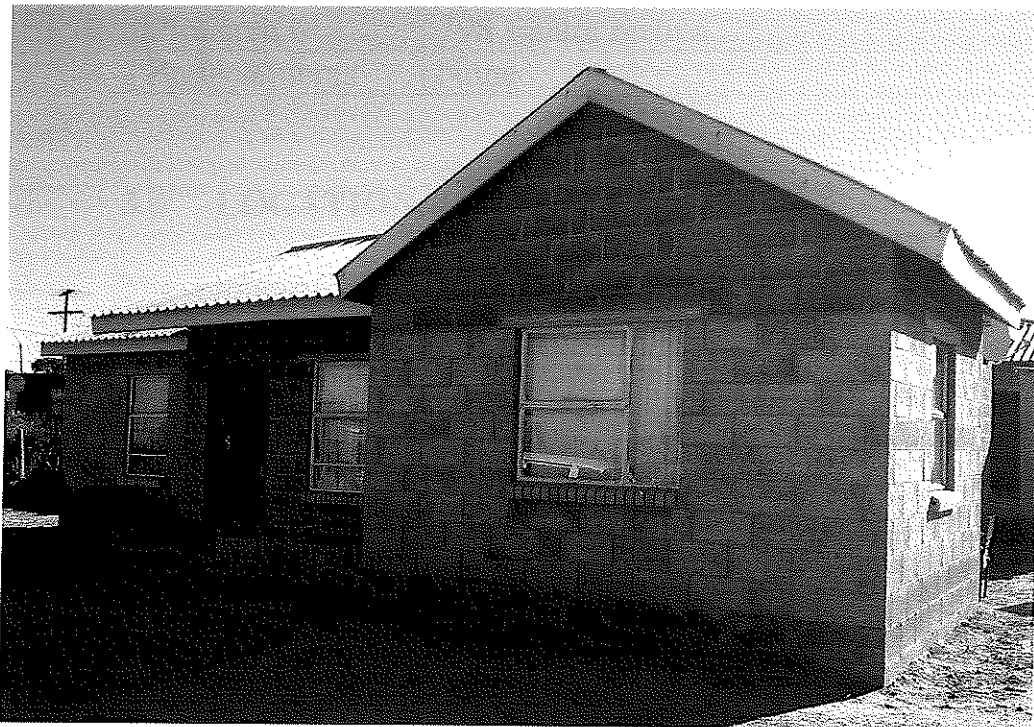
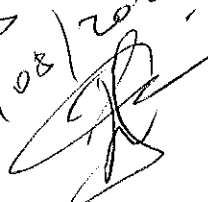




**VALUATION REPORT ON A RESIDENTIAL
PROPERTY NO. 14302-1345**



HA LEQELE, MASERU URBAN AREA

APPROVED
26/08/2020


7.0 PLANNING:

The property complies with the set planning requirements.

8.0 IMPROVEMENTS:

This is a single storey residential house.

9.0 CONSTRUCTION DETAILS:

9.01 Main Building: -

This is a single storey detached residential house constructed of concrete brick external walls with pitched IBR roof. Internally, the walls are plastered and partially painted; no ceilings; vinyl floor tiled in the lounge and cement to the rest of the rooms; windows and wooden doors on steel frames.

9.02 Accommodation: -

- Kitchen
- Lounge
- Passage
- Bathroom without sanitary fittings
- Bedroom I
- Bedroom II

The photos of the subject property are attached as APPENDIX "A".

Company Expertise:

MSc in Land and Property Development Management-UFS (RSA), BA Geography-NUL; BSc Land Management & Valuation-UCLAS-Tanzania; International Certificate in Valuation of Special Properties, Inspen Malaysia.

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10.0 AREAS:

Mainbuilding	66.02	m ²
Land	798	m ²

11.0 CONDITION:

The buildings are observed to be in good structural state of repair. However, we note that the internal fittings and finishes are not yet done.

12.0 SERVICES:

The essential public utilities such as water, phone lines, electricity etc, are connected to the site.

13.0 METHOD OF VALUATION:

Experience has shown that the comparable sales approach is by far the most reliable method for the valuation of residential properties. The method of comparable selling prices is based on the principle of substitution, which states that a buyer will not pay more for the subject property than it would cost him to buy a property of similar productivity. This approach is suitable for the valuation of residential dwellings, as their value does not correlate to the value derived from the capitalisation of the net income that can be derived from the property.

In adopting this approach, it is also necessary to assume that both seller and buyer are willing parties to the transaction, and further that both parties are well informed as to the existing conditions at a relevant time.

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14.0 THE COMPARABLES:

Property ID	Date of valuation	Property value (M)
14302-961	May 2019	600,000.00
14302-019	23 rd March 2020	1,100,000.00
14272-560	August 2017	760,000.00

Analysis of comparables: Above properties compare favourably with the subject property in terms of location and design. The subject property is inferior to all comparable properties in terms of size, internal finishes, number of rooms as well as plot area.

15.0 BASIS OF VALUATION:

The basis of this valuation is the market value. Market value is defined as the price an interest in property will attract assuming: a willing seller, a willing buyer, sufficient time to advertise the sale of the subject property, market conditions remain the same during the transaction and that no notice is taken of an offer from a buyer with a special interest. Further, it is the estimated amount for which an asset or an interest in a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had acted knowledgeably, prudently and without compulsion.

16.0 MARKET RESEARCH AND ANALYSIS:

Maseru has for a long time been characterised by high demand of residential properties and low supply- a case that led to high property values. Prices were being inflated because of imbalances in the demand/supply factors (**Demand Inflation**). However, since 2015, the property market has generally deteriorated due to various factors. These include among others, weaker rand and severe drought that has hit the country and other neighbouring countries in

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the southern part of the continent. The current political instability has further contributed to the deteriorating economy and the property market in general.

However, the Central Bank Economic Outlook indicates that the Lesotho economy is expected to pick up unevenly over the medium term, supported mainly by the construction sector. It is expected that the annual growth rate will increase by 2.8 percent in the medium term. The expected growth is likely to be driven by the Lesotho Highlands Water Project (LHWP) Phase II and Lesotho Lowlands Water Development Project (LLWDP).

17.0 MARKET VALUE:

Having taken location and other relevant facts into account, it is our carefully considered professional opinion, that the current market value of the subject property is **M 320,000.00 (Three hundred and twenty thousand Maloti)**.

We note that the client intends to make some improvements to the house. Specifically she wants to fit a rhino board ceiling; floor tiles; some sanitary fittings; as well as a small kitchen unit. The value of the property upon completion of the improvements will be **M 340,000.00**. However, we recommend a revaluation upon completion of the proposed finishes.

18.0 REPLACEMENT VALUE:

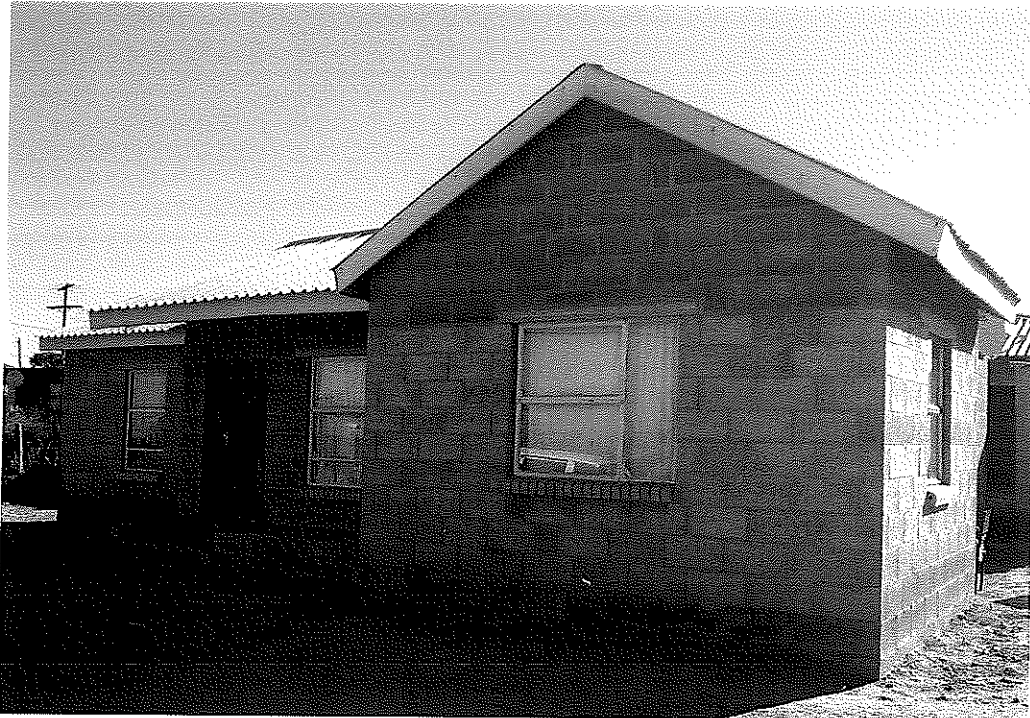
The replacement value of the subject property as in our professional opinion will be to the tune of **M 325,000.00** to cover the main building on site.

Company Expertise:

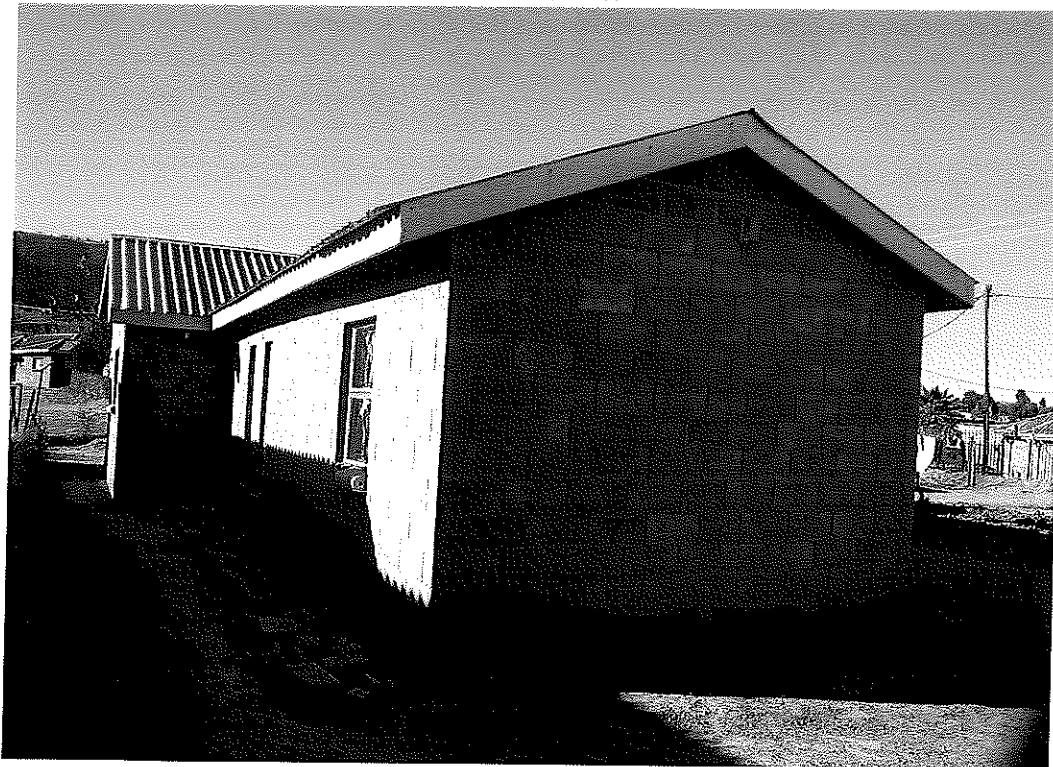
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PHOTOGRAPHS

MAIN BUILDING FRONTAGE



REAR VIEW

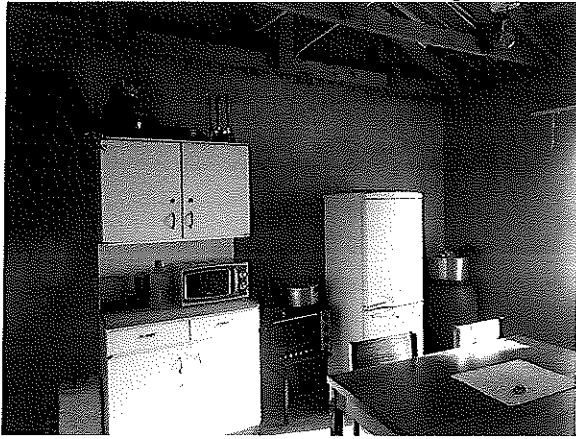


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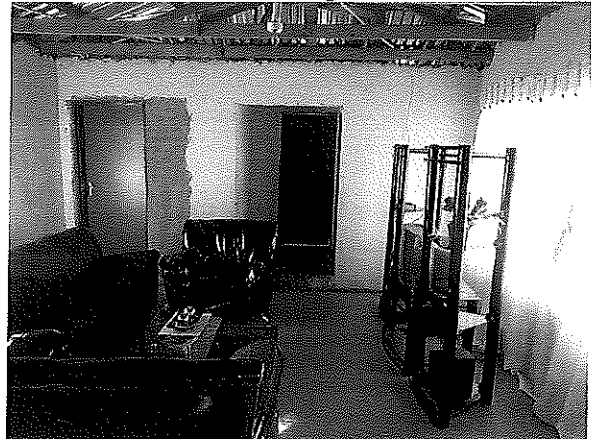
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OTHER PHOTOGRAPHS

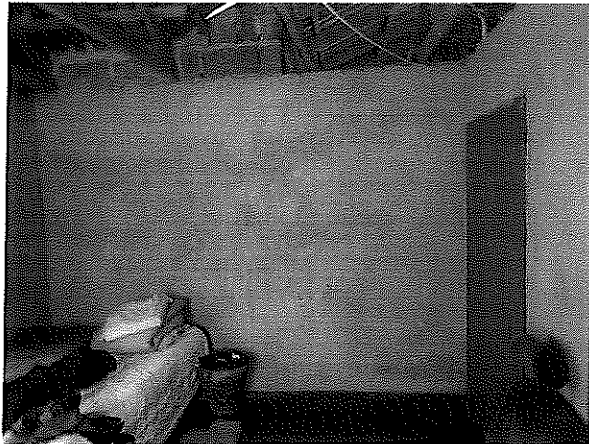
Kitchen without a ceiling



Lounge



Internal walls



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