

# Absa AgriBusiness

## Agricultural Valuation Report of

Ptn 5 of the farm Middelfontein 663 LQ

(137.4787 Hectares in Total)



**Market Value:** R 4,600,000

**Valuation Date:** 2018-11-27

**Request ID:** FV-18-017785

**Valuation:** NON-AGRICULTURAL

**Completed By:** PL Vermaak

**Great North Property  
Valuers**

## VALUATION REQUEST

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### Valuation Details

Deadline:	Nov 27, 2018
Priority:	1
Purpose:	Further Advance

### Valuation Completed By

Name:	PL Vermaak
Company:	Great North Property Valuers
Position:	Professional Valuer
Telephone:	015 296 2407
Mobile:	082 444 0567
Email:	louis@gnpv.co.za

### Relationship Manager

Name:	Senzeni Sakala
Telephone:	014 763 7520
Email:	senzenis@absa.co.za
Cost Centre:	15430

### Client Primary Contact Details

Client:	JANET PRINSLOO
Contact Person:	JANET PRINSLOO

### Requesting Legal Entity Details

Name:	JANET PRINSLOO
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**Farmland Details**

**Middelfontein 663 LQ**

Portion:	5/663
Total Area:	137.4787

## **1 INTRODUCTION, INSTRUCTION AND PURPOSE OF THE VALUATION**

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Great North Property Valuers has been instructed by Senzeni Sakala of Absa, to visit and inspect the subject property and to determine the market value for Further Advance purposes, on behalf of JANET PRINSLOO as at effective date 2018-11-27.

## **2 VALUATION DATES**

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### **2.1 Inspection Date**

2018-11-23

### **2.2 Valuation Effective Date**

2018-11-27

### **2.3 Completion Date**

2018-11-27

## **3 HIGHEST AND BEST USE**

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The highest and best use refers to the highest potential in terms of value that the property can achieve with due cognisance been taken of the local authority rights, restrictions and regulations, if applicable, as well as the general use of properties in the surrounding area.

With respect to the agricultural use, the farm is currently utilized as a game farm with road stall facility.

Given the nature of the current structures on the farm, the surrounding agricultural properties, together with the prevailing climatic conditions, soil fertility and water situation, this use appears to support the highest and best use of farms in the area.

## 4 REGISTERED PROPERTY DESCRIPTION

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Portion 5 of the farm Middelfontein 663 LQ

The following title deed summaries are applicable to the subject property:

### 4.1 Summary of Title Deed of Ptn 5 of the farm Middelfontein 663 LQ

See Appendix for attached title deed.

Registered Owner:	Botha Janet
Purchase Date:	Apr 29, 2009
Purchase Price:	R 1,370,000
Extent:	137.4787 ha
Title Deed Ref No:	T37972/2009PTA

## **5 LOCATION OF THE FARM**

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### **Farm Access**

From Vaalwater follow the R33 tar road north towards Lephalale for ±40km. The farm is situated to the right hand side of the road.

### **Local Authority**

Lephalale Local Municipality

### **Distance to the Nearest Town**

40 km to Vaalwater

### **Type and Condition of the Access Road**

Good tar road

### **Coordinates at the Farm Gate**

Entrance to farm, Middelfontein 663 LQ

lat: -23.994061549478783

lon: 27.991304397473876

## 6 DESCRIPTION OF THE FARM

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### Farm Layout

The farm has an elongated shape. The R33 tar road borders the entire western boundary of the property.

### Farm Shape



### Topography

The land is relatively level with no significant slope in any direction.

### Soil Type

No soil or substratum survey has been carried out on the subject property. The soil in the area is a variety of loamy soil and sandy red soil. Geology & Soils in the Waterberg Mountain bushveld: mainly sandstone, subordinate conglomerate, siltstone and shale of the Kransberg Subgroup and

medium- to coarse-grained sandstone, conglomerate, trachytic lava and quartz porphyry of the Swaershoek Formation, Nylstroom Subgroup (both Mokolian Waterberg Group). Dystrophic, acidic sandy, loamy to gravelly soil. Glenrosa and Mispah Forms. Land types mainly Ib, Ac, Fa and Ad.



### **Vegetation or Grazing**

Waterberg Mountain Bushveld: Sour Bushveld (73%) (Acocks 1953). Waterberg Moist Mountain Bushveld (83%) (Low & Rebelo 1996). Distribution Limpopo Province: Waterberg Mountains, including the foothills, escarpment and tablelands south of the line between Lephalale and Marken and north of Bela-Bela and west of Mokopane and with outliers in the southwest such as the Boshofsberge and Vlieëpoortberge near Thabazimbi. Altitude about 1 000–1 600 m and generally at a lower altitude than the Gm 29 Waterberg-Magaliesberg Summit Sourveld. Vegetation & Landscape Features: Rugged mountains with vegetation grading from *Faurea saligna*–*Protea caffra* bushveld on higher slopes (in turn grading into the Gm 29 Waterberg-Magaliesberg Summit Sourveld) through broad-leaved deciduous bushveld (dominated by *Diplorhynchus condylocarpon*) on rocky mid- and footslopes to *Burkea africana*–*Terminalia sericea* savanna in the lower-lying valleys as well as on deeper sands of the plateaus. The grass layer is moderately developed or well developed.





## **Climate, Rainfall and Adverse Conditions (Frost, Hail, etc.)**

Summer rainfall with very dry winters. Rainfall from about 500 mm in the lower-altitude northwest to about 750 mm on the higher parts of the main east-west range. Lephalale normally receives about 400mm of rain per year, with most rainfall occurring mainly during mid summer. It receives the lowest rainfall (0mm) in June and the highest (81mm) in January. The monthly distribution of average daily maximum temperatures shows that the average midday temperatures for Lephalale range from 22.3°C in June to 31.9°C in January. The region is the coldest during July when the mercury drops to 3.7°C on average during the night.

## **Surrounding Farming Activity and/or Developments**

The surrounding farming activities mainly comprises similar type game farms.

# Improvements Description

## Commercial (Shop/Hall)

A brick and mortar structure fitted with a pitch iron roof and cement floor. The building is in need of general maintenance.



## Residential (Garage/Stores)



## Residential (Carport)

A steel structure fitted with an iron roof and grano floor. The carport is attached to the garage building.



**Storage (Shed)**

A brick and mortar structure fitted with a pitch tile roof and cement floor. The building is in need of general maintenance.



**Residential (Hall)**

A brick and mortar structure fitted with a pitch iron roof and cement floor. A covered patio is attached to the building. The building is in need of general maintenance.



**Residential (Patio)**

An attached covered patio fitted with an iron roof and grano floor.



**Building (Lean-to)**

A steel structure fitted with a flat iron roof and grano floor.



**Residential (Dwelling)**

A brick and mortar structure, plastered and painted walls fitted with an iron roof. Dwelling comprises three bedrooms, one lounge, one dining room, one family room, one bathroom, kitchen and scullery.



**Residential (Dwelling) 2**

A brick and mortar structure, partially plastered and painted walls fitted with a pitch tile roof and tile floors. Dwelling comprises four bedrooms, one lounge, one dining room, one family room, two bathrooms with a guest toilet, kitchen and scullery with a pantry.



**Building (Road Stall)**

A brick and mortar structure fitted with an iron roof. There is a large farm shop (manufacturing and selling of "biltong" products and game meat) with related facilities (cold storage and meat preparation room).



**Borehole (Equipped)**

The farm has 2 boreholes equipped with submersible pumps.

**Residential (Chalets)**

A brick and mortar structure fitted with a mono pitch iron roof and cement floor. The building is in need of general maintenance.



**Staff (Staff Buildings)**

Brick and mortar structures fitted with iron roofs and grano floors.



**Residential (Rooms)**

The roof of the building is removed. The rooms are therefore not valued.



## 7 SERVICES

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### Water Supply and Irrigation

Equipped Boreholes	2
Boreholes (Not Equipped)	-
Pumps	Submersible pumps
Municipal Water	No
Cement and Corrugated Iron Dams	Unknown
Plastic Tanks	4
Gravel Dams	1
Water Quantity	Unknown
Water Quality	Unknown - used for human and live stock purposes

### Irrigation

Scheme Name/Water Source	Not applicable
Lawfulness of Water Rights	Not applicable
Supply	Not applicable
Source	Not applicable
Extraction volume as per certificate	0
Storage volume as per certificate	0
Water rights converted in hectares	0
Water rights	Not applicable
Rights ceded	Not applicable
Extraction point	Not applicable
Notes/Comments	Not applicable

### Irrigation Surface Area

Type of irrigation system	Not applicable
Potential of land under irrigation	None
Crops under irrigation	None
Extent of irrigable land	None
Confirmation of extent	Not applicable

### Electricity

Electrical Supply	Eskom
Number of supply points	2
kVA	50, 25

### Fencing

Type of fence	Game fence
Distance of game fence	Unknown
Condition	Average
Height and number of strands	2.4m
Electrified	Not applicable
Number of camps	1
Condition of camps and grazing	Average
Comments/Description	Not applicable



## **8 MARKET RESEARCH AND APPLICATION**

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### **8.1 SA Economy**

After growing by 3.1% in the fourth quarter of 2017, the South Africa economy wobbled in the first quarter of 2018, shrinking by 2.2% quarter-on-quarter, according to the latest data from Stats SA.

Agriculture, mining and manufacturing were the main contributors to the slowdown, with the electricity, construction and trade industries also recording negative growth, the group said.

The 2.2% fall is the largest quarter-on-quarter decline since the first quarter of 2009. In that quarter, the economy contracted by 6.1%.

The rand lost ground against the major currencies.

After recording four consecutive quarters of robust growth in 2017, the agriculture industry lost ground in the first quarter of 2018, contracting by 24.2%, the largest quarter-on-quarter fall since the second quarter of 2006.

Agriculture's relatively strong performance in 2017 is one of the positive factors that helped keep the economy afloat in 2017. This momentum failed to carry through to 2018, with decreased production in field crops and horticultural products contributing to the decline in the first quarter.

Mining entered recession with its second consecutive quarter of economic decline. Manufacturing also failed to make a positive contribution to economic growth, falling by 6.4%. The construction industry continued to contract, experiencing its fifth consecutive quarter of decline.

### **8.2 Vaalwater Local Economy**

The town, unlike most towns in the Limpopo province, is not located on a national road, of which the nearest one is at Nylstroom/Modimolle. It does however lie halfway on a road stretching from Nylstroom/Modimolle to Ellisras/Lephalale. It lies at the southern edge of the rugged Waterberg Massif, which is a biosphere that contains considerable biodiversity. Vaalwater is a popular jumping-off point for travels to the Waterberg and Botswana and is itself becoming a minor destination for tourism. There are a variety of craft, art, and gift shops, as well as cafes and restaurants. Vaalwater is also home to some of the most magnificent game farms and eco-tourism in the country. Many of the game farms host the Big Five, and nature-lovers will find the mountains, bush and wildlife worth the visit.

### **8.3 Registered and Available Water**

The current market information obtained (farmers, agents, bank consultants etc.) indicates an emphasis on the availability and therefore contributing value of water. In the current market conditions (drought and expansion of existing farming activities) water may be the key factor contributing to pricing of farms.

There are no legal water rights/entitlements registered to the property. The farm is improved with 2 equipped borehole.

### **8.4 Comparable Sales Analysis**

The fixed improvements have deteriorated since the previous valuation.

Similar improved farms in the area, sold at an all inclusive rate of ±R15 000/ha to ±R65 000/ha, depending on extent of land level of improvements.

Taking all the mentioned factors such as the size and location of the property into consideration, as well as the condition of the improvements, we believe an all-inclusive rate of ±R30 000/ha is considered market related for this type of property.

## 9 DEFINITION OF VALUE

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The definition of 'Market Value' as laid down by the International Valuation Standards Committee (IVSC) is:

"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

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

- They should be in a position to enter into a contract (financially and legally);
- They negotiate on equal terms;
- They are both well informed about the property and all its potentialities, as well as about the market for such properties (i.e. they are as well informed as the person who has taken all reasonable steps to obtain this information
- They are not under pressure (i.e. they are not forced to buy or sell a property within a limited time); and
- They negotiate the transaction rationally

When we analyse these features, it becomes clear that a 'real' person could seldom comply with all of the above. The Valuer must therefore distance himself from the personalities concerned and imagine a hypothetical transaction in which both the buyer and the seller have the understanding and motivations that are typical of the market for the property or interests being valued [Minister of Water Affairs v Mostert 1966 4 SA 690 (A) 722c]. This definition of value holds true in the case of the subject property.

## **10 VALUATION METHODS AND INTERNATIONAL BEST PRACTICES**

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When valuing real estate, the Valuer must concern himself with placing a value on the rights attaching to the property and the benefits of occupation and/or ownership thereof. In the valuation process, cognisance must be taken of the purpose for which the property is capable of being used and the future income or amenities, which it is likely to produce.

At the same time, however, the property must be compared with available substitutes and/or alternative investment opportunities. The object of the valuation process, therefore, is to arrive at a figure which will reflect the point of equilibrium between supply and effective demand at the time of valuing the property.

The valuation of land as if vacant, or of land and improvements to or on the land, is an economic concept. Whether vacant or improved, land is also referred to as real estate. Real estate's utility or capacity to satisfy the needs and wants of humans creates value. Contributing to value are real estate's general uniqueness, durability, fixity of location, relatively limited supply, and the specific utility of a given site.

There are various methods commonly used for determining the market value of real estate.

Farms properties like all other property valuations must be seen in the context of establishing a point estimate that represents the value of a unique, illiquid asset in an environment with noisy and conflicting information. This gives rise to the use of multiple approaches that must be reconciled.

### **10.1 The valuation of South African farms**

Although all valuation approaches are generally given consideration, the inherent strengths of each approach and the nature of the property in question must be evaluated to determine which approach will provide supportable value estimates. In addition, there is a set of rules of thumb that are used to provide a rough estimate of value.

As farming practices differ from farm to farm, and in many instances involve fairly specialised improvements, it's sometimes a challenge for the valuer to compare structural improvements due to the general lack of direct market comparables.

A paper presented at The South African Institute of Valuers Northern Branch seminar on 10 & 11 October 2003 recommends that the depreciated replacement value method be used in income and non-income producing properties, when the subject property cannot be valued with the comparables sales method due to the lack of available comparables. ( Paper presented by C.P De Leeuw of DelQs)

The cost approach or depreciated replacement approach is therefore most useful in providing a range of values for farm buildings and then to add the farm land value to get to combined value in establishing an indicator of pricing momentum.

It is therefore an acceptable practice for valuers to apply the depreciated replacement cost method of valuation to the fixed improvements of farms and to add the land value.

The International Valuations Standards Committee recommend that the depreciated replacement cost method be used "in assessing the value of specialised assets...where direct market evidence is limited or unavailable."

The American Institute of Real Estate Appraisers recommends five steps in applying the depreciated replacement cost approach namely.

- i. Estimate the value of the land as though vacant and available to be put to its highest and best use.
- ii. Estimate the replacement cost of the structures at the date of valuation inspection.
- iii. Estimate the monetary depreciation amount as if the structure is broken down into three major types:
  - Physical deterioration
  - Functional obsolescence
  - External obsolescence
- iv. Deduct the appropriate estimated depreciation from the replacement cost of the structure to arrive at its contribution to total value.
- v. Add the present worth of all improvements to land value to obtain an indication of value of the subject property.

## 11 VALUATION METHODS APPLIED

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The valuation of the improvements on the subject is based on the depreciated replacement cost thereof with cognisance also taken of the sales that have transpired in the area.

### **The Comparable Sales Approach of Property Valuation**

The comparables sales method is ideal when valuing identical comparable properties such as vacant land or where properties can be compared in term of usage, such as unimproved cattle farms or residential sectional title units.

The majority of farm property buyers and estate agents do not have the knowledge or skills to use the "Cost Approach" or the "Capitalised Income Method". In the residential market the emphasis is mostly on "housing" and human motivation rather than on investment. This method is therefore ideal for the residential market.

### **The Depreciated Replacement Method of Property Valuation**

Depreciated replacement cost is an application of the cost approach used in assessing the value of specialised assets for financial purposes, where direct market evidence is limited or unavailable.

The cost approach establishes the value of the real property by estimating the cost of acquiring land and building a new property with equal utility or adapting an old property to the same use with no undue cost due to delay. An estimate of entrepreneurial incentive or developer's profit/loss is commonly added to land and construction costs. For older properties, the cost approach develops an estimate of depreciation including items of physical deterioration and functional obsolescence.

The current cost of reproduction or replacement of an asset less deductions for physical deterioration and all relevant forms of obsolescence and buyers resistance.

## 12 COMPARABLE PROPERTIES

### 12.1 Comparable Property 1

Ptn 1 of the farm Voorstandfontein 622						
<b>Valuation / Purchase Date</b>		28 January 2016				
<b>Total Valuation / Purchase Price</b>		R 3,100,000				
<b>Farm Size</b>		265.2981 Hectare				
<b>Improved rate per hectare</b>		R 11,685 /ha				
<b>Depreciated Value of Improvements</b>		R 1,124,000 (Only applicable if improved)				
<b>Valuation / Purchase Value Minus Improvements</b>		R 1,976,000 (Land Component Value)				
<b>Rate per Hectare as if the land was vacant</b>		R 7,448 /ha				
Composition of the Comparable Farm						
Grazing - Natural grazing	260.0000	ha	X	R 7,600	=	R 1,976,000
	260.0000	ha				R 1,976,000



**Valuers Comment on Comparable**

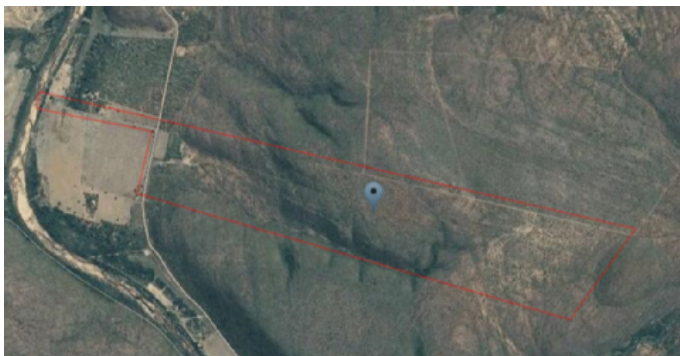
The comparable is located just north of the subject property. The comparable relates well with regards to location and use. The subject property is smaller in extent, suggesting a higher land rate per hectare.

**The valuer has inspected this comparable from aerial photos, and has no firsthand knowledge of the property.**



## 12.2 Comparable Property 2

RE/1 of the farm Bergfontein 574 LQ						
<b>Valuation / Purchase Date</b>		12 August 2016				
<b>Total Valuation / Purchase Price</b>		R 3,500,000				
<b>Farm Size</b>		52.7002 Hectare				
<b>Improved rate per hectare</b>		R 66,413 /ha				
<b>Depreciated Value of Improvements</b>		R 1,300,000 (Only applicable if improved)				
<b>Valuation / Purchase Value Minus Improvements</b>		R 2,200,000 (Land Component Value)				
<b>Rate per Hectare as if the land was vacant</b>		R 41,746 /ha				
Composition of the Comparable Farm						
Grazing (Bush) - Grazing	47.7000	ha	X	R 18,868	=	R 900,000
Orchard - Citrus	5.0000	ha	X	R 260,000	=	R 1,300,000
	52.7000	ha				R 2,200,000



### Valuers Comment on Comparable

The comparable is situated south of Lephalale. The comparable relates well with regards to use and location. The subject property is larger in extent of land, suggesting a lower grazing land rate per hectare.

**The valuer has inspected this comparable from aerial photos, and has no firsthand knowledge of the property.**

### 12.3 Comparable Property 3

<b>Ptn 9 of the farm Leeuwdrift 89</b>						
<b>Valuation / Purchase Date</b>	12 February 2016					
<b>Total Valuation / Purchase Price</b>	R 2,550,000					
<b>Farm Size</b>	128.4798 Hectare					
<b>Improved rate per hectare</b>	R 19,847 /ha					
<b>Depreciated Value of Improvements</b>	R 1,100,000 (Only applicable if improved)					
<b>Valuation / Purchase Value Minus Improvements</b>	R 1,450,000 (Land Component Value)					
<b>Rate per Hectare as if the land was vacant</b>	R 11,286 /ha					
<b>Composition of the Comparable Farm</b>						
Grazing - Natural Grazing	100.0000	ha	X	R 11,432	=	R 1,143,200
Cropland - Dry land	17.0000	ha	X	R 13,995	=	R 237,915
Non-vegetated - Wasteland	11.4798	ha	X	R 6,001	=	R 68,890
	128.4798	ha				R 1,450,005



#### Valuers Comment on Comparable

The comparable property is located just north of Vaalwater also near the R33 tar road. It relates well with regards to location, use and extent of land.

**The valuer has inspected this comparable from aerial photos, and has no firsthand knowledge of the property.**

### 13 LAND COMPONENT VALUATION

Land Components Valued			Land Extent in ha		Value/ha Applied (by valuer)		Subtotal Land Value
<b>Grazing</b>							
	Condition	ha/LSU					
Natural grazing, 1	Fair	10.00	134.48	R	14,000	R	1,882,702
Homestead & Wasteland	(Lowest of grazing value)		3.00	R	7,000	R	21,000
			<b>137.4787</b>		<b>Subtotal R</b>		<b>1,903,702</b>
						<b>Total Value Land and Water R</b>	<b>1,903,702</b>

#### Comments on land component valuation:

Market research for sales of similar sized game farms in the area indicated that fewer sales were recorded over the past three years.

Grazing rates vary between ±R8 000/ha (265ha), ±R12 000/ha (100ha), and R19 000/ha (53ha). With due consideration to the analysed grazing rates, we have applied a rate at R14 000/ha to the game fenced bushveld.

## 14 RECOMMENDED INSURANCE REPLACEMENT

Type of Improvement	Symbol	Area (m <sup>2</sup> )	Condition	Year Built	Construction Cost	Replacement Value
Commercial (Shop/Hall)		347	Fair to poor		R 2,500	R 867,500
Residential (Garage/Stores)		68	Fair to poor		R 4,800	R 326,400
Residential (Carport)		22	Fair to poor		R 550	R 12,100
Storage (Shed)		70	Fair to poor		R 2,000	R 140,000
Residential (Hall)		147	Fair to poor		R 2,500	R 367,500
Residential (Patio)		80	Fair to poor		R 550	R 44,000
Building (Lean-to)		176	Fair to poor		R 500	R 88,000
Residential (Dwelling)		207	Fair		R 6,500	R 1,345,500
Residential (Dwelling) 2		442	Fair to poor		R 6,500	R 2,873,000
Building (Road Stall)		1,007	Fair to poor		R 2,500	R 2,517,500
Borehole (Equipped)		2	Fair		R 100,000	R 200,000
Residential (Chalets)		137	Fair to poor		R 6,000	R 822,000
Staff (Staff Buildings)		200	Fair to poor		R 3,000	R 600,000

Type of Improvement	Symbol	Area (m <sup>2</sup> )	Condition	Year Built	Construction Cost	Replacement Value
Residential (Rooms)		245	Poor		R 0	R 0
<b>Total Area</b>		<b>3,150</b>			<b>Subtotal R</b>	<b>10,203,500.00</b>

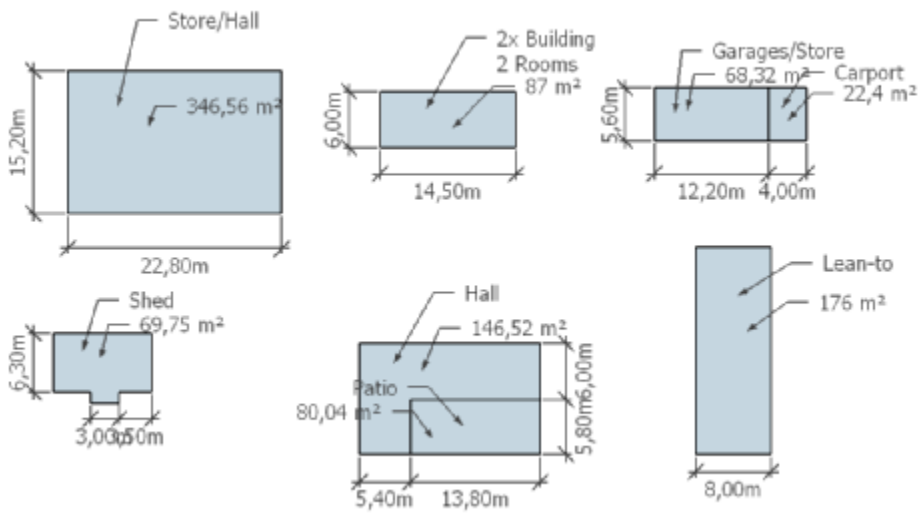
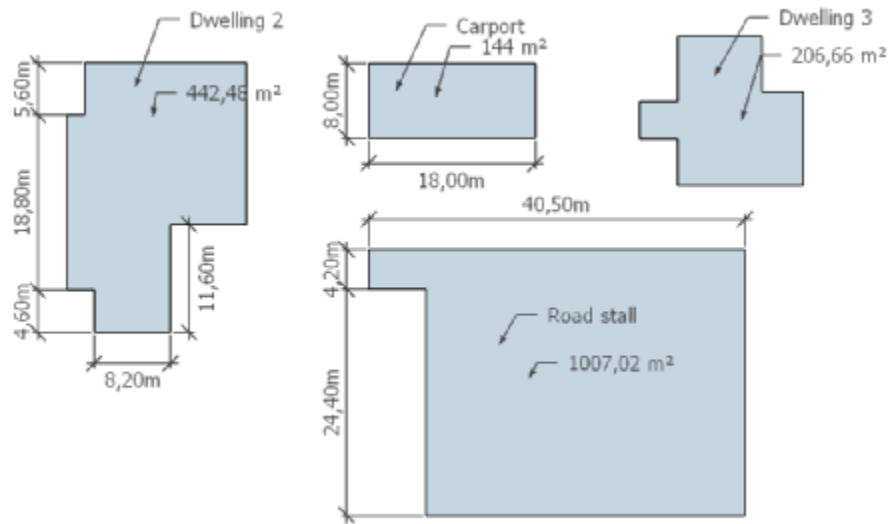
## 15 DEPRECIATED REPLACEMENT VALUE OF IMPROVEMENTS

Type of Improvement	Level of Completion	Physical Depreciation	Functional Depreciation	Economic Depreciation	Purchaser's Resistance	Depreciation Factor		Depreciated Value
Commercial (Shop/Hall)	100%	70%	5%	5%	5%	0.26	R	223,132.00
Residential (Garage/Stores)	100%	70%	5%	5%	5%	0.26	R	83,954.00
Residential (Carport)	100%	70%	5%	5%	5%	0.26	R	3,112.00
Storage (Shed)	100%	70%	5%	5%	5%	0.26	R	36,010.00
Residential (Hall)	100%	70%	5%	5%	5%	0.26	R	94,526.00
Residential (Patio)	100%	70%	5%	5%	5%	0.26	R	11,317.00
Building (Lean-to)	100%	70%	5%	5%	5%	0.26	R	22,635.00
Residential (Dwelling)	100%	65%	5%	5%	5%	0.30	R	403,759.00
Residential (Dwelling) 2	100%	70%	5%	5%	5%	0.26	R	738,972.00
Building (Road Stall)	100%	70%	5%	5%	5%	0.26	R	647,532.00
Borehole (Equipped)	100%	50%	5%	5%	5%	0.43	R	85,737.00
Residential (Chalets)	100%	70%	5%	5%	5%	0.26	R	211,429.00
Staff (Staff Buildings)	100%	70%	5%	5%	5%	0.26	R	154,327.00

Type of Improvement	Level of Completion	Physical Depreciation	Functional Depreciation	Economic Depreciation	Purchaser's Resistance	Depreciation Factor	Depreciated Value
Residential (Rooms)	100%	0%	0%	0%	5%	0.95	R 0.00
<b>Subtotal</b>							<b>R 2,716,442.00</b>



# SKETCH



## 16 SUMMARY

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A small sized, improved game farm situated near Vaalwater in the Limpopo Province.

Since the previous valuation the fixed improvements have deteriorated and are in need of urgent maintenance. Most of the structures were vacant on day of inspection. The accommodation rooms' roof is removed, and therefore not valued in this report.

Taking all the mentioned factors such as the size and location of the property into consideration, as well as the condition of the improvements, we are of the opinion that a valuation of R 4,620,143.80 is considered market related and within market norms for this type of property.

Land Value	R 1,903,702
Land Value Per Hectare	R 13,847/ha
Depreciated Value of Improvements	R 2,716,442
Depreciated Value of Improvements per square meter	R 862/m <sup>2</sup>
Combined Value Land & Depreciated Improvements	R 4,620,144
Improved Value per Hectare	R 33,606/ha

## 17 SOURCES OF INFORMATION

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17.1 Deeds office enquiries: [www.deeds.gov.za](http://www.deeds.gov.za) and/or Windeed

17.2 Electronic transfer data base

17.3 Valuation guidelines

## 18 CONDITIONS OF VALUATION

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This valuation was 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.

The replacement value calculation is used exclusively as a guideline. It is the responsibility of the

insured to ensure that the calculation of the sum insured is accurate and adequate to cover the replacement cost of the insured property. Should a dispute arise, the onus is on the client to supply the valuer with approved building plans.

**18.1** No title deed for the subject property is available, the valuation is subject to the property being free of onerous conditions which may affect the value of the property. The conveyancing attorneys to report on any onerous condition, which could influence the value. The author reserves the right to adjust the value accordingly should this be the case

**18.2** It must however be noted that the valuation is for fixed improvements and land only, and does not include any sub soil mineral deposits, pipes or cables

**18.3** No movable assets, or livestock was included in this valuation

**18.4** The owner is not aware of any land claims

## **19 DECLARATION OF VALUATION**

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I, PL Vermaak, declare that I have inspected the above property, that I have verified the particulars set out in this valuation, and that I value the herein described property for the purposes of this valuation to the best of my knowledge and skills at

**R 4,600,000 (Rounded)**

**Four Million Six Hundred Thousand Rand Only**

I further declare that I have correctly identified and conducted a physical site visit and inspected the property/ies mentioned and have verified the particulars set out in this report.

I have no present or contemplated interest in this property/ies, which would affect the statements or values contained in this valuation report. The valuation enclosed herewith was therefore undertaken on a completely independent basis.

Valuers are reminded that all property valuations and inspection of immovable property made on behalf of Absa Bank Limited, are solely for the internal bank purpose. Valuers shall under no circumstances make any representations or give assurances or guarantees or provide information verbally or documentation of whatever nature to clients, or any third party on the basis of a property valuation. Any communication by valuers in contravention of this policy could result in unnecessary claims against and liability on the part of the Bank and the suspension of the valuer.

**Signed on 26 November 2018:**



PROFESSIONAL VALUER (4203/9)  
**LOUIS VERMAAK**  
BSc Building Management Honors (UP)  
B-Tech Real Estate  
N. Dip Real Estate  
SAIVP \* SACPV

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PROPERTY VALUATIONS OF: COMMERCIAL | RESIDENTIAL | AGRICULTURAL | SECTIONAL TITLE  
INDUSTRIAL | SPECIALISED DEVELOPMENT FEASIBILITIES

**Valuation Completed By:**

PL Vermaak  
Professional Valuer  
015 296 2407  
louis@gnpv.co.za

## 20 DELIMINATION AND DISCLAIMER

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Based on the subject property's highest and best use an agricultural valuation report will be compiled based on the visual inspection as on date of inspection. Only land and fixed improvements associated with an agricultural property will be valued. This valuation subsequently excludes crops, live stock or moveable items and/or any future potential value.

This Agricultural valuation report has been compiled for the exclusive use of Absa Bank or its subsidiaries and for the sole purpose as mentioned in the report. This report shall not be divulged to any other party, as it is confidential. Kindly note that neither the whole nor any part of this report, nor any reference thereto may be included in any published document, circular or statement, nor published in any way without our prior written approval of 'Absa Agri Business' as to the form or context in which it may appear.

Only improvements that in the valuer's opinion can reasonably be insured will be valued. All plans included within the Valuation Report are supplied for the purpose of identification only and are not necessarily to scale. Should a dispute arise, the onus is on the client to supply the valuer with approved plans.

We have not carried out a structural survey, nor have we tested the service installations, woodwork or other parts of the structure, which are covered, unexposed or inaccessible and are therefore unable to report that such parts of the property are free of rot, insects or other defects. We have not examined for signs of timber infestation, and accordingly cannot be held responsible for possible defects.

Any possible contamination of the subject property as a result of an environmental incident has also not been taken into account, nor have we examined the cost of any remedial measures involved.

The property is valued wholly owned, with no account being taken of monies due in respect of mortgage bonds, liens, loans or other charges.

The Insurance Value is a minimum recommended insurance value to avoid the average clause being applied in the event of a claim. Since the value of the property is based on land and improvements, Absa has an insurable interest. Absa should therefore be advised of all alterations and additions to the property, subsequent to the date hereof.

We have assumed that the property and its value are unaffected by any statutory notice or condition of Title where Title Deeds have not been inspected, and that neither the property nor its condition, nor its use, nor its intended use, is or will be unlawful.

This valuation has been prepared on the understanding that no onerous easements, rights of way or encroachments exist by or on the subject property, other than those in favour of statutory bodies, applicable to all such properties, or which could be regarded as customary.

The market value and any other values referred to in this report exclude Value Added Tax (VAT) and transfer costs.

While taxation can have a considerable influence on the value of a property, we did not take into account the tax consequences that could arise due to past or intended future actions of the present owner. All plans included within the Valuation Report are supplied for the purpose of identification only and are not necessarily to scale.

## Appendix A: Environmental Questionnaire

### ENVIRONMENTAL REGULATION

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Are any environment-related permits/authorisations/licenses required for the operations or activities being undertaken on this property? **Unknown**

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Is adequate environmental, health, and safety information displayed on site? **No**

### ACTIVITIES, PRODUCTS AND/OR SERVICES

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Is any handling, storage or disposal of hazardous material and/or chemicals observed on site? **No**

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Does any handling, transportation or storage of waste occur on site? **No**

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Are any signs of pollution and/or lack of environmental management observed on site? **No**

### SURROUNDING PROPERTIES

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Are there any risks/influence from operations on adjacent properties dealing with chemicals, pharmaceuticals, mining, agriculture and/or waste management? (If known) **No**

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Is this property adjacent to a water course or an area of high ecological value, e.g. a site of special scientific interest, national park or residential area? **No**



# Deeds Office Property

MIDDELFFONTEIN, 663, 5 (LIMPOPO)

## GENERAL INFORMATION

Deeds Office LIMPOPO  
Date Requested 2018/11/26 09:54  
Information Source DEEDS OFFICE  
Reference -



## PROPERTY INFORMATION

Property Type FARM  
Farm Name MIDDELFFONTEIN  
Farm Number 663  
Portion Number 5  
Local Authority LEPHALALE LOCAL MUNICIPALITY  
Registration Division LQ  
Province LIMPOPO  
Diagram Deed T55105/2002  
Extent 137.4787H  
Previous Description OF PRTN 4  
LPI Code TOLQ00000000066300005

## OWNER INFORMATION

### Owner 1 of 1

Person Type PRIVATE PERSON  
Name BOTHA JANET  
ID Number 7005250011089  
Title Deed T37972/2009PTA  
Registration Date 2009/07/13  
Purchase Price (R) 1,370,000  
Purchase Date 2009/04/29  
Share  
Microfilm Reference  
Multiple Properties NO  
Multiple Owners NO

## ENDORSEMENTS (2)

#	Document	Institution	Amount (R)	Microfilm
1	B12669/2013PTA	ABSA BANK LTD	700,000	
2	CONVERTED FROM PTA	-	UNKNOWN	

## HISTORIC DOCUMENTS (3)

#	Document	Owner	Amount (R)	Microfilm
1	B28167/2009PTA	-	UNKNOWN	
2	T55105/2002PTA	PRINSLOO JAN HARM	CRT	
3	T55105/2002PTA	PRINSLOO MARIA SOPHIA	CRT	

## DISCLAIMER

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