

11 July 2019

Att: Manager Development Planning  
Matjhabeng Municipality  
1 Reinet Street  
Welkom  
9460

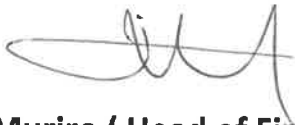
Dear Sir

**Ref: - Proposed Extension of ERF2203**

In respect to the proposed extension to our existing centre located on Erf 2203, Virginia. We propose to enter into an agreement of sale or lease over Erf 1291 to 1294 respectively in Virginia. The land in question is located directly next to our centre and this will help us comply with parking requirements.

We kindly request that our proposal be considered soon to allow us to budget, plan and proceed with the development.

**For and on Behalf of Eddzo Properties (Pty) Ltd**

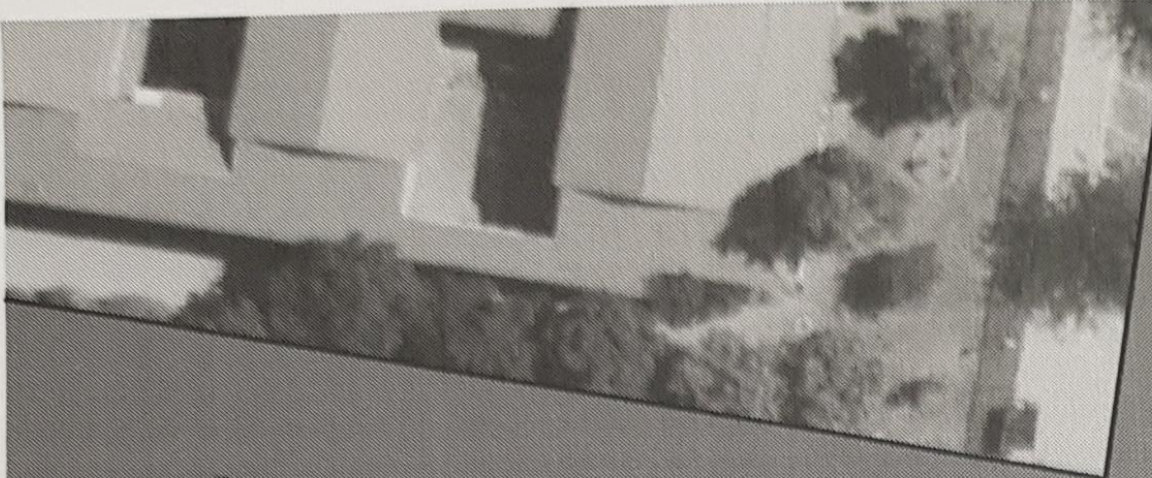


**L Muriro ( Head of Finance)**

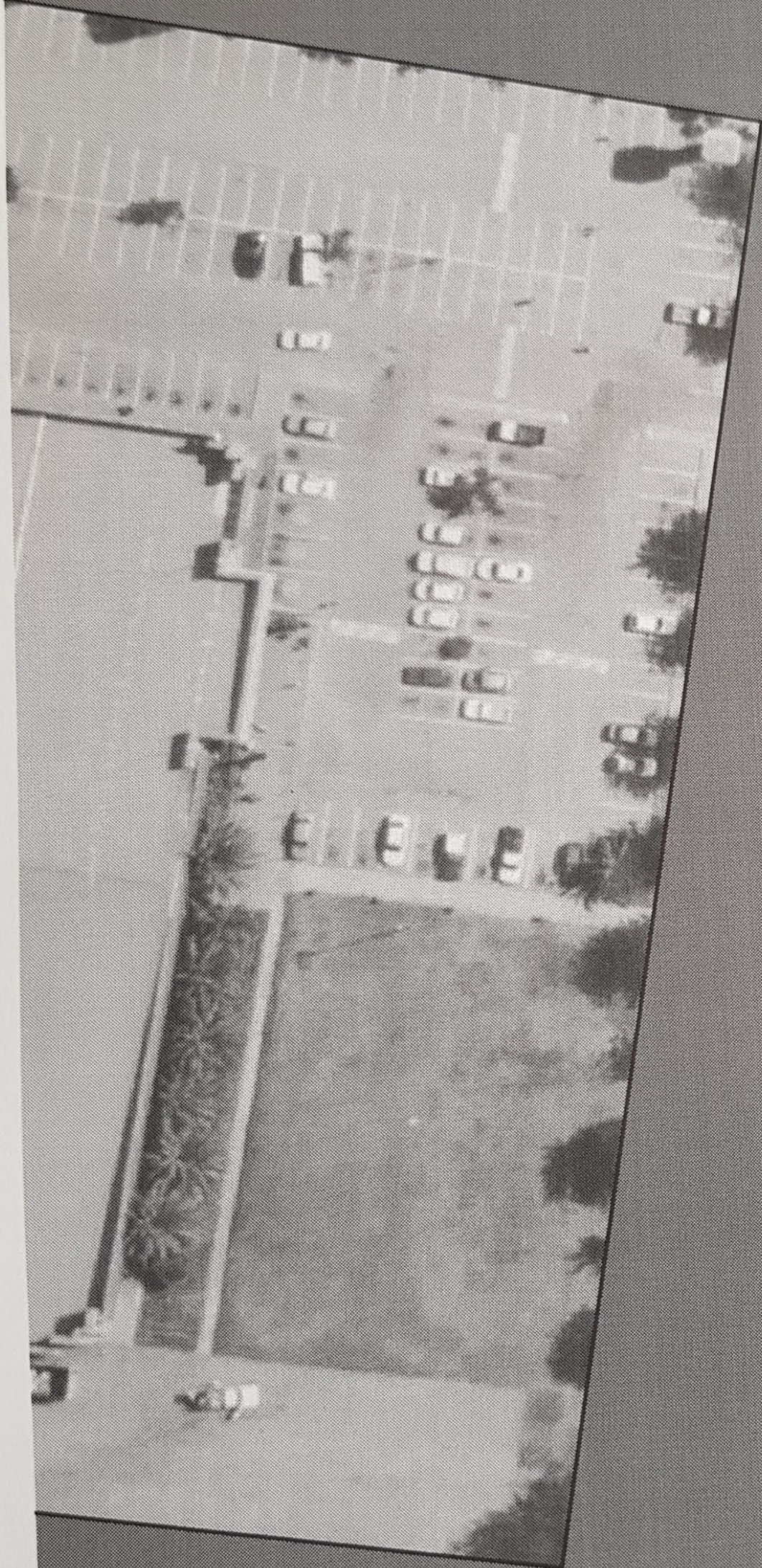
## LOCATION PLAN: ERVEN 1291, 1292, 1293 AND 1294 VIRGINIA



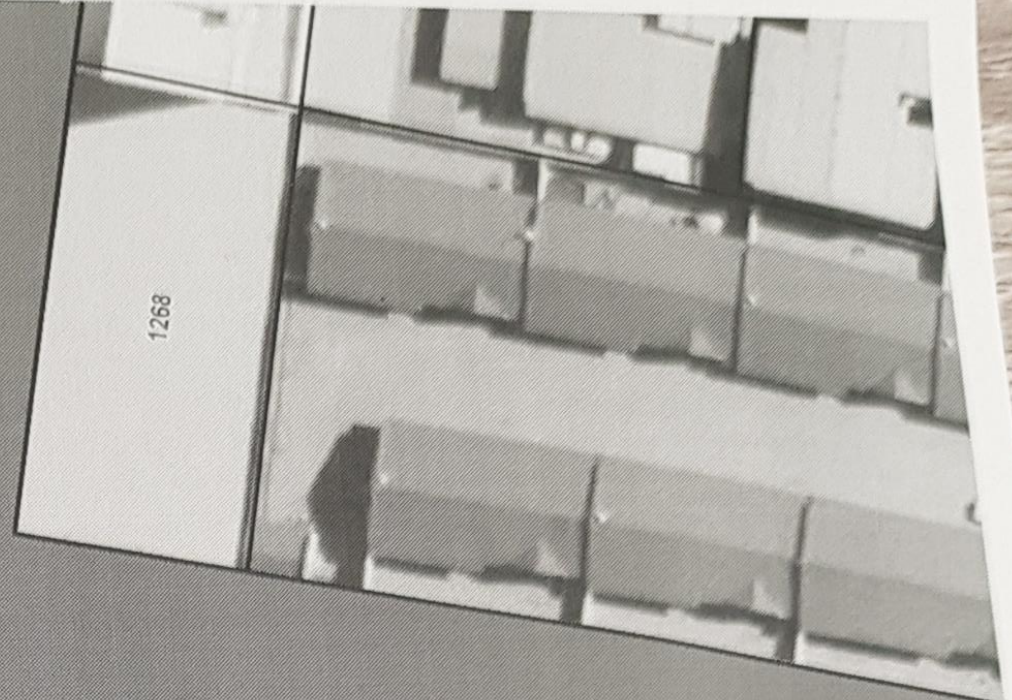




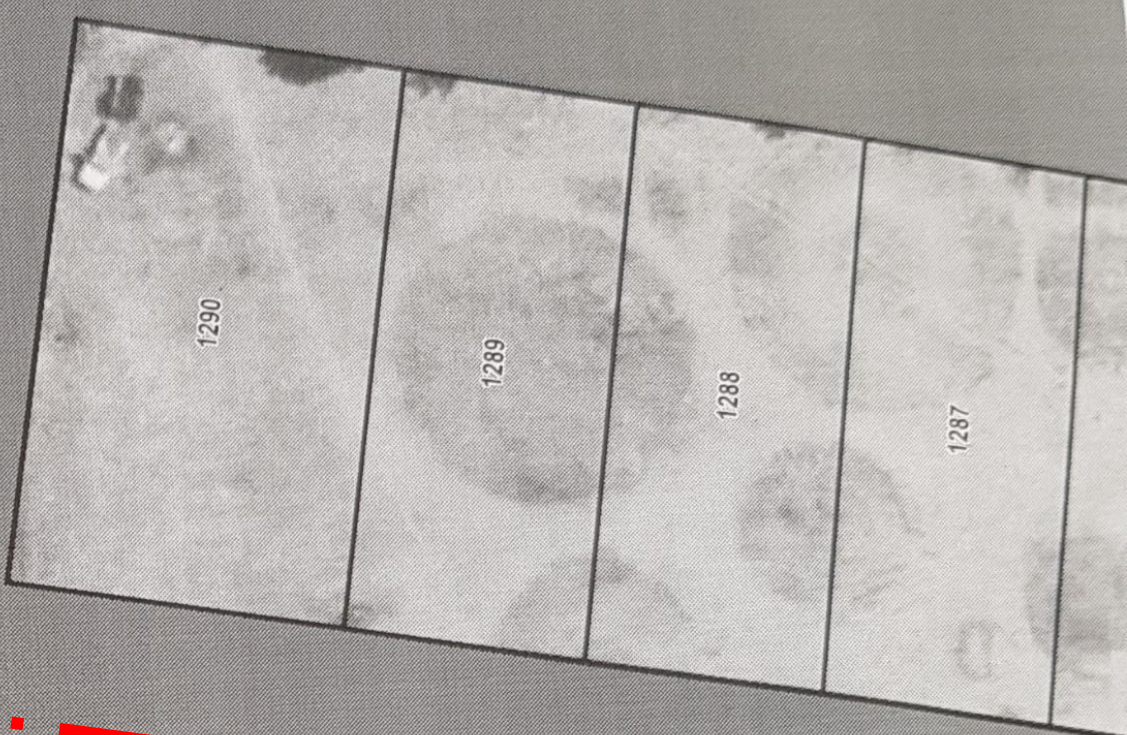
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EAST



1268



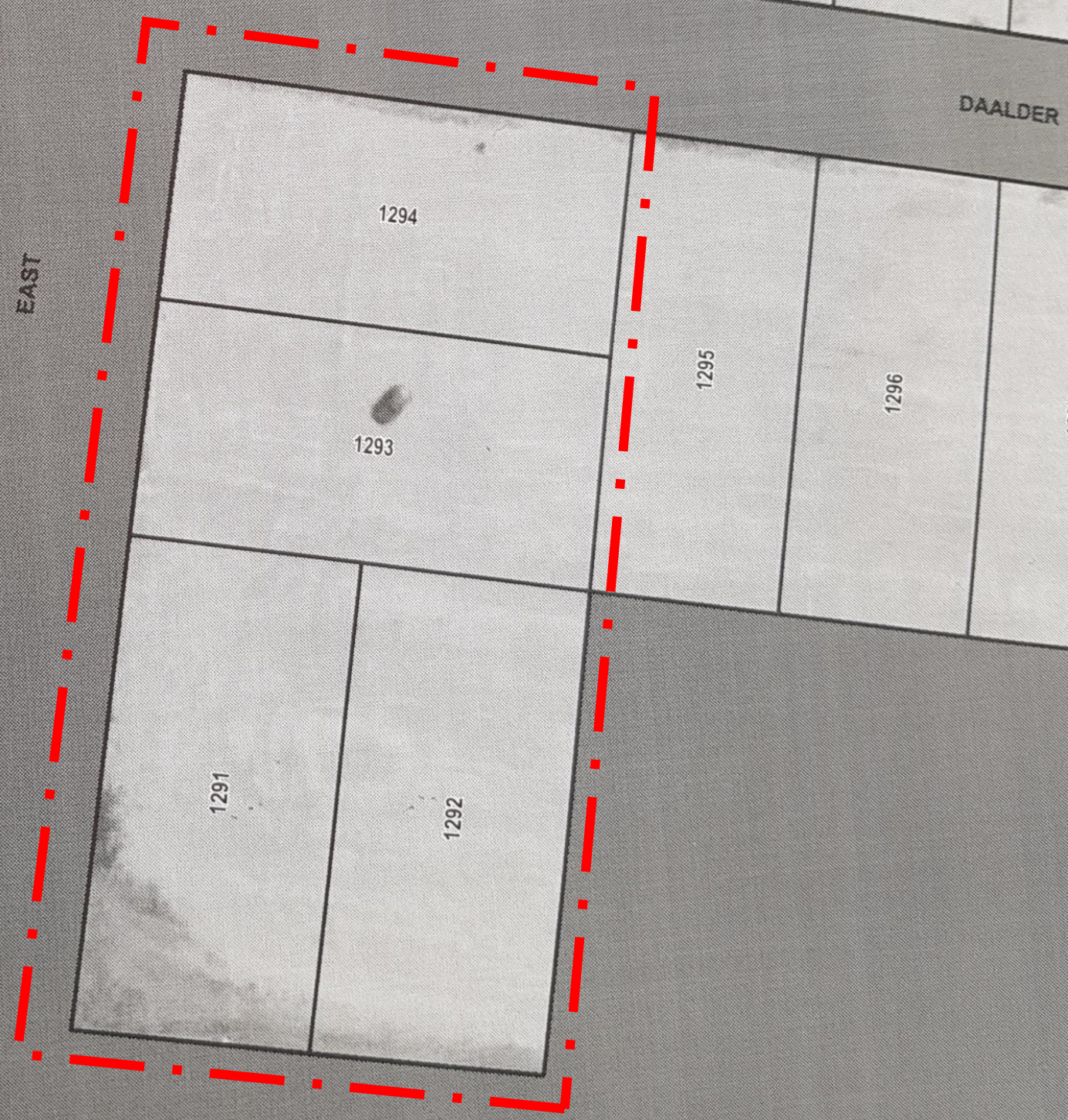
1290

1289

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DAALDER



1294

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1295

1296

1291

1292





Physical Address: Kingfisher Office Park, Block 1A, First Floor Unit 2,  
28 -32 Siphosethu Road, Mount Edgecombe, 4302  
Postal Address: P O Box 1150, Hyper by the Sea, Durban North, 4053  
Tel: +27 31 537 3674 | Fax: +27 86 616 8149  
Email: [info@tshani.co.za](mailto:info@tshani.co.za) | Website: [www.tshani.co.za](http://www.tshani.co.za)

01 June 2018

**MATJHABENG MUNICIPALITY**

1 Reinet Street

**Welkom**

9460

**ATTENTION: MR. FANIE NIEUWOUDT**

Email: [fanie.nieuwoudt@matjhabeng.co.za](mailto:fanie.nieuwoudt@matjhabeng.co.za)

Dear Sir,

**PROPOSAL FOR LAND ACQUISITION ON ERVEN 1293 AND 1294, VIRGINIA**

Reference is made to the proposed development that we are planning to implement on Erf 2203, Virginia and meeting held on 30 May 2018 with Mr. Kreyen Pillay.

The proposed development on Erf 2203, Virginia requires additional parking to be provided on site. This proposal is made to the Matjhabeng Municipality for the land acquisition of Erven 1293 and 1294, Virginia to be utilized for parking purposes for the proposed additions on Erf 2203, Virginia.

The Developer wishes to enter into a Lease Agreement with the Matjhabeng Municipality with an option to purchase Erven 1293 and 1294, Virginia.

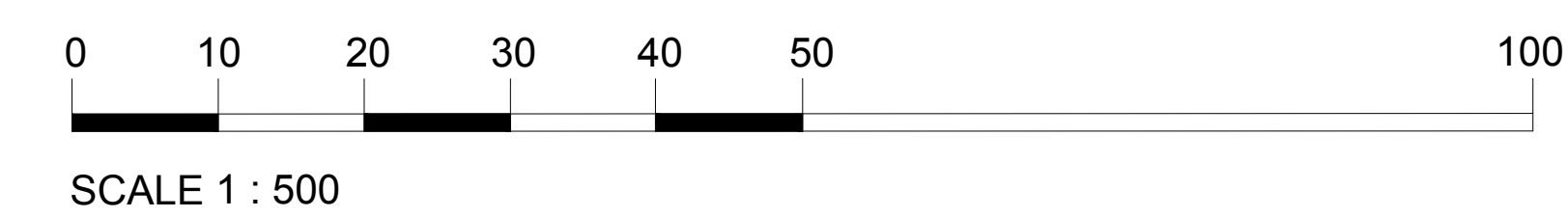
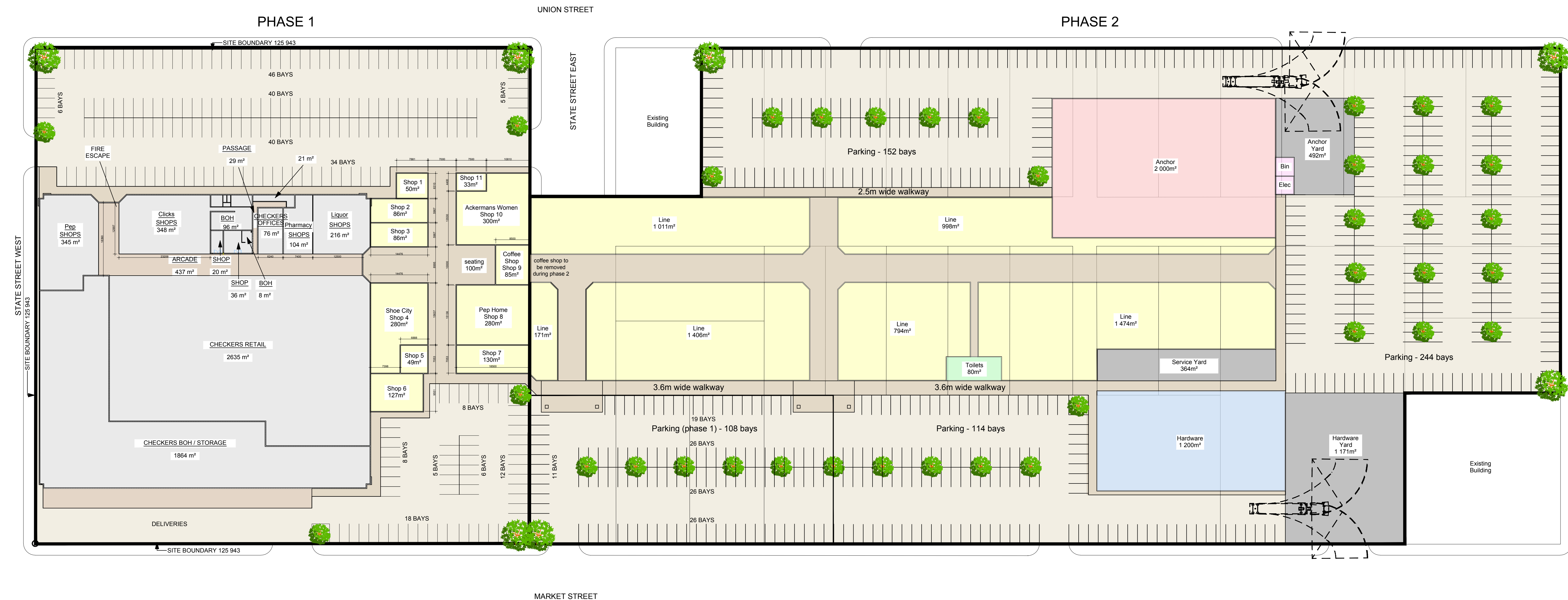
Please can you assist us in processing this request as soon as possible.

Trusting that the above is to your satisfaction and should there be any queries thereto, please do not hesitate to contact the undersigned.

Yours faithfully,

**MR. KREASON NAIDOO**  
**082 940 2502**

KEY					
		Phase 2		Phase 1 + Phase 2	
Phase 1		Anchor	2 000m²	Total GLA	16 232m²
Checkers	2 635m²	Hardware	1 200m²	Parking Required Parking Provided	878 846
Checkers Storage	1 864m²	Line Shops	5 854m²		
Line Shops Ex.	1069m²	Total GLA	9 054m²	Total Site Area	45 863m²
Line Shops BOH Ex.	104m²	Toilets	80m²		
Line Shops New	1 506m²	Anchor Yard	492m²		
Total GLA	7 178m²	Hardware Yard	1 171m²		
Offices	76m²	Service Yard	364m²		
Toilets	21m²	Bin & Elec	40m²		
Parking Required	335	Parking Required	543		
Parking Provided	336	Parking Provided	510		
		@ 6/100m²			
Total Site Area	15 858m²	Total Site Area	30 005m²		



**Property detail:**

Deeds registry	BLOEMFONTEIN
Property type	ERF
Township	VIRGINIA
Erf number	1291
Portion	0
Province	FREESTATE
Registration division/Administrative district	VENTERSBURG RD
Local authority	MATJHABENG LOCAL MUNICIPALITY
Previous description	-
Diagram deed number	T2764/1954
Extent	714.0000 SQM
LPI Code	F03500080000129100000

**Title Deeds detail:**

Document	Registration date	Purchase date	Amount	Microfilm reference	Document copy?
T13440/1981	19811111	-	-	-	Not available

**Owners detail:**

Document	Full name	Identity Number	Share	Person Enquiry?
T13440/1981	MATJHABENG LOCAL MUNICIPALITY	-	-	<a href="#">Yes</a>

**Endorsements / Encumbrances:**

Endorsement / Encumbrance	Holder	Amount	Microfilm reference	Document copy?
VIRGINIA,1291	-	-	-	Not available

**Property detail:**

Deeds registry	BLOEMFONTEIN
Property type	ERF
Township	VIRGINIA
Erf number	1292
Portion	0
Province	FREESTATE
Registration division/Administrative district	VENTERSBURG RD
Local authority	MATJHABENG LOCAL MUNICIPALITY
Previous description	-
Diagram deed number	T2764/1954
Extent	714.0000 SQM
LPI Code	F03500080000129200000

**Title Deeds detail:**

Document	Registration date	Purchase date	Amount	Microfilm reference	Document copy?
T13440/1981	19811111	-	-	-	Not available

**Owners detail:**

Document	Full name	Identity Number	Share	Person Enquiry?
T13440/1981	MATJHABENG LOCAL MUNICIPALITY	-	-	<a href="#">Yes</a>

**Endorsements / Encumbrances:**

Endorsement / Encumbrance	Holder	Amount	Microfilm reference	Document copy?
VIRGINIA,1292	-	-	-	Not available

**Property detail:**

Deeds registry	BLOEMFONTEIN
Property type	ERF
Township	VIRGINIA
Erf number	1293
Portion	0
Province	FREESTATE
Registration division/Administrative district	VENTERSBURG RD
Local authority	MATJHABENG LOCAL MUNICIPALITY
Previous description	-
Diagram deed number	T2764/1954
Extent	714.0000 SQM
LPI Code	F03500080000129300000

**Title Deeds detail:**

Document	Registration date	Purchase date	Amount	Microfilm reference	Document copy?
T13440/1981	19811111	-	-	-	Not available

**Owners detail:**

Document	Full name	Identity Number	Share	Person Enquiry?
T13440/1981	MATJHABENG LOCAL MUNICIPALITY	-	-	<a href="#">Yes</a>

**Endorsements / Encumbrances:**

Endorsement / Encumbrance	Holder	Amount	Microfilm reference	Document copy?
VIRGINIA,1293	-	-	-	Not available



**Property detail:**

Deeds registry	BLOEMFONTEIN
Property type	ERF
Township	VIRGINIA
Erf number	1294
Portion	0
Province	FREESTATE
Registration division/Administrative district	VENTERSBURG RD
Local authority	MATJHABENG LOCAL MUNICIPALITY
Previous description	-
Diagram deed number	T2764/1954
Extent	1294.0000 SQM
LPI Code	F03500080000129400000

**Title Deeds detail:**

Document	Registration date	Purchase date	Amount	Microfilm reference	Document copy?
T13440/1981	19811111	-	-	-	Not available

**Owners detail:**

Document	Full name	Identity Number	Share	Person Enquiry?
T13440/1981	MATJHABENG LOCAL MUNICIPALITY	-	-	<a href="#">Yes</a>

**Endorsements / Encumbrances:**

Endorsement / Encumbrance	Holder	Amount	Microfilm reference	Document copy?
VIRGINIA,1294	-	-	-	Not available



**Property detail:**

Deeds registry	BLOEMFONTEIN
Property type	ERF
Township	VIRGINIA
Erf number	2203
Portion	0
Province	FREESTATE
Registration division/Administrative district	VENTERSBURG RD
Local authority	MATJHABENG LOCAL MUNICIPALITY
Previous description	-
Diagram deed number	T2630/1954
Extent	1.5860 H
LPI Code	F03500080000220300000

**Title Deeds detail:**

Document	Registration date	Purchase date	Amount	Image Scanned reference	Document copy?
T12487/2017	20170921	20170519	R36500000.00	20171005 10:32:38	<a href="#">Yes</a>

**Owners detail:**

Document	Full name	Identity Number	Share	Person Enquiry?
T12487/2017	EDZZO PROPERTIES PTY LTD	201112042007	-	<a href="#">Yes</a>

**Endorsements / Encumbrances:**

Endorsement / Encumbrance	Holder	Amount	Image Scanned reference	Document copy?
B4494/2017	ALBARAKA BANK LTD	R20000000.00	20171005 10:36:49	<a href="#">Yes</a>
VA1596/2017	SHOPMAKERS VILLAGE INVESTMENTS PTY LTD	-	20171005 10:33:25	<a href="#">Yes</a>
VIRGINIA,2203	-	-	-	Not available

**History:**



Document	Holder	Amount	Image Scanned reference	Document copy?
B2877/2012	-	-	20171005 10:35:15	<a href="#">Yes</a>
T10984/1984	NEDERDUITSE GEREFORMEERDE KERK-OVS	-	2006 0277 0017	<a href="#">Yes</a>
T12065/2006	BROOKFIELD INVESTMENTS 248 PTY LTD	R21750000.00	20171005 10:34:08	<a href="#">Yes</a>
T12065/2006	SHOPMAKERS VILLAGE INVESTMENTS PTY LTD	R21750000.00	20171005 10:34:08	<a href="#">Yes</a>





**BAMBANANI**  
PROPERTY VALUATIONS & ASSESSMENTS

P.O Box 2860,  
Welkom, 9460

Tel/Fax- 057 388 4557  
Cell - 0824614019  
bambaprop@telkomsa.net

Office address:  
4 Pomona Street,  
Riebeeckstad

Experience. Success. See the difference.

Sabi Care trading as Sabi Construction  
342 Smith Street  
Scottburgh  
Kwazulu Natal

Dear Sir

<b>Date</b>	<b>Your Reference</b>	<b>Our Reference</b>
31/07/2019	Erf 1291	Jaco Potgieter

**VALUATION OF ERF 1291 VIRGINIA CENTRAL, VIRGINIA,  
(MATJHABENG MUNICIPALITY)**

Your instructions dated 29 July 20189 refer.

I herewith submit my valuation report in accordance to your instructions, viz. to determine the Market Value of the subject property as at July 2019. "Market Value, being defined as, the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties of each acted knowledgeably, prudently and without compulsion".

The subject property was visited and inspected on 31 July 2019.

As this is a property suitable for investment purposes, the method of valuation would be the Capitalization of Nett Income Method of valuation, the reasoning being that a buyer would not pay more for a property than the rate of return he would realize with an investment with the same risk.

**However the subject property is a vacant piece of land and the direct comparison method will be used.**

I thank you for your instructions.

## VALUATION CERTIFICATE

### 1. BRIEF

We have been instructed by Mr Jaco Potgieter, (on behalf of Sabi Care) to provide him with a market related value of the subject property as mentioned under property description.

Date of Brief : 29 July 2019

Date of Inspection : 31 July 2019

Date of Valuation : July 2019

### 2. OWNER

Virginia Plaaslike Oorgangsraad

### 3. PROPERTY DESCRIPTION

Erf no : 1291

Erf extent : 714m

Title Deed No : T13440/1981

### 4. PHYSICAL ADDRESS

7 Market Street  
Virginia Central  
Virginia

### 5. MUNICIPAL VALUATION

Land : N.A.

Improvements : N.A.

Total : R36000(2015/2016)

### 6. MUNICIPAL SERVICES

All services are available.

### 7. ZONING

Commercial	i) Coverage	: 60%
	ii) Height	: Double Storey
	iii) Floor space index	: Not specified
	iv) Parking	: On-site parking



## 8. NEIGHBOURHOOD AREA

The subject property is surrounded by commercial zoned properties such as retail and office accommodation. Checkers and Pepstores were noted in very close proximity. Most Financial Institutions are also in close proximity. The surrounding properties are on the average in a reasonably good condition.

## 9. SUBJECT PROPERTY



## PHYSICAL ASPECTS

Slope : Level	Upkeep : Average
Shape : Rectangular	State of soil : Not tested

## SUITABILITY FOR SUB-DIVISION

The subject property is suitable for subdivision.

## IMPROVEMENTS

The subject property is vacant land.

**CONSTRUCTION**

Walls	: N.A.
Floors	: N.A.
Covering	: N.A.
Window Frames	: N.A.
Frontage	: N.A.
Upkeep	: N.A.
Appearance	: N.A.
Condition	: N.A.
Roof	: N.A.
Ceilings	: N.A.

**Condition of Improvements**

N.A.

**10. MARKET RESEARCH**

As this is a property zoned for commercial purposes, it is suitable for investments purposes, the method of valuation would be the Capitalization of Nett Income Method of Valuation, the reasoning being that a buyer would not pay more for a property than the rate of return he would realize with an investment with the same risk.

This subject property however is vacant land, zoned commercial. The direct comparison method will be use to determine a market related value.

The property is situated in the core of the CBD. Passing traffic is good. The property is part of a large open space, with approximately 30 small erven all vacant land. The whole area is a tarred surface, and is being used by local driving schools to teach their students to park.

The area is owned by the local municipality.

The demand for similar accommodation can be described as being below average. Extremely limited sales are available for vacant land. We therefore had to make use of dated sales.

**Marketability of Subject Property**

The marketability is average to below average at present. The economic climate in the Goldfields is slow. We are aware of some development in the area and Kentucky recently opened their doors in close proximity.

**General**

A small vacant erf, 714m<sup>2</sup> situated in the core of the CBD area.



## 11. INCOME AND EXPENDITURE

N.A.

### 11.1 GROSS INCOME

N.A.

### 11.2 EXPENDITURE

N.A.

### 11.3 NETT INCOME

N.A.

## 12. CAPITALIZATION FACTOR

The capitalization factor in the market is determined by supply and demand. It is affected by various factors, some related to the general economic market and others more specifically on the property itself.

The capitalisation rate varies from 11% - 14% depending on the above mention factors as well as the risk, political situation, condition on lease, type of building, coverage etc. The capitalisation rate is calculated by dividing the net rental income of a property by the purchase price.

**This method of valuation will not be used though. We will make use of the direct comparison**

There are five main methods used when conducting a property evaluation;

the comparison, profits, residual, contractors and that of the investment.

The Comparison **method** is used to value the most common types of **property**, such as houses, vacant land and standard warehouses.

### **Sales of vacant land in Virginia:**

Erf 1175      sold for R90 000 15/02/2019 -  $2395\text{m}^2 = \text{R}37.57/\text{m}^2$

Erf 1223      sold for R46 000 22/11/2016 -  $1487\text{m}^2 = \text{R}30.93/\text{m}^2$

Erf 1290      sold for R210 000 10/11/2014 -  $833\text{m}^2 = \text{R}252.10/\text{m}^2$  (Kentucky)

These are the only sales of vacant land zoned for commercial since January 2014 within Virginia.

**Sales of vacant land in Welkom**

Erf 8181 sold for R175 000 12/02/2018 –  $1269\text{m}^2 = \text{R}137.90/\text{m}^2$   
 Erf 7853 sold for R400 000 12/06/2018 –  $5955\text{m}^2 = \text{R} 67.07/\text{m}^2$

Erf 8235 sold for R170 000 09/01/2017 –  $3740\text{m}^2 = \text{R}45.45/\text{m}^2$   
 Erf 8234 sold for R150 000 09/01/2017 –  $3283\text{m}^2 = \text{R}45.68/\text{m}^2$

**13. CONCLUSION AND CALCULATION**

Therefor with the available market information, as well as discussion with other valuers a market related rate of  $\text{R}120/\text{m}^2$  is market related. The value of the subject property, based on The Direct Comparison Method of Valuation, would in my opinion, be **R85 000 (EIGHTY FIVE THOUSAND RAND)**



MARINDA JOUBERT  
 Professional Valuer 3331  
 DIP. PROPERTY VALUATIONS





**BAMBANANI**  
PROPERTY VALUATIONS &  
ASSESSMENTS

P.O Box 2860,  
Welkom, 9460

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Office address:  
4 Pomona Street,  
Riebeeckstad

Experience. Success. See the difference.

Sabi Care trading as Sabi Construction  
342 Smith Street  
Scottburgh  
Kwazulu Natal

Dear Sir

<b>Date</b>	<b>Your Reference</b>	<b>Our Reference</b>
31/07/2019	Erf 1292	Jaco Potgieter

**VALUATION OF ERF 1292 VIRGINIA CENTRAL, VIRGINIA,  
(MATJHABENG MUNICIPALITY)**

Your instructions dated 29 July 20189 refer.

I herewith submit my valuation report in accordance to your instructions, viz. to determine the Market Value of the subject property as at July 2019. "Market Value, being defined as, the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties of each acted knowledgeably, prudently and without compulsion".

The subject property was visited and inspected on 31 July 2019.

As this is a property suitable for investment purposes, the method of valuation would be the Capitalization of Nett Income Method of valuation, the reasoning being that a buyer would not pay more for a property than the rate of return he would realize with an investment with the same risk.

**However the subject property is a vacant piece of land and the direct comparison method will be used.**

I thank you for your instructions.

## VALUATION CERTIFICATE

### 1. BRIEF

We have been instructed by Mr Jaco Potgieter, (on behalf of Sabi Care) to provide him with a market related value of the subject property as mentioned under property description.

Date of Brief : 29 July 2019

Date of Inspection : 31 July 2019

Date of Valuation : July 2019

### 2. OWNER

Virginia Plaaslike Oorgangsraad

### 3. PROPERTY DESCRIPTION

Erf no : 1292

Erf extent : 714m

Title Deed No : T13440/1981

### 4. PHYSICAL ADDRESS

9 Market Street  
Virginia Central  
Virginia

### 5. MUNICIPAL VALUATION

Land : N.A.

Improvements : N.A.

Total : R36000(2015/2016)

### 6. MUNICIPAL SERVICES

All services are available.

### 7. ZONING

Commercial	i) Coverage	: 60%
	ii) Height	: Double Storey
	iii) Floor space index	: Not specified
	iv) Parking	: On-site parking

## 8. NEIGHBOURHOOD AREA

The subject property is surrounded by commercial zoned properties such as retail and office accommodation. Checkers and Pepstores were noted in very close proximity. Most Financial Institutions are also in close proximity. The surrounding properties are on the average in a reasonably good condition.

## 9. SUBJECT PROPERTY



## PHYSICAL ASPECTS

Slope : Level	Upkeep : Average
Shape : Rectangular	State of soil : Not tested

## SUITABILITY FOR SUB-DIVISION

The subject property is suitable for subdivision.

## IMPROVEMENTS

The subject property is vacant land.



**CONSTRUCTION**

Walls	: N.A.
Floors	: N.A.
Covering	: N.A.
Window Frames	: N.A.
Frontage	: N.A.
Upkeep	: N.A.
Appearance	: N.A.
Condition	: N.A.
Roof	: N.A.
Ceilings	: N.A.

**Condition of Improvements**

N.A.

**10. MARKET RESEARCH**

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This subject property however is vacant land, zoned commercial. The direct comparison method will be use to determine a market related value.

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The area is owned by the local municipality.

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**Marketability of Subject Property**

The marketability is average to below average at present. The economic climate in the Goldfields is slow. We are aware of some development in the area and Kentucky recently opened their doors in close proximity.

**General**

A small vacant erf, 714m<sup>2</sup> situated in the core of the CBD area.

## 11. INCOME AND EXPENDITURE

N.A.

### 11.1 GROSS INCOME

N.A.

### 11.2 EXPENDITURE

N.A.

### 11.3 NETT INCOME

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Erf 8234 sold for R150 000 09/01/2017 –  $3283\text{m}^2 = \text{R}45.68/\text{m}^2$

**13. CONCLUSION AND CALCULATION**

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MARINDA JOUBERT  
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Kwazulu Natal

Dear Sir

<b>Date</b>	<b>Your Reference</b>	<b>Our Reference</b>
31/07/2019	Erf 1293	Jaco Potgieter

**VALUATION OF ERF 1293 VIRGINIA CENTRAL, VIRGINIA,  
(MATJHABENG MUNICIPALITY)**

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Date of Brief : 29 July 2019

Date of Inspection : 31 July 2019

Date of Valuation : July 2019

### 2. OWNER

Virginia Plaaslike Oorgangsraad

### 3. PROPERTY DESCRIPTION

Erf no : 1293

Erf extent : 714m

Title Deed No : T13440/1981

### 4. PHYSICAL ADDRESS

6 State Street East

Virginia Central

Virginia

### 5. MUNICIPAL VALUATION

Land : N.A.

Improvements : N.A.

Total : R36000(2015/2016)

### 6. MUNICIPAL SERVICES

All services are available.

### 7. ZONING

Commercial	i) Coverage	: 60%
	ii) Height	: Double Storey
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	iv) Parking	: On-site parking

## 8. NEIGHBOURHOOD AREA

The subject property is surrounded by commercial zoned properties such as retail and office accommodation. Checkers and Pepstores, as well as Kentucky and Wimpy were noted in very close proximity. Most Financial Institutions are also in close proximity. The surrounding properties are on the average in a reasonably good condition.

## 9. SUBJECT PROPERTY



## PHYSICAL ASPECTS

Slope	: Level	Upkeep	: Average
Shape	: Rectangular	State of soil	: Not tested

## SUITABILITY FOR SUB-DIVISION

The subject property is suitable for subdivision.

## IMPROVEMENTS

The subject property is vacant land.



**CONSTRUCTION**

Walls	: N.A.
Floors	: N.A.
Covering	: N.A.
Window Frames	: N.A.
Frontage	: N.A.
Upkeep	: N.A.
Appearance	: N.A.
Condition	: N.A.
Roof	: N.A.
Ceilings	: N.A.

**Condition of Improvements**

N.A.

**10. MARKET RESEARCH**

As this is a property zoned for commercial purposes, it is suitable for investments purposes, the method of valuation would be the Capitalization of Nett Income Method of Valuation, the reasoning being that a buyer would not pay more for a property than the rate of return he would realize with an investment with the same risk.

This subject property however is vacant land, zoned commercial. The direct comparison method will be use to determine a market related value.

The property is situated in the core of the CBD. Passing traffic is good. The property is part of a large open space, with approximately 30 small erven all vacant land. The whole area is a tarred surface, and is being used by local driving schools to teach their students to park.

The area is owned by the local municipality.

The demand for similar accommodation can be described as being below average. Extremely limited sales are available for vacant land. We therefore had to make use of dated sales.

**Marketability of Subject Property**

The marketability is average to below average at present. The economic climate in the Goldfields is slow. We are aware of some development in the area and Kentucky recently opened their doors in very close proximity.

**General**

A small vacant erf, 714m<sup>2</sup> situated in the core of the CBD area.

## 11. INCOME AND EXPENDITURE

N.A.

### 11.1 GROSS INCOME

N.A.

### 11.2 EXPENDITURE

N.A.

### 11.3 NETT INCOME

N.A.

## 12. CAPITALIZATION FACTOR

The capitalization factor in the market is determined by supply and demand. It is affected by various factors, some related to the general economic market and others more specifically on the property itself.

The capitalisation rate varies from 11% - 14% depending on the above mention factors as well as the risk, political situation, condition on lease, type of building, coverage etc. The capitalisation rate is calculated by dividing the net rental income of a property by the purchase price.

**This method of valuation will not be used though. We will make use of the direct comparison method of valuation.**

There are five main methods used when conducting a property evaluation;

the comparison, profits, residual, contractors and that of the investment.

The Comparison **method** is used to value the most common types of **property**, such as houses, vacant land and standard warehouses.

### **Sales of vacant land in Virginia:**

Erf 1175 sold for R90 000 15/02/2019 -  $2395\text{m}^2 = \text{R}37.57/\text{m}^2$

Erf 1223 sold for R46 000 22/11/2016 -  $1487\text{m}^2 = \text{R}30.93/\text{m}^2$

Erf 1290 sold for R210 000 10/11/2014 -  $833\text{m}^2 = \text{R}252.10/\text{m}^2$  (Kentucky)

These are the only sales of vacant land zoned for commercial since January 2014 within Virginia.

**Sales of vacant land in Welkom**

Erf 8181 sold for R175 000 12/02/2018 –  $1269\text{m}^2 = \text{R}137.90/\text{m}^2$   
Erf 7853 sold for R400 000 12/06/2018 –  $5955\text{m}^2 = \text{R} 67.07/\text{m}^2$

Erf 8235 sold for R170 000 09/01/2017 –  $3740\text{m}^2 = \text{R}45.45/\text{m}^2$   
Erf 8234 sold for R150 000 09/01/2017 –  $3283\text{m}^2 = \text{R}45.68/\text{m}^2$

**13. CONCLUSION AND CALCULATION**

Therefor with the available market information, as well as discussion with other valuers a market related rate of  $\text{R}120/\text{m}^2$  is market related. The value of the subject property, based on The Direct Comparison Method of Valuation, would in my opinion, be **R85 000 (EIGHTY FIVE THOUSAND RAND)**



MARINDA JOUBERT  
Professional Valuer 3331  
DIP. PROPERTY VALUATIONS





**BAMBANANI**  
PROPERTY VALUATIONS &  
ASSESSMENTS

P.O Box 2860,  
Welkom, 9460

Tel/Fax- 057 388 4557  
Cell - 0824614019  
bambaprop@telkomsa.net

Office address:  
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Riebeeckstad

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Sabi Care trading as Sabi Construction  
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Dear Sir

<b>Date</b>	<b>Your Reference</b>	<b>Our Reference</b>
31/07/2019	Erf 1294	Jaco Potgieter

**VALUATION OF ERF 1294 VIRGINIA CENTRAL, VIRGINIA,  
(MATJHABENG MUNICIPALITY)**

Your instructions dated 29 July 2018 refer.

I herewith submit my valuation report in accordance to your instructions, viz. to determine the Market Value of the subject property as at July 2019. "Market Value, being defined as, the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties of each acted knowledgeably, prudently and without compulsion".

The subject property was visited and inspected on 31 July 2019.

As this is a property suitable for investment purposes, the method of valuation would be the Capitalization of Nett Income Method of valuation, the reasoning being that a buyer would not pay more for a property than the rate of return he would realize with an investment with the same risk.

**However the subject property is a vacant piece of land and the direct comparison method will be used.**

I thank you for your instructions.

## VALUATION CERTIFICATE

### 1. BRIEF

We have been instructed by Mr Jaco Potgieter, (on behalf of Sabi Care) to provide him with a market related value of the subject property as mentioned under property description.

Date of Brief : 29 July 2019

Date of Inspection : 31 July 2019

Date of Valuation : July 2019

### 2. OWNER

Virginia Plaaslike Oorgangsraad

### 3. PROPERTY DESCRIPTION

Erf no : 1294

Erf extent : 1294m<sup>2</sup>

Title Deed No : T13440/1981

### 4. PHYSICAL ADDRESS

8 State Street  
Virginia Central  
Virginia

### 5. MUNICIPAL VALUATION

Land : N.A.

Improvements : N.A.

Total : R65000(2015/2016)

### 6. MUNICIPAL SERVICES

All services are available.

### 7. ZONING

Commercial	i) Coverage	: 60%
	ii) Height	: Double Storey
	iii) Floor space index	: Not specified
	iv) Parking	: On-site parking

## 8. NEIGHBOURHOOD AREA

The subject property is surrounded by commercial zoned properties such as retail and office accommodation. Checkers and Pepstores were noted in very close proximity. Most Financial Institutions are also in close proximity. The surrounding properties are on the average in a reasonably good condition.

## 9. SUBJECT PROPERTY



## PHYSICAL ASPECTS

Slope	: Level	Upkeep	: Average
Shape	: Rectangular	State of soil	: Not tested

## SUITABILITY FOR SUB-DIVISION

The subject property is suitable for subdivision.

## IMPROVEMENTS

The subject property is vacant land.

**CONSTRUCTION**

Walls	: N.A.
Floors	: N.A.
Covering	: N.A.
Window Frames	: N.A.
Frontage	: N.A.
Upkeep	: N.A.
Appearance	: N.A.
Condition	: N.A.
Roof	: N.A.
Ceilings	: N.A.

**Condition of Improvements**

N.A.

**10. MARKET RESEARCH**

As this is a property zoned for commercial purposes, it is suitable for investments purposes, the method of valuation would be the Capitalization of Nett Income Method of Valuation, the reasoning being that a buyer would not pay more for a property than the rate of return he would realize with an investment with the same risk.

This subject property however is vacant land, zoned commercial. The direct comparison method will be use to determine a market related value.

The property is situated in the core of the CBD. Passing traffic is good. The property is part of a large open space, with approximately 30 small erven all vacant land. The whole area is a tarred surface, and is being used by local driving schools to teach their students to park.

The area is owned by the local municipality.

The demand for similar accommodation can be described as being below average. Extremely limited sales are available for vacant land. We therefore had to make use of dated sales.

**Marketability of Subject Property**

The marketability is average to below average at present. The economic climate in the Goldfields is slow. We are aware of some development in the area and Kentucky recently opened their doors in close proximity.

**General**

A vacant erf, 1294m<sup>2</sup> situated in the core of the CBD area.



## 11. INCOME AND EXPENDITURE

N.A.

### 11.1 GROSS INCOME

N.A.

### 11.2 EXPENDITURE

N.A.

### 11.3 NETT INCOME

N.A.

## 12. CAPITALIZATION FACTOR

The capitalization factor in the market is determined by supply and demand. It is affected by various factors, some related to the general economic market and others more specifically on the property itself.

The capitalisation rate varies from 11% - 14% depending on the above mention factors as well as the risk, political situation, condition on lease, type of building, coverage etc. The capitalisation rate is calculated by dividing the net rental income of a property by the purchase price.

**This method of valuation will not be used though. We will make use of the direct comparison**

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Erf 8234 sold for R150 000 09/01/2017 –  $3283\text{m}^2 = \text{R}45.68/\text{m}^2$

**13. CONCLUSION AND CALCULATION**

Therefor with the available market information, as well as discussion with other valuers a market related rate of R100/m<sup>2</sup> is market related. The value of the subject property, based on The Direct Comparison Method of Valuation, would in my opinion, be **R130 000 (One Hundred & Thirty Thousand Rand)**



MARINDA JOUBERT  
Professional Valuer 3331  
DIP. PROPERTY VALUATIONS