

Valuation Report

For Al-Jazira Capital



Report number

DC23010894

Report date

27 / 02 / 2024

Report content

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01

Introduction, technical and legal principles

Introduction

Based on your agreement of employing Barcode Company, to evaluate a warehouse in Jeddah, the work team has assumed that the data provided by the customer is complete and correct, and that our team has completed the implementation of the task after inspecting the asset and taking into account all the elements affecting the value, and based on the approved international standards and professional assets of the evaluation process, and in an effort to reach the value of the property for the purpose for which the appraisal report was prepared. The present report is a reliable testimony for the purpose for which this .evaluation function was carried out, noting that this report is a single unit that cannot be divided

Deeds numbers

920205026530

Deeds numbers

A Saudi closed joint stock company, operating under the supervision and license of the Saudi Capital Market Authority 07076-37

Description

Client name	Al-Jazira Capital
Owner of the property	Alinma Investment Company
Intended User	Al-Jazira REIT Fund
Report user status	Investment characteristic

Purpose of Valuation

The client (Al-Jazira Capital) assigned Barcode Company to evaluate the first asset in order to estimate the value of the property according to the international assessment. The assessment is periodic for the real estate fund, and accordingly this report was prepared.

Date of effective value

Technical and legal principles

1- Eligibility of valuating the real estate :

Barcode Company has a cadre of professionals who can competently value this type of real estate. It can competently find the fair market value within the designated date. This is why it accepted the job.

2- Professional standards for valuation :

The valuation is based on the International Valuation Standards (IVSs 2022) issued by the International Valuation Standards Council (IVSC), in addition to the procedures and professional regulations adopted for valuating real estates. This involves analysis, comparison and inspection of every real estate as well as investigating the negative and positive factors of the real estate under examination as much as possible.

3 - Method of valuation :

We used the Market Approach & Cost Approach :

The process of deriving a value indication for the subject property by comparing market information for properties with the property being appraised, identifying the appropriate unit of comparison, and making qualitative comparisons with or quantitative adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant market-derived elements of comparison. It is an approach used for finding an index of the value where the purchaser would not pay more for a property than the cost of another comparable property either by purchase or construction.

4 - Basis of value :

The basis of value is The market value

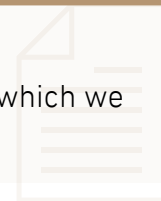
According to the International Valuation Standards (IVS) : "is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction ,after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion"

5 - Inspection :

For the purpose of this report and for undertaking the valuation process, the real estates have been inspected along with the neighboring location/s and the comparable/similar estates, if found. The process of inspection should not be counted for engineering inspection purposes and construction testing at any time

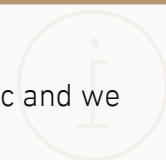
6 - Sources and nature of data :

In ing the valuation report we adopted a range of information, data and surveys which we think are adequate for the purpose and time of ing the report.



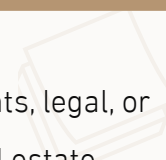
7 - Ownership deeds :

A copy of the ownership deed was previewed and it is assumed that it is authentic and we disclaim any responsibility form any replica or counterfeit.



8 -Capacity of disposition over the real estate (absolute)

it is assumed that there are no restricting conditions such as : religious constraints, legal, or business rules & regulations that restrict either the assignment or use of the real estate.



9 - Conditions of legal use of real estates pursuant to municipal regulations :

warehouse



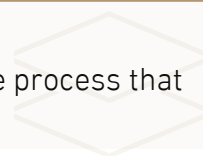
10 - Insurance document benefits and risk protection :

The insurance document has not been sent by the client.



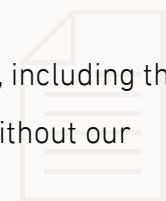
11 - Liability :

The valuation task and its enclosed report is undertaken as a solely consultative process that is unbiased and transparent, without intervention from any third party.



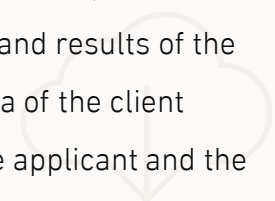
12 - Intellectual Property and reuse :

The report in content and form is considered an intellectual property. All parties, including the client and beneficiaries, will not reproduce the whole or any part of the report without our prior written approval.



13 - Confidentiality :



The report has been ed upon a request and for a consultative purpose. Therefore, we realize how extremely important on the part of the applicant to maintain the data and results of the report confidential. We abide by that and will not further reproduce the data of the client “explicitly” outside this report. All the data of the report belong solely to the applicant and the beneficiaries identified in the report and no other party is entitled to access it.



14 - Valuation Team Members :

The valuation team has previous experiences in this field and holds certificates in valuation from accredited institutions. Team members have adequate experience of the areas and categories of the real estates under examination. They confirm that they have competence to the report without difficulties according to International Valuation Standards and here is a list of the valuation team members.

Valuation Team Members

Name	Member ship no	Branch	Signature
Abdulkareem Mohammed Abanmi	1210000001	Certified Fellow – Real Estate Branch	
Hassan Ateeq	1210000054	Affiliate – Real Estate Branch	
Abdulkareem Sheikh	1210001409	Standard Fellow – Real Estate Branch	
Salem Alharbi	1210003141	Affiliate – Real Estate Branch	

Accreditation

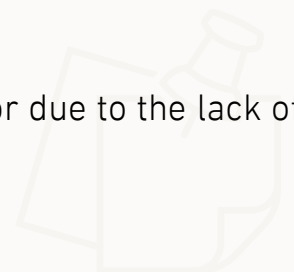
License number: 1210000001

License date: 1437 / 03 / 01



special and general assumptions

1. Value is adopted by the cost method, because the value in the income method does not achieve the value of the property.
2. Built-up areas are assumed at the discretion of the evaluator due to the lack of a building permit.
3. Limits and lengths are approved by the title deed.
4. Analyses and conclusions as disclosed by the client.



General risks to the fund

Firstly. local economic risks

The Fund's expectations may be affected by changes in economic conditions, including but not limited to inflation rates, new government regulations and decisions, and political events and trends.

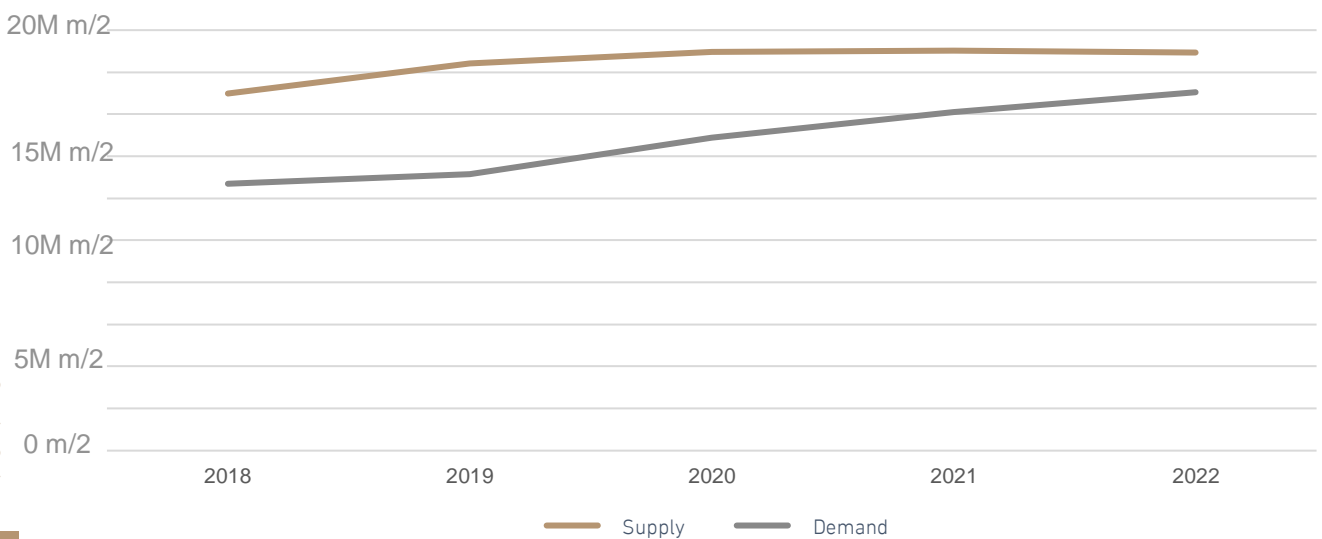
Secondly. Risks of not having existing contracts

The Fund faces risks represented in the possibility of not being able to sign the lease and development contract, which may affect the value of the Fund.

Third. Real estate market risks

These are the conditions that affect the real estate market through the volume of supply and demand and the presence of new competitors in different sectors, which affects sales and rental values and occupancy rates in the future.

Supply and demand for Jeddah city



The industrial sector of Jeddah is witnessing a growth in the volume of demand, due to the growth of e-commerce and the emergence of modern stores, and the demand for the storage and warehouse sector is expected to increase.

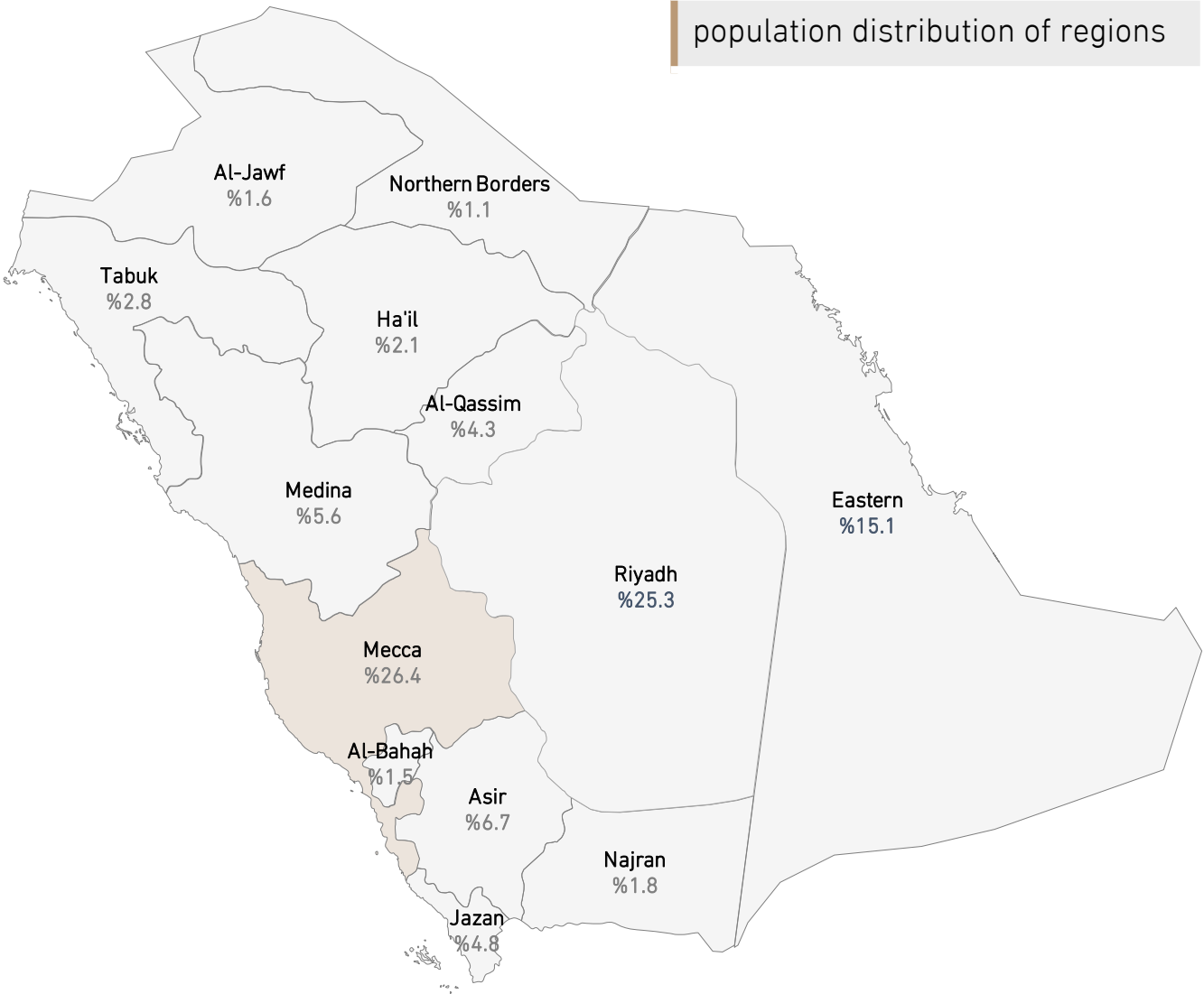


02

An overview of the Kingdom and Jeddah
city

An overview of the Kingdom of Saudi Arabia economy

population distribution of regions



Inflation rate and unemployment

Inflation rate % 1.5



Unemployment rate
is % 7.9



Total population

Percentage of
females 38.8 %



Percentage of
males 61.2 %



the kingdom's GDP

996.8 million
riyals



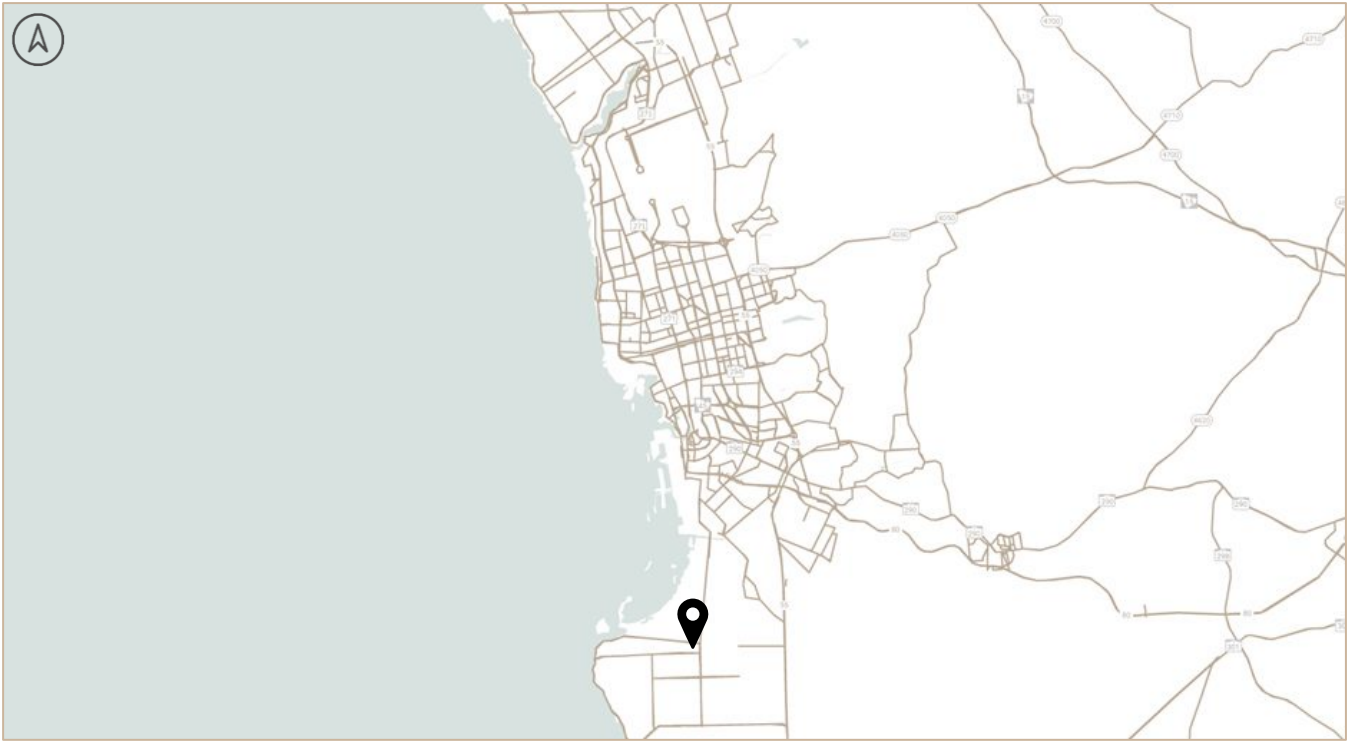
growth by % 2.8



32,175,224 Population



An overview of Jeddah city



Statistics and numbers

Area

²km 4,656 

density

pop 5,031,820 

Growth rate

% 3.2 

density

per capita 48 

economic base

Airport



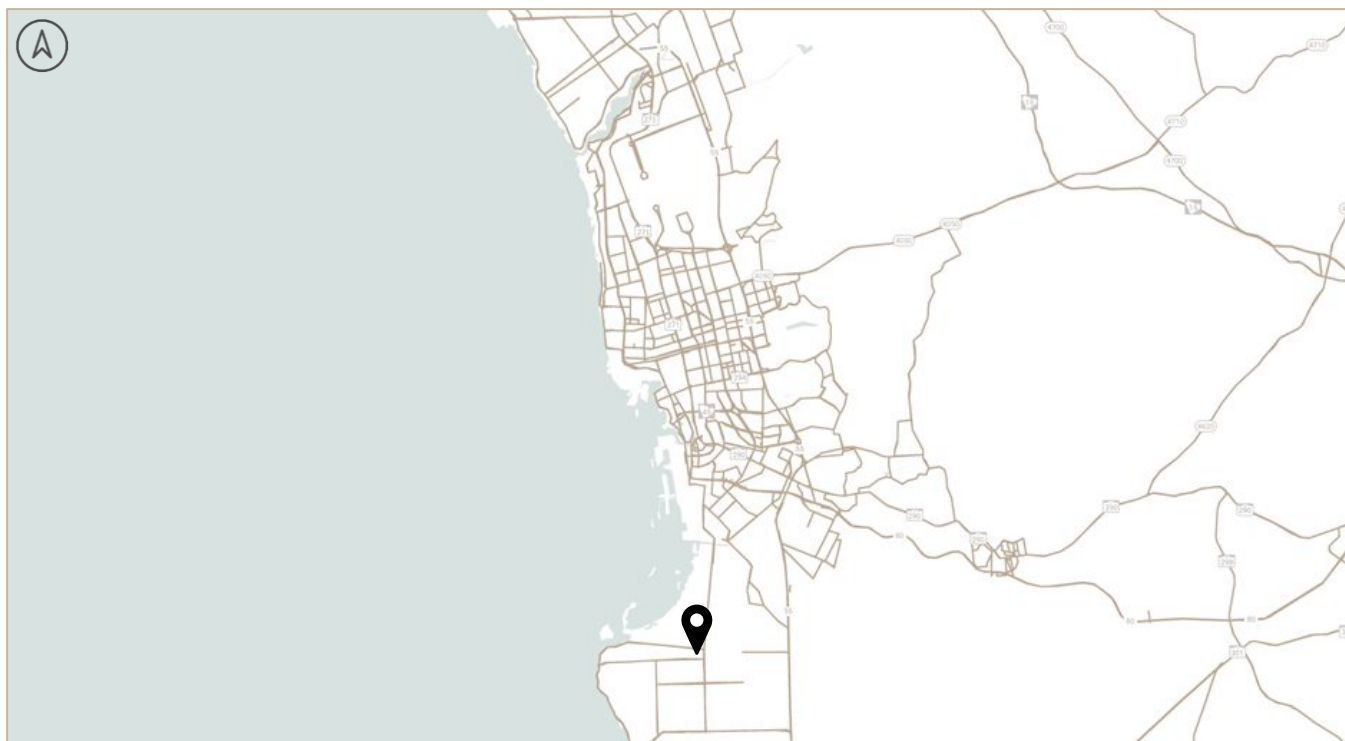
Seaport



Tourism sector



general location of properties



Property description

The property is located in the south of Jeddah in AL-Wadi district. The real estate area is characterized as one of the most prominent logistics areas at the city level, and near it is located the first industrial city towards the north, and towards the south the second and third industrial cities.

The property is a warehouse surrounded by four streets on Al Wadi Street, and the property can be accessed through King Faisal Road.

The area surrounding the property is a warehouse and warehouse area for the most prominent companies and commercial groups.



03

Summary and details of the
property information

Exclusive summary

Intended user	Client name	
Al-Jazira REIT Fund	Al-Jazira Capital	
Value assumption	Purpose of valuation	
Current Usage	REIT fund purposes	
Property type	Address of the real estate	
warehouse	Jeddah city, Al wadi district	
Name of owner	Land area *according to deed	
Alinma Investment Company	²m 31,796.08	
Date of deed	Deed number	
1438/05/12	920205026530	
Basis of value	Type of ownership	
The market value	Absolute ownership	
Method of valuation	Standards of valuation	
Market Approach & Cost Approach	International Valuation Standards (IVSs) translated by TAQEEM 2022	
Report type	Currency used	
Detailed narrative	SAR	
Date of effective	Date of inspection	Date of approval
2023 / 12 / 31	2023 / 12 / 28	2023 / 12 / 27
Value by typing		Value numeric
Forty one million six hundred and seventy thousand eight hundred and fifty and thirty Halalas		41,670,850.30 SAR

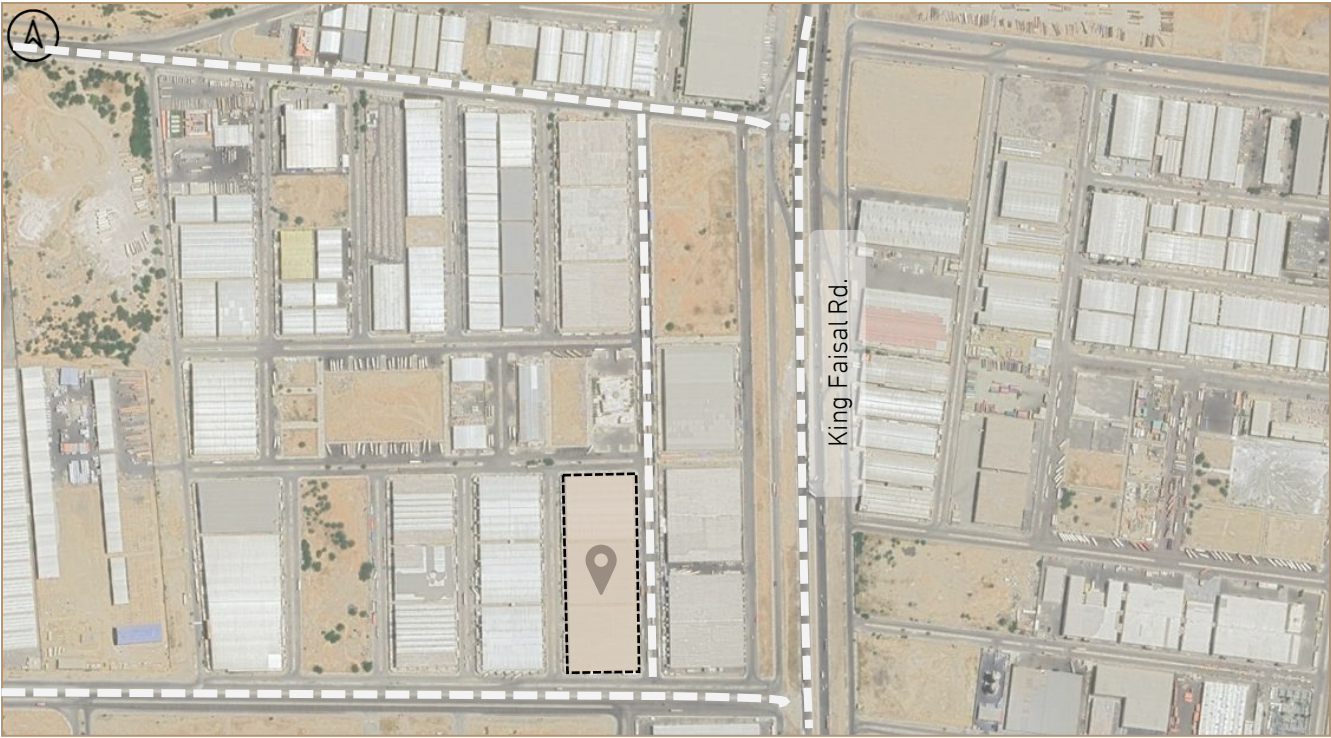
Ownership

ID Number	Owner
1010269764	Alinma Investment Company
Deed date	Deed number
1438/05/12	920205026530
Building permit date	Building permit number
1434/07/24	3400089361

Real estate property location

District	Urban location
AL-Wadi	Inside urban zone
City	Region
Jeddah	Makkah Region
Block number	Master plan number
10	503 / ج / ص
Unit number	Lot number
-	From 129 to 142
Location coordinates	
39.18884E21.32389N	

Description of the property



Land size (according to deed)		Land use by regulations	
31,796.08 SQM		Warehouse	
Land shape			
Irregular		Regular	✓
Land terrain			
Not flat		Flat	✓
Constructions of the neighboring lot			
Not constructed		Constructed	✓

Note

The site was located based on the site attached by the client.

Land boundaries



Length	Boundary	Directions
100 m then it breaks south west with a length of 7,07 m	Street 32 m	North
Length	Boundary	Directions
100.06 m then it breaks north east with a length of 6,96 m	Street 60 m	South
Length	Boundary	Directions
281.18 m then it breaks north west with a length of 7,07 m	Street 32 m	East
Length	Boundary	Directions
277.84 m then it breaks south east with a length of 7,18 m	Street 25 m	West
Walls lengths		
787.3621 SQM		
Total area		
31,796.08 SQM		

Land Description of building and finishings



Building condition		Type of construction		
Good		Concrete		
Usage of the building		Vacancies		
Warehouse		Non vacant		
Age of the building		Built up area		
9 Years		According to inspection		
		SQM 26,740		
Repeated floors	Mezzanine	Ground floor	Basement	Total number of floors
-	-	1	-	1 Floor
Quality of finishing				
Good				
Type of air conditions		Finishing of floors		Finishing callings
Window and buried split		-		Iron

Services and facilities around the real estate

Infrastructure of the real property					
Public services	Governmental departments	✓	Available		Not available
	Banks		Available	✓	Not available
	Medical services	✓	Available		Not available
Business services	Malls	✓	Available		Not available
	restaurants	✓	Available		Not available
	Gas stations	✓	Available		Not available
Infrastructure utilities	Electricity plants	✓	Available		Not available
	Sewage system		Available	✓	Not available
	Water pipes	✓	Available		Not available
	Telephone	✓	Available		Not available
	Floods drainage	✓	Available		Not available
Public facilities	Mosques	✓	Available		Not available
	Parks	✓	Available		Not available
	Educational		Available	✓	Not available
Municipal equipment	Paving	✓	Available		Not available
	Sidewalks	✓	Available		Not available
	Lighting	✓	Available		Not available
	Tree-planting others	✓	Available		Not available
	others				

Services of the building

Drainage	Electricity	Telephone	Water
Not available	Available	Available	Available

Visual survey



Market survey



2



Warehousing land





6,981.15 m²

1,300 SAR/m2

9,075,300 SAR

Sold - 20414725

1



Warehousing land

13,550 m²

1,200 SAR/m2

16,260,000 SAR

Sold - 20844626

4



Warehousing land

45,000 m²

980 SAR/m2

44,100,000 SAR

Sell price offer

3



Warehousing land





25,664 m²

936 SAR/m2

24,021,500 SAR

Sell price offer

6



Warehouse

5000 m²

Income = 595,000, return = 7%

8,500,000 SAR

Sell price offer

5



Warehousing land

30,000 m²

900 SAR/m2

27,000,000 SAR

Sell price offer



04

Real estate appraisal results

Value Estimation – Cost Method (Valuation Methodology)

Definition of evaluation method:

The property was evaluated by cost approach Replacement method

The cost method is one of the basic valuation methods along with the market and income methods. The cost method is mainly used to determine the capital value of a property in the absence of direct evidence that can be obtained from valuation work or other sources of information such as accounts or business values. This method is also used to evaluate special types of specialized properties that are rarely exchanged in the real estate market, such as recreational properties, public care and education facilities, public hospitals, mosques, other charitable institutions, and public sector assets and facilities such as public parks, school buildings, sports facilities, and others. It is also used as a supporting method for the main valuation method and verification to determine the evaluator's opinion on value. It is a method that determines the value by estimating the cost of land and the cost of building a new property with equal benefits or renovating a new property for the same use, and under this method there are two methods:

A- Reproduction method: The cost of producing a virtual replica of the current building, using the same design and building materials for the property under evaluation.

Value Estimation – Cost Method (Valuation Methodology)

Methodology of approach:

Replacement cost method: The estimated cost of constructing a building with the same benefits and facilities and using building materials, standards, designs and plans currently used in the market. Both methods are based on the principle of substitution, which is based on the fact that a prudent buyer does not pay for a property a price that exceeds the cost of purchasing a site and constructing a building on it with similar benefits and facilities.

A- Land Value:

When determining the market value of a land, the evaluator must be aware of the restrictions, if any, on its use. If there is a major market for the land or property being assessed, it is preferable to use evidence from the market or comparative sales. A site in the same area with the same characteristics or the use of a site in another area should be studied.

The current usage value of the site can be accessed using one or both of the following methods:

1- Comparable sales, market evidence

All characteristics and attributes of the area are taken into account when estimating the value of the site and overlooking site improvements. The productivity of the spaced land, its likely use, the identity of the potential buyer.

Value Estimation – Cost Method (Valuation Methodology)

and the price that can be inferred must also be analyzed.

2- Residual value method.

If comparable sales are not available, the traditional residual value method or the default development method can be used. This method assumes that the value of the land can be reached through the following equation of the real estate developer:

Market value (future) of the project = cost of land + cost of development + cost of financing + profits,

that is:

Residual value of land = market value – (development cost + financing cost + developer profits).

This method is also used as a method of income in cases of land valuation when acquiring real estate development projects and we will address it in detail at advanced levels.

B- Building Value:

The value of the building means the current cost of the building less depreciation. The value of the construction is assumed to be the cost of constructing a new building, i.e. the costs of constructing the same building today with a deduction of provisions for deficiencies or obsolescence. The cost

Value Estimation – Cost Method (Valuation Methodology)

estimate of a property may be based on an estimate of reproduction costs or replacement costs.

One of the following methods can be used to estimate building costs.

1- Methods of estimating the cost of buildings:

A- Method of the unit of comparison:

It is the easiest and most widely used method. It depends on verifying the area of the building under evaluation first and then verifying the cost per square meter for the construction of the building, i.e. the cost of the area of floors, fences, design and finishes, and the price must also include the profits of the builder, costs, etc., after that the area of the property under evaluation is raised at the appropriate price to reach an initial estimate of the current cost of the building, and finally special cost adjustments are made against non-shared features and characteristics.

B- The method of evaluating each unit (item) separately.

This method is more detailed for estimating the value compared to the unit area method. In this method, the entire building is divided into parts that can be measured and costed on a unit-by-unit basis. For example, the cost of a roof can be divided into two components, and then each item is measured and multiplied by the respective unit price for supply or repair purposes.

Value Estimation – Cost Method (Valuation Methodology)

The price must include the construction worker's profits, general and petty cash.

C- Quantitative survey method (quantity inventory).

This method is often used by the quantity survey and is based on measuring and calculating the bill of quantities from the horizontal plans of the building and pricing these quantities according to the required specifications. It is a precise and detailed method that is often used by quantitative surveyors and contractors. It is based on measuring and calculating the table of quantities of horizontal projections and engineering and architectural plans of the building and pricing these quantities according to the required specifications.

2- Estimating building value

A - Calculation of the value of new buildings

The calculation of the value of new buildings is by determining the quality of the building first, i.e. permanent, semi-permanent or temporary, as well as finishes and structures, and then determining the total building area from the horizontal projection of the building. If the cost of construction is available, the cost of construction is analysed on a unit basis with comparison and analysis of similar types of buildings for examination and verification. If appropriate, multiply the unit cost in the total building area to reach the construction cost, which is supposed to be equal to the value of the building.

Value Estimation – Cost Method (Valuation Methodology)

If the result of the analysis is unacceptable, the contract documents are reviewed to look for anomalies or other external agreements and make the necessary adjustments to reach a reasonable cost of construction.

Capital value = site value + building value (assuming the building value) = construction costs + other items.

B- Old buildings

Determine the current cost of creating a similar building. This can be achieved by analyzing the cost of constructing similar buildings in the area, if available, or consulting a quantity surveyor or construction engineer using the specifications of the building under assessment. It then determines the level of obsolescence and type of the building, whether physical, functional or economic.

For old buildings, it can be calculated by the following equation:

Capital Value = Site Value + Building Value (assuming the building value) = Net replacement cost

Net replacement cost = (building cost – depreciation)

That is, the capital value = the value of the site + the net cost of replacement or
the capital value = the value of the site + (cost of the building - depreciation).

Value Estimation – Cost Method (Valuation Methodology)

C. Depreciation

Depreciation occurs when the value of improvements becomes less than the cost of reproducing or refurbishing them. Depreciation or so-called obsolescence falls under three types, namely physical obsolescence, which results from depreciation and erosion of the asset over its life or from loss of value due to lack of maintenance work. Functional obsolescence often occurs when a new building is more efficient than an existing one. It is either due to changing market demands, defects in the original design, or technical advancement. Finally, economic obsolescence, which is the loss of value due to external influences on the property. It is referred to as external obsolescence or site obsolescence and occurs due to changes in the spatial characteristics of the property and the effects of the area in general.

There are three ways to determine depreciation:

1. Evaluation based on market conditions.

Depreciation can be easily determined if reliable information is available on the value of the land. This is because the selling price minus the value of the land gives the price of improvements or buildings. Calculating depreciation in this way is more diverse than calculating the cost of reproduction as it measures depreciation caused by all Sources. After calculating it, the amount of

Value Estimation – Cost Method (Valuation Methodology)

depreciation per square meter is applied to the property under evaluation

2. Evaluation based on assumptions.

If market information on depreciation is not available, it is possible to make assumptions about its occurrence over time. In some States, depreciation is usually assumed to be determined by the straight-line method.

It is the most common way to assess ageing. This method assumes a fixed depreciation rate from the life of the asset to its end. The straight-line method can be calculated using the following equation:

$$100 \times \frac{\text{Current age of the building}}{\text{Economic (usable) life of the building}}$$

3. Analysis method

The method of analysis of depreciation depends on the purpose of the valuation, as the above-mentioned straight-line method is often used when valuing for the purpose of financial reporting. The extended life and reducing premium methods are best suited for other valuation purposes when using the cost method.

The evaluator in this method identifies and estimates the sources of depreciation. This will be studied at advanced levels.

Value Estimation – Cost Method (Valuation Methodology)

The value of the property was estimated by the cost method of replacement cost, which depends on estimating the value of the land added to the total cost of replacing and constructing the building at the prevailing prices on the date of evaluation by calculating the price of the building unit according to the type of construction and deducting the value of depreciation that occurred since the date of its construction, and this will be done through the following stages:

- 1- Extracting the value of the land by comparison method
2. Estimate direct costs
3. Estimate indirect costs
4. Depreciation calculation for the building

First: Extracting the value of the land by comparison:

In the first phase, value of land is extracted according to the method of comparison, where a survey and analysis of samples were carried out for the current market prices of sold lands and offered lands similar to the property under evaluation, and since it is impossible to find two identical properties, appropriate adjustments were made on land prices compared to deducting the value of items that represent an advantage for property under evaluation.

Accordingly, field survey samples were taken to compare with the property under evaluation, and the following table shows the arrival of estimated value of land:

Value by the sales Comparison approach

Through the field survey of the real estate region, the most suitable comparisons with similar real estate were selected. Then, analyzing the most influential factors for each comparison with the real estate to be evaluated according to the following.

Accordingly, the value of the meter was:

Comparable 3	Comparable 2	Comparable 1	Subject	Item
Current	Current	Current	-	Date
1,300 SAR	936 SAR	1,200 SAR	-	Square meter price
6,981.15 SQM	25,664 SQM	13,550 SQM	31,796.08 SQM	Area by SQM
% 25-	% 10-	% 20-	Excellent	location advantage
Good	Good	Very Good		
% 10	% 10	%5	-	Market situation
executed	Negotiable	executed		
%0	%10-	%0	Net adjustment ratio	
% 15-	%10-	%15-	SQM value after settlement	
1,105 SAR	842.4 SAR	1,020 SAR	Contribution ratio	
%20	%60	%20	SQM value after	
930.44 SAR per SQM				

Total
value

Numeric

SAR 29,584,344.68

Type

Twenty nine million five hundred and eighty four thousand three hundred and forty four and sixty eight Halalas

Second: Estimation of Direct Costs:

After estimating the value of the land in the first phase, the direct costs of construction will be estimated, which include (the cost of building materials and the cost of labor).

Value by cost approach

Evaluating the property using the cost method

Construction costs

Description	Area	price of one meter	Total
Ground floor	25,500 SQM	500	12,750,000
Appendices	440 SQM	500	220,000
Fences	800 SQM	450	360,000
Total building areas			26,740
Total direct costs			13,330,000

Third: Estimation of Indirect Costs:

After estimating the direct costs in the second stage, indirect costs are calculated, which include, for example, (transportation costs - installation - professional fees - architectural and legal design and consulting - taxes - financing costs - other expenses such as commissions - overheads, fees and permits - profit margin or commercial profit such as return to the investor)

Indirect costs		
Professional fees	%5	662,500 SAR
Utility network	%5	397,500 SAR
Management costs	%3	397,500 SAR
The developer won	%10	1,470,750 SAR
The value of direct costs		1 3 , 3 3 0 , 0 0 0 SAR
The value of indirect costs		1 , 4 6 6 , 5 0 0 SAR
The total cost value of the property		1 4 , 7 9 6 , 3 0 0 SAR

Fourth: Depreciation calculation of the building:

After estimating the indirect costs, the third stage and combining them with the direct costs, the costs of depreciation of the building are estimated by the extended life method in the ratio mentioned in the following table, and a fixed annual rate was assumed on the duration of the life span and the absence of a residual value for the building at the end of the life span.

The expected lifespan of the building	Effective building age	Remaining economic life	The depreciation rate of the building
35.00	9.00	26.00	%25.74

The total value of the building after deducting depreciation	12,086,505.62 SAR
--	-------------------

Taking into account all the relevant information and factors in estimating the current market value of the real estate property subject to evaluation and on the condition of the property and its evaluation and in accordance with the conditions contained in this report, we find that the market value of the property is:

Total land value (SAR)	29,584,344.68
Total building value (SAR)	12,086,505.62
Total property value (SAR)	41,670,850.30

Value Estimation – Income approach (Valuation Methodology)

Valuation by income approach

The method of real estate valuation based on the income approach is the method of estimating the value of a property or real estate property that generates income (such as rental residential properties, commercial centers, markets...) based on the forecast of the future income of the property under evaluation.

The value index of the property is derived by calculating the present value of the net operating income or the expected net rental value of the property.

There are three main methods in the valuation of real estate that depend on the income approach: the method of deducting cash flows, the method of direct capitalization and the method of profits.

process of the income approach

- 1- Estimating future flows resulting from real estate income (net operating income or net rental value).
- 2- Determining the discount rate or capitalization rate according to the approved evaluation method.
- 3- Calculating the present value of the expected income of the property to reach the capital value of the property (after taking into account the time value of money).

Value Estimation – Income approach (Valuation Methodology)

Basic principles of income approach

1. The principle of supply and demand

It means the relationship between the demand for real estate and real estate services and the quantity offered for sale and leasing.

2- Substitution principle

It acknowledges that both the seller and the buyer or lessor and lessee have options, and a rational lessee will not pay for a specific asset more rent than rent for an alternative asset that brings similar benefits.

3. The principle of expectation

The present value of real estate ownership is an expression of the present value of the expected future benefits.

4. Principle of competition

It works on the fact that competitive forces tend to reduce unusual profits over time. Both the seller and the buyer of real estate operate in a reasonably competitive market.

Rate of return

It is the profit rate that is expressed as an annual percentage based on the profit value obtained in a specific investment and the investment costs, its current market value or capital value and is always referred to as the discount rate or.

Value Estimation – Income approach (Valuation Methodology)

capitalization factor.

$$\text{Rate of return} = \frac{\text{Current age of the building}}{\text{Economic (usable) life of the building}}$$

Method of assessment using the income approach

1- Cash flow discount method

The method of discounting cash flows is similar to the method of net present value in finance. In this method, the value of the income-generating property is equal to the present value of future cash flows (net operating flows or net rental value) plus the value of the property when it is recovered from the tenant.

2- Direct capitalization method

The method of discounting cash flows is applied in the event of a change in the net rental value during the lease period, in addition to the fact that the lease period and the retention of the property is limited to a certain number of years. and the required rate of return applied to calculate the present value. For the future net rental value is called the discount rate.

The value of the property can be estimated by applying the method of deducting future flows using the following formula:

$$\text{Value} = \frac{\text{NOI}_1}{(1+i)^1} + \frac{\text{NOI}_2}{(1+i)^2} + \dots + \frac{\text{NOI}_n}{(1+i)^n} + \frac{\text{RV}_n}{(1+i)^n}$$

Value Estimation – Income approach (Valuation Methodology)

Whereas: (Value) the present value of the property

(NOI_{1,2,n}): Net operating income of the property (or net rental value) for future years

(i): discount rate (required rate of return on investment)

2- Application of the direct capitalization method

The direct capitalization method is applied in the event that the net rental value is stable and stable during the lease period that is assumed to extend forever, and the required rate of return that has been applied to calculate the present value of the future net rental value is called the capitalization rate. If we take into account the assumption of the stability of net operating income and the assumption that this income continues forever and we have modified the cash flow discount model:

$$\text{Value} = \frac{\text{NOI}}{(1+i)^1} + \frac{\text{NOI}}{(1+i)^2} + \dots + \frac{\text{NOI}}{(1+i)^n} + \frac{0}{(1+i)^n}$$

Income approach – direct capitalization method

The attached income statements were approved by the client (lease contracts) after conducting a field survey of current market prices to determine the trend of rental prices for properties located in the area of the property to be evaluated, knowing the average capitalization rate and vacancy rate in the area, analyzing the financial data of the property to be evaluated, and matching them with the client’s data. It became clear following:

The cap rate that is proportional to the property with status and effective life is 7%

Income statements	
Description of the property	Total
Hamad Al Raqeeb Warehouse	898,320 SR
astra warehouse	1,481,820 SR
petromin warehouse	850,000 SR
Gross income	3,230,140 SR

Value by income approach		
Real estate income		3,230,140 SR
Total maintenance and operating expenses	10%	323,014 SR
Effective income		2,907,126 SR
Rate of Return		7%
Value		41,530,371.43 SR
Property value	41,530,371.43 SR	

Weighted Value

Value (SAR)	Evaluation method
Value by the sales Comparison approach	41,670,850.30 SR
Income approach – direct capitalization method	41,530,371.43 SR

Because the property’s income does not reflect its market value, we weighted the property value using the cost method - the replacement cost method, so that the property’s market value becomes:

SAR 41,670,850.30	numeric	Total value
Forty one million six hundred and seventy thousand eight hundred and fifty and thirty Halalas	Typing	



05

Conclusion and attachments

attachments

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

المملكة العربية السعودية
وزارة العدل
[٢٧٧]

الرقم: ٩٢٠٢٠٥٠٢٦٥٢٠
التاريخ: ١٢ / ٥ / ١٤٣٨ هـ

كتابة العدل الأولى بجدة

صك

الحمد لله وحده والصلاة والسلام على من لا نبي بعده، وبعد:

فإن قطعة الأرض ١٢٩ و قطعة الأرض ١٣٠ و قطعة الأرض ١٣١ و قطعة الأرض ١٣٢ و قطعة الأرض ١٣٣ و قطعة الأرض ١٣٤ و قطعة الأرض ١٣٥ و قطعة الأرض ١٣٦ و قطعة الأرض ١٣٧ و قطعة الأرض ١٣٨ و قطعة الأرض ١٣٩ و قطعة الأرض ١٤٠ و قطعة الأرض ١٤١ و قطعة الأرض ١٤٢ من المخطط رقم ٥٠٣ / ج ص الواقع في حي الوادي بمدينة جدة -

وحدودها وأطوالها كالتالي:

شمالاً: شارع عرض ٣٢م	بطول: (١٠٠) بطول مائة متر ثم ينكسر جنوب غرب بطول ٧,٠٧م
جنوباً: شارع عرض ٦٠م	بطول: (١٠٠,٠٦) بطول مائة متر و ستة سنتيمتر ثم ينكسر شمال شرق بطول ٦,٩٦م
شرقاً: شارع عرض ٣٢م	بطول: (٢٨١,١٨) بطول ميتين و واحد و ثمانون متر و ثمانية عشر سنتيمتر ثم ينكسر
شمال غرب بطول ٧,٠٧م	
غرباً: شارع عرض ٢٥م	بطول: (٢٧٧,٨٤) بطول ميتين و سبعة و سبعون متراً و أربعة و ثمانون سنتيمتر ثم ينكسر
جنوب شرق بطول ٧,١٨م	

ومساحتها: (٣١,٧٩٦,٠٨) واحد و ثلاثون ألفاً و سبعمائة و ستة و تسعون متر مربعاً و ثمانية سنتيمتر مربعاً فقط

والمستند في إقرارها على الصك الصادر من هذه الإدارة برقم ٤٢٠٢٠٤٠١٨٤٢٦ في ٢٥ / ٥ / ١٤٣٥ هـ

قد انتقلت ملكيتها ل: شركة الانماء للاستثمار بموجب سجل تجاري رقم ١٠١٠٢٦٩٧٦٤ في ٢٣ / ٦ / ١٤٣٠ هـ، بثمن وقدره ٥٧٣٧٩٨٥٦,٨٦ سبعة و خمسون مليوناً و ثلاثمائة و تسعة و سبعون ألفاً و ثمانمائة و ستة و خمسون ريالاً و ستة و ثمانون هللة

وعليه جرى التصديق تحريراً في ١٢ / ٥ / ١٤٣٨ هـ لاعتماده، وصلى الله على نبينا محمد وآله وصحبه وسلم.

كانت العدل
رشيد بن شبيب بن جابر الحربي

صقحة ١ من ١

(هذا النموذج مخصص للاستخدام بالحاسب الآلي ويمنع تخليفه)
نموذج رقم (١١-٠٣-١)

مصلحة مطابع الحكومة - ٣٥٢٥٧٦

هذا المستند وجميع محتواه - وصيغ أو شكله - مسجلة في سجل الدولة لصلاحيته الشفيع.

Conclusion

At the end of this report we would like to confirm the following: - Analyses and outcomes are based on the stated assumptions and circumstances. - All Barcode valuers have no conflict of interests in the valuation. - All the valuers have the required qualification to prepare the report. - The work team have the required experience for this kind of valuation. - The location was inspected by the Barcode team. We confirm that we have conducted the valuation according to your instructions. In case you have inquiries or further explanation, please contact any of Barcode members listed below :



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