

# REAL ESTATE VALUATION REPORT



## DESKTOP VALUATION

<b>Town</b>	<b>Umtata Ext 8 (Fort Gale)</b>
<b>Erf</b>	<b>2422</b>
<b>Portion</b>	<b>0</b>
<b>District</b>	<b>Eastern Cape</b>
<b>Client</b>	<b>NAMC</b>
<b>T-Deed</b>	<b>T685/1993</b>
<b>Date</b>	<b>28 October 2019</b>
<b>Value</b>	<b>R2 000 000</b>

## JCN Joubert (Professional Valuer)

### RESIDENTIAL VALUATION REPORT

OWNER: **Transkei Agricultural Marketing Board**

PROPERTY DESCRIPTION: **Erf 2422, Portion 0, Umtata Ext 8 (Fort Gale), Eastern Cape**

SITUATED AT: **63 Sisson Str, Fort Gale, Umtata**



PREPARED FOR: **National Agricultural Marketing Board (NAMC)**  
TELEPHONE NUMBER: **012 341 1115**  
E-MAIL: [sarah@namc.co.za](mailto:sarah@namc.co.za)  
FAX NUMBER:

PREPARED BY: **Christo Joubert**  
TEL NUMBER: **076 999 7766**  
DATE: **28 October 2019**  
Previous valuation: **07-Dec-18**

#### 1. INSTRUCTIONS

We have been instructed by National Agricultural Marketing Board (NAMC), to value do a desktop property known valuation on Erf 2422, Portion 0, Umtata Ext 8 (Fort Gale), Eastern Cape. The property is situated at 63 Sisson Str, Fort Gale, Umtata.

#### Contact details:

Contact person: Sarah Netili  
Contact no: 012 341 1115

#### Purpose

The purpose of the valuation is to establish an updated market value of the property, excluding movable assets. "Market value 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 arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion." (International Valuation Standards, Seventh Edition)

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

1. They should be in a position to enter into a contract (financially and legally);
2. They negotiate on equal terms;
3. 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);
4. They are not under pressure (i.e. they are not forced to buy or sell a property within a limited time); and
5. 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 properties.

## 2. DATE OF INSPECTION

The subject property was physically inspected on 10 October 2017

## 3. TITLE DEED INFORMATION

We have not had sight of the relevant Title Deed but Deeds Office (AkteX) Enquiries indicate that the property/ies is/are held as follows:

<b>Property Type</b>	Erf
<b>Erf Number</b>	2422
<b>Portion Number</b>	0
<b>Township</b>	Umtata Ext 8 (Fort Gale)
<b>Local authority</b>	King Sabata Dalindyebo Municipality
<b>Registration division</b>	Umtata RD
<b>Province</b>	Easter Cape
<b>Registered Owner:</b>	Transkei Agricultural marketing Board
<b>Title Deed Number:</b>	T685/1993
<b>Date of purchase:</b>	Unknown
<b>Previous purchase price:</b>	Unknown
<b>Extent in m<sup>2</sup></b>	1253,0000
<b>Mortgage bonds registered:</b>	None as per deeds enquiry
<b>Servitudes noted:</b>	None as per deeds enquiry

## 4. PURCHASE PRICE

Purchase Date: Unknown  
Purchase Price: Unknown

**Comments on purchase price:**  
Unknown

## 5. TOWN PLANNING CONDITIONS

Local Authority: **Tshwane Local Municipality**

	Permitted	Actual
<b>Zoning</b>	Unknown	Residential Dwelling & Outbuildings

## 6. PROPERTY DESCRIPTION

### Primary use:

The subject property is a single storey residential dwelling. It was unoccupied at the time of inspection. It can be utilised as a residential property and a home office.

## 7. IMPROVEMENTS

### Residential dwelling

	Yes/No
Main porch	Yes
Lounge 1	Yes
Guest toilet with basin	No
Living room 1	Yes
Living room 2	No
Dinning room	Yes
Open patio	No
Swimming pool	Yes
Entertainment area (Braai & Bar)	No

Main Bedroom (En suite) with built in cupboards	Yes
Bathroom 1 Ensuite to main bedroom	Yes
Dressing area with built in cupboards	No
Bedroom 2	Yes
Bedroom 3	Yes
Bedroom 4	Yes
Kitchen with cupboards	Yes
Dish up area	No
Outside building	Yes
Garage	Yes
Extent Main Building	m <sup>2</sup>
Extent Outside Building	60
Total Extent (Inside)	249

#### Construction

<b>Residential dwelling</b>	
<b>Storeys</b>	: Single storey
<b>Structure</b>	: Brick & Mortar
<b>Roof</b>	: Harvey Tiles
<b>Walls</b>	: Bricks & Pre cast
<b>Floors</b>	: Carpet (Very old)
<b>Glazing</b>	: Steel window frames
<b>Lighting</b>	: Normal

#### Comments on internal finishes:

Needs attention. The roof is leaking in the main bedroom

#### Comments on external finishes:

Overall in acceptable condition

#### Site works & other improvements:

Overall in acceptable condition

#### Outstanding municipal account

The occupier informed the valuer of an outstanding municipal account of rates and taxes of R115 000 at Sept 2017 (see appendix G)

### 8. LOCALITY AND ENVIRONS

#### Macro Locality:

The property is situated in a relatively active market.

#### Micro Locality:

All services are available such as taxi facilities, police station, fire department and other emergency services. Hospitals are close by.

### 9. PREVIOUS PROPERTY VALUATION

Date of previous valuation	:	07 December 2018
Valuation amount	:	R1 750 000,00

### 10. VALUATION MOTIVATION

When valuing real estate the valuer must concern himself with the rights pertaining to a property and the benefits and usage associated with said property. In this valuation it is assumed that the usage of the property is in keeping with the requirements of the local authority, that it would be fully utilised and the building is functional for the purposes for which it would be used.

There are various methods available to arrive at a market value for a property, but with regard to this type of development, the one most suitable is usually the "Direct Comparison Method" of valuation.

#### Direct Comparison Method

Although this method is seen as the most reliable it is necessary to take note of the remarks as detailed in the case Pietermaritzburg vs. S A Breweries Ltd 1911, AD 501 and 516.

"It may not always be possible to fix the market value by reference to concrete examples. There may be cases where, owing to the nature of the property or to the absence of transactions suitable for comparison, the valuer's difficulties are much increased.

His duty then would be to take into consideration every circumstance likely to influence the mind of the purchaser, the present cost of erecting the property, the use to which it is capable of being put, its business facilities as affording an opportunity for profits, its situation and surroundings and so on.

There being no concrete illustrations ready at hand of the operation of these considerations upon the mind of the actual buyer, he would have to employ his skill and experience in deciding what a purchaser, if one were to appear, would be likely to offer and in that way he would, to the best of his ability, be given the exchange value of the property."

Where in this valuation comparable properties were used it was necessary to allow for amendments for time, situation, size, positive and negative attributes and other relevant aspects that could have an impact on the value of the subject property.



During the process of valuation sales of comparable properties were used as guidelines. Improvements are only contributing if it enhances the total value of the property.

Ref: The state of Kerala vs. P P Kassen Koya AIR 1969 SC 360 (IND)

"In determining the compensation payable in respect of land with buildings compensation cannot be determined by ascertaining the value of the land and the "break up value" of the building separately. The land and the building constitute one unit and the value of the entire must be determined with all its advantages and its potentialities."

See also: *Durban Corporation vs. Lincoln 1940 AD 36 45*  
*City of Los Angeles vs. Klinker 219 Cal 198:252d 826:90 AmLR 148 (VSA)*  
*Klinter vs. United States 156 F 2d: 172 AmLR 232 (VSA)*

The following aspects were considered in reaching a conclusion for the comparable sales utilised:

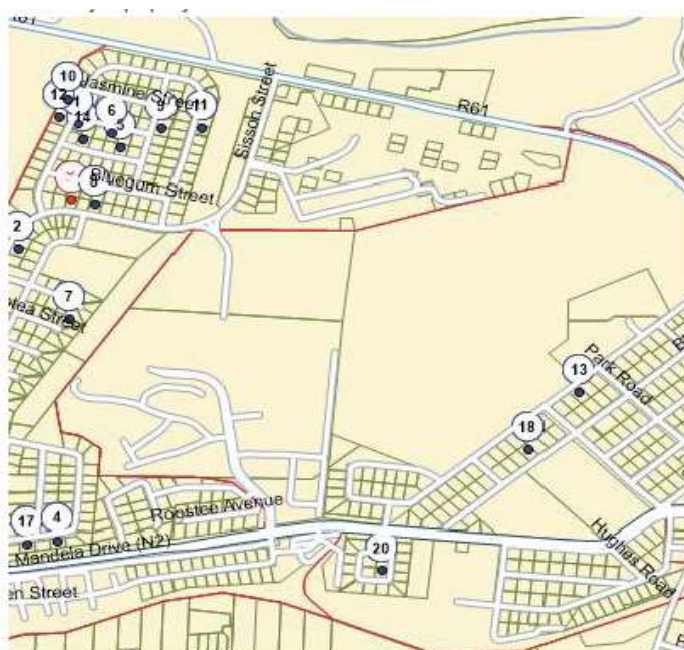
<b>Locality:</b>	The property is located in a rural area with comparable sales
<b>Erf Size:</b>	The subject properties is situated on an big size stand.
<b>Building Size &amp; Accommodation:</b>	The subject dwelling could be considered as larger than average size for the area with above average accommodation, including outbuildings.
<b>Quality of Improvements :</b>	Acceptable
<b>Site Improvements:</b>	Acceptable
<b>Access:</b>	Very good

#### Market conditions and demand: Umtata Jun 2019

The market tend to be relatively active, 20 properties was sold in the last year months.

#### Average price per house and compara

The table and map below below indicates the prices and locations for properties sold in the area. The average price for full holding properties sold in 2016-17 to date were R1 786 000.



Key	Township	Suburb	Erf	Portion	Street Address	Size (m <sup>2</sup> )	Distance (m)	Sale Date	Sales Price (R)	Reg. Date
1	UMTATA EXT 8	FORT GALE	2590	0	12 Willow Drive	1302	238.760	2018/05/21	1700000	2018/07/10
2	UMTATA EXT 8	FORT GALE	2427	0	60 Slisson Street	1280	209.790	2018/08/17	2200000	2018/11/08
3	UMTATA EXT 8	FORT GALE	2342	0	8 Lily Street	1200	717.800	2018/08/30	2000000	2019/03/27
4	UMTATA EXT 7	FORT GALE	2149	0	19 Don Thompson Drive	1200	1094.080	2018/10/10	1800000	Pending
5	UMTATA EXT 8	FORT GALE	2597	0	9 Ebony Street	1280	207.040	2017/11/29	2000000	2018/04/04
6	UMTATA EXT 8	FORT GALE	2593	0	8 Mimosa Street	1280	235.080	2017/10/26	2000000	2018/05/15
7	UMTATA EXT 8	FORT GALE	2454	0	9 Protea Street	1394	383.560	2018/09/19	1050000	2018/12/14
8	UMTATA EXT 8	FORT GALE	2420	0	67 Slisson Street	1200	62.140	2017/05/17	2200000	2017/06/29
9	UMTATA EXT 8	FORT GALE	2562	0	14 Cypress Street	1200	321.890	2017/06/12	1910000	2018/03/05
10	UMTATA EXT 8	FORT GALE	2501	0	23 Willow Drive	1200	319.420	2016/11/12	1700000	2018/02/14
11	UMTATA EXT 8	FORT GALE	2520	0	61 Willow Drive	1200	400.910	2017/09/28	1200000	2018/04/23
12	UMTATA EXT 8	FORT GALE	2499	0	19 Willow Drive	1200	262.910	2018/02/21	800000	2018/08/30
13	UMTATA	HILLCREST	758	0	53 Delville Road	1487	1442.560	2018/06/26	1800000	2018/11/01
14	UMTATA EXT 8	FORT GALE	2600	0	3 Ebony Street	1323	191.850	2017/01/19	1021000	2017/02/21
15	UMTATA EXT 8	Fort Gale	2365	0	5 Rose Street	1486	883.720	2017/10/25	2464640	2018/04/18
16	UMTATA	HILLCREST	539	0	46 Wesley Street	1239	1845.050	2018/05/18	1500000	2018/08/27
17	UMTATA EXT 7	FORT GALE	2151	0	15 Don Thompson Drive	1200	1112.490	2017/01/31	1800000	2017/03/30
18	UMTATA	HILLCREST	708	0	64 Blakeway Road	1487	1420.630	2017/12/06	2000000	2018/03/28
19	UMTATA EXT 8	FORT GALE	2361	0	44 Don Thomson Street	1182	832.690	2017/03/30	2300000	2017/06/20
20	UMTATA EXT 6	HILLCREST	1989	0	5 Stanley Nelson Drive	1282	1431.400	2018/06/20	3000000	2018/09/21

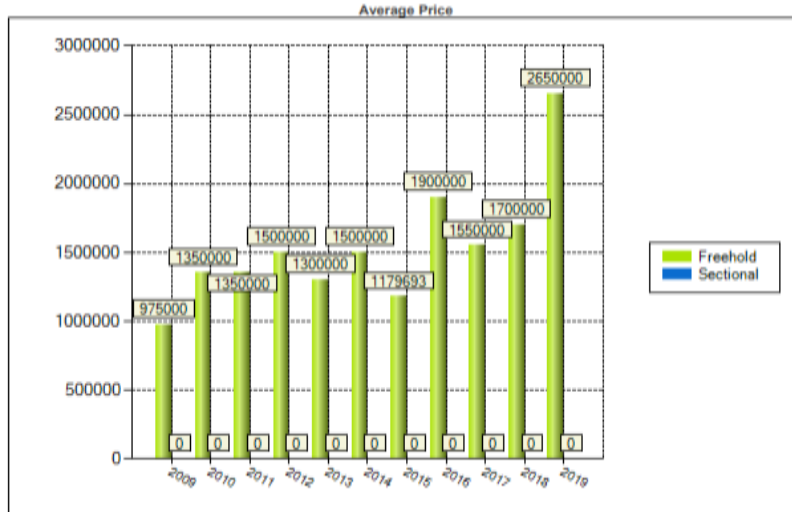
	Dec-17	May-19	Growth
Expected high for the area	R2 310 000	R2 480 000	7,36%
Expected low for the area	R1 200 000	R1 430 000	19,17%
<b>Average</b>	<b>R1 755 000</b>	<b>R1 955 000</b>	<b>13,26%</b>

#### Suburb trends

The graph below depict the trend in the suburb.

**Average Prices**

The suburb shows an increase trend over time from the previous valuation.



**Conclusion**

Sales in the area however indicates values up to R2 650 000 with lows of R975 000. The property needs some maintenance.

**CONDITIONS OF VALUATION**

11,1 The valuer reserves the right to modify the report should the title deed contain any conditions that may affect the valuation in any way whatsoever.

**11. EXECUTIVE SUMMARY**

Demand for properties in the immediately surrounding area is limited over the last couple of years, with registered sales in the last 12 months similar to that of the previous year. The subject property is of an above average size and improvement. Cognisance was also taken into account of available residential properties in the market and the asking price.

<b>Open Market Value</b>	R	2 000 000
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**12. VALUATION**

**The valuer is of the opinion that the Open Market Value of the subject property, situated on Erf 2422, Portion 0, Umtata Ext 8 (Fort Gale), Eastern Cape, as at 28 October 2019 is:**

**R 2 000 000**

**Two million rand**

The signatory/ies to this document hereby confirms 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.

**Professional Valuer**  
**Registration Number: 5136/3**

28 October 2019  
Date of Signature  
See appendix H for SACVP certificate

28 October 2019  
Date of Signature

### **Caveats**

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.

### **Plans.**

All plans included within the Valuation Report are supplied for the purpose of identification only and are not necessarily to scale.

### **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 owner and for the specific purposes to which it refers. It may be disclosed to your other professional advisers assisting in respect of that purpose. We accept no responsibility whatsoever to any parties other than who make use of this valuation.

### **Non-Publication**

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 our prior written approval as to the form or context in which it may appear.

### **Appendices:**

**Aktex - A**

**SG Diagram - B**

**Locality - C**

**Images - D**

**Comparables - E**

**Previous valuation - F**

**Outstanding municipal account - G**

**SACPVP Certificate - H**

## WinDeed Database Deeds Office Property

**windeed**  
A LexisNexis® Product

UMTATA EXT 8, 2422, 0 (UMTATA)

**GENERAL INFORMATION**

Date Requested	2017/12/04 07:03
Deeds Office	UMTATA
Information Source	WINDEED DATABASE
Reference	-

**PROPERTY INFORMATION**

Property Type	ERF
Erf Number	2422
Portion Number	0
Township	UMTATA EXT 8
Local Authority	KING SABATA DALINDYEBO MUNICIPALITY
Registration Division	UMTATA RD
Province	EASTERN CAPE
Diagram Deed	G391/1988
Extent	1235.0000SQM
Previous Description	-
LPI Code	C11000010000242200000

**OWNER INFORMATION****Owner 1 of 1**

Type	COMPANY
Name	TRANSKEI AGRICULTURAL MARKETING BOARD
ID / Reg. Number	-
Title Deed	T685/1993
Registration Date	1993/06/04
Purchase Price (R)	GRANT
Purchase Date	-
Share	0.00
Microfilm	-
Multiple Properties	NO
Multiple Owners	NO

**ENDORSEMENTS**

No documents to display

**HISTORIC DOCUMENTS**

No documents to display

**DISCLAIMER**

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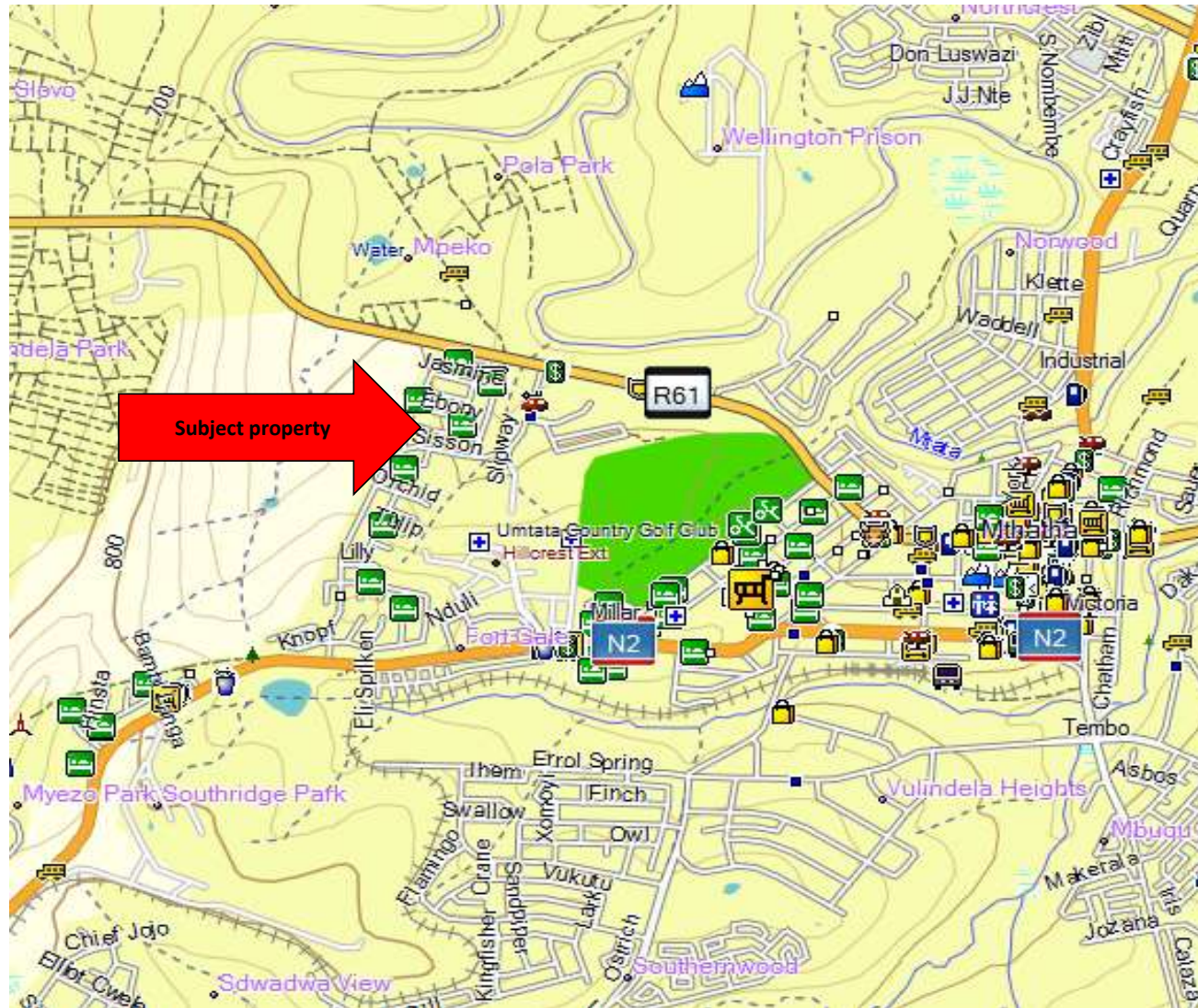


**Erf 2422, Portion 0, Umtata Ext 8 (Fort Gale), Eastern Cape**

**S.G. DIAGRAM**

## Locality

This section contains location maps to assist in determining the location of the property. This map also contains property boundaries and erf surrounding properties.



Location Map 2



Locality - C



Images



Front view



Dinning room



Bedroom 1



Guest toilet



Bedroom 2



Bedroom 3



Bathroom 1



Kitchen



Kichen



Damage to carpet



Damage to carpet



Inside of garage

Sauna



Water leak and damage

Main bedroom



Carport and outbuilding



# Comparable sales

Transaction	Sales date	Sales Price	Erf Size	Address
1	26-Apr-16	R 1 900 000	1248	6 Ebony Street



Transaction	Sales date	Sales Price	Erf Size	Address
2	04-May-16	R 1 800 000	1222	15 Bluegum Str



Transaction	Sales date	Sales Price	Erf Size	Address
3	18-May-17	R 1 750	1190	11 Durow Str





# Previous valuation

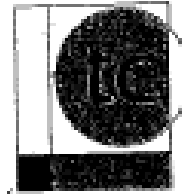
## TC Appraisal Concepts CC.

Reg No. 2001/073925/23 • VAT Reg. No. 4910204132

PO BOX 14044, West Bank, East London, 5218

CELL. 083 667 6772 • FAX 011-507 5954

E-mail: [tcapp@mwebbiz.co.za](mailto:tcapp@mwebbiz.co.za)



## Valuation Certificate

T S Ciya, trading as TC Appraisal Concepts Close Corporation, hereby certify that I have inspected the subject properties on the 21<sup>st</sup> January 2014, and to the best of my skill and knowledge and taking into account all relevant matters, I value the subject property described as Erf number 2422 Mthatha and situated at number 63 Seasons Street in Fort Gale and measuring approximately 1 235 square metres, as at the 21<sup>st</sup> January, 2014 as follows –

- i. Market-related value at R850 000 (Eight hundred and fifty thousand Rand), excluding 14% VAT, and
- ii. Market-related rent at R7 500 or R51 per square metre.

This valuation certificate is valid for twelve months.

Nomatamba Mbete  
Candidate Valuer – Reg.No.2946

Thamsanqa Sidwell Ciya  
Professional Valuer – Reg.No.4301/2

Date : 21 January , 2014

Date : 21 January , 2014



# SACPVP Certificate



## SOUTH AFRICAN COUNCIL FOR THE PROPERTY VALUERS PROFESSION

This is to certify that

**JAN CHRISTOFFEL NEL JOUBERT**

is registered as

*Professional Valuer*

In terms of section 20(2)(a) of the  
Property Valuers Profession Act, 2000

DATE OF REGISTRATION AS: Professional Valuer: 28 October 2015

DATE OF ISSUE: 29 October 2015

PERIOD OF VALIDITY: 28 October 2015 - 30 June 2020



M Kubuzie  
President



REGISTRATION No: 5136



MC Seota  
Registrar