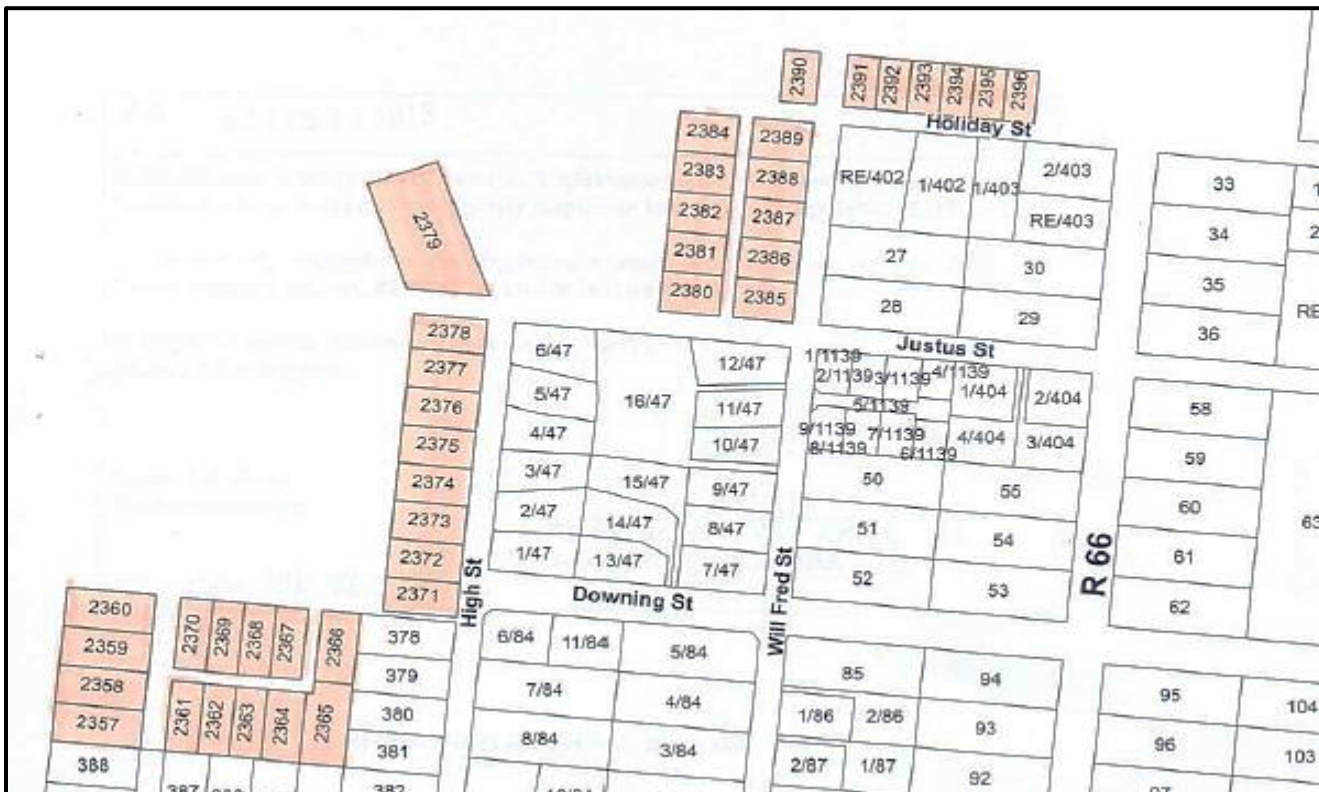


VALUATION OF ERVEN 2357 TO 2396 MELMOTH



1. INSTRUCTING PARTY:

The Municipal Manager
Mthonjaneni Municipality



2. VALUATION INSTRUCTION:

Determine the current market value of Erven 2357 to 2396 Melmoth. The subject Erven are all vacant stands and are situated to the North Western periphery of the town of Melmoth, KwaZulu Natal. Erf areas range from 975 sqm. To 5523 sqm. and as per the Mthonjaneni Planning and Development Department, are zoned 'Special Residential', with Erf 2379, zoned 'General Residential'. The area valued is identified on the map above.

2.1 DATE OF INSPECTION:

The property was inspected on 3 March 2020.

3. PROPERTY DESCRIPTION:

The properties valued are more fully described as Erven 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395 and 2396 of Melmoth, situate within the Mthonjaneni Municipal area, Administrative District and Province of Kwazulu Natal with a combined extent of approximately 62378 m².

3.1 TITLE DEED INFORMATION

The properties are all unregistered subdivisions and are held in the Remainder of Erf 10000 Melmoth.

4. MUNICIPAL INFORMATION:

4.1 Zoning:

The Subject properties Erven 2357 to 2396 Melmoth are currently zoned 'Single Residential', with Erf 2379 zoned 'General Residential', in terms of the Mthonjaneni Municipality Town Planning Scheme in the course of preparation.

4.2. Municipal Valuation:

The subject properties are held in the Remainder of Erf 10000 Melmoth and are therefore not valued individually for municipal purposes.

4.3 Municipal Services:

All municipal services are available to the subject properties that are accessible, and can be made available to those site requiring road access.

5. GENERAL INFORMATION:

5.1 General Type of Area:

The properties lie within the North Western periphery of the town, and are situated on the boundary of a predominantly residential area of Melmoth. Inaccessible sites, requiring roads infrastructure are identified as Erven 2357 to 2370 and Erven 2380 to 2384. The remaining erven all have direct road access. Site topography range from level to gently sloping sites, below road level, and side sloping gradients.



6. VALUATION METHOD:

When valuing real estate, the Valuer must concern himself with placing a value on the rights attaching to the property and the benefits of occupation and/or ownership thereof. In the valuation process, cognisance must be taken of the purpose for which the property is capable of being used and the future income or amenities, which it is likely to produce. At the same time, however, the property must be compared with available substitutes and/or alternative investment opportunities. The object of the valuation process, therefore, is to arrive at a figure which will reflect the point of equilibrium between supply and effective demand at the time of valuing the property.

The valuation of land as if vacant, or of land and improvements to or on the land, is an economic concept. Whether vacant or improved, land is also referred to as real estate.

There are three methods commonly used for determining the market value of real estate. These methods of valuation comprise:

Comparable Sales Approach

This method involves an analysis of recent sales of similar or comparable properties. It is based on the simple notion that if a property is sold in the open market at a certain price then an identical property would sell at the same price. Since no two properties are identical, (they can never have the same location) necessary comparisons and adjustments must be made to determine the actual value of the particular property.

Cost Approach

This method comprises the assessment of the value of the land applying market value principles. Assess the replacement cost of the improvements and deduct allowances for physical, functional and economic depreciation.

Income Approach

The income capitalisation method is commonly used for the valuation of investment properties which yield an on-going income stream, usually from rental income. This type of property is usually referred to as investment properties. In order to determine which method/s applies to the subject property. We have valued the property as vacant sites and applied the comparable sales approach.

Highest and Best Use

“Highest and best use (highest and most profitable use; optimum) is the reasonable and probable use which will support the highest present value as defined, at the date of valuation.” (W N Kinnard)

We believe that the highest and best use for the subject property to be residential and in particular, single residential housing.

7. COMPARABLE SALES and CALCULATION of VALUE

The following sales of similar zoned properties have been considered:



No	Deeds Town	Erf No	Date Of Sale	Price	Extent (m ²)	Rate/Sq m.	Comment
1	Melmoth	61	2017-04-26	R 100,000,00	4047	R 24,71	Gently sloping to level site, below road level with good access. Off the Main R66 route. Larger site in comparison.
2	Melmoth	134	2017-02-10	R 200,000,00	4047	R 49,41	Gently sloping to level site, below road level with good access. Off the Main R66 route. Larger site in comparison.
3	Melmoth	1127	2017-04-04	R 100,000,00	1597	R 62,61	A predominantly level site with a very gentle slope and with good access. Compares closely.
4	Melmoth	Ptn. 2 of Erf 115	2019-05-30	R 100,000,00	1935	R 51,67	A good level site with good access off Downing Street. Compares closely
5	Melmoth	100	2019-09-05	R 125,000,00	4047	R 30,88	A sloping site, below road level with fair access off Symmonds Street. Slightly inferior for topography in comparison

All 5 comparable sales are residential sites, with the smaller sites identified as commanding higher rates per square meter than the larger sites. Sales 1, 2 and 5 which are the larger sites are located in closer proximity to the Melmoth CBD, whilst sales 3 and 4 are outer lying sites located within predominantly residential nodes of Melmoth. We are of the opinion that sales 1, 2 and 5 are indicative of the sale of larger sites within Melmoth, and sales 3 and 4 would compare more closely to the subject sites for location, size and topography.

We are of the opinion that a fair rate per square meter for the subject properties would be R 35,00 to R 60, 00/sqm, allowing for economies of scale and time adjustment.

The value for the subject properties are calculated as follows:



<u>Erf Description</u>	<u>Extent/Sqm.</u>	<u>Value</u>	<u>Comment</u>
2357	2015	R100 000	A gently sloping site with good access. NO CURRENT ROAD ACCESSIBILITY. ROAD TO BE CREATED.
2358	2015	R100 000	A gently sloping site with good access. NO CURRENT ROAD ACCESSIBILITY. ROAD TO BE CREATED.
2359	2015	R100 000	A gently sloping site with good access. NO CURRENT ROAD ACCESSIBILITY. ROAD TO BE CREATED.
2360	2015	R100 000	A gently sloping site with good access. NO CURRENT ROAD ACCESSIBILITY. ROAD TO BE CREATED.
2361	1326	R73 000	A gently sloping site with good access. NO CURRENT ROAD ACCESSIBILITY. ROAD TO BE CREATED.
2362	1327	R73 000	A gently sloping site with good access. NO CURRENT ROAD ACCESSIBILITY. ROAD TO BE CREATED.
2363	1327	R73 000	A gently sloping site with good access. NO CURRENT ROAD ACCESSIBILITY. ROAD TO BE CREATED.
2364	1612	R88 000	A gently sloping site with good access. NO CURRENT ROAD ACCESSIBILITY. ROAD TO BE CREATED.
2365	2162	R108 000	A gently sloping site with good access. NO CURRENT ROAD ACCESSIBILITY. ROAD TO BE CREATED.
2366	1597	R87 000	A gently sloping site with good access. NO CURRENT ROAD ACCESSIBILITY. ROAD TO BE CREATED.
2367	1327	R73 000	A gently sloping site with good access. NO CURRENT ROAD ACCESSIBILITY. ROAD TO BE CREATED.
2368	1327	R73 000	A gently sloping site with good access. NO CURRENT ROAD ACCESSIBILITY. ROAD TO BE CREATED.
2369	1327	R73 000	A gently sloping site with good access. NO CURRENT ROAD ACCESSIBILITY. ROAD TO BE CREATED.
2370	1326	R73 000	A gently sloping site with good access. NO CURRENT ROAD ACCESSIBILITY. ROAD TO BE CREATED.
2371	1458	R80 000	A gently sloping site, below road level, with good access off High Street.
2372	1675	R90 000	A gently sloping site, below road level, with good access off High Street.
2373	1675	R90 000	A gently sloping site, below road level, with good access off High Street.



<u>Erf Description</u>	<u>Extent/Sqm.</u>	<u>Value</u>	<u>Comment</u>
2374	1675	R90 000	A gently sloping site, below road level, with good access off High Street.
2375	1675	R90 000	A gently sloping site, below road level, with good access off High Street.
2376	1675	R90 000	A gently sloping site, below road level, with good access off High Street.
2377	1675	R90 000	A gently sloping site, below road level, with good access off High Street.
2378	1488	R82 000	A gently sloping site, below road level, with good access off High Street.
2379	5523	R195 000	A gently sloping site, below road level, with good access off High Street.
2380	1418	R78 000	A gently sloping site with good access. NO CURRENT ROAD ACCESSIBILITY. ROAD TO BE CREATED.
2381	1418	R78 000	A gently sloping site with good access. NO CURRENT ROAD ACCESSIBILITY. ROAD TO BE CREATED.
2382	1418	R78 000	A gently sloping site with good access. NO CURRENT ROAD ACCESSIBILITY. ROAD TO BE CREATED.
2383	1418	R78 000	A gently sloping site with good access. NO CURRENT ROAD ACCESSIBILITY. ROAD TO BE CREATED.
2384	1417	R78 000	A gently sloping site with good access. NO CURRENT ROAD ACCESSIBILITY. ROAD TO BE CREATED.
2385	1418	R78 000	A level site with good access off Will Fred Street.
2386	1418	R78 000	A level site with good access off Will Fred Street.
2387	1418	R78 000	A level site with good access off Will Fred Street.
2388	1418	R78 000	A level site with good access off Will Fred Street.
2389	1417	R78 000	A level site with good access off Will Fred Street.
2390	1104	R64 000	A gently sloping site, below road level, with good access off Holiday Street.
2391	977	R58 000	A gently sloping site, below road level, with good access off Holiday Street.



<u>Erf Description</u>	<u>Extent/Sqm.</u>	<u>Value</u>	<u>Comment</u>
2392	977	R58 000	A gently sloping site, below road level, with good access off Holiday Street.
2393	977	R58 000	A gently sloping site, below road level, with good access off Holiday Street.
2394	976	R58 000	A gently sloping site, below road level, with good access off Holiday Street.
2395	976	R58 000	A gently sloping site, below road level, with good access off Holiday Street.
2396	976	R58 000	A gently sloping site, below road level, with good access off Holiday Street.

NOTE:

We have not allowed for a discount to the properties with no road access, as we understand that the Municipality will provide access prior to selling these sites.

8. VALUATION CERTIFICATE:

We, Faiaz Shaik and Moosa Ebrahim, registered as a Professional Valuer and a Professional Associated Valuer respectively, in terms of Section 20(2)a of the Property Valuers Profession Act 2000, and Member of the South African Institute of Valuers, do hereby certify that we consider, to the best of our skill and knowledge, that the fair and true values of the properties are as reflected above.

Dated at Durban this 21st day of April 2020

Faiaz Shaik
Professional Valuer
Registration No 6498

Moosa Ebrahim
Professional Associated Valuer
Registration No 6472



SITE PHOTO SHOWING ERVEN 2357 TO 2360



SITE PHOTOS SHOWING ERVEN 2361 TO 2370



SITE PHOTO SHOWING ERVEN 2371 TO 2378



SITE PHOTO SHOWING ERF 2379



SITE PHOTO SHOWING ERVEN 2380 TO 2389



SITE PHOTO SHOWING ERVEN 2390 TO 2396



STATEMENT OF LIMITING CONDITIONS

1. This valuation has been prepared on the basis that full disclosure of all information and factors which may affect the valuation have been made to us and we cannot accept any liability or responsibility whatsoever for the valuation, unless such full disclosure has been made.
2. We have endeavoured to inspect the relevant Title Deed documents and where necessary, provided comment thereon. Where we have not had sight of the Title Deed documents, we have assumed that there are no onerous conditions contained therein.
3. The property has been valued as if wholly owned with no account being taken of any outstanding monies due in respect of mortgage bonds, loans or other charges. No deductions have been made in our valuation for the cost of acquisition or disposal of the asset.
4. Any plans and/or diagrams included within the Valuation Report are supplied for the purpose of identification only and are not necessarily to scale.
5. Our valuation assumes that a formal environmental assessment is required and further that the property is not environmentally impaired or contaminated
6. We have assumed that the property and its value are unaffected by any statutory notice, and that neither the property nor its condition, nor its use, nor its intended use, is or will be unlawful.
7. This valuation is produced exclusively for Our Client and for the specific purposes to which it refers. It may be disclosed to other professional advisers assisting you in respect of that purpose. We accept no responsibility whatsoever to any parties other than yourselves who make use of this valuation.
8. Neither the whole nor any part of this valuation, nor any reference thereto may be included in any published document, circular or statement, nor published in any way without the written approval of Evaluations Enhanced Property Appraisal.
9. The Valuer has no present or contemplated interest in this or any other properties or any other interests, which would affect the statements or values contained in this valuation report. The valuation enclosed herewith was therefore undertaken on a completely independent basis by Evaluations Enhanced Property Appraisal.