. NOS. 5830/7 AND 5954/2, SITU VILLAGE-ALONG OLOOLUA ROAD,  
OLOOLUA ESTATE- KAREN, NAIROBI COUNTY

**Store Photographs:**



**Horse Stables(Photo Graphs):**





L.R. NOS. 5830/7 AND 5954/2, SITU VILLAGE-ALONG OLOOLUA ROAD,  
OLOOLUA ESTATE- KAREN, NAIROBI COUNTY



***NB:** The existing developments are to be demolished to enable the construction of the planned Situ village. The existing buildings have thus been ignored in our report and valuation here below.*

**2). The Planned User:**

We understand that the parcels are at the pre-construction planning phase and off plan sale of the units is ongoing. A contractor has also been identified and work is about to commence.

*Situ Village has been planned/ designed as follows:-*

To be a private, exclusive gated community with fifty (50) four (4) bedroom villas, each with a built up area of 350 m<sup>2</sup>, all en-suite, sitting on ½ an acre plots.

The villa types feature three designs:-

- The Mediterranean;
- The Andalusian
- The Contemporary

The development will be in 3 phases as follows:-

- Phase I - 22 Villas
- Phase II - 18 Villas
- Phase III - 10 Villas

**L.R. NOS. 5830/7 AND 5954/2, SITU VILLAGE-ALONG OLOOLUA ROAD,  
OLOOLUA ESTATE- KAREN, NAIROBI COUNTY**

The development boasts rare features including:

- A retail Centre
- Cottages
- A clubhouse
- A jogging track and a hiking trail
- A helipad

**The Planned (Situ Village) 3D design**



**L.R. NOS. 5830/7 AND 5954/2, SITU VILLAGE-ALONG OLOOLUA ROAD,  
OLOOLUA ESTATE- KAREN, NAIROBI COUNTY**



**SERVICES:** Mains electricity and water services are connected to the property. The immediate access road is murramed connecting to the tar surfaced Ngong road about 2.5 kilometers away.

**Condition survey:**

This is a re-development site and the buildings are to be demolished to enable the property renewal via Situ Village.

**REMARKS:**

**i). Title and Search:**

In comparing the copy of the title provided and the property search undertaken, the registered owner, the title number, the parcel size, the tenure and encumbrances are in harmony. A copy of the official search is herein attached.

**ii). Neighbourhood:**

The immediate neighbourhood is characterized by large parcels mainly for horse breeding and residential user.

**L.R. NOS. 5830/7 AND 5954/2, SITU VILLAGE-ALONG OLOOLUA ROAD,  
OLOOLUA ESTATE- KAREN, NAIROBI COUNTY**

**iii).Highest and Best Use (Planned User):**

The planned Situ Village will maximize L.R. Nos. 5830/7 and 5954/2 users. The marketing of the projects and the pre-sales are also ongoing. The ongoing sale prices are as follows:-

- ***Villas – Kes 75 Million***
- ***Cottages – Kes 40 Million***
- ***Commercial Centre – Kes 120,000 per ft<sup>2</sup>***

*All values are in Kes unless stated*

Villas		
Cash Plan	Instalment Plan	Mortgage Plan
10% deposit	10% deposit	10% deposit
90% within 90 days	70% staggered over construction period	90% on completion
	20% on completion	
<b>Pricing</b>	<b>Pricing</b>	<b>Pricing</b>
<b>70,000,000</b>	<b>75,000,000</b>	<b>82,500,000</b>

*(Source: Cytonn Real Estate)*

The expected rental rates will be at a range of between Kshs.250, 000.00 – Kshs.300, 000.00 *(Source: Cytonn Real Estate and Rental Assessment)*

From the details on the planned project, The Situ project will optimize the parcels user.

We confirm that after conducting a title search from the Nairobi Lands Registry and from the field inspection, ascertainment of the property from the Cadastral Map and from the information gathered on the ground, it was revealed that no irregular allocation or past public user such as roads or bypass has been reserved/encroached



**L.R. NOS. 5830/7 AND 5954/2, SITU VILLAGE-ALONG OLOOLUA ROAD,  
OLOOLUA ESTATE- KAREN, NAIROBI COUNTY**

**Comparable:**

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

LR. No.	Location	Date of sale	Sale/Valuation	Size (Acres)	Price (Kshs.)	Price Per Acre - Analysis(Kshs.)
2259/463	Off Marula Lane Near Karen Golf Club	2015	Sale	1.163	60,000,000.00	51,590,713.67
2259/680	Off Marula Lane Near Karen Golf Club	2015	Sale	0.9884	50,000,000.00	50,586,806.96
14926/5	Langata Road, Karen	July 2013	Sale	0.5	25,000,000.00	50,000,000.00
150/4	Forest Edge Road	November 2015	Sale	0.5681	40,000,000.00	70,410,139.06
12882/155	Karen Community Church	June, 2015	Sale	0.94	40,649,000.00	43,243,617.02
12882/156	Karen Community Church	June, 2015	Sale	0.91	39,351,000.00	43,242,857.14
12302/9	Ngong View Road	October 2015	Sale	1.0	45,000,000.00	45,000,000.00
7583/49	Mwitu Road	October 2016	Valuation	2.78	120,000,000.00	43,165,467.63
12882/156	Karen Community Church	June, 2015	Sale	0.91	59,000,000.00	64,835,164.84
9742/4	Along St Hellen Lane	October 2016	Valuation	0.4942	25,000,000.00	50,586,806.96
2259/783	La Nyavu Gardens	March 2015	Sale	0.3825	20,000,000.00	52,287,581.70
13544/99	Karen Road	August 2015	Sale	2.137	120,000,000.00	56,153,486.20
1008/40	Junction Miotoni and Warai South	March 2014	Sale	5.0	180,000,000.00	36,000,000.00
<b>Average</b>						<b>46,935,902.94</b>

From the comparable table above, the average price of 1 acre within the Karen neighbourhood amounts to Kshs. 46,935,902.94

**L.R. NOS. 5830/7 AND 5954/2, SITU VILLAGE-ALONG OLOOLUA ROAD,  
OLOOLUA ESTATE- KAREN, NAIROBI COUNTY**

With reference to the subject parcels, we will adopt Kshs.45, 000,000.00 per acre reflective of the immediate neighbourhood price with similar characteristics. *The developments on the subject parcels have not been considered in the valuation as they have been earmarked for demolition.*

**VALUATION:** In our opinion, the market value of the unencumbered freehold interest in **L.R. NOS. 5830/7 AND 5954/2, SITU VILLAGE-ALONG OLOOLUA ROAD, OLOOLUA ESTATE- KAREN, NAIROBI COUNTY** for book purposes could be stated in the sum of **Kenya Shillings One Billion, Nine Hundred Sixty Million, Nine Hundred Sixty Four Thousand, One Hundred Twenty Seven Only- (Kshs.1, 960, 964,127.00)** broken down as follows:-

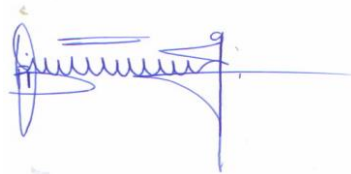
<i>Land:</i>	<i>Kshs. 1,323,000,000.00</i>
<i>Expended Fees:</i>	<i>Kshs. 637, 964,127.00</i>

**Concluding Remarks:**

We confirm that neither Kenval Realtors (EA) Limited nor the valuer has any conflict of interest in providing this report and valuation and that we have no undisclosed relationship with the applicant(s).

Yours faithfully,

**For: KENVAL REALTORS (EA) LIMITED**



**I. B. OYUGA**

**B.A. LAND ECON (HONS.) NBI**

**M.I.S.K. REGISTERED VALUER**

23<sup>rd</sup> December 2016