

KREAL/VAL/004/016(2)/2016

23rd 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. NO. 28223/3 (N86 FOLIO 32 FILE 25680),
THE RIDGE-ADJACENT TO FOURWAYS JUNCTION ESTATE,
ALONG NORTHERN BYPASS ROAD, NAIROBI COUNTY
“I.N.O. CYTONN INVESTMENT PARTNERS ELEVEN LLP”**

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 31st 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 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.

Method of Valuation:

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.

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L. R. NO. 28223/3 (N86 FOLIO 32 FILE 25680), THE RIDGE-ALONG NORTHERN BYPASS ROAD, NAIROBI COUNTY

Date of Inspection: 21st December 2016 by our valuer I.B. Oyuga.



SITUATION:

The parcel/development identifiable as “*The Ridge*” fronts the Northern Bypass road; lies adjacent to four ways junction estate and Hibiscus Court 1 residential development, about 830 meters and 700 metres to the East and West of the Northern Bypass and Kiambu roads intersection and the Windsor round about respectively within Nairobi County. A location sketch plan and a Google earth directional imagery are herein attached.

Survey Maps:

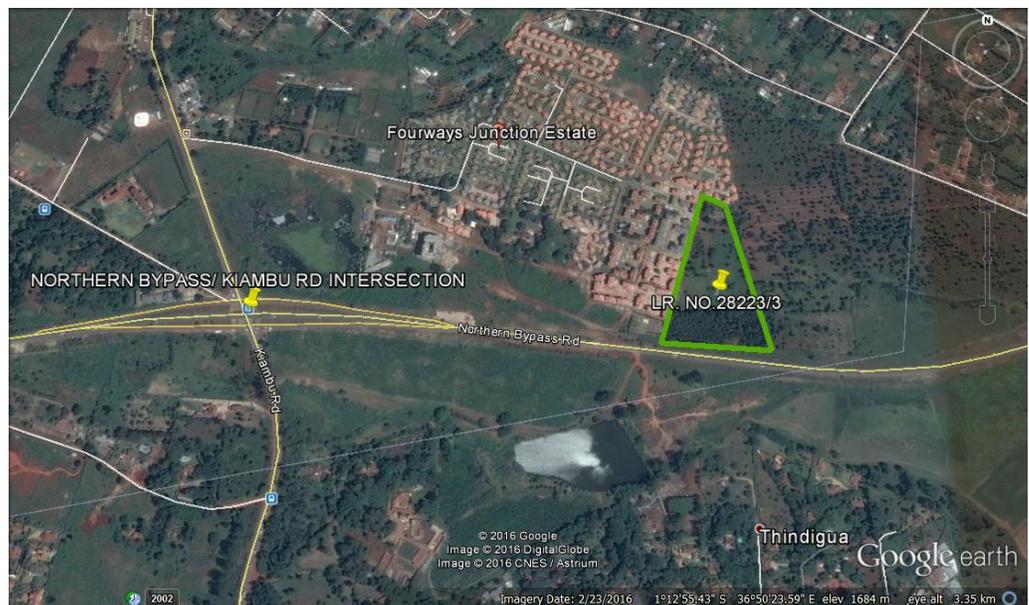
We have perused the relevant Survey maps F/R 353/71 for L.R Nos. 28223/1-32 Registration Section and confirm that the property described here in this report and valuation concurs with what we inspected on the ground.

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Google Earth Imagery:

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

Latitude	-1.2149577
Longitude	36.8433853



TENURE: Freehold interest registered in the name of Cytonn Investment Partners Eleven LLP

Encumbrances:

Nil

L. R. NO. 28223/3 (N86 FOLIO 32 FILE 25680), THE RIDGE-ALONG NORTHERN BYPASS ROAD, NAIROBI COUNTY

AREA: The parcel measures approximately three decimal nine nine six (3.996) hectares or nine decimal eight seven four (9.874) acres.

The Parcel:



This is a gently sloping gradient parcel of red loam soils whose boundaries are marked with the neighbours stone boundary wall partly with eight (8) electric strands atop, live hedges and barbed wire on wooden posts. Access into the property is open.

The parcel is grown with mature eucalyptus trees to the northern bypass road frontage, nippier grass and other subsistence crops to the parcels rear.

IMPROVEMENTS: The property had no structural development as at the time of our inspection.

SERVICES: Mains water and electricity services are available in the neighbourhood for connection to the property. Foul drainage would be to a septic tank/ soak away pits. The parcel has a frontage to the tar surfaced Northern bypass road.

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REMARKS:

i). Title and Search:

In comparison of copy of the title provided and the property search undertaken, the registered owner, the title number, the inland registration number, the plot size, the tenure and encumbrances details are in harmony.

ii). Search

A copy of the official search is herein attached.

iii). Cadastral map

From the cadastral map, we have noted the parcel reference number indicated on the map is similar in size and shape to the parcels deed plan.

iv). Neighbourhood:

The neighbourhood is characterized by single dwelling own compound units and multi-storey high value apartments either complete or at various stages of construction. Some of the neighbouring estates include Four Ways Junction, Hibiscus Court 1 and Runda. There are also social amenities in the neighbourhood such as Ridgeways Mall, Evergreen, Windsor Golf Hotel etc

v). Infrastructure:

The access road is the tar surfaced northern bypass and it is in good state of repair. The property is also easily accessible by Public transport.

vi). Highest and Best Use:

The planned Ridge estate will maximize its user.

**L. R. NO. 28223/3 (N86 FOLIO 32 FILE 25680), THE RIDGE-ALONG NORTHERN
BYPASS ROAD, NAIROBI COUNTY**

iv). Public User Compliance:

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

vi). Physical Planning Compliance:

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

vii). Environmental Issues:

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

viii). Title registration:

The ownership of the subject property is under the Government Land Act (Cap 280) of the Laws of Kenya now repealed. The certificate of ownership for the subject property was issued on 1st December 2016.

We wish to confirm that after conducting a title search at the Nairobi land registry and on perusal of the relevant documents (copy of title and map) and from our own physical inspection and information gathered on the ground has not revealed any past or present public user reservation in respect of the subject security property, neither does it lie on a road reserve.

L. R. NO. 28223/3 (N86 FOLIO 32 FILE 25680), THE RIDGE-ALONG NORTHERN BYPASS ROAD, NAIROBI COUNTY

VALUATION: In our opinion, the market value of the unencumbered freehold interest in **L. R. NO. 28223/3 (N86 FOLIO 32 FILE 25680), THE RIDGE-ALONG NORTHERN BYPASS ROAD, NAIROBI COUNTY** for book purposes could be stated in the sum of **Kenya Shillings One Billion One Hundred Twenty One Million Eighteen Thousand Two Hundred Eleven – (Kshs. 1,121, 081,211.00)** broken down as follows:-

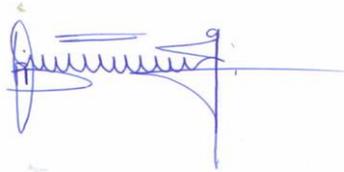
Land:	Kshs.987, 400,000.00
Expended Fees:	Kshs.133, 618,211.00

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

23rd December 2016