NW Realite

Property Valuation Analysis Report

Report Date: December 02, 2025

Executive Summary - Key Metrics

Metric	Value
Total Properties	113
Total Portfolio Value	KShs 12,271,200,000
Average Property Value	KShs 108,594,690
Total Land Area	690.25 acres
Properties with Encumbrances	29.2%
MoM Growth (Properties)	-85.7%
Avg Days to Valuation	20.8 days

AI Analysis & Insights

EXECUTIVE REPORT: PROPERTY VALUATION PORTFOLIO ANALYSIS

Date: October 26, 2023

To: NW Realite Stakeholders

From: Senior Property Valuation Analyst

Subject: Comprehensive Valuation Portfolio Performance Review

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PAGE 1: EXECUTIVE SUMMARY

1. Portfolio Overview

NW Realite's valuation portfolio currently comprises 113 properties, boasting a substantial total market value of KShs 12,271,200,000. These properties span a significant total land area of 690.25 acres. While the average property value stands at KShs 108,594,690, the median value is considerably lower at KShs 50,000,000. This notable disparity, coupled with a high Coefficient of Variation of 157.3%, indicates a highly diverse portfolio with a significant number of lower-value properties balanced by a few exceptionally high-value assets.

The portfolio demonstrates a varied composition across land uses, with Commercial and Mixed Use properties collectively accounting for nearly 70% of the total portfolio value. This concentration in higher-value urban and development-oriented land uses underpins a substantial portion of the portfolio's worth. The geographic footprint is broad, covering 23 counties, yet a strong concentration exists within the top 5 most active regions, led by Nairobi.

2. Key Performance Indicators

* **Total Portfolio Market Value:** KShs 12,271,200,000

* **Total Properties Valued:** 113

* **Month-over-Month Value Growth:** -94.8% (Significant decline)

* **Month-over-Month Property Growth:** -85.7% (Significant decline)

* **Average Days to Valuation:** 20.8 days

* **Encumbered Portfolio Value:** KShs 2,449,100,000 (20.0% of total value)

* **Top 5 Client Concentration:** 74.6%

3. Growth & Trends Analysis

The most striking trend observed is the significant month-over-month (MoM) decline in both the number of properties (-85.7%) and total valuation value (-94.8%). While the Year-to-Date (YTD) figures align with the current portfolio size and value, this sharp MoM reduction suggests a substantial reduction in valuation activities, a significant portfolio divestment, or a change in reporting scope from the previous month. This trend warrants immediate investigation to understand its root causes and implications for future operations and revenue.

Valuation efficiency, measured by an average of 20.8 days to complete a valuation, suggests a moderate turnaround time. With two primary valuers completing approximately 11.3 inspections per month, this translates to roughly 5-6 inspections per valuer per month. This rate might indicate capacity for increased throughput or areas for process optimization to enhance operational efficiency.

4. Client & Geographic Insights

The client base for NW Realite's valuation services is diverse, with 25 unique clients contributing to the portfolio. However, a significant concentration is observed, with the top 5 clients representing 74.6% of the total portfolio value. Banks are the dominant client segment, accounting for KShs 7,691,300,000 (approximately 62.7%) of the market value, followed by Corporate and Individual clients. This reliance on a few key clients, particularly banks, presents both strength and a potential risk exposure if relationships with these top clients were to shift.

Geographically, the portfolio spans 23 counties, demonstrating a broad reach across Kenya. Nevertheless, there is a strong geographic concentration, with the top 5 counties accounting for 81.0% of the valuations. Nairobi stands out as the most active county, reinforcing its position as a key economic and property market hub. While broad coverage is positive, a strategic review of diversification efforts into secondary markets may mitigate risks associated with over-reliance on concentrated regions.

PAGE 2: DETAILED ANALYSIS & RECOMMENDATIONS

5. Risk Assessment

A critical aspect of portfolio management is understanding and mitigating risk. Currently, 29.2% of the properties within the portfolio are identified with encumbrances, representing a significant Value at Risk (VaR) of KShs 2,449,100,000. This means that 20.0% of the total portfolio value is affected by legal or financial claims. While some encumbrances are standard (e.g., mortgages), this percentage warrants careful monitoring, especially for properties valued for lending or sale purposes. A high proportion of encumbered properties could signal potential challenges in realizing full market value or in facilitating quick transactions if these encumbrances are complex or disputed.

The concentration of value in specific client segments and geographic areas also contributes to the portfolio's risk profile. Over-reliance on a few large bank clients means that changes in their valuation needs or business strategies could significantly impact NW Realite's revenue streams. Similarly, a high concentration of value in Nairobi, while beneficial due to its dynamic market, exposes the portfolio to localized market downturns or regulatory changes unique to that region. Active risk management strategies should consider both property-specific encumbrances and broader market/client concentration risks.

6. Land Use & Value Analysis

The portfolio's value is heavily skewed towards Commercial and Mixed Use properties, which together constitute 69.5% of the total market value (Commercial: 41.7%, Mixed Use: 28.8%). Commercial properties lead in total value with KShs 5,118,500,000 across 37 assets, while Mixed Use properties, though fewer (17), show the highest average value at KShs 207,882,352 per property. Residential properties account for the highest count (41) but represent a smaller proportion of total value (12.6%) with a lower average value (KShs 37,839,024). Agricultural land, despite having only 12 properties, contributes a substantial KShs 1,770,800,000 (14.4% of total value), indicating significant high-value agricultural holdings.

The overall average value per acre is KShs 376,749,032, significantly higher than the median of KShs 128,000,000 per acre. This divergence, consistent with the high Coefficient of Variation for individual property values, confirms that a few high-value, possibly smaller-acreage properties (likely Commercial or Mixed Use in prime locations) are driving up the average. This indicates opportunities in high-density, high-value land use segments while also highlighting the varied nature of the properties within the portfolio.

7. Strategic Recommendations

* **Investigate MoM Decline:** Conduct an immediate deep dive into the drastic MoM decline in properties and value. Determine if this reflects actual portfolio reduction, a change in reporting methodology, or a temporary slowdown, and adjust forecasts and operational strategies accordingly.

* **Diversify Client Base:** Develop targeted strategies to expand the client base beyond the top 5, particularly reducing reliance on the dominant bank segment. Explore new client acquisition in the corporate and individual sectors, and potentially Saccos, to build a more resilient revenue stream.

* **Mitigate Geographic Concentration:** While maintaining focus on high-value counties like Nairobi, strategically explore opportunities for expansion and deeper market penetration in emerging regional hubs to reduce geographic risk.

* **Optimize Valuer Efficiency:** Review the average inspection rate per valuer (approx. 5-6 per month) to identify bottlenecks or opportunities for process improvements, leveraging technology or reallocating administrative tasks to increase valuation output and reduce turnaround times.

* **Proactive Encumbrance Management:** Implement a more proactive approach to identify and report on significant encumbrances early in the valuation process. Provide enhanced insights to clients regarding potential impacts on marketability or realization value, positioning NW Realite as a comprehensive risk advisor.

* **Capitalize on High-Value Land Uses:** Continue to strategically target Commercial and Mixed Use valuation opportunities, given their significant contribution to portfolio value. Simultaneously, explore the potential of high-value Agricultural land valuations where expertise can be leveraged.

* **Enhance Data Analytics for Forecasting:** Develop more robust predictive analytics tools to forecast valuation demand, identify emerging market segments, and anticipate shifts in client needs, improving resource allocation and business development efforts.

8. Key Takeaways

* **Significant MoM Contraction:** The valuation portfolio experienced a sharp month-over-month reduction in both property count and total value, requiring urgent investigation.

* **Concentrated Value:** Commercial and Mixed Use properties, along with a few key clients (primarily banks) and counties (Nairobi), form the core value drivers but also present concentration risks.

* **High Value Variability:** The wide difference between average and median property values and value per acre, combined with a high CoV, indicates a diverse portfolio with significant high-value outliers.

* **Notable Risk Exposure:** 20.0% of the portfolio's value is currently encumbered, necessitating vigilant risk monitoring and management.

* **Operational Efficiency Review:** Opportunities exist to optimize valuer productivity and potentially reduce the average days to valuation, enhancing service delivery.

Portfolio Trend Chart

NW Realite - Property Valuation Dashboard

Top 10 Counties by Total Value
Portfolio by Land Use
Total Value by Client Type
Monthly Inspection Trend
Encumbrance Status
Property Value Categories