

ANNEXURE B

UNIQUECo
PROPERTY VALUERS



Uniqueco Properties Pty Ltd
P O Box 70041
The Willows
0041
Pretoria



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www.uniqueco.co.za

VAL7605
23 May 2023

Attention: Wiseman Mabunda
Greater Tzaneen Local Municipality
P O Box 24
Tzaneen
0850

RE: Greater Tzaneen Municipality – MARKET VALUATION OF ERVEN 2994 - 2999 TZANEEN EXT 54, LIMPOPO



Directors

Regional Offices
Head Office

Ms R Mokonyane Mr L Nel (Managing)

National (RSA)
Pretoria – Registration. No 2008/027309/07 VAT 4930251444

MARKET VALUATION REPORT

It is hereby certified that the undersigned person duly inspected and valued the subject property, as described herein, to the best of his/her ability and according to the available market information as at the date of the valuation.

1. INSTRUCTION

| | |
|----------------|--|
| Principal | Greater Tzaneen Municipality |
| Contact Person | Wiseman Mabunda |
| Email | Wiseman.Mabunda@tzaneen.gov.za |

2. GENERAL ADMINISTRATION

| | |
|----------------------|---|
| Property Description | Erf 2994, 2995, 2996, 2997, 2998 & 2999 Tzaneen Ext 54 |
| Physical Address | 66 Aqua Avenue, Tzaneen, Limpopo. |
| Purpose of Valuation | Market Valuation |
| Date of Valuation | 11 April 2023 |
| Property Valuer | CJ Erasmus-Nel (Professional Valuer) (SACPVP) For UNIQUECO Properties (Pty) Ltd (t/a UNIQUECO Property Valuers) |

3. TITLE DEEDS ENQUIRY

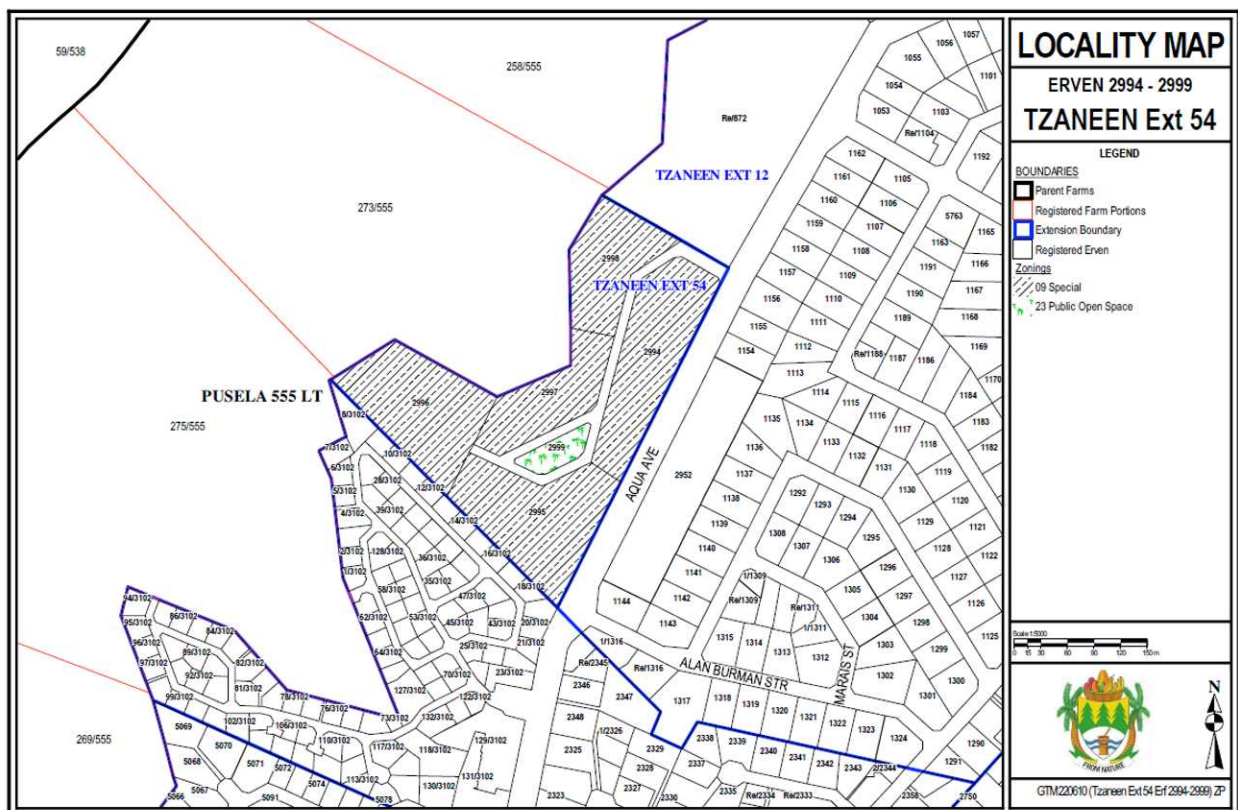
| | | | | | | | | | | | | | | | |
|--------------------------------|---|----------|------------------------------------|----------|------------------------------------|----------|------------------------------------|----------|-----------------------------------|----------|-----------------------------------|----------|-----------------------------------|--------------|---|
| Title Deeds Description | Erf 2994, 2995, 2996, 2997, 2998 & 2999 Tzaneen Ext 53 | | | | | | | | | | | | | | |
| Registered Owner | Plaaslike Oorgangsraad van Tzaneen (<i>Greater Tzaneen Local Municipality</i>) | | | | | | | | | | | | | | |
| Transport Number | *T634/1977PTA | | | | | | | | | | | | | | |
| Extent of Land | <table> <tr> <td>Erf 2994</td><td>1.4912 Ha (14 912 m²)</td></tr> <tr> <td>Erf 2995</td><td>1.5821 Ha (15 821 m²)</td></tr> <tr> <td>Erf 2996</td><td>1.4880 Ha (14 880 m²)</td></tr> <tr> <td>Erf 2997</td><td>0.9068 Ha (9 068 m²)</td></tr> <tr> <td>Erf 2998</td><td>0.9838 Ha (9 838 m²)</td></tr> <tr> <td>Erf 2999</td><td>0.2165 Ha (2 165 m²)</td></tr> <tr> <td>Total</td><td>6.6684 Ha (66 684 m²)</td></tr> </table> | Erf 2994 | 1.4912 Ha (14 912 m ²) | Erf 2995 | 1.5821 Ha (15 821 m ²) | Erf 2996 | 1.4880 Ha (14 880 m ²) | Erf 2997 | 0.9068 Ha (9 068 m ²) | Erf 2998 | 0.9838 Ha (9 838 m ²) | Erf 2999 | 0.2165 Ha (2 165 m ²) | Total | 6.6684 Ha (66 684 m²) |
| Erf 2994 | 1.4912 Ha (14 912 m ²) | | | | | | | | | | | | | | |
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| Erf 2998 | 0.9838 Ha (9 838 m ²) | | | | | | | | | | | | | | |
| Erf 2999 | 0.2165 Ha (2 165 m ²) | | | | | | | | | | | | | | |
| Total | 6.6684 Ha (66 684 m²) | | | | | | | | | | | | | | |

| | |
|--------------------------|---|
| Date of Purchase | Unknown |
| Purchase Price | None indicated. |
| Registration Date | 1977/01/10 |
| Servitudes | None indicated as per title deed information and none noted that will have a negative influence on the value of the property. |
| Note | * Title deed T634/1977PTA includes Erf 2994 – 2999 Tzaneen Ext 54. |

4. BRIEF DESCRIPTION OF SUBJECT PROPERTY

Zoning

Vacant Land (All stands are zoned “Special” except erf 2999 is “Public Open Space”)



Municipal Valuation/s

| | |
|----------|----------------|
| Erf 2994 | R 3 700 000.00 |
| Erf 2995 | R 4 000 000.00 |

| | |
|----------|----------------|
| Erf 2996 | R 3 700 000.00 |
| Erf 2997 | R 2 300 000.00 |
| Erf 2998 | R 2 500 000.00 |
| Erf 2999 | R 500 000.00 |

Primary Use

The subject properties are currently vacant.

Nature of Surrounding Neighbourhood

The subject property is situated in Aqua Street, just east of Tzaneen dam which is visible from the subject property. Bordering to the south is a residential development within a secured area. Bordering north is Tzaneen Dam Jetty 3, which is the main access to Tzaneen Dam for recreational activities including the launching of boats unto the dam. Medium density residential properties are located to the east, opposite Aqua Road.

5. CONDITION OF IMPROVEMENTS & FEATURES TO THE SUBJECT PROPERTY

Improvements

The subject properties consist of Prime vacant land.

Shape of Property

The shape of the property is irregular. Refer to aerial picture.

Services Available

The subject properties border a high residential area with all services considered to be located nearby.

Access and Convenience

Access to the property can easily be obtained from Aqua Road. The internal road indicated as Water Crescent have not been paved. This road would provide access to Erf 2996 -2999.

Condition of Soil

It would appear that the soil quality is suitable for construction purposes. No tests were done to confirm the statement. Surrounding properties towards the south are improved with residential dwellings. We are unaware of the flood lines of the Dam, which appears not to be located on the subject property.

Topography

The topography of the property slopes downwards towards the west where Tzaneen Dam is located. Tzaneen Dam is visible from the subject property at present.

The subject property is approx. 746 - 755 meters above sea level with Tzaneen Dam being at 729 meters above sea level.

Highest and Best Use

The highest and best use for the property is considered for residential development purposes based upon the dominant surrounding usage. The subject property borders the main entrance to Tzaneen Dam with a view over the dam, taking into consideration that there are currently no structures between the subject property and the dam.

According to the above locality map received from the Tzaneen Municipality the proposed zoning for land is "Special" and erf 2999 was set aside for Public open Space.





6. VALUATION APPROACH & APPLICATION

Method of Valuation (Refers to Annexe – A, b & C for the applicable approach/es applied)

Valuations of any type, whether undertaken to estimate Market Value or a definite Non-Market Value, require the valuer to apply one or more valuation approaches. The term “valuation approach” refers to generally accepted analytical methodologies that are commonly used. Market based valuations normally employ one or more of the valuation approaches by applying the principal of substitution, using market-derived data.

Direct Comparable Sales Approach:

This **method of valuation** entails the **comparison of sales** of properties with **similar value forming attributes** in **comparison to the subject property**, either being **vacant or else improved** with fixed infrastructures. The comparable sales approach **identifies more accurate trading trends** for land values, being vacant or improved. **No properties are identical**, however does features **identical characteristics** in respect of **locality and individual utility**.

Indirect Comparable Income Approach:

The **Comparative Income Approach** considers income and expense data generated by the property being valued and estimates value through a capitalisation process. Capitalisation relates income (usually a net income figure) and a defined value type by converting an income amount into a value estimate.

This process may consider direct relationships (known as capitalisation rates) yield or discount (reflecting measures of return on investment) or both.

In general, *The Principal* of substitution holds that the income stream which produces the highest return commensurate with a given level of risk leads to the most probable value figure. Estimating the Market Value, we have taken into consideration the market rental income reserved under the terms of vacant possession reverted and used in accordance to our conclusion.

These rentals compared with market rental margins achieved for comparable premises within the direct surrounding area and surrounding business nodes of similar characteristics.

The following valuation methods will be considered the most appropriate to the subject property/ies. Where applicable, provision will be allowed for additional unutilised vacant land suitable for development or expansion based on comparative information.

Valuation Approach Utilised

- Direct Comparable Method of the Land (Market Value)

7. OPEN MARKET SALES COMPARISONS

| Sale 1 | Registered Description | Size | Sale Date | Amount | Rate/m ² |
|--------|----------------------------|---------------------|-----------|---------------|-------------------------|
| | Erf 3361/23 Tzaneen Ext 59 | 3 533m ² | Aug 2017 | R2 000 000.00 | R 566.00/m ² |

Fairly large vacant stand in the Estate Hippo Rock which is close to the Tzaneen dam.



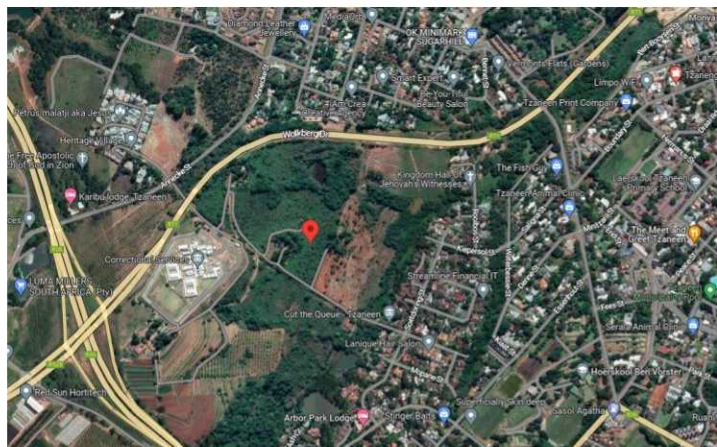
| Sales 2 | Registered Description | Size | Sale Date | Amount | Rate/m ² |
|---------|------------------------|------|-----------|--------|---------------------|
| | Vacant Stands | | | | |

Currently the selling prices for vacant stands in Tzaneen are as follows:

- Arbopark – Yellow Wood Estate the average Sales Price is R675 000 (R1 118/m²) fully serviced.
- Misty Crown Estate close to Ebenezer Dam the average Sales Price is R620 000 (1 594/m²)
- Riverside Estate which is a more affordable area the average Sales Price is R595 000 (R565/m²)
- Doornhoek Equestrian Estate the average Sales Price of larger vacant stands is R1 450 000 (R282/m²)
- Tzangeni upper market security estate which is situated close to the dam the average vacant stands with no view sell for R1 200 00 (R289/m²)
- Cleatwater Cove upmarket estate stand with view sell for approximately R1 090 000 (R1 121/m²)

| Sale 3 | Registered Description | Size | Sale Date | Amount | Rate/m ² |
|--------|-------------------------------|----------------------|-----------|----------------|------------------------|
| | Erven 5764, 5771, 5772 & 5773 | 55 506m ² | Feb 2017 | R26 640 000.00 | R480.00/m ² |

These erven sold together in Feb 2017 with the potential for new township development. The land was still un-serviced on date of sale, but surrounded by high Density developments close to the new Correctional Service development.



SUMMARY AND CONCLUSION

Sale 1 Fairly smaller vacant stand which sold in an already developed estate during 2017 for R566/m².

Sales 2 These sales are recent Market Information of the average sales price of vacant stands in different areas and estate in Tzaneen. Ranging from R282/m² to R1594/m² depending on location, services and size.

Sale 3 These un-serviced land sold together for approximately 480/m² for future township development.

The subject properties can be used for higher density residential developments due to the size of the properties. The shape of the property may influence the suitability or amount of units / floor areas that can be fully utilised for development.

The subject properties are located near the Tzaneen Dam with currently no improvements between the subject property and the Dam, allowing un-obstructed view towards the Dam. These aspects will have a positive influence on the value of the property. There are no registered sales that can compare well to development properties surrounding the dam, having a view over the dam. Most of the comparable sales are residential sales with only a few sales that are located near the dam, not guaranteeing a view towards the dam. The subject property borders the main access gate to where boats can be launched.

We have assumed that there are no wetland or flood lines located over the subject property that will have a negative influence on development potential.

The Tzaneen property market has seen a drastic expansion in recent years, particularly on the residential side. With its abundance of subtropical and indigenous plants, Tzaneen is not only fondly referred to as a subtropical paradise and known for being the cleanest town in Limpopo, but the property market here is also very vibrant and offers many opportunities to prospective investors.

Due to the low stock levels in Tzaneen, property prices have increased, but this fact aside the market still remains a buyer's market like in much of the rest of the country at the moment.

According to the Municipal Fiscal Powers and Functions Amendment Bill, it empowers municipalities to request developers paying in-kind to install bulk engineering services or link engineering services that accommodate greater capacity, to support future development, than the capacity required for the proposed land development. Such a provision is important and forward-looking, it allows a municipality to plan future construction without the burden of having to install engineering infrastructure. In an ideal world, this would allow municipalities to develop their communities at a quicker pace. Also, municipal engineering infrastructure is needed for service delivery and having additional capacity may promote uninterrupted service delivery. A municipality must repay the developer for the additional infrastructure installed or deduct the costs of the additional infrastructure from the development charges paid by the developer on a fair and reasonable basis. When a payment-in-kind is made, the infrastructure installed by a developer becomes the property of the municipality and the developer must register the transfer of any rights in the infrastructure to the municipality.

But in this case the, according to Tzaneen Municipality the Developer will be responsible for costs of Bulk external Engineering services. The costs of installation must be set off against the calculated Market Value.

Taking into consideration the above-mentioned costs of development, the Prime location, the size and other Value forming attributes a Rate of R375/m² is proposed.

Erf 2999 was set aside for Public Open Space and therefore Valued at a lower rate per square R80/m²

8. MARKET VALUATION CALCULATION (VAT Excluded)

Market Valuation Determination:

| Erf | Area | Value/m ² | Rounded Market Values |
|----------------|--------------|----------------------|-----------------------|
| 2994 | 14912 | 375 | 5,592,000.00 |
| 2995 | 15721 | 375 | 5,895,375.00 |
| 2996 | 14880 | 375 | 5,580,000.00 |
| 2997 | 9068 | 375 | 3,400,500.00 |
| 2998 | 9838 | 375 | 3,689,250.00 |
| 2999 | 2165 | 80 | 173,200.00 |
| Rounded | 66684 | R364.41 | 24,300,000.00 |

9. MARKET VALUATION (VAT Excluded)

We hereby certify that we have conducted a desktop valuation of the subject property mentioned and that we have correctly identified the relevant erf numbers as well as the address of the subject property and that the within mentioned information is accordingly correct.

Registered Property Description

Erf 2994, 2995, 2996, 2997, 2998 & 2999 Tzaneen Extension 54, Greater Tzaneen Local Municipality, Limpopo.

Registered Owner

Greater Tzaneen Local Municipality

Registered Extent

| | |
|--------------|---|
| Erf 2994 | 1.4912 Ha (14 912 m ²) |
| Erf 2995 | 1.5821 Ha (15 821 m ²) |
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| Erf 2997 | 0.9068 Ha (9 068 m ²) |
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| Erf 2999 | 0.2165 Ha (2 165 m ²) |
| Total | 6.6684 Ha (66 684 m²) |

Valuation Date

24 May 2023

MARKET VALUATION

Market Value **R 23 300 000.00**
(Twenty Three Million Three Hundred Thousand Rand)

(No allowance has been made for Value Added Tax (VAT) nor for transfer fees and duties which may be payable in the event of the sale of the subject property.) The Developer will be responsible for costs of Bulk external Engineering services. The costs of installation were set off against the calculated Market Value.



CJ ERASMUS-NEL (Professional Valuer)
SACPVP Registration 3452
For
UNIQUECO Properties (Pty) Ltd (t/a UNIQUECO Property Valuers)

DATE 23 May 2023

PLACE UNIQUECO HOUSE - Pretoria Head Office

10. RESERVATIONS

Full Disclosure

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 ourselves and we cannot accept any liability or responsibility whatsoever for the valuation, unless such full disclosure has been made.

Valuation Standard

This valuation has been prepared in accordance within the guidelines of the South African Institute of Valuers for valuation reports and the International valuation Standards.

Statutory Notices and Unlawful Use

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.

Confidentiality

This valuation is produced exclusively for the client and for the specific purposes to which it refers. It may be disclosed to your 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.

Non-Publication

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