

REPORT AND VALUATION
UPON
A MASTER PLANNED RESIDENTIAL PROJECT



TITLE NO: KIAMBAA/RUAKA/6667, THE ALMA
OFF LIMURU ROAD IN RUAKA,
KIAMBU COUNTY

Our Ref: RVI/V.O/2020/5901

Tuesday, December 31st 2019

Chief Operating Officer,
Cytonn Investments Management Plc,
3rd Floor, Liaison House, State House Avenue,
P.O Box 20695-00200,
Nairobi, Kenya.

Dear Sir,

**RE: VALUATION OF TITLE NOS: KIAMBAA/RUAKA/6667; THE ALMA, RUAKA IN
KIAMBU COUNTY**

Pursuant to your request and in accordance with an award of contract received dated Friday 29th November 2019 referenced CP/AW/06/19/SO, we inspected the above captioned property on Monday, 16th December 2019, 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 R. KIROTICH
B.A. LAND ECONOMICS (HONS), M.I.S.K (VS)
REGISTERED AND PRACTISING VALUER
HEAD OF VALUATION

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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:	TITLE NO: KIAMBAA/RUAKA/6667, THE ALMA; OFF LIMURU ROAD IN RUAKA, KIAMBU COUNTY
DATE OF INSPECTION:	MONDAY, 16TH DECEMBER 2019
DATE OF VALUATION:	TUESDAY, 31ST DECEMBER 2019
REGISTERED PROPRIETOR:	CYTONN INTEGRATED PROJECT LLP
INTEREST APPRAISED:	FREEHOLD TENURE
PURPOSE OF VALUATION:	BOOK PURPOSES
MAIN DEVELOPMENTS:	NINE (9) APARTMENT BLOCKS, A NURSERY & COMMERCIAL CENTRE
LAND SIZE:	1.792 HECTARES OR 4.428ACRES
LAND USE:	PLANNED MIXED USE GATED ESTATE

BRIEF PROPERTY AND NEIGHBOURHOOD DESCRIPTION

This is a development site made up of four parcels that have been amalgamated and developed with a master planned residential gated estate situated off Limuru road in Ruaka, Kiambu County. The site which slopes gently southwards and has deep red soils is currently being developed with nine residential blocks which upon completion shall comprise a total of 477 apartments (40No. one bedroom, 232No. two bedrooms and 205No. three bedrooms). Upon completion it shall also offer other support services such as Day Care Centre / Nursery, clubhouse, Commercial hub, Swimming pool, Roof-top gardens, Children’s playing fields, Solar water heating, eco-friendly water recycling plant, a borehole and sewer treatment facility; as well as round the clock security. The project is being done in two phases. Phase 1 which is now complete and occupied comprises Block A, B & G while Phase 2 comprises the rest of the development. Work done is estimated at 84 percent and the project is expected to be complete by the end of the year.

Notable estates or landmarks in the immediate neighbourhood include, Ruaka town, Two Rivers Mall, Rosslyn Riviera Mall, Runda Estate, The Tribe, among others

VALUATION SUMMARY

		Current Values (KES)	Values upon Completion (KES)
(i)	Fair Market Value	3,645,900,000.00	4,693,000,000.00
(ii)	Forced Sale Value	2,734,400,000.00	3,519,800,000.00

1. DEFINITION OF TERMS

1.1. VALUATION RATIONALE

The subject property which consists of an irregular gently sloping land parcel measuring approximately 4.428 acres is now being developed with planned gated estate off Limuru road, in Ruaka, Kiambu County. The project consists nine residential blocks which upon completion shall comprise a total of 477 apartments; a nursery school and a commercial centre. Phase 1 which comprises Block A, B & G is complete and occupied while Phase 2 which comprises Block C, D, E, F, H, J, the commercial centre and nursery on their final stages of completion. Work done as at the date of valuation is estimated at 84 percent with full completion projected by end of the year. This site and project has been valued as one unit *as is* and upon full completion.

The developments were under construction and consequently 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.

Sales Comparison/Market Approach

According to the *International Valuation Standards 2017*, the Sales Comparison/Market Approach of valuation provides an indication of value by comparing the subject assets with identical assets for which price information is available. We have adopted this methodology in analysing the sampled comparable valuations within the neighbourhood.

Contractors Method/Cost Approach

The *International Valuation Standards 2017*, 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 construction. Valuation of apartments and infrastructure components, while still under construction, is based on this methodology applying the appropriate depreciation. Valuation Estimates of apartments once complete is based on sales comparison.

Residual Method

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.

1.2. BASIS OF VALUATION

Market Value

According to the *International Valuation Standards –IVSC 2017*, 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.

Fair Market Value

1. *The definition adopted by the IVSC:*

‘The estimated price for the transfer of an asset or liability between identified knowledgeable and willing parties that reflects the respective interests of those parties’.

2. *The definition adopted by the International Accounting Standards Board (IASB):*

‘The price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date’

Forced Sale Value

(FSV) is not a distinct basis of value but a description of the situation under which the exchange takes place. According to the *International Valuation Standards –IVSC 2017*; 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. **As a rule of thumb, this is around 70% to 75% of the market value.**

Nevertheless, we have based our estimated forced sale value on 75% of the Fair Market Value as per 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 the Current Market Value.

1.3 POTENTIAL, HIGHEST AND BEST USE

1.3.1 Potential

This is the difference between the present use of a property and the highest and best use of the same property.

1.3.2 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.

1.4 NDUNGU LAND COMMISSION/REPORT

The Commission of Inquiry into the Illegal/Irregular Allocation of Public Land, which came to be known as the "**Ndungu Commission**" after the name of its Chair, Paul Ndungu, was a Kenya Government Commission established in 2003. The Commission was formulated to inquire into the extra-legal allocation of public lands and lands reserved for public purpose to private individuals and corporate entities, and to provide recommendations to the Government for the restoration of those lands to their original purpose or other appropriate solutions.

The report therefore has a list of properties which are alleged to be illegally/irregularly allocated from public to private individuals.

2. PROPERTY SETTING

2.1 LOCATION

The property is situated off Limuru road and about 700 metres from the Ruaka town centre in Ruaka area of Kiambu County. The geographical coordinates of the site's approximate centre are **1°12'24.42"S** and **36°46'22.39"E**.

2.2 NEIGHBOURHOOD AND LOCAL DATA

The Alma and its immediate neighbourhood are zoned as a low to high density commercial-cum-residential area. However, sections along Limuru, and Ruaka towns are heavily commercialized. This neighbourhood, whereas not so well planned, has well-organised systems of service provision. Developments are characterised mainly by high rise blocks of apartments.

Notable estates or landmarks in the immediate neighbourhood include, Ruaka town, Two Rivers Mall, Rosslyn Riviera Mall, Runda Estate, The Tribe, among others.

2.3 SERVICES AND AMENITIES

Mains water, electricity and sewer are connected to the property.

Immediate access roads are all tar surfaced.

3. PARCEL AND ASPECTS OF TITLE

3.1 TENURE AND PROPRIETORSHIP

An inspection of the copy of title and a copy of certificate of official search from the Kiambu Lands Registry revealed that the property is held as freehold interest registered in the name of **Cytonn Integrated Project LLP**.

3.2 PARCEL ACREAGE

According to the copy of title and mutation forms, the parcel measures **1.792 hectares** or **4.428 acres** approximately.

3.3 ENCUMBRANCES

Registered against the title is a 'replacement' to SBM Bank (Kenya) Limited dated 23rd August, 2019 to secure a sum of Kes. 650,000/-.

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

3.4 LAND RENT & PLOT RATES

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 Title No: Kiimbaa/Ruaka/6667, The Alma,

This property lies on an irregular shaped site comprising of four adjoining prime plots with a total acreage of approximately **4.428 acres** situated off Limuru road in Ruaka area Kiambu County.

The titles are all held on freehold Interest granted under The Land Registration Act No. 3 of 2012 and The Registered Land Act, (Cap 300) now repealed.



4 POTENTIAL, HIGHEST AND BEST USE ANALYSIS

The property is located in off Limuru road in Ruaka, Kiambu County. The site as currently used is yet to realize its full potential. However, the proposed project: The Alma, 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 Limuru road in Ruaka area of Kiambu County. The site is currently being developed with nine blocks which upon completion shall comprise a total of 477 apartments (40No one bedroom, 232No. two bedrooms and 205No three bedrooms); a nursery school block and a commercial centre. Work done is estimated at 84 percent with full completion projected by March 2020. Upon completion it shall also offer other support services such as Day Care Centre/Nursery, clubhouse, Commercial hub, Swimming pool, Roof-top gardens, Children’s playing fields, Solar water heating, Eco-friendly water recycling plant, a borehole and sewer treatment facility; as well as round the clock security.

A summary of the blocks and distribution of units is provided in the table below.

S U M M A R Y O F U N I T S A T T H E A L M A																													
FLOOR	BLOCK A			BLOCK B			BLOCK C			BLOCK D			BLOCK E			BLOCK F			BLOCK G			BLOCK H			BLOCK J			TOTAL	
	3 BEDRM	2 BEDRM	1 BEDRM	3 BEDRM	2 BEDRM	1 BEDRM	3 BEDRM	2 BEDRM	1 BEDRM	3 BEDRM	2 BEDRM	1 BEDRM	3 BEDRM	2 BEDRM	1 BEDRM	3 BEDRM	2 BEDRM	1 BEDRM	3 BEDRM	2 BEDRM	1 BEDRM	3 BEDRM	2 BEDRM	1 BEDRM	3 BEDRM	2 BEDRM	1 BEDRM		
B										B	B	B											B	B	B	B	B	B	
GR	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	
1	2	2	2	2	3	0	2	3	0	0	10	0	1	2	0	3	0	0	0	3	0	5	2	2	8	0	0		
2	2	2	2	2	3	0	2	3	0	0	10	0	1	2	0	3	0	0	0	3	0	5	2	2	8	0	0		
3	2	2	2	2	3	0	2	3	0	0	10	0	1	2	0	3	0	0	0	3	0	5	2	2	8	0	0		
4	2	2	2	2	3	0	2	3	0	0	10	0	1	2	0	3	0	0	0	3	0	5	2	2	8	0	0		
5	2	2	2	2	3	0	2	3	0	0	10	0	1	2	0	3	0	0	0	3	0	5	2	2	8	0	0		
6	2	2	2	2	3	0	2	3	0	0	10	0	1	2	0	3	0	0	0	3	0	5	2	2	8	0	0		
7	1	2	2	1	3	0	1	3	0	0	10	0	1	1	0	3	0	0	0	3	0	5	2	2	7	0	0		
8	0	2	2	1	3	0	1	3	0	0	9	0	1	1	0	3	0	0	0	3	0	5	2	2	7	0	0		
9	0	0	0	0	3	0	0	3	0	0	9	0	1	1	0	3	0	0	0	3	0	4	2	2	6	0	0		
10	0	0	0	0	0	0	0	0	0	0	8	8	0	0	0	0	0	0	0	0	0	4	2	2	6	0	0		
11	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3	2	2	0	0	0		
12	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3	2	2	0	0	0		
T	13	16	16	14	27	0	14	27	0	0	96		9	15	0	27	0	0	0	27	0	54	24	24	74	0	0	477	
Summary of Units																				KEY									
1 Bedroom										40										B - Basement parking									
2 Bedroom										232										P - Ground floor parking									
3 Bedroom										205										GR - Ground Floor									
Total										477										T - Total									

5.2 General Construction Details

The following construction details were obtained from both the field inspection of the ongoing work including the complete apartments (show house) and the details of the building plans on site.

The buildings are constructed of concrete block walls rendered and painted or stone clad externally, plastered and painted or clad with ceramic tiles to wet areas internally. Roofs are pitched timber trusses covered with decra roofing tiles with parts being flat reinforced concrete slabs converted to rooftop gardens. Ceilings are painted concrete slab undersides while topmost floors are/will be lined with gypsum boards.

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

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

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

Fittings 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

5.3.1 Block A

This block is 100% complete and partly occupied. It comprises nine floors with the following accommodation details:-

Ground Floor:

- Open plan car parking;
- Lift and staircase lobby off to:

1st– 6th floors:

Each of these floors has similar accommodation as follows:

- Lift/Staircase to landing;
- Passage to:
- 2No. Three (3) Bedroom apartments;
- 2No. Two (2) Bedroom apartments;
- 2No. One (1) Bedroom apartments;
- Lift and staircase lobby off to:

7th Floor:

- Lift/Staircase to landing;
- Passage to:
- 1No. Three (3) Bedroom apartment;
- 2No. Two (2) Bedroom apartments;
- 2No. One (1) Bedroom apartments;
- Lift and staircase lobby off to:
- Rooftop Garden.

8th Floor:

- Lift/Staircase to landing;
- Passage to:
- 2No. Two (2) Bedroom apartments;
- 2No. One (1) Bedroom apartments;
- Lift and staircase lobby off to:
- Rooftop Garden.

Total Gross Built Up Area: 6,373.00 m² approximately.

5.3.2 Block B

This block is also 100% complete and partly occupied. It comprises nine floors with the following accommodation details:-

Ground Floor:

- Open plan car parking;
- Lift and staircase lobby off to:

1st- 6th floors:

Each of these floors has similar accommodation as follows:

- Lift/Staircase to landing;
- Passage to:
- 2No. Three (3) Bedroom apartment;
- 3No. Two (2) Bedroom apartments;
- Lift and staircase lobby off to:

7th & 8th Floors:

Each of these floors has similar accommodation as follows:

- Lift/Staircase to landing;
- Passage to:
- 1No. Three (3) Bedroom apartment;
- 3No. Two (2) Bedroom apartments;
- Lift and staircase lobby off to:
- Rooftop Garden.

9th floor:

- Lift/Staircase to landing;
- Passage to:
- 3No. Two (2) Bedroom apartments;
- Lift and staircase lobby off to:
- Rooftop Garden.

Total Gross Built Up Area: 6,390 m² approximately.

5.3.3 Block C

This block is almost complete with only internal laminates, joinery works, all external paint work, final internal coat paint and site clearance still pending. It is similar to Block B above in terms of construction, size and accommodation details.

Total Gross Built Up Area: 6,390 m² approximately.

5.3.4 Block D

This block is almost complete with only internal laminates, joinery works, all external paint work, final internal coat paint and site clearance still pending. It comprises eleven floors and a basement level with the following accommodation details:-

Basement Level:

- Open plan car parking;
- Lift and staircase lobby off to:

Ground Floor:

- Open plan car parking;
- Lift and staircase lobby off to:

1st- 7th floors:

Each of these floors has similar accommodation as follows:

- Lift/Staircase to landing;
- Passage to:
- 10No. Two (2) Bedroom apartments;
- Lift and staircase lobby off to:

8th & 9th Floors:

Each of these floors has similar accommodation as follows:

- Lift/Staircase to landing;
- Passage to:
- 9No. Two (2) Bedroom apartments;
- Lift and staircase lobby off to:
- Rooftop Garden.

10th Floor:

- Lift/Staircase to landing;
- Passage to:
- 8No. Two (2) Bedroom apartments;
- Lift and staircase lobby off to:
- Rooftop Garden.

Total Gross Built Up Area: 13,575 m² approximately.

5.3.5 Block E

This block is almost complete with only internal laminates, joinery works, all external paint work, final internal coat paint and site clearance still pending. It comprises ten floors with the following accommodation details:-

Ground Floor:

- Open plan car parking;
- Lift and staircase lobby off to:

1st- 6th floors:

Each of these floors has similar accommodation as follows:

- Lift/Staircase to landing;
- Passage to:
- 1No. Three (3) Bedroom apartment;
- 2No. Two (2) Bedroom apartments;
- Lift and staircase lobby off to:

7th Floor:

- Lift/Staircase to landing;
- Passage to:
- 1No. Three (3) Bedroom apartment;
- 1No. Two (2) Bedroom apartments;
- Lift and staircase lobby off to:
- Rooftop Garden.

8th& 9th Floors:

Each of these floors has similar accommodation as follows:

- Lift/Staircase to landing;
- Passage to:
- 1No. Three (3) Bedroom apartment;
- 1No. Two (2) Bedroom apartments;

Total Gross Built Up Area: 5,325 m² approximately.

5.3.6 Block F:

This block is almost complete with only internal laminates, joinery works, all external paint work, final internal coat paint and site clearance still pending. It comprises ten floors with the following accommodation details:-

Ground Floor:

- Open plan car parking;
- Lift and staircase lobby off to:

1st- 9th floors:

Each of these floors has similar accommodation as follows:

- Lift/Staircase to landing;
- Passage to:
- 3No. Three (3) Bedroom apartments;

Total Gross Built Up Area: 4,871 m² approximately.

5.3.7 Block G

This block is also 100% complete and partly occupied. It comprises ten floors with the following accommodation details:-

Ground Floor:

- Open plan car parking;
- Lift and staircase lobby off to:

1st- 9th floors:

Each of these floors has similar accommodation as follows:

- Lift/Staircase to landing;
- Passage to:
- 3No. Two (2) Bedroom apartments;

Total Gross Built Up Area: 3,680 m² approximately.

5.3.8 Block H

This block is almost complete with only internal laminates, joinery works, all external paint work, final internal coat paint and site clearance still pending. It comprises ten floors with the following accommodation details:-

Basement Level:

- Open plan car parking;
- Lift and staircase lobby off to:

Ground Floor:

- Open plan car parking;
- Lift and staircase lobby off to:

1st- 7th floors:

Each of these floors has similar accommodation as follows:

- Lift/Staircase to landing;
- Passage to:
- 5No. Three (3) Bedroom apartment;
- 2No. Two (2) Bedroom apartments;
- 2No. One (1) Bedroom apartments;
- Lift and staircase lobby off to:

8th Floor:

- Lift/Staircase to landing;
- Passage to:
- 4No. Three (3) Bedroom apartment;
- 2No. Two (2) Bedroom apartments;
- 2No. One (1) Bedroom apartments;
- Lift and staircase lobby off to:
- Rooftop Garden.

9th Floor:

- Lift/Staircase to landing;
- Passage to:
- 4No. Three (3) Bedroom apartment;

- 2No. Two (2) Bedroom apartments;
- 2No. One (1) Bedroom apartments;
- Lift and staircase lobby off to:

10th & 11th Floors:

Each of these floors has similar accommodation as follows:

- Lift/Staircase to landing;
- Passage to:
- 3No. Three (3) Bedroom apartment;
- 2No. One (1) Bedroom apartments;
- Lift and staircase lobby off to:
- Rooftop Garden.

Total Gross Built Up Area: 15,200 m² approximately.

5.3.9 Block J

This block is almost complete with only internal laminates, joinery works, all external paint work, final internal coat paint and site clearance still pending. It comprises ten floors with the following accommodation details:-

Basement Level:

- Open plan car parking;
- Lift and staircase lobby off to:

Ground Floor:

- Open plan car parking;
- Lift and staircase lobby off to:

1st- 6th floors:

Each of these floors has similar accommodation as follows:

- Lift/Staircase to landing;
- Passage to:
- 8No. Three (3) Bedroom apartments;
- Lift and staircase lobby off to:

7th Floor:

- Lift/Staircase to landing;
- Passage to:
- 7No. Three (3) Bedroom apartments;
- Lift and staircase lobby off to:
- Rooftop Garden.

8th Floor:

- Lift/Staircase to landing;
- Passage to:
- 7No. Three (3) Bedroom apartments;
- Lift and staircase lobby off to:

9th & 10th Floors:

- Lift/Staircase to landing;
- Passage to:
- 6No. Three (3) Bedroom apartments;
- Lift and staircase lobby off to:
- Rooftop Garden.

Total Gross Built Up Area: 15,200 m² approximately.

5.3.10 Other Buildings

In addition to the nine blocks of apartments, other proposed buildings which shall house key services include a nursery building, a commercial centre building, caretakers’ quarters/offices, power rooms, sentry, et cetera. Construction of these facilities is at its initial stages.

Accommodation details shall be outlined once done. However, their proposed measurements are as tabulated below.

Gross Built Up Area (approximate)

Section	Area (m²)
Nursery Building	547
Commercial Centre	903
Outer Buildings (Power room, Sentry, etc)	354

5.4 Construction Progress & Level of Completion

The blocks were under various stages of construction and upon completion will have high standards of fixtures and fittings as demonstrated by the internal finishing and fitting to the units within the completed blocks.

We approximate the completion levels as follows:

Block	Approximate completion level	Outstanding works
Block A	100%	None
Block B	100%	None
Block C	95%	Laminates Final external paint work Final internal paint coat Part joinery fittings (wardrobes, cupboards, etc) Making good
Block D	86%	Laminates External paint work Final internal paint coat Joinery fittings (wardrobes, cupboards, etc) Making good
Block E	91%	Laminates Final external paint work Final internal paint coat Joinery fittings (wardrobes, cupboards, etc) Making good
Block F	85%	Laminates External paint work Final internal paint coat Joinery fittings (wardrobes, cupboards, etc) Making good
Block G	100%	None
Block H	75%	Electrical fittings & part plumbing works Part roofing Tiling to wet areas Windows & doors Internal fittings, fixtures & finishes Making good
Block J	81%	Electrical fittings & part plumbing works Part roofing Tiling to wet areas Windows & doors Internal fittings, fixtures & finishes Making good

Nursery Block	15%	Substructure & part superstructure. All other works are still pending.
Commercial Block	10%	Substructure & part superstructure. All other works are still pending.
Outer Buildings	10%	Substructure & part superstructure. All other works are still pending.

		Stage of Construction														
#	Description	At 100%	Block Description											Nursery	Com Cente	
			A	B	C	D	E	F	G	H	J					
1	Setting out	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
2	Excavation and Earthwork	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
3	Concrete foundations	2	2	2	2	2	2	2	2	2	2	2	2	2	2	0
4	Walls to D.P.C	2	2	2	2	2	2	2	2	2	2	2	2	2	2	0
5	Hardcore infill	3	3	3	3	3	3	3	3	3	3	3	3	3	3	0
6	Concrete floor slab	5	5	5	5	5	5	5	5	5	5	5	5	5	5	0
7	Walling	12	12	12	12	12	12	12	12	12	12	12	12	12	0	0
8	Door frames and windows	14	14	14	14	13.5	14	13	14	11	12	0	0	0	0	
9	Roof support	6	6	6	6	5	6	6	6	5	5	0	0	0	0	
10	Roof covering	10	10	10	10	9	9	8	10	8	8	0	0	0	0	
11	Ceiling joists and brandering	2	2	2	1.5	1	1	1	2	1	1	0	0	0	0	
12	Wardrobes and cupboards	5	5	5	4	3	4	3	5	3	3	0	0	0	0	
13	Internal plumbing and drainage	10	10	10	9	8	9	7	10	7	8	0	0	0	0	
14	Wall finishes	6	6	6	5.5	5	5	5	6	3	5	0	0	0	0	
15	Ceiling boards	4	4	4	3.5	2	4	3	4	2	2	0	0	0	0	
16	Window boards, picture rails, sundries in woodwork	1	1	1	1	1	1	1	1	1	1	0	0	0	0	
17	Floor finishes	2	2	2	1.5	1	1	1	2	1	1	0	0	0	0	
18	Doors complete	5	5	5	4.5	4	4	4	5	3	3	0	0	0	0	
19	Glazing	2	2	2	2	2	2	2	2	1	1	0	0	0	0	
20	Painting and decoration	6	6	6	5	4	4	4	6	1	4	0	0	0	0	
TOTAL		100	100	100	95	86	91	85	100	74	81	15	3			

The overall work done as at the date of this valuation can be estimated at 84%. Considering the ongoing construction work to all the blocks, the project should be completed in the next fifteen months. This is assuming no unforeseeable interruptions occur during the estimated period.

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 neighbourhood 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 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

At the time of inspection, most of the units in Phase 1 (Block A, B & C) were occupied while the rest of Phase 2 was under construction hence.

7 SWOT ANALYSIS

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

Strengths:

- Prime location of the property;
- Frontage to a major road;

Weaknesses:

- Location too close to busy and noisy highways;
- Neighbourhood has too many apartment blocks which lead to overcrowding in future;

Opportunities:

- Close proximity to a busy market centre, shopping and recreational facilities;
- Located in a busy and popular relatively controlled neighbourhood;

Threats:

- Volatility of the national and global economy is negatively impacting on the local property market;
- Current slowed activity in residential real estate hence a slumped absorption of new housing units in the Kenyan market.

8. MARKET OVERVIEW

8.1 Market Commentary

This is a prime development site comprised of four titles with a combined acreage of about 4.428 acres situated off Limuru road in Ruaka area of Kiambu County.

Considering the competitive prices being offered by the developer as well as a guarantee to complete the project on time as planned, over 60% of the units have already been purchased despite the project completion level being estimated at 84% as at the time of this valuation. Other prospective buyers have also given commitments to purchase units upon completion.

The Alma boasts of uniquely styled 1, 2 and 3 bedroom apartments with generous space, plenty natural light, and an open plan American type kitchen concept. It is a dream home for those who aspire for luxurious lifestyle. It is also an ideal investment with competitive returns. The Alma embraces a concept of a self-contained environment with modern amenities. The development offers spacious urban concepts with open layouts, quality finishes, ample covered parking and the security of an exclusive community.

The development is located in the heart of Ruaka which is one of the fastest growing residential and commercial neighbourhoods in Nairobi. It is easily accessible through both Limuru road and the Northern Bypass. The later provides quick access to Thika Road and to the Jomo Kenyatta International Airport.

The location is a short distance from the popular Two Rivers Mall, Paradise Lost, The Village Market and Ridgeways Mall. It also enjoys close proximity to the CID Headquarters and international bodies such as the UNEP, Canadian & US Embassies, international schools amongst others. This makes the Alma both the ultimate home and also an ideal Real Estate Investment Opportunity.

The Ruaka residential market has exponentially grown over the past few years with hitherto agricultural parcels converting to residential and commercial user. As by mid of 2019, land prices in Ruaka had hit the Kes. 100 million mark rivalling and even outperforming hitherto exclusive residential neighbourhoods such as Runda, Kitsuru and Rosslyn.

The demand for apartment units both for rental and purchase is strong owing to the ready market from persons working or doing business in Ruaka town and the surrounding areas as well those working in Nairobi. There is also an option for furnished apartment market to serve short term employees and visitor to the UNEP, the surrounding embassies and the numerous multinationals stationed in Gigiri.

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.

The marketability of this property is good and it is our opinion that the property is good security for lending purposes.

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 and projects within Ruaka area of Kiambu County.

8.2.1 Apartment Sales & Rental Comparables

RUAKA APARTMENT SALES COMPARABLES						
	LOCATION	DESCRIPTION	PLINTH AREA (SQ FT)	SALE PRICE (KSHS)	PRICE PER SQ FT (KSHS)	DATE
1	Fourways Junction Estate	2 Bedroom apt fully furnished	785	9,650,000.00	12,293.00	Dec-18
1	Cascade Apartments, Two Rivers Complex.	1 Bedroom apt	613.55	8,500,000.00	13,853.80	Dec-19
2	Cascade Apartments, Two Rivers Complex.	2 Bedroom apt	968.80	12,300,000.00	12,696.10	Dec-19
3	Cascade Apartments, Two Rivers Complex.	3 Bedroom apt	1,097.90	14,400,000.00	13,116.00	Dec-19
4	Cascade Apartments, Two Rivers Complex.	3 Bedroom apt + DSQ	1,259.40	16,500,000.00	13,101.50	Dec-19
5	Near Joyland Supermarket, Ruaka	1 Bedroom apt	968	5,500,000.00	30,000.00	Dec-18
6	Mulberry Court Apartment, Ruaka	2 Bedroom apt	969	8,500,000.00	45,000.00	Aug-18

8.2.2 Land Sales Comparables

RUAKA LAND SALES COMPARABLES						
	LOCATION	DESCRIPTION	SIZE (ACRES)	SALE PRICE (KSHS)	PRICE PER ACRE (KSHS)	DATE
1	Next to Malberry Apartments, Ruaka	Vacant plot	0.1673	20,000,000.00	119,545,726.00	Dec-18
2	Near Joyland Supermarket, Ruaka	Vacant plot	0.2743	41,000,000.00	149,471,382.00	Dec-18
3	Off Ruaka road, Ruaka	Vacant plot residential plot	1.2	110,000,000.00	91,666,667.00	Dec-18
4	Off Kiambu rd. near Ridgeways Mall	Vacant residential plot	0.57	49,000,000.00	80,000,000.00	Dec-19

8.3 Status of Approvals

All the necessary planning approvals for the proposed project from the relevant authorities have been obtained. Construction work is currently ongoing with work done estimated at 80% as at the date of valuation. We have appended some of the development approvals.

8.4 Current Level of Sales

The Alma is being developed with nine apartment blocks with a total of 477 apartments (40 No. one bedroom, 232 No. two bedrooms and 205 No. three bedrooms). A total of 282 units with a market value of Kes. 2,252,965,214.00 have so far been sold. The amount received as payment for the units to date stands at Kes. 1,380,547,101.66.

9. VALUATION CERTIFICATE

We have analyzed the information obtained from the physical inspection of the property, information pertaining the asking prices for similar parcels of land 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 **Tuesday 31st December, 2019** as follows:

	Value	Current Values (84% Complete) (KES)	Values upon Completion (100%) (KES)
(i)	Fair Market Value	3,758,000,000.00	4,693,000,000.00
		Read: Kenya Shillings Three Billion, Seven Hundred Fifty Eight Million Only	Read: Kenya Shillings Four Billion, Six Hundred Ninety Three Million Only
(ii)	Forced Sale Value	2,818,500,000.00	3,519,800,000.00
		Read: Kenya Shillings Two Billion, Eight Hundred Eighteen Million, Five Hundred Thousand Only	Read: Kenya Shillings Three Billion, Five Hundred Nineteen Million, Eight Hundred Thousand Only

Apportionment of Market Value of Improvements

	Block	At 84 % (KES)
1	Block A	274,617,000.00
2	Block B	275,350,000.00
3	Block C	261,582,000.00
4	Block D	508,912,000.00
5	Block E	208,807,000.00
6	Block F	178,410,000.00
7	Block G	158,574,000.00
8	Block H	526,322,000.00
9	Block J	500,411,000.00
10	Nursery Block	2,946,000.00
11	Commercial Block	7,296,000.00
	Total	2,903,227,000.00

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

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

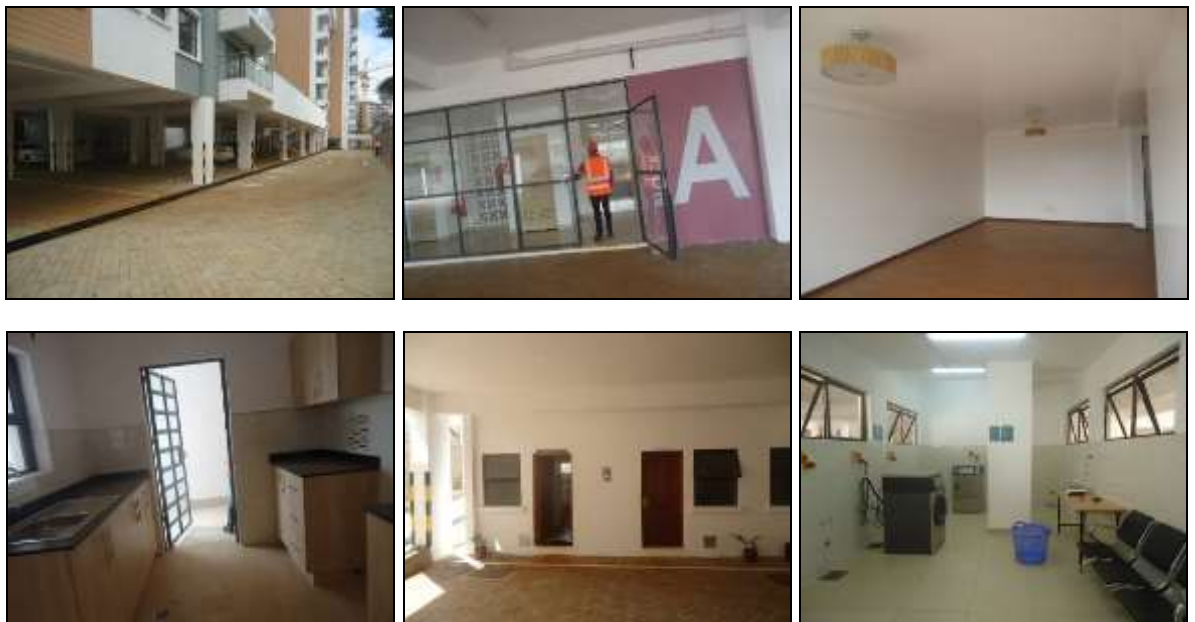
STEPHEN R. KIROTICH
B.A. LAND ECONOMICS (HONS), M.I.S.K (VS)
REGISTERED AND PRACTISING VALUER
HEAD OF VALUATION

DATED: TUESDAY 31ST DECEMBER, 2019

APPENDIX I: PICTORIAL ILLUSTRATION OF THE PROPERTY



-External Views of the subject property -



-Sample Interior views of units & amenities in Phase 1-



-An artistic impression of The Alma-

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.

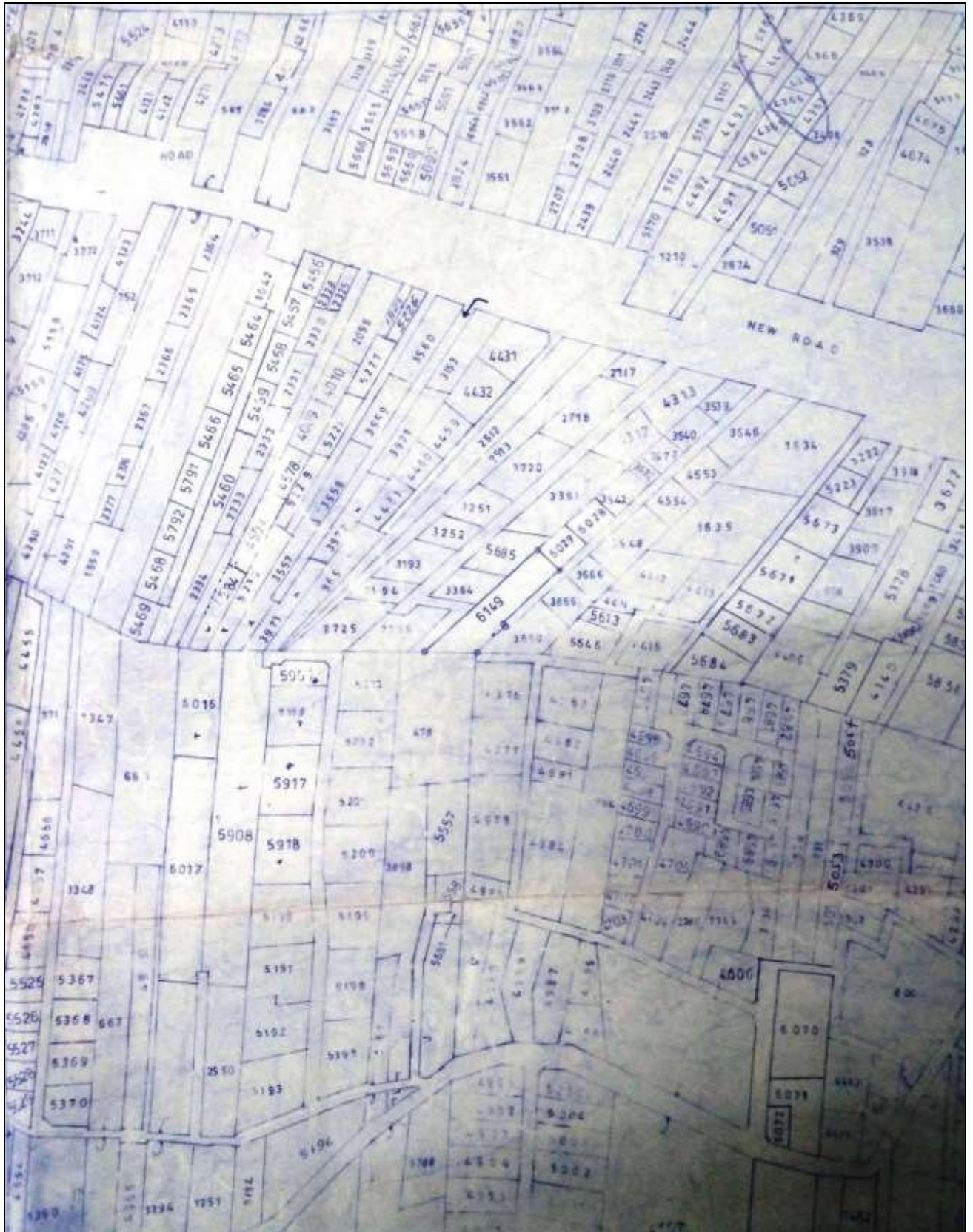
MARKET CHANGE DISCLAIMER

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





Date received for registration 32516 Presentation book Minkisi PA Registration Fees: Shs.....
 No..... Paid Receipt No.
 Survey Fees: Shs..... Receipt No..... Date.....
 R.L.M Amendment Fee: Shs 2700 Receipt No. B 6367347 Date 18/7/19

RIM ✓
 Form R.L. 29
plus checks
18/7/19

REPUBLIC OF KENYA
 THE REGISTERED LAND ACT, 1963
MUTATION FORM 04348628
 (This form is to be completed in triplicate)

Title No. KIAMBAA / RUAKA / 6574, 6160, 5230, 3557
 Approximate Area 1.795 HA Hectares.
 Registry Map Sheet No. 13

Registered Proprietors' Instructions to the Surveyor

1. Present boundaries of parcel are shown on the sketch on page 2.
 (a) (i) The proprietor wishes to subdivide the parcel as shown by the dotted lines on the sketch.
 or
 (ii) The proprietors wish to change their common boundary as shown by dotted lines on the sketch.
 or
 (iii) The proprietors wish to partition the parcel as shown by the dotted lines on the sketch.
 or
 (iv) The proprietor wishes to combine his parcels as shown by the brace on the sketch.

(b) The new parcel numbers will be:
 relevant approximate area

<u>6667</u>							
<u>1.795</u>							<u>HA</u>

Checked - observe the planners 10/7/2019

(c) The relevant Letter or Consent to subdivide/partition the parcel is attached.
 (d) The persons interested, and their addresses are:

CT TOWN INTEGRATED PROJECT UP
P.O BOX 20695 - 00200
NAROI

They will meet the Surveyor at SITE
 on 15/08/2019 at 9:00 a.m/p.m. or on the land at a time appointed by him.

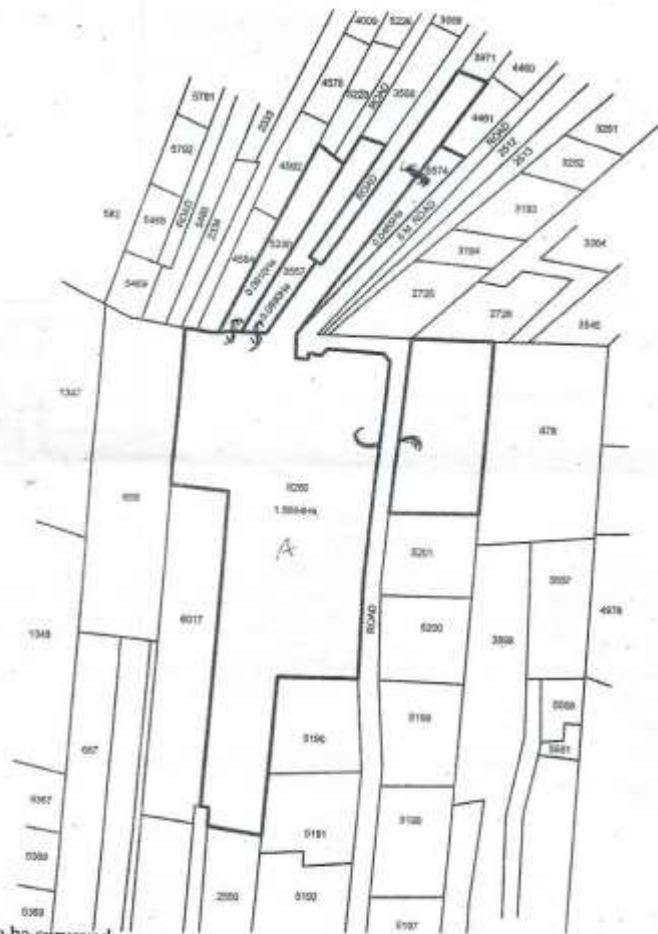
Page Two

SKETCH OR DEVELOPMENT PLAN

To be completed by the Registered Proprietor(s)
(Not to scale)

KIAMBU - KIAMBAA / RUAKA PARCEL Nos.
6574 , 6260 , 5230 . & 3557

BEFORE AMALGAMATION



The boundaries are to be surveyed according to the area

OR

The boundaries are to be surveyed as they exist on the ground.

Signature or Marks of the proprietor(s)

Date.....

Page Three

FIELD DIAGRAM AND OBSERVATIONS ON SITE

To be completed by the Surveyor
(Attach a tracing to scale where appropriate)

KIAMBU - KIAMBAA / RUAKA PARCEL Nos.
6574 , 6260 , 5230 , & 3557
SCALE 1 : 2,500
AFTER AMALGAMATION



This is to certify that this field sketch contains the actual figures recorded by me at the time of observation and measurements in the field.

Certificate under Schedule 9 of the Survey Regulations to be provided in case the survey has been done by an Approved Assistant.

Date: 23/6/2019

P. C. MWANGI
Licensed Surveyor



Page Four

Signature of registered proprietor(s) present on the land at the time of Survey:

Name.....	Signature.....
CITICORP INTEGRATED PROJECT WP	<i>[Handwritten Signature]</i>
.....	<i>[Handwritten Signature]</i>
.....	<i>[Handwritten Signature]</i>
.....

To Land Registrar,

Kiambu District

I certify that the survey has been carried out. You may now register the Mutation.

Date 25/6/2019



[Handwritten Signature]
DISTRICT / LICENSED SURVEYOR

REGISTERED THIS day of

LAND REGISTRAR

The Director of surveys,

The District Surveyor

District

This mutation has now been registered. Please amend the Registry Index Map to conform with the Diagram on Page Three (3) and supply me with a copy of the amended Registry Index Map.

LAND REGISTRAR



APPENDIX IV: COPY OF SEARCH CERTIFICATE

Form LRA-85 (r.84(3))

REPUBLIC OF KENYA

THE LAND REGISTRATION ACT

THE LAND REGISTRATION (GENERAL) REGULATIONS, 2017

CERTIFICATE OF OFFICIAL SEARCH

TITLE NO. KIAMBAA RUAKA/6667

SEARCH NO. _____

On the 13 day of Nov 2019 the following were the subsisting entries on the register of the above-mentioned title:

Part A — Property Section (easements, etc.)

Nature of title Absolute

Approximate area 1.7919

Part B — Proprietorship Section

Name and address of proprietor 23.8.19 Cytonn Integrated project

Inhibitions, cautions and restrictions 2) 10.7.19 T/D issued

Part C — Encumbrances Section (leases, charges, etc.)

23.8.19 Replacement to SBA Bank (Kenya)
Limited to secure KSh. 650,000/-

The following applications are pending: rights under sec 82 & 83 referred

(a) _____

(b) _____

(c) _____

(d) _____

The following certified copies are attached as requested:

(a) _____

(b) _____

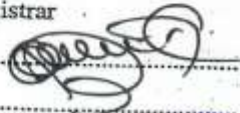
(c) _____

(d) _____

Date 13 day Nov 2019

Signed by the Registrar Seal _____

Name: _____

Signature: 

D. M. Menai *082

OPK (L) 082-400m-7/14