

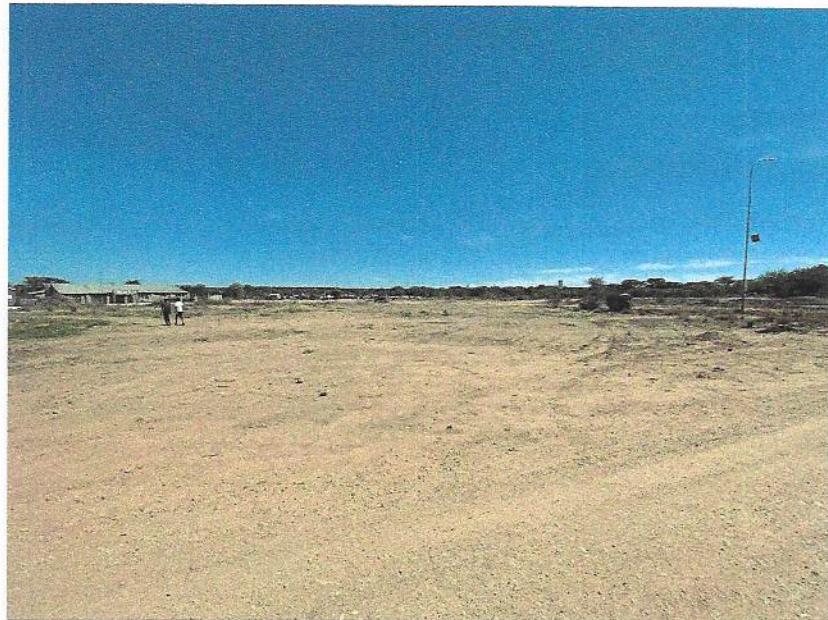
PROPERTY VALUATION REPORT

Erf 1601

ORWETOVENI, EXTENSION 3

REGISTRATION DIVISION "D"

OTJIWARONGO



MARKET VALUE:

N\$ 1,656,270.00

INSURANCE VALUE (15% VAT INCLUDED): -

DATE OF VALUATION:

19 November 2024

Prepared by: [REDACTED]

Valuer



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VALUATION REPORT

1. GENERAL INFORMATION

1.1 Instruction

We have been instructed by [REDACTED] to determine the most probable market value of the subject property as described in this report.

CLIENT:

TELEPHONE:

DATE OF INSPECTION:

12 September 2024

DATE OF VALUATION:

19 September 2024

1.2 Purpose of Valuation

- The purpose of this valuation report is to determine the market value of the subject property for administration & borrowing purposes.
- Determine the insurance and forced sale value of the subject property.

1.3 Definition of Open Market Value

The definition of "Market Value" as laid down by the International Valuation Standards Committee is:

"The estimated amount for which a property (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, wherein the parties had each acted knowledgeably, prudently and without compulsion."

2. PROPERTY DETAILS

CERTAIN	Erf 1601, Orwetoveni, Extension 3
SITUATE	In the Municipality of Otjiwarongo
	Registration Division "D"
	Otjozondjupa Region
TITLE DEED NO	T4347/2023
MEASURING	5,019m ²
SERVITUDE	AS STIPULATED BY TITLE DEED

We did not view the title deed of the subject property and valuation will be done on the basis that there are no servitudes or conditions registered against the title deed that may adversely affect the content of this report.

3. LOCAL GOVERNMENT INFORMATION

LOCAL AUTHORITY NAME: Otjiwarongo Municipality
ZONING: BUSINESS
COVERAGE: 85%
HEIGHT: Three (3) storeys or twelve (12) meters whichever is most restrictive
BULK: 2
PARKING REQUIREMENTS: 1 parking bay per 35m².

4. LOCAL AUTHORITY VALUATION

Township Name:	Orwetoveni, Extension 3
Calculated Area:	5,019m ²
Property Number:	1601
Zoning:	BUSINESS
Site Value:	N\$ 1,254,750.00
Improvement Value:	-
Total Value:	N\$ 1,254,750.00
Registered Owner (per the roll):	

5. LOCATION AND SITUATION

5.1 Location

The subject property is located in Orwetoveni, Extension 3. The immediate area primarily comprises of residential, business, light industrial and institutional zoned properties and a public open space (Mokati stadium).

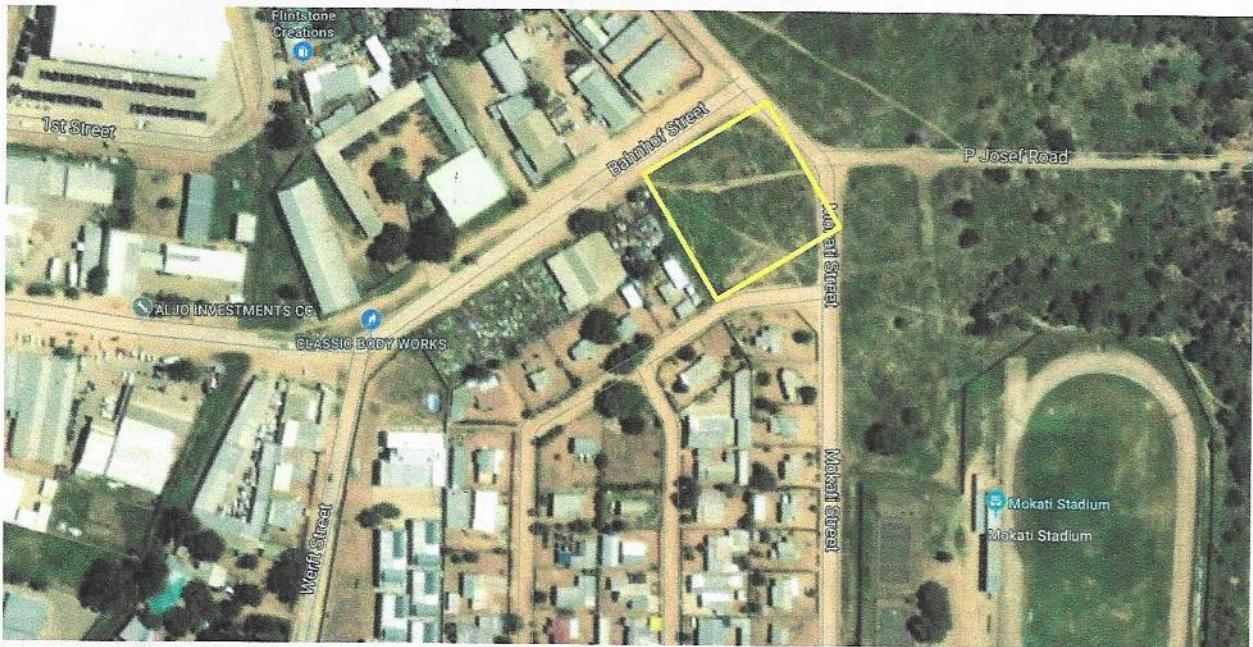


Fig. 1 Google image – Location of the subject property.

5.2 Access

The property is located at the intersection of Bahnhof street and Mokati Street and can be directly accessed from both.

5.3 Topography

The subject property is situated on a levelled 'Business' zoned stand. The property is serviced by the Municipality with water, electricity and sewerage removal.

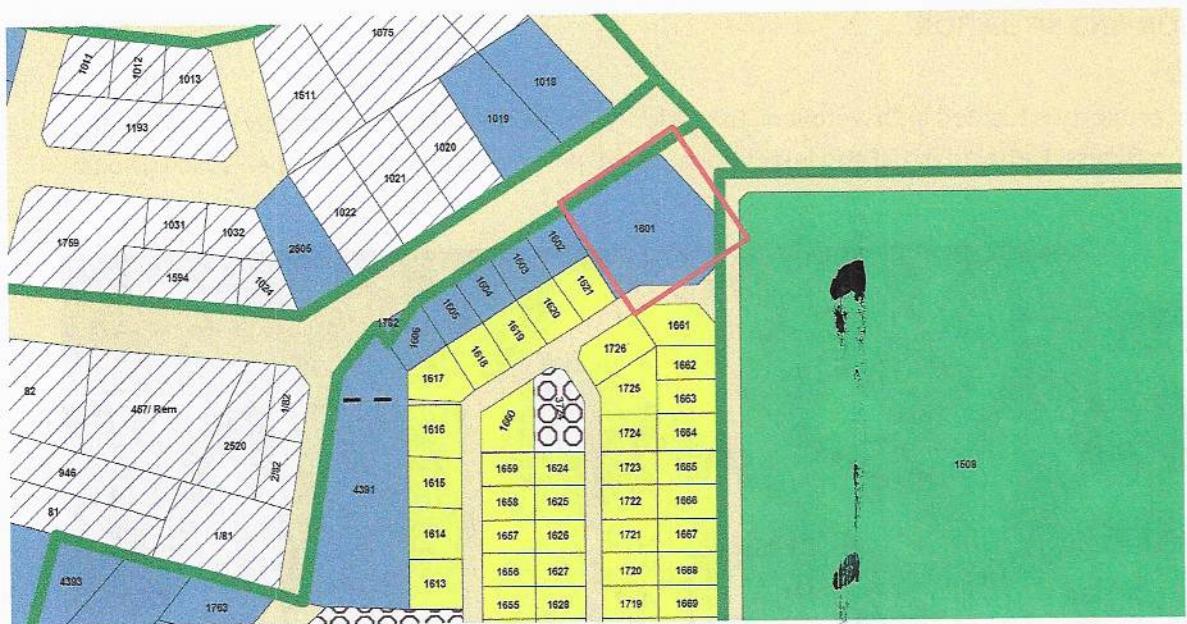


Fig. 2 Zoning Map - View of the subject property.

6. DESCRIPTION OF IMPROVEMENTS

The property is currently vacant, with no improvements.



7. HIGHEST AND BEST USE

(A Term meaning the reasonable, probable and permissible use that will support the highest present value, as of the effective date of the valuation).

In determining the highest and best use of the property, the following aspects need to be considered:

- Legal permissibility
- Physical possibility
- Financial feasibility
- Maximum productivity

The subject property is zoned business and is currently Vacant. The property will be valued as such.

8. ANALYZING

Rating out of 5 (1: low, 3: medium, 5 high)

Condition of building:	Rating: 0
Quality Finishes inside:	Rating: 0
Suburb Demand:	Rating: 3.5
Location	Rating: 3
Let-ability: Average	Rating: 3
Sale-ability: Average	Rating: 3

9. MARKET COMMENTARY

9.1 Key Macro-Economic indicators

Global economic growth is projected to remain low in 2024 before improving slightly in 2025. Global growth is projected to decline to 3.2 percent in 2024, before rising moderately to 3.3 percent in 2025. The projected growth rate for 2024 is unchanged, while that of 2025 represents an upward revision of 0.1 percentage point from the April 2024 World Economic Outlook (WEO), mainly on account of revised growth for China. The projected sluggish global growth in 2024 and 2025 reflects an upside risk to inflation given escalating trade tensions and increased policy uncertainty, which increases the prospect of retention of higher interest rates by central banks. Other major revisions were observed in Advanced Economies, particularly Spain and the United Kingdom, while in Emerging Market and Developing Economies, revisions were observed in Russia, India and Brazil. Similarly, the World Bank projects slow global growth of 2.6 percent in 2024 before improving marginally to 2.7 percent in 2025. This forecast, which is less optimistic than the WEO, is mainly due to expected moderating growth in China, affecting the East Asia and Pacific region. The OECD projects the global economy to grow by 3.1 percent and 3.2 percent in 2024 and 2025, respectively.

For Advanced Economies, growth is projected to slow in 2024 before improving in 2025. Both the IMF and the OECD estimated growth in Advanced Economies (AEs) to remain at 1.7 percent in 2024 before increasing slightly to 1.8 percent in 2025. This forecast remains unchanged from the April WEO forecast. The World Bank projected growth of 1.5 percent and 1.7 percent for 2024 and 2025 for advanced economies

Growth in Emerging Market and Developing Economies (EMDEs) is projected to remain stable in 2024 and 2025. Growth in EMDEs is estimated to remain at 4.3 percent in 2024 and 2025 respectively, from the 4.4 percent recorded in 2023. The latest growth estimates for 2024 and 2025 represents an upward revision of 0.1 percentage point from the April 2024 WEO, largely on account of revised growth forecasts for China and Brazil. Similarly, the World Bank projects growth in EMDEs to remain stable at 4.0 percent in both 2024 and 2025.

On the regional front, growth in Sub-Saharan African economies is expected to improve in 2024 and 2025. GDP growth in the Sub-Saharan African (SSA) region is estimated at 3.7 percent and 4.1 percent in 2024 and 2025, respectively, an improvement from 3.4 percent in 2023. The anticipated improvement is linked to subsiding negative effects of weather shocks and gradual improvements in supply chains. The latest projection for 2024 and 2025 reflects an upward revision of 0.1 percentage point from the April 2024 WEO. The World Bank projects growth in SSA economies to rise to 3.5 percent and 3.9 percent in 2024 and 2025 respectively.

9.2 Domestic Economy

The Namibian economy is projected to slow down in 2024 before improving in 2025. Real GDP growth is anticipated to slow down to 3.1 percent in 2024 before accelerating to 3.9 percent in 2025. This moderation in growth during 2024 is primarily attributed to a subdued performance within the primary sector, particularly in mining and agriculture. The latest estimate for the 2024 GDP growth represents a downward revision from 3.7 percent published in the March 2024 Economic Outlook update. When compared to March 2024 projections, the downgrading of 2024 growth is mainly based on worse than earlier anticipated performance for the whole primary sector and for the construction sector.

The secondary industry's outlook for 2024 and 2025 is characterized by significant improvement in growth, driven by better performances for electricity and water, manufacturing and construction. In 2024, secondary industries are projected to expand by 4.9 percent, significantly higher than the modest 2.0 percent growth recorded in 2023. This strong performance is expected to continue into 2025, with a growth rate of 4.7 percent. The positive trajectory of the secondary industry is largely driven by improved growth for electricity and water, and recoveries for manufacturing and construction sectors.

The manufacturing sector exhibits positive signs of a substantial recovery following a contraction in 2023. The sector is expected to grow by 3.9 percent in 2024 and further accelerate to 4.4 percent in 2025, after a contraction of 3.2 percent in 2023. This resurgence is fueled by substantial gains in the beverage subsector, which is anticipated to rebound to 9.4 percent growth in 2024 from a decline of 29.2 percent in 2023. This improvement is attributed to increased production of soft drinks. Additionally, the grain mill products subsector is expected to perform better, with growth rates rising to 7.1 percent in 2024 and to 11.1 percent in 2025, from 4.3 percent growth in 2023.

The electricity and water sector, which saw stellar growth in 2023, is projected to remain resilient, albeit at a more moderate pace. Growth is expected to be 9.4 percent in 2024 and 4.5 percent in 2025. This sector's performance reflects better inflows into the Ruacana hydro plant that increased electricity generation during 2024, and ongoing investments and operational efficiencies that continue to support its expansion.

The construction sector remains weak within the secondary industries, despite a substantial increase in the Government's construction budget. After contracting by 0.2 percent in 2023, the sector is expected to see a modest recovery with projected 3.5 percent and 7.1 percent growth rates for 2024 and 2025, respectively. However, the latest projected growth for 2024 was revised down from 11.6 percent published in the March 2024 Economic Outlook update. This adjustment reflects the sector's observed year-to-date performance, where low execution rates have hindered a more robust recovery.

Source: Economic Outlook Update – August 2024

9.3 Key Micro-Economic indicators

According to observation, there is demand for business properties in the town, however it appears that most individuals appear to prefer leasing rather than owning as property prices, especially business zoned properties which are often priced on the high end due to limited supply of such serviced properties.

All in all, rentals and property prices for business zoned properties have remained stable over the past few years. Developed and operational properties with similar uses have been observed within the vicinity of the subject.

10. METHOD OF VALUATION

Due to its current state, the property will be regarded as a vacant "business zoned" property and will therefore be valued by making use of the **Comparable Sales Method**.

10.1 Comparable Sales Approach

The comparable sales method has been established by the courts in actions involving market value disputes that comparable transactions afford a sound basis for arriving at a satisfactory guide in determining market value and that the comparison method has been readily accepted as a sound valuation principle.

The object of this method is to enable us to arrive at a norm which will serve as a guide in estimating the market value of the subject property.

10.1.1 Comparable 'For Sale' Listings



N\$ 1 300 000

Vacant Land / Plot

Otjiwarongo Central

Business Registered vacant plot available for the next development. Size: 1800 sqm Ideally

1 800 m²

Business registered vacant plot on sale

Business Registered vacant plot available for the next development.

Size: 1800 sqm

Ideally located in the CBD of Otjiwarongo, surrounded by most ministry offices in Otjiwarongo

Located in the Otjiwarongo CBD, this vacant business land listing is superior in terms of location and inferior and is inferior in terms of size.

In comparison to our subject property, this listing has brick wall boundaries on 2 sides and mesh wire fencing on 1 side with the front yet to be fenced off.

It is currently listed in the market for N\$722.22/m².

This listing will be used as a guide to assess the market conditions.

10.1.2 Comparable Sales

We researched the market for similar properties. However, due to limited market activity for vacant business land sales in Orwetoveni, we opted to make use of recent business zoned vacant land transactions located in the Otjiwarongo CBD. The research yielded the sales data illustrated in the table below.

Erf Number	Zoning	Location	Size	Date sold	Amount sold	N\$/m ²	SIZE OF SUBJECT	N\$/m ² after time adjustment	N\$/m ² after size adjustment
ptn 1/36	Business	Otjiwarongo Proper	1546	25-Mar-24	N\$ 580,000.00	N\$ 375.16	5,019.0000	N\$ 378.30	247.41
Rem/36	Business	Otjiwarongo Proper	1160	16-Nov-23	N\$ 773,000.00	N\$ 666.38	5,019.0000	N\$ 675.91	416.07
AVERAGES			1353			\$520.77		\$527.11	N\$ 331.74
								Say	N\$ 330.00

After adjusting for the time lapse and the difference in parcel sizes the average price/ha after adjustments is N\$330.00/m².

Considering our subject property, its location, services (water, electricity & sewerage removal), we are of the opinion that N\$330.00/m² is achievable for the vacant land.

11. DETERMINING OF VALUE

11.1 Market Value

Market Value @ N\$/m ² (Vacant land)	5019.0000	N\$330.00	N\$1,656,270.00
MARKET VALUE ROUNDED			N\$1,654,000.00

12. VERIFYING OF VALUE

After due consideration of the information presented, a **Valuation Amount of N\$ 1,654,000.00 (One Million, Six Hundred and Fifty-Four Thousand Namibian Dollars)** is considered a realistic **Market Value** for the subject property and a recommended **Forced Sale Value of N\$ 1,157,800.00 (One Million One Hundred and Fifty-Seven Thousand Eight Namibian Dollars)**.

13. CONDITIONS, LIMITATIONS & RECOMMENDATIONS

We have not undertaken any structural surveys of the buildings, nor have we arranged for tests or inspections to be carried out on any service installation. Our valuation assumes that the services are in a satisfactory condition. This valuation made of the subject property offered as security is done solely for the internal administrative purposes of Bank Windhoek Limited. No warranties whatsoever are given or implied in respect of the property, its condition or market value. Furthermore, Namib Bou does not accept responsibility should this information be used by any other party for whatever reason.

14. CERTIFICATE

After taking due consideration of all the relevant factors, I Isaac S Uusiku in my capacity as a Valuer, consider the above valuation to be a true reflection and a fair assessment of the subject property's current market value, as at the date of valuation.


VALUER

DATE: 19 November 2024