

VAN ZYL VALUERS

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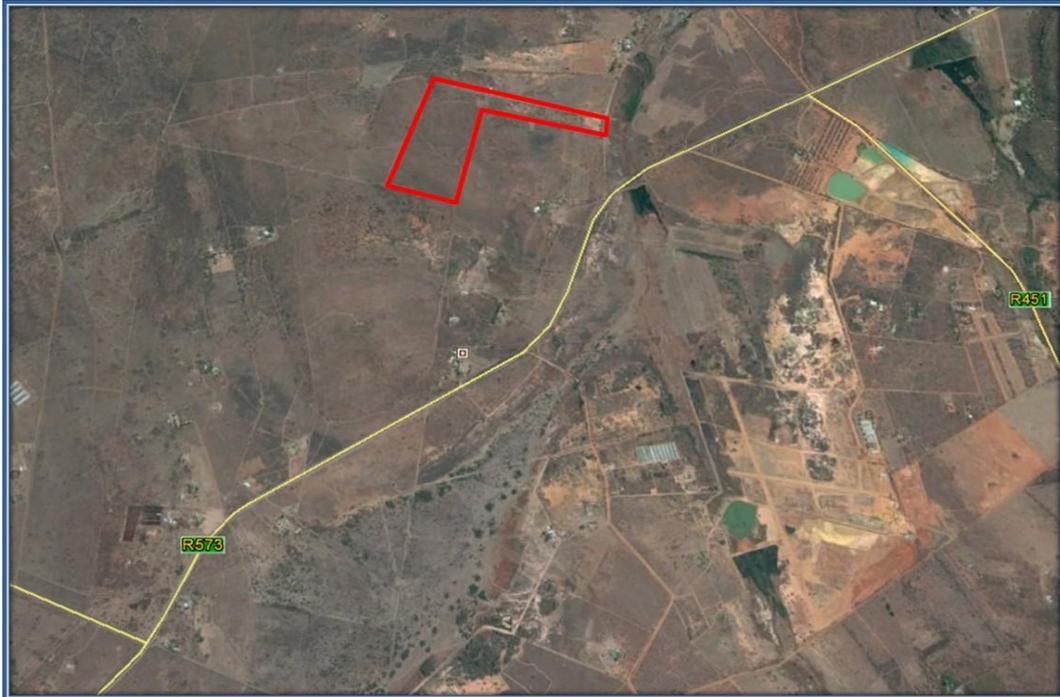
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OPEN MARKET VALUATION

PORTION 10 OF THE FARM BOEKENHOUTSKLOOF 284-JR
R573 MOLOTO / KWA-MHLANGA ROAD, NORTH-EAST OF PRETORIA



An undeveloped farm portion with natural veld suitable for game.

Open Market Value

R 1,100,000

Date of Valuation

01 July 2016

CONDITIONS OF VALUATION

All figures exclude VAT, unless indicated as inclusive.

Prepared for Applicant	Mr Marcus Venter
Valuation requested by	N/a
Tel Number	Mr Marcus Venter
E-mail address	082 885 3900
	abcus@telkomsa.net
Prepared by	<u>Van Zyl Valuers CC</u>
Valuer	Corli Groeneveld
Registration Category	Candidate Valuer
Registration Number	7675
Tel Number	083 302 2640
E-mail	gert@vzvaluations.co.za
Date	1 July 2016

1. INSTRUCTIONS

We were instructed by Mr Marcus Venter to visit and inspect the subject property known as PORTION 10 OF THE FARM BOEKENHOUTSKLOOF 284-JR, situated along the R573 MOLOTO / KWA-MHLANGA ROAD, NORTH-EAST OF PRETORIA, for the purpose of advising you of our opinion of the Open Market Value as at 01-July-2016.

2. PURPOSE OF VALUATION

To determine the market value of the subject property for possible sale/purchase of the property.

3. DEFINITION OF VALUE

The definition of 'Market Value' as laid down by the International Valuation Standards Committee is:

"The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arms-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

A summary of the features of the 'willing' buyer and seller are:

They should be in a position to enter into a contract (financially and legally);

They negotiate on equal terms;

They are both well informed about the property and all its potentialities, as well as about the market for such properties (i.e. they are as well informed as the person who has taken all reasonable steps to obtain this information);

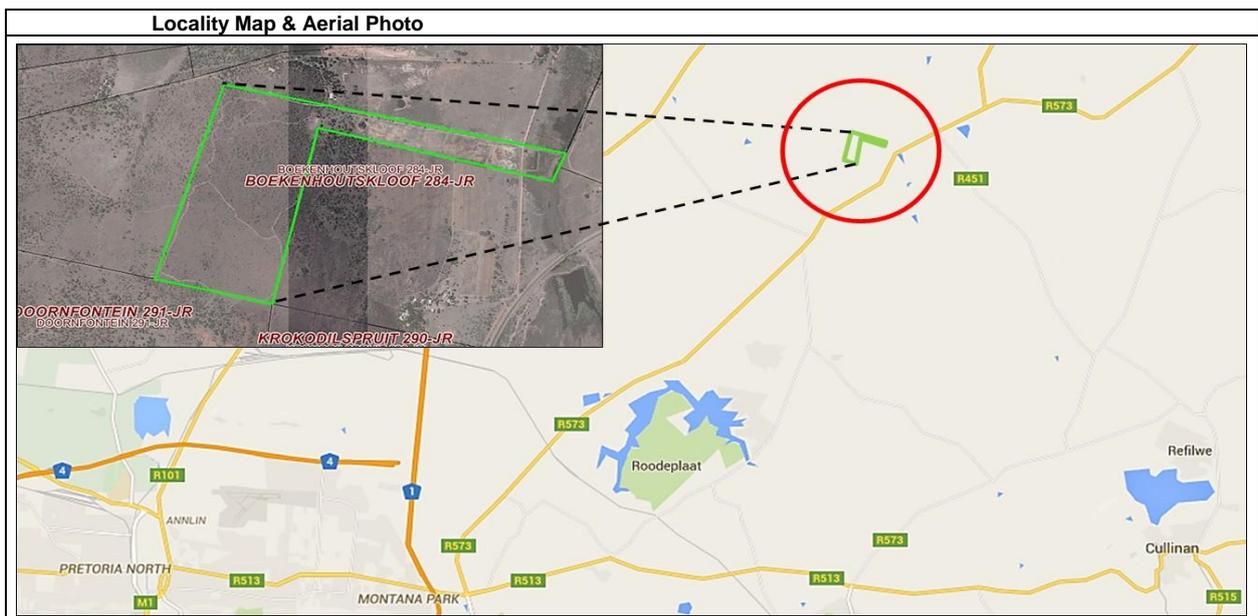
They are not under pressure (i.e. they are not forced to buy or sell a property within a limited time); and

They negotiate the transaction rationally.

When we analyse these features, it becomes clear that a 'real' person could seldom comply with all of them. The valuer must therefore distance himself from the personalities concerned and imagine a hypothetical transaction in which both the buyer and the seller have the understanding and motivations that are typical of the market for the property or interests being valued [Minister of Water Affairs v Mostert 1966 4 SA 690 (A) 722c]. This definition of value holds true in the case of the subject property.

4. ADDRESS OF PROPERTY

R573 Moloto / Kwa-Mhlanga Road, north-east of Pretoria



5. MICRO AND MACRO LOCALITY

The subject property is situated to the north-east of Pretoria, along the R573 Road towards Moloto and Kwa-Mhlanga. The subject is situated some 20km north-east of the Pretoria North urban areas, and only 7km north-east of the Roodeplaart Dam and its surrounding residential estates. The site is accessed from the N1 highway via Sefako Makgatho Drive, which links to the R573 Moloto Road only 1km to the east of the N1.

On a micro level, the site is accessed from the R573 via a small gravel road; the turn-off is situated approximately halfway between the Wallmannsthal Road to the west and the R451 towards Cullinan to the east. The subject site is located only 500m north of the R573. Surrounding land uses are primarily rural residential and agricultural in nature, although there are also some commercial uses located along the R573.

6. DATE OF INSPECTION

The subject property was physically inspected on 06 June 2016
 Effective date of valuation 01 July 2016

7. 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.

Real estate's utility or capacity to satisfy the needs and wants of humans creates value. Contributing to value are real estate's general uniqueness, durability, fixity of location, relatively limited supply, and the specific utility of a given site.

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

- Direct Comparable Sales Approach
- Cost Approach
- Income Approach.

In order to determine which method or combination of methods applies to the subject properties; cognisance was taken of the fact that the subject property is an undeveloped farm portion. Taking this into account, the Comparable Sales Method of valuation was considered to be the most appropriate for the subject property.

The property is an undeveloped farm portion with Agricultural rights in place; the sales of comparable farm portions were investigated for the purpose of determining market value.

8. TITLE DEED INFORMATION

We have not had sight of the relevant Title Deed but the Deeds Web Enquiry (Aktex) indicates that the property is held as follows:

Registrar	Pretoria
Province	Gauteng
Registration Division	JR
Local Authority	City of Tshwane Metropolitan Municipality
Title Deed Number	T19452/1996
Registered Owner	Elizabeth Schutte Trust T6750/95
Purchase Price	R 135,000.00
Purchase Date	06-Nov-95
Registration Date	11-Mar-96
Property Description	Portion 10 of the farm Boekenhoutskloof 284-JR
Total Extent (hectare)	44.4607 ha
Endorsements	None noted
Details	N/a
Comments	Please note that we have not inspected the title deed and cannot comment on whether the property is held subject to any terms or conditions that may impact, negatively or otherwise, on its value or saleability. Our opinion of value must therefore be read accordingly.

9. MUNICIPAL VALUE

Component		Value	Property Category	Randage	Annual Costs
Portion 10 of the farm Boekenhoutskloof 284-JR	R	740,000	Agricultural Properties	0.00253 R	1,872.20

10. TOWN PLANNING CONDITIONS

Local Authority: **City of Tshwane Metropolitan Municipality**

PERMITTED	
Zoning:	Agricultural
Coverage:	50% 222,304 m ²
Height:	10 metres (2 storeys)
FAR/Bulk:	N/a - m ²
Building Lines:	As per Town-Planning Scheme
Parking Requirements:	As per Town-Planning Scheme
Comments:	An undeveloped farm portion with Agricultural rights.

Rates and Taxes up to date	Yes	No	Unknown
			X

11. PROPERTY DESCRIPTION

General description:

The subject property comprises a smaller farm portion of just over 44ha in extent. The farm portion has an almost rectangular shape but attached to the north-eastern corner of the rectangle is a narrow "panhandle" portion that provides access to the dirt road connecting to the south with the R573 as well as to the Krokodilspruit. The eastern boundary of the panhandle portion is formed by the Krokodilspruit which is a small, non-perennial watercourse.

Current usage:

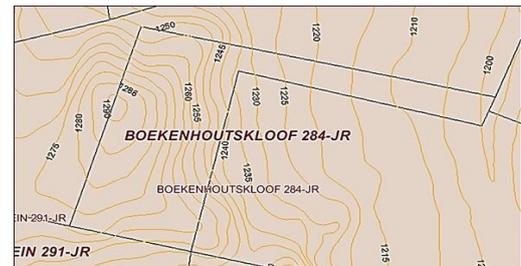
This is an undeveloped farm portion with primarily natural vegetation which is currently used for game farming only. The owner of the adjacent Portion 9 of the farm Boekenhoutskloof 284-JR is currently using the subject portion as an additional grazing area for the game stock on his farm which includes several antelope species such as kudu, blesbuck, impala, etc. The panhandle portion of the site (approximately 7ha in extent) was previously used for the excavation of sand. The land was not rehabilitated and the shallow pits where the sand was excavated from, are evident.

Site improvements:

There are no permanent structures on site, except for two old delapidated windmills with small concrete dams that are currently not in working condition. The site has newly erected electrical game fencing on three boundaries, with the exception of the western boundary where there is only basic wire fencing in place, as well as an opening to the adjacent farm portion.

Topography:

The larger, rectangular portion of the site is situated on a rocky outcrop with a considerable fall towards the east. The central western part of the site is situated at the highest point of the outcrop, at an altitude of 1,290m above sea level. The farm portion is not considered arable due to the gradient of the land as well as the rocky soil formation.



Soil and Veld types:

According to the Soil Map of the Soils Research Institute of South Africa, the subject site is situated in an area with Grey Ferruginous Lateritic Soils with crystalline acid rocks. The subject is furthermore located in the Savanna Biome and the Central Bushveld Bio-region. The veld consists of primarily indigenous grass and tree species, although there is a considerable amount of the invasive plant *Lantana camara* evident, and the veld is over-grown in certain areas.

Climate and Rainfall:

The site is situated in the Moderate Eastern Plateau climate region of South Africa. It is also located in a summer rainfall area, with the average annual rainfall at between 600mm and 800mm.

12. MARKET ANALYSIS

Although no sales for portions of the farm Boekenhoutskloof 284-JR have registered during recent years, numerous sales were registered for surrounding farms such as Krokodilspruit, Doornfontein and Kameelfontein. The market for smaller farm portions in the wider surrounds remains active with a fair demand. In general, the area surrounding the Roodeplaats Dam is a popular area for rural residential purposes and small scale farming due to its close proximity to the urban areas of Gauteng.

Achievable sales rates in the area vary considerably and are determined by micro location within the larger region, specific utilisation of the land in terms of farming or commercial operations conducted, farm size as well as type and quality of permanent improvements on site. The Kameelfontein farm portions are generally smaller (4ha to 5ha average), and therefore higher rates per hectare are obtained. The Doornfontein and Krokodilspruit farm portions generally compare well with the subject in terms of land size and locality.

12.1 Comparable Sales:

We considered sales of farm portions in the nearby surrounds that are comparable in terms of land size and utilisation. Undeveloped farm portions are relatively scarce in the area and therefore we also considered sales of comparable farm portions with improvements on site. Adjustments were made accordingly.

Comparable 1

Property description

Type of accommodation	Farm portion with improvements
Farm extent (ha)	44.26
Purchase price	R 1,300,000
Purchase date	27-Jun-13
Purchase price based on farm size (R/ha)	R 29,372

Ptn 4 of the farm Doornfontein 291-JR
Farm portion with improvements
44.26
R 1,300,000
27-Jun-13
R 29,372



Comments:

This farm portion is situated adjacent to the R573 Moloto Road, close to the intersection with the Wallmannsthal Road and only 2.5km south-west of the subject property. The comparable comprises of a farm portion that has been partly cultivated, but contains primarily natural grazing. The farm portion is fairly level and permanent improvements include a dwelling house, large warehouse / shed and several smaller outbuildings. Downward adjustments applicable to the subject for lack of improvements and lower agricultural potential.

Comparable 2

Property description

Type of accommodation	Farm portion with improvements
Farm extent (ha)	39.27
Purchase price	R 1,500,000
Purchase date	11-Nov-13
Purchase price based on farm size (R/ha)	R 38,197

Ptn 1 of the farm Krokodilspruit 290-JR
Farm portion with improvements
39.27
R 1,500,000
11-Nov-13
R 38,197



Comments:

This comparable is situated some 7.5km south-east of the subject and is traversed by the Krokodilspruit. Portions of the farm are cultivated and the remainder of the farm is used for natural grazing. Improvements include two large warehouses / sheds as well as several smaller outbuildings and shade-netting. Downward adjustments applicable to the subject due to lack of improvements and lower agricultural potential.

Comparable 3

Property description

Type of accommodation	Farm portion with improvements
Farm extent (ha)	38.99
Purchase price	R 1,200,000
Purchase date	05-Aug-15
Purchase price based on farm size (R/ha)	R 30,777

Ptn 29 of the farm Krokodilspruit 290-JR
Farm portion with improvements
38.99
R 1,200,000
05-Aug-15
R 30,777



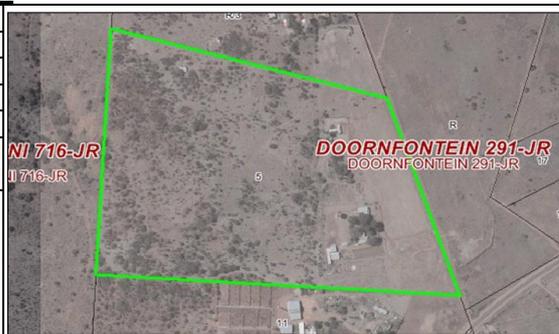
Comments:

An oblong-shaped farm portion situated some 6km south-east of the subject with its south-western boundary bordering the Krokodilspruit. The comparable has a relatively steep incline in topography towards the north-east with only the smaller south-western portion being arable while the remainder of the farm is natural veld. Improvements include a dwelling house and large shed with outbuildings. Downward adjustment applicable to the subject for lack of improvements.

Comparable 4

Property description
 Type of accommodation
 Farm extent (ha)
 Purchase price
 Purchase date
 Purchase price based on farm size (R/ha)

Ptn 5 of the farm Doornfontein 291-JR
Farm portion with improvements
25.57
R 675,000
28-Oct-13
R 26,398



Comments:

This is a fairly level farm portion situated just north of the R573 Moloto Road and only 2km south-west of the subject. The smaller eastern portion of the comparable has cultivated grazing, but the majority of the farm is natural veld. Site improvements include two dwelling houses and two smaller warehouses/sheds. Once again, downward adjustment to the subject anticipated due to lack of improvements.

12.2 Valuation Motivation:

Generally speaking, the sales rates for surrounding farm portions that are similar in size to the subject vary between R22,000 and R50,000 per hectare. As far as could be established, these portions all had permanent improvements on site at the times of sale. Farm portions bordering the Krokodilspruit generally have a somewhat higher sales rate, although topography and arable land portion also have an influence on sales rates.

The comparable sales above are primarily used for rural residential purposes, with limited small scale agriculture. All of the sales however have improvements on site, such as dwelling houses, sheds and other outbuildings. The subject site does not have any building improvements on site and the majority of land is considered to not be arable due to the topography and rocky soil conditions. The subject can be applied for game farming; the land size is however limited and therefore not considered a viable game farm opportunity on its own. The subject does have a good micro location since it is located close to the R573, but not directly adjacent, and has scenic views from the higher altitude portions. The subject would therefore be well suited for rural residential purposes. Crime and burglaries in this area are however reported to be a problem.

Comparable 3 above is considered to be the best comparable to the subject, since it also has limited frontage on the Krokodilspruit, limited arable land and a steep topography. This farm portion is slightly smaller than the subject, it does however have considerable site improvements and a downward adjustment in this regard will therefore be applied to the subject. Considering these factors as well as the other sales above, a sales rate of no more than R25,500 per hectare is considered achievable for the subject property.

13. VALUATION CALCULATION

Portion 10, farm Boekenhoutsloof 284-JR:	44.4607 ha in extent	
Sales rate for the area: (adjusted)	R 25,500 per ha	
	R 1,133,748	
Market Value: Undeveloped farm portion	R 1,100,000	(Rounded)

14. SUMMARY

Open Market Value	R 1,100,000
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15. CONDITIONS OF VALUATION

All figures exclude VAT, unless indicated as inclusive.

16. VALUATION CERTIFICATE

I, Corli Groeneveld, declare that I have inspected the above property, that I have verified the particulars set out in this valuation, and that I value the herein described property for the purposes of this valuation to the best of my knowledge and skills on 01-July-2016 at:

R 1,100,000
(ONE MILLION ONE HUNDRED THOUSAND RAND)

The signatory/ies to this document hereby confirm/s that he/they has/have 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.



.....
Corli Groeneveld
Candidate Valuer
Registration Number
7675

.....
1 July 2016
Date of Signature



.....
Gert van Zyl
Professional Associated Valuer
Registration Number
3509/01

.....
1 July 2016
Date of Signature

17. CAVEATS

This valuation report has been compiled for the exclusive use of the client and shall not be divulged to any other party, as it is confidential.

Where actual income and expenditure data has been made available to us, such data has been adjusted for anomalies and used on the understanding that it is correct as a basis for assessing capitalised values; in the absence of such data, we have made what we consider to be plausible assumptions.

All plans included within the Valuation Report are supplied for the purpose of identification only and are not necessarily to scale. We have assumed that the property and its value are unaffected by any statutory notice or condition of Title where Title Deeds have not been inspected, and that neither the property nor its condition, nor its use, nor its intended use, is or will be unlawful.

This valuation has been prepared on the understanding that no onerous easements, rights of way or encroachments exist by or on the subject property, other than those in favour of statutory bodies, applicable to all such properties, or which could be regarded as customary.

The market value and any other values referred to in this report exclude Value Added Tax (VAT) and transfer costs.

Kindly note that neither the whole nor any part of this report, nor any reference thereto may be included in any published document, circular or statement, nor published in any way without prior written approval of the Valuer as to the form or context in which it may appear.

AKTEX RECORD

Deeds registry	PRETORIA
Property type	FARM
Farm name	BOEKENHOUTSKLOOF
Farm number	284
Portion	10
Province	GAUTENG
Registration division/Administrative district	JR
Local authority	NOKENG TSA TAEMANE LOCAL MUNICIPALITY
Previous description	PTN 4-LG900/967
Diagram deed number	T5990/947
Extent	44.4607 H
LPI Code	T0JR00000000028400010

Title Deeds detail:

Document	Registration date	Purchase date	Amount	Image Scanned reference	Document copy?
T19452/1996	19960311	19951106	R135000.00	19960101 04:38:22	Yes

Owners detail:

Document	Full name	Identity Number	Share	Person Enquiry?
T19452/1996	ELIZABETH SCHUTTE TRUST	T6750/95	-	Yes

Endorsements / Encumbrances:

Endorsement / Encumbrance	Holder	Amount	Microfilm reference	Document copy?
CL-EASTERN GAUTENG S	C	-	-	Not available
JR,284,10	-	-	19870101 06:19:08	Yes

History:

Document	Holder	Amount	Image Scanned reference	Document copy?
T12704/1980	ERASMUS TJAART ANDRIES	-	19880101 03:20:21	Yes
T13880/1988	MOCKE ANNA SUSANNA CATHARINA 80000*	R80000.00	19960101 04:38:22	Yes
T13880/1988	MOCKE WILLEM RUDOLF 80000*	R80000.00	19960101 04:38:22	Yes

PHOTOGRAPHS

