



OPEN MARKET VALUATION REPORT

of

Farm Zwagershoek 82 JT ptn 18

for

Ms. Margi Butler



The subject property is a small farm of 62.4069 hectares. The farm is situated approximately 20 kilometers away from the town of Lydenburg and has a moderately sloping terrain with 3 kilometers of frontage on the Dorps River. A number of dwelling units have been established on the property, and these currently provide accommodation for the 4 star lodge and conferencing venue known as 'Stonecutters Lodge'. Accommodation includes two self catering family houses known as 'Trout House' and 'Stone Cottage', as well as six executive studios known as 'The Cobbles'. The central building, known as 'Stone Manor', includes a reception, kitchen, dining room, conferencing rooms (x 2) and laundry, as well as a small curios shop. The farm has recently been subdivided and 24 unserviced stands of $\pm 1000\text{m}^2$ are available for sale.

MARKET VALUE (DEVELOPED STANDS):	R 10,960,000.00
MARKET VALUE (VACANT STANDS):	R 3,700,000.00
MARKET VALUE (REMAINING FARMLAND):	R 1,580,000.00
MARKET VALUE (ROUNDED TOTAL):	R 16,200,000.00
INSURANCE VALUE:	R 16,000,000.00
INSPECTION DATE:	10/02/2016
VALUATION DATE:	16/09/2016

Requested by: Ms. Margi Butler
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BEARWOLD PROJECTS CC
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1. VALUATION INSTRUCTION:

Reason for Valuation (as per request): Instruction received from Ms. Margi Butler to determine the market value of the Farm Zwagershoek 82 JT ptn 18, commonly known as Stonecutters Lodge.

Inspection Date: 10/02/2016

Type of farming: Currently operated as a lodge and conferencing venue

2. APPLICANT INFORMATION:

Applicant Name: Ms. Margi Butler
Contact Person: Ms. Margi Butler
Contact Details: (073) 830-3430
E-Mail Address: margibutler7@gmail.com

3. LOCALITY OF FARM:

ACCESS ROUTE:

From Nelspruit (Mbombela)

Take the R37 from Nelspruit over the Longtom Pass following the signs to Lydenburg. At the 4-way stop with Longtom Nissan on the right and Caltex on the left - turn left into Viljoen Street. Travel along Viljoen for about 3 km at the 3-way stop, turn right to Dullstroom (R540) and travel another 20 km. Pass the Witklip Road and travel another 700 m and the sign for Stonecutters Lodge is on the right hand side. Turn right onto the Capstone / Stonecutters dirt access road (The gate may be closed but is not locked) and follow the road, keeping left for 1 kilometer. Follow the signage to the car park in front of the office at Stone Manor.

From Johannesburg & Pretoria

Take the N12 or the N4 to eMalahleni (Witbank). Continue on the N4 towards (Mbombela) Nelspruit through the toll plaza and exit the highway at the turnoff to Belfast (approximately 64 kms from eMalahleni). At the third 4-way stop in Belfast turn right at the Dullstroom signboard. Continue through Dullstroom towards Lydenburg and 35 km from Dullstroom there is a Stonecutters Lodge signboard on the left. Turn left onto the Capstone / Stonecutters dirt access road (The gate may be closed but is not locked) and follow the road, keeping left for 1 kilometer. Follow the signage to the car park in front of the office at Stone Manor.

Note that access from the R540 is via a right of way servitude over Farm Zwagershoek 82 JT ptn 38, being the servient tenement. Please see the approved SG Diagram in the annexures for details.

REGISTERED FARM DESCRIPTION:

ZWAGERSHOEK, 82, 18 (MPUMALANGA)

CORDINATES:

Latitude: S25 13.026
Longitude: E30 18.883

Map of farm:



4.	PROPERTY DETAILS / TITLE DEED INFORMATION:					
<u>Property</u>						
Farm Name:		Farm Zwagershoek 82 JT				
Portion Number:		18				
Province:		Mpumalanga				
Registration Division:		JT				
Registered Owner:		Stone Cutters Guest Farm Pty Ltd				
Title Deed Number:		T2176/1926				
Extent:		62.4069 Ha				
Purchase Price:		R 3,441,881				
Purchase Date:		15/08/2007				
Existing bond:		<u>Bond No.</u>	<u>Bond Amount</u>		<u>Institution</u>	
		-	-		-	
Freehold / Leasehold:		Freehold				
Restrictive conditions / Servitudes:		After browsing the zoning certificate and discussions with the Town Planner, it was revealed that there are no onerous restrictions over the subject property that would affect the value of the property negatively. Where the Title Deeds were not available, we have assumed that good title can be shown and that the property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoings. We reserve the right to amend and alter the valuation should they prove otherwise.				
Servitudes:		Endorsements registered against the subject property are as follows: BC11338/2014 I-18/2015C I-775/2013LG K373/2014S VA24025/2000 VA5166/1997				
Total of all listed portions / properties:			62.4069		Ha	

5.	LOCAL AUTHORITY INFORMATION:					
LOCAL AUTHORITY:		MPUMALANGA				
Zoning:		Agricultural		Notes:	The subject property comprises of a total extent of 62.4069 hectares. The primary use is currently business as the property is being managed as a lodge and conferencing venue.	
Municipal Value (2014 - 2018):		Thaba Chweu Local Municipality				
<u>Area</u>	<u>Category</u>	<u>Value</u>	Notes:	According to the latest general valuation roll the municipality has applied two rates categories to the subject property. Agricultural and Business Rates apply.		
42.4069	FAR	R 670,000.00				
20.0000	AGB	R 1,800,000.00				
		R 2,470,000.00				

6.	PREVIOUS VALUATION					
N/A						

7.	TYPE OF FARM AND CURRENT APPLICATION:					
Other:				<u>Comment:</u>	Country Lodge and Conferencing Venue	

8.	LAYOUT / BREAKDOWN OF FARM LAND COMPONENTS:					
Description	Condition	Ha / unit	Area	Rate/Ha	Value	
Natural Veld	Good		58.7424			
Undeveloped Residential Stands	Good		2.6581			
Developed Stands	Good		1.0064			
TOTAL (Land, Grazing and Water)			62.4069			

8.1	Topography:					
An undulating to partially inclined portion of land, with inclines > 5 - 15 %.						

8.2	Soil type					
The following variation of types occur on the property:						
<u>Colour:</u>	Red		Comments on soil preparation condition for arable lands:			
<u>Soil type:</u>	loam					
<u>Depth (mm):</u>	350 - 500					
<u>Clay %:</u>	15 - 25%					
<u>Drainage:</u>	average					
The soils are mostly derived from shale and quartzite as well as lavas and dolomites of the Pretoria Group of the Transvaal Supergroup. Land types Ac and Fa cover areas of approximately equal size.						

8.3	Vegetation: The property falls within the subtropical Grassland Biome of South Africa. The warm-temperate and cool-temperate grasslands of the Highveld, Drakensburg and its northern continuation in the form of the Northern Escarpment, a while suite of sub-escarpment grasslands, and small pockets of summit sourveld composed of grasslands and savannoid bushveld make up the Grassland Biome. The term 'grassland' refers to herbaceous vegetation of relatively short and simple structure that is dominated by graminoids, usually of the family Poaceae. Woody plants are rare or absent or confined to specific habitats such as smaller escarpments or koppies. Core grasslands usually have deep fertile soil although a wide spectrum of soil types occur. Precipitation is strongly seasonal and the growing season lasts approximately half the year. Esic Highveld Grasslands are found in the eastern, precipitation-rich regions of the Highveld. These are considered to be 'sour' grasslands, and are dominated primarily by andropogonoid grasses. The specific veld type characterising the subject property is known as Lydenburg Montane Grassland (Gm18). This grassland extends from above Pilgirms Rest in the north, southwards and westwards skirting Lydenburg, extending to Dullstroom, to Belfast and Waterval Boven in the south.										
8.4	Climate and rainfall: Orographic precipitation and mists throughout most months of the year. Mean Average Precipitation (MAP) of 858mm (660 – 1180mm), augmented by frequent mists. Frost days 21 days per year, varying greatly between 3 and 40. Temperatures range from 10°C to 25°C in summer, and from 2°C to 18°C in winter.										
8.5	Water entitlement <u>Water supply (Listed Irrigation Schemes and Registration in term of Water act):</u> <i>In terms of the water Act, No.36 of 1998: National Water Act, 1998, the following water users must register their water use: All users, who do not receive their water from a service provider, local authority, water board, irrigation board, government water scheme or bulk supplier and who are using water for:</i> <table> <tr><td>*</td><td>Irrigation</td></tr> <tr><td>*</td><td>Mining Purposes</td></tr> <tr><td>*</td><td>Industrial Use</td></tr> <tr><td>*</td><td>Feedlots, or</td></tr> <tr><td>*</td><td>In terms of General authorisation:</td></tr> </table> This covers use of surface water (dams with volume exceeding 10 000 m³ a at full supply) and ground water (boreholes, fountains and run-off with a flow in excess of 10 000m³). Water is currently obtained from a two strong boreholes, each capable of extracting approximately 1100 litres per hour (2200 litres in total). The water is pumped to 2 x 10 000L and 2 x 5000L JOJO cans before being drawn down and pumped to the various buildings as and when required. Note that the water reticulation system will need to be upgraded in order to service the 24 new stands, when sold. The estimated cost has been taken into consideration when estimating the market value of each stand, as shown below. Note that the following water uses have been registered: 1) Taking 514 348m³ per annum from the Dorps River and, 2) Storing 12 654m³ in 2 dams.	*	Irrigation	*	Mining Purposes	*	Industrial Use	*	Feedlots, or	*	In terms of General authorisation:
*	Irrigation										
*	Mining Purposes										
*	Industrial Use										
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*	In terms of General authorisation:										
9.	SITE / LOCALITY (Market info): Classification: Macro Area: Macro Location is average - good sustainable area Micro Location: Micro Location is average - good sustainable precinct Motivation: Macro Area: Mpumalanga Province meaning "Place where the sun rises" is located in the northern eastern section of South Africa bordering onto Mozambique to the East with the Limpopo Province to the North, the Gauteng Province to the West and the Free State, Kwazulu Natal and Swaziland to the South. Nelspruit offers an extensive business sector, which is well represented by national retailers, distributors and financial institutions. As capital of Mpumalanga Province and headquarters of Mbombela Municipality, Nelspruit is well represented by Local-, Provincial- and National Government Sectors. The subject property is situated just north of the R540 which runs between Lydenberg and Dullstroom. Lydenburg is situated at the foothills of the famous Long Tom Pass and is surrounded by the Steenkampsberg and Mauchsberg mountain ranges which are the highest points in Mpumalanga. Besides being close to the many tourist attractions in the surrounding area, Lydenburg is today a mining boom-town servicing the numerous platinum and chrome mines. Dullstroom and surrounds is primarily a haven for family fun, fly-fishing and country fresh air. The wide selection of elegant hotels and a variety of country accommodation, eateries, shops and activities have made this an appealing tourist destination and an ideal stop-over on the way to the Lowveld and Kruger Park. Micro Locality: The farm is situated just east of Lydenburg in what is predominantly a cattle farming area. A number of country lodges, including Stonecutters Lodge, have been established in the vicinity, offering a variety of accommodation options for visitors, primarily those looking for a weekend getaway in the country or a stopover on their way to other holiday destinations in Mpumalanga such as the Kruger National Park. The property, being only 20 kilometers away from Lydenburg, has easy access to the amenities of town.										

10.	BUILDING AND IMPROVEMENTS: Description of improvements: Improvements include the following: The Stone Cottage (Portion 46) This is a semi-detached house with 2 self-contained accommodation units. The house is constructed with a combination of stone and plastered and painted brick under a pitched corrugated iron roof. Floors are tiled. Window frames and doors a wood. The house has exposed rafters in places. Accommodation is as follows: Section 1: 2 bedroom 2 bathroom house with open plan kitchen, lounge and dining room, as well as two covered patio areas. Section 2: 2 bedroom 1 bathroom house with open plan kitchen, lounge and dining room. GBA: 235m² The Trout House (Portion 56) This is a double storey house constructed with stone under a pitched corrugated iron roof. Floors are tiled and window frames and doors are wood. Accommodation includes three bedrooms and three bathrooms (all en suite), one on the first floor and two on the ground floor. The kitchen, lounge and dining area are open plan, with frencg colttage pain doors leading out to a small covered patio. A thatched boma with tiled flooring provides additional space for outdoor entertaining. GBA House: 196m² GBA Boma: 26m² Stone Manor (Portion 57) This building is constructed with plastered and painted brick under a pitched corrugated iron roof. Floors are tiled. Window frames and doors are wood. Rafters are exposed in places - with rhino board between rafters. The ceiling in the bar area is pine. Accommodation includes a reception, dining area, kitchen, two conference rooms, bar, guest ablutions and two staff bedrooms with en suite bathrooms. Outbuildings include a double garage, office, laundry and curios shop. GBA Main House: 306m² GBA Outbuildings: 152m² The Cobbles (Portion 58, 59 & 60) Three houses measuring 72.5m² each have been constructed on portion 58-60. Each house is identical, being constructed from plastered and painted brick under a pitched corrugated iron roof. Window frames and doors are wood. Floors are a combination of tiles and carpets. Ceilings have been plastered. The houses all have a covered wooden deck. Each house has been divided into two accommodation units (6 units in total). Each unit has its own kitchenette and en suite bathroom, and sliding doors leading to the covered deck. GBA Guest Accommodation Units: 186m² Covered Wooden Decking: 90m² Services Building (Portio 18 RE) This building is constructed with plastered and painted brick under a pitched corrugated iron roof. Floors are tiled. Window frames and doors are wood. Accommodation includes the staff tea room, 2 storage rooms, 2 staff rooms, workshop and undercover parking for the farm tractor. GBA Services Building: 175m² GBA Tractor Shed: 53m² TOTAL GBA: 1419m² Other Site Improvements: Power is currently supplied directly by Eskom. Eskom has agreed to supply a notified maximum demand of 200KVA of all stands when developed. Sewage is currently managed with septic tanks. A new sewage plant will need to be constructed in order manage sewage for the new stands. The cost of construction has been deducted from the estimated value of each stand. Water is currently extracted from a strong borehole on the property. Water is pumped to 2 x 10 000L and 2 x 5000L JOJO cans before being drawn down and pumped to the various buildings as and when required. Two trout dams are gravity fed through pipes from the Dorps River. An electric fence surrounds the entire property. A decorative automated steel gate provides access.
11.	CONDITION OF FARM AND IMPROVEMENTS Classification: Prop in very good cond - little if any cosmetic work needed Motivation: The subject property is a small farm which is close the R540 and within easy driving distance of both Dullstroom and Lydenburg. The Estate has been subdivided to create 30 stands, of which 6 have already been developed for the operation of the lodge and conferencing venue. The remaining 24 stands are available for sale, although as yet there has been no real marketing effort. The farm itself is in good condition. The buildings, fences, gates, roads and dams have been well maintained and are in good condition.

12.	SALEABILITY: Classification: Property should be reasonably easy to sell, given enough time Motivation: Farm Zwagershoek is in an area of outstanding natural beauty. The farm has ±3kms's of frontage on the Dorps River and two trout dams have been constructed on the property, the river and dams together providing a variety of recreational fishing options for visitors and residents. The property has easy access to the R540 and as such is only a few minutes' drive from Lydenburg. Houses on the estate are in excellent condition and have been constructed using stone, wood and corrugated iron – the building materials and designs are in keeping with the surrounding area and have timeless appeal. The property has been developed and used for the operation of a self-catering lodge, restaurant and conferencing venue known as Stonecutters. The lodge has a reasonable level of occupancy and generated revenue of ±R2 million per year during FYE 2014 and 2015. The farm has recently been subdivided and each of the 7 developed farm portions which are currently used for the operation of Stonecutters can potentially be sold as individual freehold stands. A further 24 vacant and as yet unserviced stands on the farm are also available for sale or further development. Given the level of current and potential future development we believe that Farm Zwagershoek is likely to attract the following types of buyers if offered for sale: 1. Buyers looking for lifestyle properties that have the ability to generate income through operation of a lodge, guest house or B&B. 2. Developers willing to purchase the property as a whole and then sell off the developed stands as well as the vacant stands, potentially selling the vacant stands together with building packages. 3. Buyers needing a primary residence close to Lydenburg. 4. Buyers needing a holiday home for midweek or weekend getaways. Although the property has potential for a variety of uses the property market in South Africa is currently suppressed and the farm is likely to take time to sell, either as a whole or as individual freehold farm portions.
13.	MARKET CONDITIONS: All sectors of the property market in South Africa are currently suppressed. Factors affecting the and reducing the demand for property include low levels of economic growth, high levels of unemployment, high levels of political uncertainty and high interest rates which have increased the cost of borrowing and decreased affordability for residential, commercial and agricultural property. Farm Zwagershoek is close to the towns Lydenburg and Dullstroom and both towns have been affected by the economic factors listed above. Low commodities prices has resulted in the closure of a number of mines in the vicinity of Lydenburg. This has decreased levels of employment in the vicinity and has negatively affected the demand for housing. The number of freehold property sales in Lydenburg declined from 93 in 2012 to 72 in 2015. Only 40 freehold property sales have been registered for 2016 (as at end of September 2016). Despite the lower number of sales the average selling price has remained fairly constant over the past five years. The average selling price in 2012 and 2016 (to date) was R930,000.00. Much of the demand for property in Dullstroom is driven by tourism and holidaymakers who require holiday homes close to Gauteng. Lower levels of affordability have reduced the demand for holiday homes in Dullstroom, yet a number of vacant stands have been sold in the newer lifestyle estates surrounding Dullstroom Town. Sales in residential estates such as Walkersons Private Estate, Dullstroom Country Estate and Highland Gate Gold Estate have increased from 13 in 2009 to 43 in 2015, however only 17 sales in the three estates have been registered this year (as at September 2016). It should be noted that most of the recorded sales have been stands in Highland Gate, one of the larger estates in Dullstroom, having 474 freehold stands of between 750m² and 1400m². 50 freehold stands within Highland Gate estate have been sold since the beginning of 2014. The stands, which measure from 750m² to 1900m² in size, have achieved selling prices of between R140,000.00 to R1,415,000.00, however 42 of the 48 stands sold for below R890,000.00. The average selling rate for vacant stands has been R563.00/m². 17 properties changed hand in 2014, followed by 24 in 2015 and only 9 property sales have been registered this year. The average selling rate/m² has declined in 2016, again pointing to of weaker levels of demand.
14.	Methodology Valuation Approach We elected to use three methods of valuation: 1. The Comparable Sales Method - used to determine the value of the farm land and, together with the Township Development Approach described below, the value of the vacant residential stands. 2. The Depreciated Replacement Cost Method - used to determine the value of improvements (houses, restaurants, conferencing venue etc.). 3. The Development Approach – use to value raw land (in this case unserviced stands) that are ready for development. Comparable Sales Method: This method consists of finding similar properties within the same area as the subject property and comparing the properties in order to arrive at a suitable market related value. This method is the approach preferred by our courts and is dependent on finding a large enough sample of comparable properties. Depreciated Replacement Cost Method: This method is where the replacement costs of the structures are determined, and then depreciated by an appropriate factor as reflected below. The following factors have a crucial influence on determining the depreciated value: • Physical Depreciation • Economic Obsolescence • Functional Obsolescence Development Approach: The stream of future periodic cash flows from the development of a township on the property is discounted to a present value, taking all development, finance and selling costs into account. The result of these calculations are indicative of what a notional developer would be prepared to pay for the raw land in its current form.

15. COMPARABLE SALES VALUATION: VACANT STAND AND FARM LAND VALUES

The comparable sales listed below have been studied in order to determine the market value of vacant residential stands and farm land in the vicinity:

15.1 COMPARABLE SALES: VACANT STANDS OF ±1000m²

SALE 1		
Estate	Highland Gate Golf and Trout Estate	Comments: 455 full title stands on the estate ranging from 770sqm to 1900sqm. 32 serviced stands have been transferred over the past 2 years, with prices ranging from R158.00/m ² to R1015.00/m ² . The average rate/m ² on this estate is R510.00/m ² .
Erf	815	
Portion	-	
Division	JT	
Area (m ²)	1435	
Purchase Price:	R 890,000	
Date:	02/11/2015	
Rate/m ²	R 620.21	

SALE 2		
Estate	Highland Gate Golf and Trout Estate	Comments: 455 full title stands on the estate ranging from 770sqm to 1900sqm. 32 serviced stands have been transferred over the past 2 years, with prices ranging from R158.00/m ² to R1015.00/m ² . The average rate/m ² on this estate is R510.00/m ² .
Erf	969	
Portion	-	
Division	JT	
Area (m ²)	1200	
Purchase Price:	R 935,000	
Date:	09/02/2015	
Rate/m ²	R 779.17	

SALE 3		
Estate	Highland Gate Golf and Trout Estate	Comments: 455 full title stands on the estate ranging from 770sqm to 1900sqm. 32 serviced stands have been transferred over the past 2 years, with prices ranging from R158.00/m ² to R1015.00/m ² . The average rate/m ² on this estate is R510.00/m ² .
Erf	925	
Portion	-	
Division	JT	
Area (m ²)	1000	
Purchase Price:	R 430,000	
Date:	13/07/2015	
Rate/m ²	R 430.00	

SALE 4		
Estate	Highland Gate Golf and Trout Estate	Comments: 455 full title stands on the estate ranging from 770sqm to 1900sqm. 32 serviced stands have been transferred over the past 2 years, with prices ranging from R158.00/m ² to R1015.00/m ² . The average rate/m ² on this estate is R510.00/m ² .
Erf	951	
Portion	-	
Division	JT	
Area (m ²)	919	
Purchase Price:	R 430,000	
Date:	29/06/2015	
Rate/m ²	R 467.90	

SALE 5		
Estate	Walkersons Private Estate	Comments: 114 stands situated among 800 hectares of grassland similar to that of the subject property. The estate offers superior fly-fishing with 14 dams and 4kms of river frontage on the Lunsclip River. Only seven serviced stands have been sold in this estate over the past two years, with prices ranging from R420/m ² to R940/m ² , depending on size and location. The average rate/m ² is R566/m ² .
Erf	925	
Portion	114	
Division	JT	
Area (m ²)	1147	
Purchase Price:	R 750,000	
Date:	23/02/2015	
Rate/m ²	R 653.88	

SALE 6		
Estate	Walkersons Private Estate	Comments: 114 stands situated among 800 hectares of grassland similar to that of the subject property. The estate offers superior fly-fishing with 14 dams and 4kms of river frontage on the Lunsclip River. Only seven serviced stands have been sold in this estate over the past two years, with prices ranging from R420/m ² to R940/m ² , depending on size and location. The average rate/m ² is R566/m ² .
Erf	982	
Portion	119	
Division	JT	
Area (m ²)	916	
Purchase Price:	R 495,000	
Date:	09/02/2015	
Rate/m ²	R 540.39	

Additional Analysis - Summary of Sales Comparables Above			
Description	From	To	Average
Rate for Residential Stands	R 430.00	R 779.17	R604.58/ha
Comments: The sales shown above are of freehold properties within residential lifestyle estates thought to be comparable to the proposed Stonecutters residential estate. The two estates are both on the outskirts of Dullstroom and Walkersons, being alongside the R540 between Lydenberg and Dullstroom, is in a highly comparable location. The Highlands Golf Estate offers golf as well as fishing, and residents of Walkersons are able to fish the Lunsclip River. Walkersons has a lower density than the subject property, with 1 stand for every 7 hectares of the estate, vs 1 stand for every 2 hectares of Stonecutters. Both Highland Gate and Walkersons have a well developed infrastructure including roads, street lighting etc and, being established estates close to the ever popular holiday town of Dullstroom, are thought to be more marketable than vacant stands on the subject property.			
For reasons listed above a reasonable rate/m ² for stands in the subject property is believed to be			R 485.00 /m ² .
This rate must however be adjusted in order to make allowance for the cost of servicing the 24 new stands.			
Adjustments for land without services are as follows:			
	Rate		Rate/m² (Rate ÷ 26,581m²)
Rate/m² for a serviced stand within Stonecutters Estate:	R 485.00	/m²	
Estimated Cost of Water Supply	R 488,500.00		R 18.38 /m ²
Estimated Cost of Power Transformer and Reticulation	R 150,000.00		R 5.64 /m ²
Estimated Cost of Sewage Works	R 640,000.00		R 24.08 /m ²
Adjusted Rate/m² for stands within Stonecutters Estate:	R 436.90	/m²	
Rounded To:	R 435.00	/m²	
Note that the estimates above were obtained from a quote provided by Mott MacDonald Engineering on 02 June 2016. See annexures for details.			

15.2 COMPARABLE SALES: GRAZING LAND

SALE 1			
Farm:	Zwagershoek 82		Location:
Portion	26		On the opposite side of the R540 and in very close proximity to the subject property.
Division	JT		
Purchase Price:	R 1,392,000		Potential:
Date:	12/12/2014		High potential for maize and small scale livestock farming, with grazing capacity of 5 - 7 ha per animal unit (AU).
Farm size:	100.7560 ha		
Analysis of purchase price:			
Land use		Ha	R/ha
Natural Grazing		100.76	R 13,816
Total land value		100.76	
Building value:	0%	of purchase price	
Purchase price			R 1,392,000
Comments / Comparability:			
Vacant land on the opposite side of the R540. No river frontage and therefore land thought to be inferior to the subject property, which has approximately 3 kilometers of frontage on the Dorps River.			

SALE 2			
Farm:	Weimershoek 81		Location:
Portion	8		Besected by the R540 but further south than the subject property, ± midway between Lydenburg and Dullstroom.
Division	JT		
Purchase Price:	R 2,642,500		Potential:
Date:	24/04/2015		High potential for maize and small scale livestock farming, with grazing capacity of 5 - 7 ha per animal unit (AU).
Farm size:	275.2452 ha		
Analysis of purchase price:			
Land use	Ha	R/ha	Value
Natural Grazing	275.25	R 9,601	R 2,642,500
Total land value	275.25		R 2,642,500
Building value:	0% of purchase price		
Purchase price			R 2,642,500
Comments / Comparability:			
Larger farm portion also along the R540 and probably midway between Dulstroom and Lydenburg. The property is currently undeveloped, but also has frontage onto the Dorpsriver and is therefore highly comparable in terms of development potential.			

SALE 3			
Farm:	Boschfontein 15		Location:
Portion	34		The farm is situated west of Lydenburg and north of the R540.
Division	JT		
Purchase Price:	R 770,000		Potential:
Date:	09/03/2015		High potential for maize and small scale livestock farming, with grazing capacity of 5 - 7 ha per animal unit (AU).
Farm size:	118.8195 ha		
Analysis of purchase price:			
Land use	Ha	R/ha	Value
Natural Grazing	118.82	R 6,480	R 770,000
Total land value	118.82		R 770,000
Building value:	0% of purchase price		
Purchase price			R 770,000
Comments / Comparability:			
This undeveloped piece of land is further away from Lydenburg than the subject, and is not as accessible. It also does not have a river or stream running through the property, and is therefore thorough to be inferior to the subject property.			

SALE 4			
Farm:	Rooikraans 57		Location:
Portion	RE ptn 8		Boschfontein area west of Lydenburg.
Division	JT		
Purchase Price:	R 833,290		Potential:
Date:	18/03/2015		High potential for maize and small scale livestock farming, with grazing capacity of 5 - 7 ha per animal unit (AU).
Farm size:	58.4169 ha		
Analysis of purchase price:			
Land use		Ha	R/ha
Natural Grazing		58.42	R 14,265
Total land value		58.42	
Building value:	0%	of purchase price	
Purchase price			
Comments / Comparability:			
Undeveloped farm bordering onto a perennial stream with good cattle grazing conditions.			

Additional Analysis - Summary of Sales Comparables Above			
Description	From	To	Average
Rate for Natural Grazing	R6,480/ha	R14,265/ha	R10,372/ha
Comments:			
As shown in the comparable sales listed above the rate/ha for natural grazing land in the vicinity of the subject property ranges from R6 480/ha to R14 265/ha, with the highest prices being paid for smaller portions of land with river frontage and easy access to amenities of town. In light of this a reasonable rate/ha for the subject property is believed to be R15 000.00/ha.			

16. DEPRECIATED REPLACEMENT COST VALUATION: VALUE OF IMPROVEMENTS

16.1 REPLACEMENT COST

The values below have been included for insurance purposes and to determine the depreciated value of improvements.

	Area (m ²)	@	Rate		Cost
Stone Manor: Reception, Restaurant and Conference Centre	306	@	R 11,000.00 /m ²	R	3,366,000
Stone Manor: Office, Laundry, Garage and Curios Shop	152	@	R 4,600.00 /m ²	R	699,200
Stone Cottage: Owners House and Guest Accommodation	235	@	R 9,400.00 /m ²	R	2,209,000
Trout House: Double Storey Guest House	196	@	R 9,400.00 /m ²	R	1,842,400
Trout House: Boma	26	@	R 2,800.00 /m ²	R	72,800
The Cobbles: 3 x 2 Bedroom Accommodation Units	186	@	R 6,500.00 /m ²	R	1,209,000
The Cobbles: Covered Wooden Decking	90	@	R 4,500.00 /m ²	R	405,000
Services Building: Staff Rooms, Storage and Offices	175	@	R 5,600.00 /m ²	R	980,000
Services Building: Tractor Shed	53	@	R 2,500.00 /m ²	R	132,500
SUB-TOTAL:	1,419m²			R	10,915,900
OTHER IMPROVEMENTS (ESTIMATED):					
	Area/Unit	@	Rate		Cost
Electric Fence	2010	@	R 420.00 each	R	844,200
Irrigation System	1	@	R 30,000.00 each	R	30,000
Alarm System and Intercom	1	@	R 45,000.00 /m ²	R	45,000
Entrance Gate	1	@	R 40,000.00 each	R	40,000
				R	959,200
Add for professional fees / plan scrutiny fees:			15.00%	R	1,637,385
Add for legal fees			3.00%	R	327,477
Add for demolition and removal costs	1,419m ²	@	R120/m ²	R	170,280
Total Replacement Cost for insurance purposes (VAT exclusive)				R	14,010,242
Plus VAT @ 14%				R	1,961,434
Total Replacement Cost for insurance purposes (VAT inclusive)				R	15,971,676
REPLACEMENT COST (ROUNDED)		Based on	R11,276/m²	R	16,000,000
ESCALATIONS:					
During the period of insurance.	6.00%	For	8 Months	R	640,000.00
During the period of redesign.	6.00%	For	2 Months	R	160,000.00
During the period of reconstruction.	6.00%	For	6 Months	R	480,000.00
(The reconstruction cost escalation has been discounted by 6% to allow for phased progress draws)				R	1,280,000.00
The Davis Langdon Handbook and Rode's Report have been used as guidelines in determining the above insurance values.					
1) Please note that the insurance figure is only a guideline and it is the clients responsibility to make sure that the property is adequately insured.					
2) It is the clients responsibility to make sure that the property comply with health, safety and fire regulations.					
3) Please take note that all movable assets, unless otherwise stated, are excluded from the insurance schedule and it the clients responsibility to make sure that these items are separately insured.					

16.2 DEPRECIATED REPLACEMENT COST: VALUE OF IMPROVEMENTS

The replacement costs will be depreciated on account of physical depreciation, functional depreciation, economic depreciation and purchasers resistance in order to determine the value of improvements, as shown below.

[illegible]

17. TOWNSHIP DEVELOPMENT VALUATION: PRESENT VALUE OF VACANT STANDS

The development approach to valuing raw land that is ready for development has been applied in order to value the vacant stands. The stream of future periodic cash flows from the development of a township on the property is discounted to a present value, taking all development, finance and selling costs into account. The result of these calculations are indicative of what a notional developer would be prepared to pay for the raw land in its current form. In the absence of recent sales of comparable land (township development land) in the vicinity, this method provides a fair indication of open market value.

Most development projects are financially highly geared and interest is payable on outstanding borrowed amounts. The debt ratio will vary from one development to another and therefore cannot be built into the discount rate for development projects in general.

Having compared the subject property with available market information I am of the opinion that a discount rate of 45% per annum is a market related rate applicable in determining the net present value of the property at the commencement of the project.

Assumptions:

Growth Rate (Value of Stands):	5%	Estimate based on inflation, average growth in the vicinity and economic outlook
Discount Rate:	40%	This rate takes opportunity cost (RFRR), a margin for investor risk, and an allowance for entrepreneurs profit into account
Current Year	2016	(13% RFRR + 7% Risk Premium + 20% Allowance for Profit)

Approximately three stands estimated to sell each year for the next seven years

Stand	Area (m²)	Rate/m²	Present Value	Year of Sale	Discount Period	Future Value	PV Factor	Net Present Value
41	1000	R 435.00	R 435,000.00	2016	0	R 435,000.00	1.00000	R 435,000.00
42	1000	R 435.00	R 435,000.00	2016	0	R 435,000.00	1.00000	R 435,000.00
43	1000	R 435.00	R 435,000.00	2016	0	R 435,000.00	1.00000	R 435,000.00
44	1000	R 435.00	R 435,000.00	2017	1	R 456,750.00	0.71429	R 326,250.00
45	1000	R 435.00	R 435,000.00	2017	1	R 456,750.00	0.71429	R 326,250.00
47	1000	R 435.00	R 435,000.00	2017	1	R 456,750.00	0.71429	R 326,250.00
48	1000	R 435.00	R 435,000.00	2018	2	R 479,587.50	0.51020	R 244,687.50
49	1000	R 435.00	R 435,000.00	2018	2	R 479,587.50	0.51020	R 244,687.50
50	1225	R 435.00	R 532,875.00	2018	2	R 587,494.69	0.51020	R 299,742.19
51	1225	R 435.00	R 532,875.00	2019	3	R 616,869.42	0.36443	R 224,806.64
52	1000	R 435.00	R 435,000.00	2019	3	R 503,566.88	0.36443	R 183,515.63
53	1000	R 435.00	R 435,000.00	2019	3	R 503,566.88	0.36443	R 183,515.63
54	1000	R 435.00	R 435,000.00	2019	3	R 503,566.88	0.36443	R 183,515.63
55	1000	R 435.00	R 435,000.00	2020	4	R 528,745.22	0.26031	R 137,636.72
61	1200	R 435.00	R 522,000.00	2020	4	R 634,494.26	0.26031	R 165,164.06
62	1280	R 435.00	R 556,800.00	2020	4	R 676,793.88	0.26031	R 176,175.00
63	1200	R 435.00	R 522,000.00	2021	5	R 666,218.98	0.18593	R 123,873.05
64	1200	R 435.00	R 522,000.00	2021	5	R 666,218.98	0.18593	R 123,873.05
65	1200	R 435.00	R 522,000.00	2021	5	R 666,218.98	0.18593	R 123,873.05
66	1200	R 435.00	R 522,000.00	2022	6	R 699,529.92	0.13281	R 92,904.79
67	1200	R 435.00	R 522,000.00	2022	6	R 699,529.92	0.13281	R 92,904.79
68	1200	R 435.00	R 522,000.00	2022	6	R 699,529.92	0.13281	R 92,904.79
69	1200	R 435.00	R 522,000.00	2023	7	R 734,506.42	0.09486	R 69,678.59
70	1251	R 435.00	R 544,185.00	2023	7	R 765,722.94	0.09486	R 72,639.93
Total Discounted Value of Future Sales:								R 3,664,705.08
Total Discounted Value of Future Sales (Rounded):								R 3,700,000.00

18. VALUE CALCULATIONS FOR THE DEVELOPED STANDS

The value of land the land and depreciated repalcement cost of improvements are added together in order to determine the value of each developed stand, as shown below.

Stand	Reference	Area (m²) (Land Only)	Rate/m²	Present Value (Land Only)	Value of Buildings	Total Value (Land and Buildings)	Rounded Value (Land and Buildings)
56	Trout House	1427	R 435.00	R 620,745.00	R 1,397,912.14	R 2,018,657.14	R 2,000,000.00
57	Stone Manor	5646	R 320.00	R 1,806,720.00	R 2,967,205.74	R 4,773,925.74	R 4,800,000.00
58	Cobbles	498	R 485.00	R 241,530.00	R 392,688.35	R 634,218.35	R 600,000.00
59	Cobbles	486	R 485.00	R 235,710.00	R 392,688.35	R 628,398.35	R 600,000.00
60	Cobbles	507	R 485.00	R 245,895.00	R 392,688.35	R 638,583.35	R 600,000.00
46	Stone Cottage	1500	R 435.00	R 652,500.00	R 1,612,357.94	R 2,264,857.94	R 2,300,000.00
Total				R 3,803,100.00	R 7,155,540.87	R 10,958,640.87	R 10,960,000.00

*Note that a lower rate/m² has been used for portion 57 on account of its larger size.

Stand		Area (Hectares) (Land Only)	Rate/Ha	Present Value (Land Only)	Value of Buildings	Total Value (Land and Buildings)	Rounded Value (Land and Buildings)
71	Services + RE	58.7424	R 15,000.00	R 881,136.00	R 699,075.16	R 1,580,211.16	R 1,580,000.00
Total Value Land of Remaining Extent (ptn 71) and Services Building (Rounded):							R 1,580,000.00

19. VALUATION SUMMARY

LAND VALUE CALCULATION			
Land description	Size	Selling rate	Land value
Natural Veld	58.7424 ha	@ R15,000/ha	R 880,000.00
Present Value of Vacant Stands	2.6581 ha		R 3,700,000.00
Value of Developed Stands (Land Only)	1.0064 ha		R 3,800,000.00
TOTAL LAND VALUE	62.4069 ha	R134,280/ha	R 8,380,000.00
PLUS			
TOTAL DEPRECIATED VALUE OF BUILDINGS			R 7,850,000.00
EQUALS			
TOTAL VALUE OF LAND AND BUILDINGS			R 16,230,000.00
TOTAL VALUE (ROUNDED)	62.4069 ha	R259,587/ha	R 16,200,000.00
Land value contribution:			52%
Depreciated improvement value contribution:			48%

Special Conditions:

* No scientific analysis for soil, water or biological cultivated assets (e.g. orchards) was obtained for the valuation. The subject was valued on face value only.

* This valuation **excludes** any movable assets, crop-on-hand, livestock or any future potential value.

• The information has been supplied by the owner and is assumed to be correct.

• All movable assets such as farm equipment (tractors, vehicles, sprayers etc) all assets of a movable nature, have not been

MARKET VALUE:

Based on market indicators and having taken cognisance of all related factors influencing the value I value the subject property at:

R 16,200,000

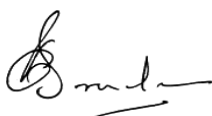
Sixteen Million Two Hundred Thousand Rand

DECLARATION

I, C.M. BRANDON, in my capacity as a Professional Associated Valuer, assisted by D.F. Velleman in his capacity as Candidate Valuer, consider the above valuation to be a true and fair assessment of its current market value.

16/09/2016

DATE



C.M. BRANDON
Professional Associated Valuer
Reg: 3282



D.F. Velleman
Candidate Valuer
Reg: 7734



VALUATION CERTIFICATE

I, D.F. Velleman, a Candidate Valuer Registered in terms of the Property Valuers Profession Act, Act No. 47 of 2000, certify that I have no present or contemplated interest in this or any other property or any other interests, which would affect the statements or values contained in this valuation report. The valuation was therefore undertaken on a completely independent basis.

Client / Applicant:	Ms. Margi Butler
Registered Owner:	Ms. Margi Butler
Total Extent:	62.4069 Hectares
Valuation Date:	16/09/2016

As a result of my professional findings and investigations it is my considered opinion that the property described as :

Farm Zwagershoek 82 JT Ptn 18

warrants an open market value of

R16,200,000

Sixteen Million Two Hundred Thousand Rand

Valuation Completed by:
D.F. Velleman
Candidate Valuer
Reg: 7734

Valuation Principal:
C.M. Brandon
Professional Associated Valuer
Reg: 3282

Photographs: Farm Zwagershoek 82 JT ptn 18

Main Entrance Gate from R536 (Right of Way Servitude)



Entrance to Subject Property



Reception, Dining and Conference Centre: Stone Manor



Surrounding Gardens and Parking Area



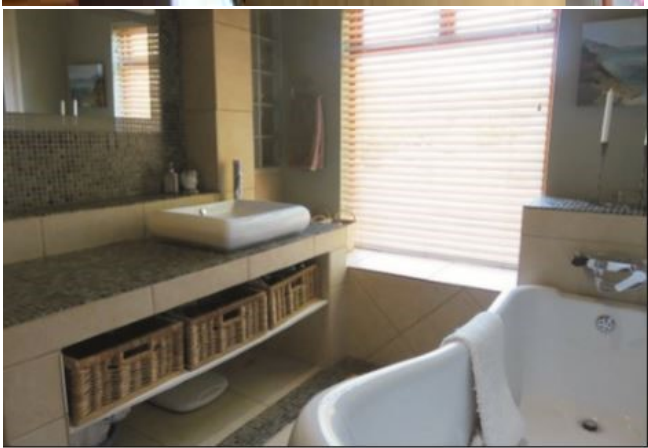
Interior Including Lounge, Kitchen, Conference Room and Workshop Gallery



Guest Accommodation: The Cobbles



Owners House and Guest Accommodation: Stone Cottage



Guest Accommodation: Trout House



Guard House, Office and Staff Accommodation



Electric Fence, Roads, Dams and Vacant Land



Deeds Office Property



ZWAGERSHOEK, 82, 18 (MPUMALANGA)

GENERAL INFORMATION

Deeds Office MPUMALANGA
 Date Requested 2016/03/18 16:14
 Information Source DEEDS OFFICE
 Reference -



PROPERTY INFORMATION

Property Type FARM
 Farm Name ZWAGERSHOEK
 Farm Number 82
 Portion Number 18
 Local Authority THABA CHWEU LOCAL MUNICIPALITY
 Registration Division JT
 Province MPUMALANGA
 Diagram Deed T2176/1926
 Extent 62,4069 HH
 Previous Description PTN10-LG843/70
 LPI Code T0JT0000000008200018

OWNER INFORMATION

Owner 1 of 1

Company Type COMPANY
 Name STONE CUTTERS GUEST FARM PTY LTD
 Registration Number 199901867907
 Title Deed T69396/1989
 Registration Date 1989/10/13
 Purchase Price (R) 115,000
 Purchase Date 1988/11/28
 Share
 Microfilm Reference 2004 0181 3619
 Multiple Properties NO
 Multiple Owners NO

ENDORSEMENTS (40)

#	Document	Institution	Amount (R)	Microfilm
1	BC11338/2014	-	UNKNOWN	
2	I-18/2015C	-	UNKNOWN	
3	I-775/2013LG	-	UNKNOWN	
4	K373/2014S	-	UNKNOWN	
5	VA24025/2000	STONE CUTTERS GUEST FARM PTY LTD	UNKNOWN	2000 0957 4678
6	VA5166/1997	T69396/1989	UNKNOWN	1997 0931 1141
7		JT , 82 , 41	UNKNOWN	
8		JT , 82 , 42	UNKNOWN	
9		JT , 82 , 43	UNKNOWN	
10		JT , 82 , 44	UNKNOWN	
11		JT , 82 , 45	UNKNOWN	
12		JT , 82 , 46	UNKNOWN	
13		JT , 82 , 47	UNKNOWN	
14		JT , 82 , 48	UNKNOWN	
15		JT , 82 , 49	UNKNOWN	
16		JT , 82 , 50	UNKNOWN	
17		JT , 82 , 51	UNKNOWN	
18		JT , 82 , 52	UNKNOWN	
19		JT , 82 , 53	UNKNOWN	
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21		JT , 82 , 55	UNKNOWN	
22		JT , 82 , 56	UNKNOWN	
23		JT , 82 , 57	UNKNOWN	
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25		JT , 82 , 59	UNKNOWN	
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29		JT , 82 , 63	UNKNOWN	
30		JT , 82 , 64	UNKNOWN	
31		JT , 82 , 65	UNKNOWN	
32		JT , 82 , 66	UNKNOWN	
33		JT , 82 , 67	UNKNOWN	
34		JT , 82 , 68	UNKNOWN	
35		JT , 82 , 69	UNKNOWN	
36		JT , 82 , 70	UNKNOWN	
37		JT , 82 , 71	UNKNOWN	
38	GENERAL PLAN TO	PTN:41-71 GP	UNKNOWN	
39	INFO FROM PRETORIA DEEDS REGIS	-	UNKNOWN	
40	JT,82,18	-	UNKNOWN	1988 1080 0547

HISTORIC DOCUMENTS (4)

#	Document	Owner	Amount (R)	Microfilm
1	B113512/2003	-	UNKNOWN	2004 0181 3631
2	T28231/1968	WEYERS ARIE LEENDERT	UNKNOWN	1989 2421 1319
3	T69396/1989	M I M TROUT LODGE CC	115,000	2004 0181 3619
4	T69396/1989	STONE CUTTERS GUEST FARM CC	115,000	2004 0181 3619

DISCLAIMER

This report contains information gathered from our suppliers and we do not make any representations about the accuracy of the data displayed nor do we accept responsibility for inaccurate data. WinDeed will not be liable for any damage caused by reliance on this report. This report is subject to the terms and conditions of the WinDeed End User Licence Agreement (EULA).

SG Diagram

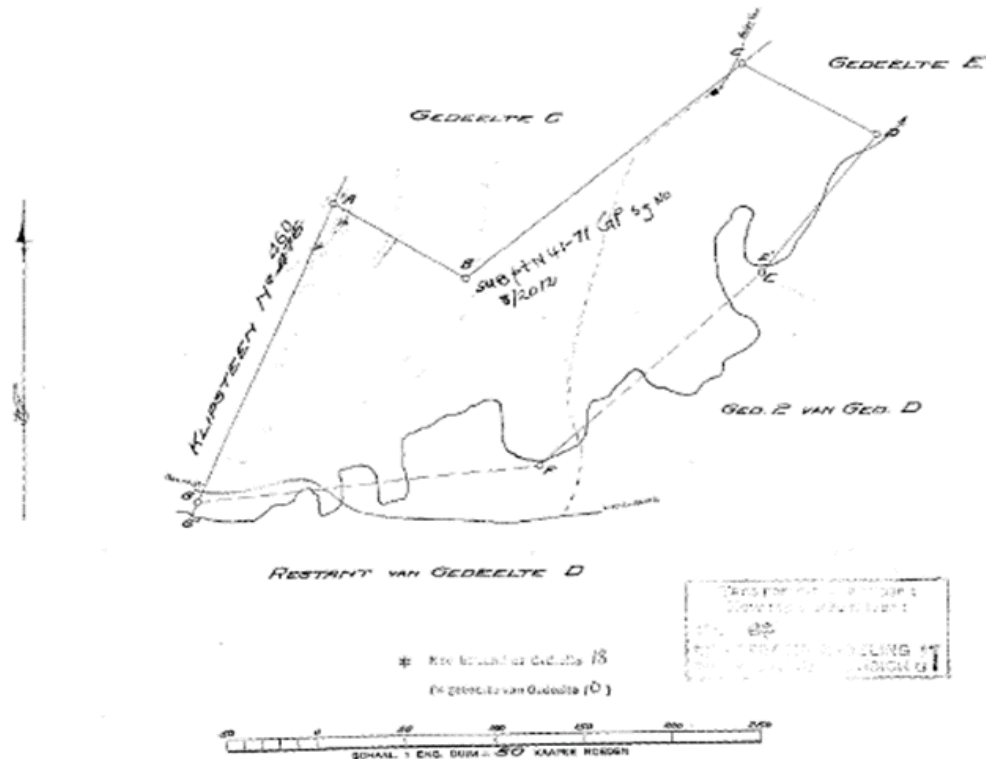
Metel 20 weer onderverdeling van plaats of Gedeelte van plaats.

Blauw No. 52 21 115 6.

A. No. 151

ZYDEN.	HOKKEN.	(3) CO-ORDINATEN (4)
AB 87 12	A 92 40 20	A + 4257.09 + 1889.57
BC 203 28	B 125 0 0	B + 4121.83 + 1860.20
CD 87 31	C 111 0 30	C + 4321.78 + 1103.83
DE 107 64	D 81 38 40	D + 4279.09 + 1027.78
EF 170 77	E 163 31 0	E + 4195.80 + 1053.01
FG 121 71	F 148 52 0	F + 4074.58 + 1220.97
GA 103 50	G 60 16 30	G + 4060.14 + 1913.19
KA 9 0		
GB 2 8		

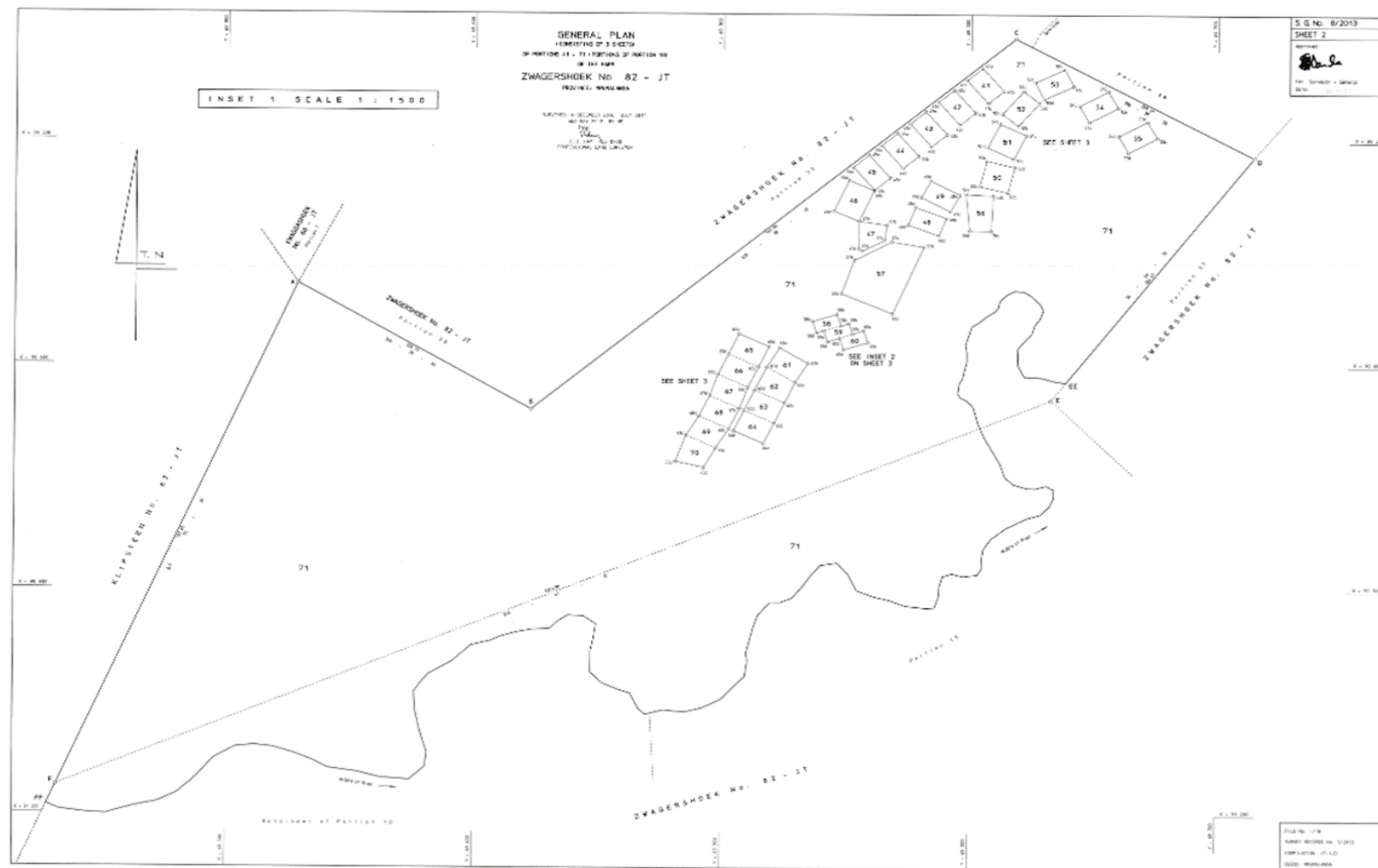
RECHT GROOTTE 13M. 476 VR



De Dovenstaande Figuur **ABODE' MID RIVER G'A** stelt voor
 7E Morgen **SIG** Verikante Houden, zynde **GEDEELTE VAN GEDEELTE D**
 van de plaats **ZNAGERSHOEK No 260**
 blykwa kaart getuigt A. No. **1038/25** betreffende Acte van Transport No. **10432/24** gedateerd **13/11/24** opgemaakt ten faveure van
 J. J. Vuser **HALVINGEN (GROEN)** Orlagen in het District **LYDENBURG**
 Wyk **CROCODILE** Provincie Transvaal. Begruet zo als hierboven aangegeven
 De Nakem zyn opgericht volgens Wet. Gemaekt in **Oktober 1925** door my **M. M. M. M. M.**
 Landmeter.

GENERAL PLAN
 CONSISTING OF 2 SHEETS
 OF PORTION JT - JT 1 PORTION OF PORTION NR
 OF THE MAP
 TWAGERSHOEK No. 82 - JT
 PROVINCE, NORD-OWA

A R E A S	
PORTION NUMBERS	SQUARE METRES
41	1000
42	1000
43	1000
44	1000
45	1000
46	1500
47	1000
48	1000
49	1000
50	1225
51	1225
52	1000
53	1000
54	1000
55	1000
56	1427
57	5646
58	498
59	486
60	567
61	1200
62	1280
63	1200
64	1200
65	1200
66	1200
67	1200
68	1200
69	1200
70	1251
71	57,8655 hec for all



Water Use Registration Certificate

WATER FORESTRY

24019296

REGISTRATION CERTIFICATE

ISSUED IN TERMS OF THE NATIONAL WATER ACT, 1998 (ACT NO. 36 OF 1998)

This Registration Certificate is issued to :-

STONE CUTTERS GUEST FARM (PTY) LTD
1999/01867907
PO BOX 515
LYDENBURG
1120

To use water on the following property :-

ZWAGERSHOEK 82 JT 18

T69396/1989

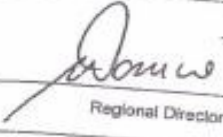
Water Management Area :-

OLIFANTS

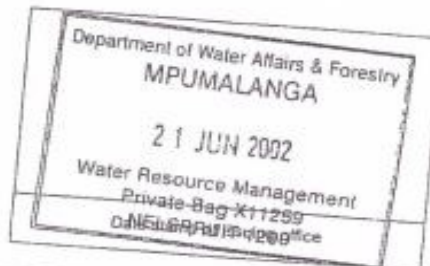
For the water use(s) of :-

Taking water from a water resource in terms of Section 21(a) of the National Water Act
Storing water in terms of Section 21(b) of the National Water Act

(See attached Annexure)


Regional Director

Date _____
Mpumalanga Region



DISCLAIMER :

This certificate is :-

1. not an acknowledgement of an entitlement to the registered water use;
2. issued without alterations or erasures and is invalid if it contains alterations not in conformity with the Department's official copy; and
3. in substitution of any registration certificate that may have been previously issued by the Department and the information is valid as at the date of issue.

24019296/3

2002/06/13 8:43:21 AM

Page 1 of 3

Water Use Registration Certificate

DEPARTMENT OF WATER AFFAIRS AND FORESTRY

Storing water in terms of Section 21(b) of the National Water Act

Storing water not containing waste

Total volume: 12654.00 cubic metres in 2 dams (effective from 1987-01-01)

Water course(s): DORPS RIVER

Water use start date: 1987-01-01

Water Use No.: 2

DISCLAIMER :

This certificate is :-

1. not an acknowledgement of an entitlement to the registered water use;
2. issued without alterations or erasures and is invalid if it contains alterations not in conformity with the Department's official copy; and
3. in substitution of any registration certificate that may have been previously issued by the Department and the information is valid as at the date of issue.

Quotation for Services: Mott MacDonald



Item	Estimated cost
Water supply	
Equipping of new BH (pump, electrical connection and control panel).	R 30,000.00
Inter connection pipework of 2 BHs.	R 5,000.00
Installation of new pump line to new tanks (pipe, excavation, bedding , backfilling) with Isolating valves, airvalves.	R 80,000.00
Moving of existing tanks to new higher position	R 2,500.00
Development of river abstraction manhole with scour protection	R 10,000.00
Installation of new pump, cable and control panel at river pump	R 30,000.00
Installation of new pump line to new tanks from river (pipe, excavation, bedding , backfilling) with Isolating valves, airvalves.	R 55,000.00
Installation of 5 new Jo Jo tanks with pipework with slab	R 60,000.00
Install chlorinator at tank (possibly use tanks in series and chlorinate in 1 st tank)	R 15,000.00
Installation of reticulation to stands with connection point and water meter at each tank (Include for fire flow)	R 200,000.00
Sub Total water	R 488,500.00
Sewer supply	
Installation of sewer reticulation lines from stands to central package plant (plan for possible connection of existing houses)	R 250,000.00
Manholes	R 80,000.00
Install sewer house connections	R 60,000.00
Installation of package plant for treatment of sewage outflow to DWS stands.	R 250,000.00
Sub Total sewer	R 640,000.00
Electricity supply	
Electrical supply (kiosk and reticulation from transformer)	R 150,000.00
Sub Total electricity	R 150,000.00
Total	R 1,278,500.00
Contingencies 10%	R 127,850.00
Total	R 1,406,350.00
Contractors Ps and Gs 10%	R 140,635.00
Total	R 1,546,985.00
Vat	R 216,577.90
Grand total	R 1,763,562.90



CAVEATS

1. 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.

2. Third party Involvement

In undertaking these valuations we have relied on information supplied by third parties and have assumed such information to be substantially correct.

3. Valuation Standard

This valuation has been prepared in accordance with the International Valuation Standards Committee requirements and as adopted by the South African Institute of Valuers.

4. Freehold Property

In the case of Freehold properties we have inspected, when available, the relevant Title Deed documents. Where as a result of our inspections some points have caused us concern as to the Title, we have referred specifically to them in the relevant detailed Valuation Reports. Where the Title Deeds were not available we have assumed that good title can be shown and that the property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoings.

5. Mortgage Bonds, Loans or other Charges

The property has been valued as if wholly owned with no account being taken of any outstanding monies due in respect of mortgage bonds, loans or other charges. No deductions have been made in our valuation for the cost of acquisition, such a legal or transfer fees, or disposal of the assets.

6. Calculation of Areas

All areas quoted within the Valuation report have been provided by ourselves and we assume have been arrived at using the SAPOA standard method of measurement.

7. Plans

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

8. Property Boundaries

The farm or property boundaries, as indicated to myself by the instructing client or his appointed agent, or the boundaries as indicated by plans supplied by the client, are assumed to be the legal extent of the property. Any variation of these boundaries by extension or omission, and the resultant inclusion or omission of any improvements as a result of this or these variations, cannot therefore be regarded as the responsibility of Clifford Michael Brandon, Professional Associated Valuer or Bearwold Projects CC (Property Valuers).

9. Outgoings

It is assumed, except where otherwise stated, that the property is subject to the normal landlord's outgoings and that there are no onerous restrictions or unusual covenants of which we have no knowledge. In preparing our valuation we have formed our opinion of outgoings, having had reference to the various schedules of outgoings supplied by you to us.



CAVEATS

10. Structural Condition

The property has been valued in its existing state. In the event of its ownership or use changing in such a manner that the local authority will require the upgrading of the premises to comply with fire protection and other regulations, it may be necessary to reduce the valuation by the amount covering the cost of such compliance. We have had regard to the apparent state and condition of the property but have not carried out a structural survey, nor inspected those areas which were covered, unexposed or inaccessible, neither have we arranged for the testing of electrical, heating or other services. The valuation assumes that the services and structures are in a satisfactory state of repair and condition, unless otherwise stated in our report. The valuation further assumes that the improvements have been erected in accordance with the relevant Building and Town Planning Regulations as well as the Local Authority by-laws. We have not inspected woodwork or other parts of the structure, and we are therefore unable to report that such parts of the property are free from rot, beetle or other defects. We have assumed that no deleterious or hazardous materials or techniques were used in the construction of the property nor have since been incorporated.

11. Contamination

A formal environmental assessment was provided and the subject property is not environmentally impaired nor contaminated, unless otherwise stated in our report.

12 Vacant Land

We have not carried out any soil substratum tests on the property and we have assumed that the property is suitable for the purpose for which it would be put without having to provide excessive reinforcement to any structure built thereon.

13. Statutory Notice and Unlawful Use

We have assumed that the property and its value are unaffected by any statutory notice, and that neither the property nor its condition, nor its use, nor its intended use, is or will be unlawful.

14. Individual Properties

The values reported are for the individual properties. No allowance is made for premium which may be applicable for any assembled portfolio of properties, nor is a discount allowed for any flooding of the market which might exist if all or a majority of the properties were offered for sale simultaneously.

15. 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.

16. Non-Publication

Neither the whole nor any part of this valuation report or certificate, nor any reference thereto, may be included in any published document, circular or statement, nor published in any way without the written approval of myself or Bearwold Projects cc (Property Valuers), as to the form or context in which it may appear and acknowledgement that Clifford Michael Brandon on behalf of Bearwold Projects CC (Property Valuers) was the professional valuer.

17. Independent Valuers Clause

Neither the Valuer, nor Bearwold Projects CC or any employee, have any 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 report enclosed herewith was therefore undertaken on a completely independent basis by an external employed Bearwold Projects CC (Property Valuers), a company which specialises in the valuation of real estate and which does not trade in these assets.

18. Value Added Tax

All figures quoted are exclusive of Value Added Tax.