

REPORT AND VALUATION

ON

A COMMERCIAL PROPERTY NO. 21324-002

FOR MARKET VALUE ASSESSMENT

IMMOVABLE PROPERTY:

2:00 DESCRIPTION:

All the permanent improvements effects on a subject piece of land being Commercial Plot Number 21324-002.

3:00 OWNERSHIP:

This property is held under the Residential Plot No. 21324-002, and shall come into operation on the 13th day of October 2017 and shall expire on the 12th day of October 2107 after ninety (90) year term in the names of Mr. and Mrs. Pokane Innocent Tsietsi and Mosa Ntaote Christina.

4:00 LOCATION:

The property is located at Lekhalong-La- Baroa, Maseru District.

5:00 SITE

The site is rectangular in shape, flat, and estimated to be measuring 12,269.00m² more or less in extent, accessed via tarred road and gravel road.

6:00 SERVICES:

The essential public utilities such as water and electricity etc are close to the site.

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7:00 PLANNING

The site is zoned for residential; the maximum permitted plot coverage ranges between 25 to 30% depending on the size of the plot. The maximum height of any building is two storeys and shall not exceed 6.5 metres and for single storey shall not exceed 3.5 and all setbacks shall not be less than 3.5 metres. Vehicle parking space shall be 2.75*5metres.

Highest best use is defined as the most probable use of a property which is physically possible, appropriately justified, legally permissible, financially feasible, and which results in the highest value of the property being valued. The building is situated in a predominantly low income residential area as a result it cannot be turned into other purposes.

8:00 IMPROVEMENTS:

There are no developments on the side.

9:00 SCHEDULE OF AREAS:

Land 12,269.00m²

10:00 CONDITION:

Fair.

11:00 DATE OF INSPECTION:

The subject property was inspected on the 16th of October, 2019.

12:00 METHOD OF VALUATION

The subject property is valued using the Comparable Method of Valuation (after completion).

This method entails making a valuation by directly comparing the subject property (property under consideration) with similar properties which have been recently sold. It assumes that a potential buyer will pay no more for the subject property than would have to pay for another property of equal productivity or utility.

By this method, the market value of the subject property is determined by reference to the actual sale prices of the comparable properties; and this entails the following:-

- (a) Dividing the sale price of the comparable by the gross external area to establish the sale price per square metre, i.e. unit rate of comparison.
- (b) Adjusting the unit rate of comparison for any differences (e.g. location, condition, tenure, physical characteristics, sale time, etc) between the subject property and comparable properties which might affect the value judgement, to derive the adjusted rate per square metre, hence the value a prospective purchaser would be willing to pay.
- (c) Applying the adjusted rate per square metre to the subject property, i.e. multiplying the rate per square metre by the area of the property to derive the property's market value.

13:00 MARKET ANALYSIS

The national trend indicates that the market is stabilizing. Some element of price appreciation is now occurring but it is unlikely that any increase will exceed inflation rate. The residential property market in Maseru has strengthened by the town's status of a capital city of Lesotho characterized by more employment opportunities and influx of job seekers to the city centre compared to other towns. There exists high demand for residential properties that does not meet the supply

The national price trend indicates continued demand for residential properties which is likely to affect the prices later.

14:00 COMPARABLES

In our analysis of sales/values data available, we have noted the transactions of comparable properties in the locality and or other comparable neighbouring localities. In particular we have considered the following properties:-

	Subject Property	Comparable Properties		
		1	2	3
Plot No.	21324-002	Unnumbered	Unnumbered	
Location	Lekhalong-La-Baroa	Nazareth	Marakabei	
Tenure	60 year	60 year	60 year	
Land Use	Building	Building	Building	
Usage	Commercial	Commercial	Commercial	
Date of Valuation	17/10/2019	23/04/2019	20/01/2019	
Consideration	M 245,380-00	M 132,553-00	M 106,050-00	
Improvements				
Area (s.q.m)	12,269.00	5302.12	3030.00	
Value (s.q.m)				
Adjustment item:			Adjustment	
Location/Access				
Time				
Size				
Tenure				
Total				
Adjusted Value (s.q.m)				

15:00 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 remaining the same during the transaction and that no notice is taken of an offer from a buyer with special interest in a property should exchange on the date of valuation between 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.

16:00 DISCLAIMER:

- (1) This report is confidential to the client for the specific purpose to which it refers. It may be disclosed to other professional advisors assisting the client in respect of the purpose, but the client shall not disclose the report to any other person.
- (2) In preparing this report it is assumed that good title can be shown and the property is not subject to any unusual or onerous restrictions, encumbrances, or outgoings. It is further assumed that the property is unaffected by any statutory notice and that neither the property nor its use gives rise to a contravention of any statutory requirements.
- (3) A structural survey has not been carried out nor have the woodwork or other parts of the structure which are covered, unexposed or inaccessible been inspected and we are therefore unable to report that any such parts are free from defects. Additionally no services have been tested.
- (4) The opinion of value expressed in this report shall be used for the purpose of this report only. We are not responsible for any consequences arising from the valuation being quoted out of context.
- (5) No investigation was carried out into the past or present uses of the property, or of any neighboring land, to establish whether there is any contamination, or potential for contamination, to the property from these uses of sites and we are, therefore, unable to account or report for such in our report.
- (6) No investigation was carried out to determine whether or not any deleterious or hazardous materials has been used in the construction of the property, or has since been incorporated and we are therefore unable to account or report for such in our report.
- (7) While we may have inspected the title of property as recorded in the Register Document of Title, we cannot accept any responsibility for its legal validity.
- (8) Neither the whole nor any part of the Valuation Report or Certificate or any reference there to may be included in any published document, circular or statement nor published in any way without our written approval of the form and context in which it may appear.
- (9) While due care is taken to note the presence of any disease or infestation, we have not carried out any test to ascertain possible latent infestations or

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diseases affecting the crops. We are therefore unable to account for such in our report.

- (10) The instruction and valuation assignment does not automatically bind us to attendance in court or to appear in any enquiry before any government or statutory bodies in connection with the valuation unless agreed when the instruction is given.
- (11) This report is valid for a period of 90 days from the date herein.

17:00 MARKET VALUE:

Having taken location, state of repair of the property, actual construction and other relevant facts into account, it is our carefully considered professional opinion, that the market value of the subject property and land is **M 245,000.00 (Two Hundred and Forty Five Thousand Maloti)**. This valuation is broken down as follows: -

BUILDING TYPE	MARKET VALUE
Land	M 245,380.00
Total	M 245,380.00
Say	M 245,380.00

NOTES AND ASSUMPTIONS.

Apart from other limiting conditions made elsewhere in this report, the following specific ones have been made in the course of valuing the subject property.

- (a) All information is correct.
- (b) We have undertaken our inspection as are in our professional judgement appropriate and possible in the circumstances.
- (c) Measurements are approximate only.

We hereby certify that we have physically inspected the property, and we have done thorough research, and that we have no interest, directly or indirectly whatsoever, in the property.

VALUER'S NAME:-



MEENE PUTSOA

BA PADEM

P.G.DIP Property Development and Management.

MSC Property Development and Management (part)

International Valuation Certificate: Valuation of Special Properties

DATED: 17th October, 2019

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