

**OPEN MARKET VALUATION**

**OF**

**ERVEN 25 TO 31**

**WITPOORTJIE**

**ROODEPOORT**

*Compiled by:*

**M C VELDSMAN  
PROFESSIONAL ASSOCIATED VALUER  
MIVSA**

*7 September 2011*

Albermarle Centre  
37 Penzance Street  
New Redruth 1449  
P.O. Box 758  
Alberton 1450  
Tel: (011) 907-5419  
Fax: (011) 907-5447

Albermarle Sentrum  
Penzancestraat 37  
New Redruth 1449  
Posbus 758  
Alberton 1450  
Tel: (011) 907-5419  
Faks: (011) 907-5447

Lid/Member: M.C. Veldsman

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## **VALUATION OF BUSINESS PREMISES, WITPOORTJIE, ROODEPOORT**

### **1. DESCRIPTION OF PROPERTY**

*Erven 25 to 31, situated in the township of Witpoortjie, municipal area of Roodepoort, City of Johannesburg.*

### **2. SIZE OF STAND**

<i>Erf 25</i>	-	<i>1475 m<sup>2</sup></i>
<i>Erf 26</i>	-	<i>588 m<sup>2</sup></i>
<i>Erf 27</i>	-	<i>588 m<sup>2</sup></i>
<i>Erf 28</i>	-	<i>696 m<sup>2</sup></i>
<i>Erf 29</i>	-	<i>696 m<sup>2</sup></i>
<i>Erf 30</i>	-	<i>808 m<sup>2</sup></i>
<i>Erf 31</i>	-	<i>808 m<sup>2</sup></i>
<b>Total</b>		<b>5659 m<sup>2</sup></b>

### **3 LOCALITY OF PROPERTY**

*Erf 25 is a wedge shaped erf on the corner of Ontdekkers Road and Cilliers Street, Erf 26 fronts onto Cilliers Street, Erven 27 and 28 both front onto Ontdekkers Road, Erf 29 is at the rear fronting onto Cilliers Street, Erf 30 is on the corner of Cilliers and Sarge Street and Erf 31 is on the corner of Ontdekkers Road and Sarge Street. The official addresses as shown in the records of the local authority are as follows:*

<i>Erf 25</i>	-	<i>2 Ontdekkers Road</i>
<i>Erf 26</i>	-	<i>5 Cilliers Street</i>
<i>Erf 27</i>	-	<i>4 Ontdekkers Road</i>
<i>Erf 28</i>	-	<i>6 Ontdekkers Road</i>
<i>Erf 29</i>	-	<i>7 Cilliers Street</i>
<i>Erf 30</i>	-	<i>9 Cilliers Street</i>
<i>Erf 31</i>	-	<i>8 Ontdekkers Road</i>

### **4. PURPOSE OF VALUATION**

*To establish the open market value of the property as at the effective date of valuation.*

### **5. EFFECTIVE DATE OF VALUATION**

*7 September 2011*

**6. DATE OF INSPECTION**

27 August 2011

**7. REGISTERED OWNER**

Erven 25, 26, 30 and 31 are registered in the name of **WITPOORTJIE BELEGGINGS (EIENDOMS) BEPERK** and Erven 27, 28 and 29 in the name of **PETER NEUHOFF HOLDINGS (PROPRIETARY) LIMITED**.

**8. DEED OF TRANSFER**

Erf 25 is held in terms of Deed of Transfer No T 6872 of 1986, Erf 26 in terms of Deed T 3020 of 1981, Erven 27 and 28 are held in terms of Deed of Transfer T 53464 of 2002, Erf 29 in terms of Deed of Transfer T , Erf 30 in terms of Deed T 16017 of 1977 and Erf 31 in terms of Deed T 5140 of 1970. No onerous or restrictive conditions that are likely to have an adverse affect on the final valuation of the property are imposed in these documents nor shown in the records of the local authority

**9. DATE OF PURCHASE**

Unknown

**10. PURCHASE PRICE**

Unknown

**11. MUNICIPAL VALUATION**

Erf 25	=	R 699 000
Erf 26	=	R 782 000
Erf 27	=	R 2 030 000
Erf 28	=	R 380 000
Erf 29	=	R 518 000
Erf 30	=	R 269 000
Erf 31	=	R 3 077 000
		-----
		R 7 755 000

**12. DATE OF MUNICIPAL VALUATION**

*January 2008*

**13. TOWN PLANNING CONDITIONS**

- 13.1 Zoning : *Business 1 – permitting shops, offices, public garages, hotels and a few lesser rights i.e. residential buildings, churches, etc*
- 13.2 Height restrictions : *3 Storeys*
- 13.3 Permitted coverage : *70%*
- 13.4 Floor Area Ratio : *2,1*
- 13.5 Building lines : *As per scheme*
- 13.6 Parking : *As per scheme*

**14. MUNICIPAL SERVICES**

*All the necessary municipal services have been installed.*

**15. IMPROVEMENTS**

*The improvements on the site comprise of the following:*

**15.1 Showroom**

*This showroom is on the ground floor of a three storey concrete frame structure with an IBR roof, exterior walls of plastered and face brick, plastered interior walls, aluminium shopfronts, a plastered concrete slab ceiling, vinyl tiles on the concrete floor and internal walls of plastered brick. This showroom covers a floor area of approx 460 m<sup>2</sup>.*

**15.2 Spare parts**

*Adjoining the showroom is this division, which is approx 45 m<sup>2</sup> in extent. It has a monopitch IBR roof, steel framed windows, Herculite ceiling, bare concrete floor and exterior and interior walls of plastered brick.*

## **15. IMPROVEMENTS (contd)**

### **15.3 Lean-to / overhang**

*The first floor of this building forms this lean-to, which is approx 44 m<sup>2</sup> in area and is mainly used for parking purposes.*

### **15.4 Stairs**

*These stairs with a combined floor area of approx 61 m<sup>2</sup> are at the rear of the building and provide access to all three levels.*

### **15.5 Showroom**

*The middle floor of the main building is used as an extension to the ground floor section. Its design, construction and materials are on par with that of the ground floor but the floor cover is partly slasto and partly vinyl tiles. The kitchen is fitted with wooden cupboards. The toilets are tiled to a height of 2,0 m and have vinyl tiles on the floors. Due to the overhang (item 15.3) this floor is bigger than the ground floor and it has a floor area of approx 504 m<sup>2</sup>.*

### **15.6 Store room**

*The entire second floor of the building is used for storage purposes. The basic construction is the same but here are Herculite ceilings, steel framed windows and a bare concrete floor on this level, which is approx 414 m<sup>2</sup> in extent plus a balcony of approx 90 m<sup>2</sup>.*

### **15.7 Workshop**

*This building has a monopitch IBR roof, walls of both unplastered brick and face brick, a bare concrete floor, steel framed windows and a floor area of approximately 602 m<sup>2</sup>. An adjoining lean-to with an IBR roof on a steel frame structure covers an area of approx 170 m<sup>2</sup>.*

### **15.8 Gas bottle store**

*This steel frame structure with an IBR roof, concrete floor and sides closed with steel and wire mesh is approx 19 m<sup>2</sup> in extent.*

### **15.9 Lean-tos**

*These two lean-tos, which are immediately behind the main building are both steel frame structures with IBR roofs, concrete floors, open sides and a combined floor area of approx 193 m<sup>2</sup>.*

**15. IMPROVEMENTS (contd)**

**15.10 Sales office**

*These two adjoining offices are on Erf 25 and cover an area of approx 18 m<sup>2</sup>.*

**15.11 Showroom**

*This showroom is a single storey steel frame structure under an IBR roof, no ceilings, bare concrete floor and aluminium shopfronts. It is approx 145 m<sup>2</sup> in extent.*

**15.12 Offices**

*The floor area of this office section under IBR roof, unplastered exterior walls, plastered interior walls, Herculite ceilings with recessed lights, carpeted floors and interior partitioning of drywall construction is approx 108 m<sup>2</sup>.*

**15.13 Display area**

*This section which was previously a workshop is an extension of the showroom and covers an area of approx 112 m<sup>2</sup>. It is a steel frame structure under an IBR roof without any ceilings, plastered internal walls, a bare concrete floor and four roller shutter doors.*

**15.14 Workshop**

*This workshop is merely an enclosed section of the previous section and covers an area of approx 31 m<sup>2</sup>.*

**15.15 Toilets and cloak rooms**

*The floor area covered by this building which has a flat IBR roof, plastered and unplastered exterior walls, interior of plastered brick, steel windows, Herculite ceilings and bare concrete floor is approx 64m<sup>2</sup>. here are no tiles against the walls of the toilets.*

**15.16 Kiosk**

*This small section of approx 3 m<sup>2</sup> has a face brick front, steel windows and Terracotta tiles on the floor.*

**15.17 Shade netting**

*Virtually all areas not covered by buildings are under shade netting.*

**15. IMPROVEMENTS (contd)**

**15.18 Other improvements**

*All the open areas are concreted and the rear boundary of the site has a mixture of pre-cast concrete panels and brick walling.*

**15.19 General**

*The improvements are all in a good condition and only minor repairs are required. No structural problems could be detected.*

**16. VALUATION PROCESS**

*When valuing real estate, the valuer must concern himself with placing a value on the rights attaching to a 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.*

*There are various methods available of arriving at a market value for a property, but with regard to developed properties, the one most suitable is the "Investors Method". This method requires the net annual income generated by the property, based on market trends, to be capitalised at an appropriate rate of return to reflect risk, specific investment demands, the overall condition of the structures, etc.*

*It is normal practice to acknowledge the rental payable in terms of a lease as the best possible guide or indication of an improved property's open market value.*

*Since this property is owner occupied as at the date of valuation I have had to investigate open market rentals being achieved in this area to serve as a guide to such rentals applicable to this particular property.*

*The ribbon developments along Ontdekkers Road are slowly but steadily moving in a western direction towards Krugersdorp. The mostly vacant agricultural holdings between Westgate and this area have virtually all been replaced by business developments of varying sizes and types.*

**16. VALUATION PROCESS (contd)**

I am satisfied that the rentals being used in this report are open market related and a fair reflection of such rentals for this area of Roodepoort as at the date of valuation.

My findings are as follows:

**16.1 Gross monthly income**

Showroom	460 m <sup>2</sup>	@	R 55,00	=	R 25 300
Spares	45 m <sup>2</sup>	@	R 30,00	=	R 1 350
Lean-to	44 m <sup>2</sup>	@	R 10,00	=	R 440
Showroom	504 m <sup>2</sup>	@	R 35,00	=	R 17 640
Store rooms	414 m <sup>2</sup>	@	R 30,00	=	R 12 420
Workshop	602 m <sup>2</sup>	@	R 25,00	=	R 15 050
Lean-to	170 m <sup>2</sup>	@	R 10,00	=	R 1 700
Gas store	19 m <sup>2</sup>	@	R 12,00	=	R 228
Lean-to	193 m <sup>2</sup>	@	R 10,00	=	R 1 930
Sales office	18 m <sup>2</sup>	@	R 35,00	=	R 630
Showroom	145 m <sup>2</sup>	@	R 50,00	=	R 7 250
Offices	108 m <sup>2</sup>	@	R 35,00	=	R 3 780
Display	112 m <sup>2</sup>	@	R 30,00	=	R 3 360
Workshop	31 m <sup>2</sup>	@	R 25,00	=	R 775
Toilets	64 m <sup>2</sup>	@	R 35,00	=	R 2 240
Kiosk	3 m <sup>2</sup>	@	R 30,00	=	R 90
Workshop/leanto	526 m <sup>2</sup>	@	R 12,50	=	R 6 575
Yard/netting areas±	3000 m <sup>2</sup>	@	R 4,00	=	R 12 000
					<hr/>
					R 112 758

**16.2 Gross annual income** = R 1 353 096

**16.3 Estimated annual expenditure**

Rates and Taxes	=	R 142 723		
Insurance	=	R 26 947		
Maintenance	=	R 20 763		
Miscellaneous	=	R 6 000		
Audit fees	=	R 6 765	less	=
		<hr/>		<hr/>
				R 203 198

**16.4 Nett annual income** = R1 149 898

Capitalised in perpetuity @ 12,0 % per annum = R9 582 483

Say = R9 580 000

## VALUATION CERTIFICATE

*I, the undersigned, MATTHYS CHRISTOFFEL VELDSMAN, a Member of the South African Institute of Valuers and a Professional Associated Valuer registered in terms of the Valuers' Act (No 23 of 1982), hereby certify that I have personally inspected the property known as Erven 25, 26, 27, 28, 29, 30 and 31, Witpoortjie, Roodepoort, City of Johannesburg which is situated at 6 Ontdekkers Road, Witpoortjie and to the best of my ability and knowledge assess the reasonable open market value of the abovementioned property as at 7 September 2011 to be R 9 580 000 (NINE MILLION FIVE HUNDRED AND EIGHTY THOUSAND RAND).*



**M C VELDSMAN, MIVSA  
PROFESSIONAL ASSOCIATED VALUER  
9 September 2011**

Alberante Centre  
37 Penzance Street  
New Redruth 1449  
P.O. Box 758  
Alberton 1450  
Tel: (011) 907-5419  
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**17. ASSESSMENT OF VALUE**

*Based on the calculations as set out above and the opinions expressed I am of the opinion that the open market value of Erven 25 to 31, Witpoortjie, Roodepoort together with the improvements thereon, R9 580 000 (NINE MILLION FIVE HUNDRED AND EIGHTY THOUSAND RAND).*



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M C VELDSMAN, MIVSA  
PROFESSIONAL ASSOCIATED VALUER  
7 September 2011