

Valuation Report: Warehouse

Presented to: Al-Jazira REIT Fund

Warehouse - 31796.08

Report No: DC24012561

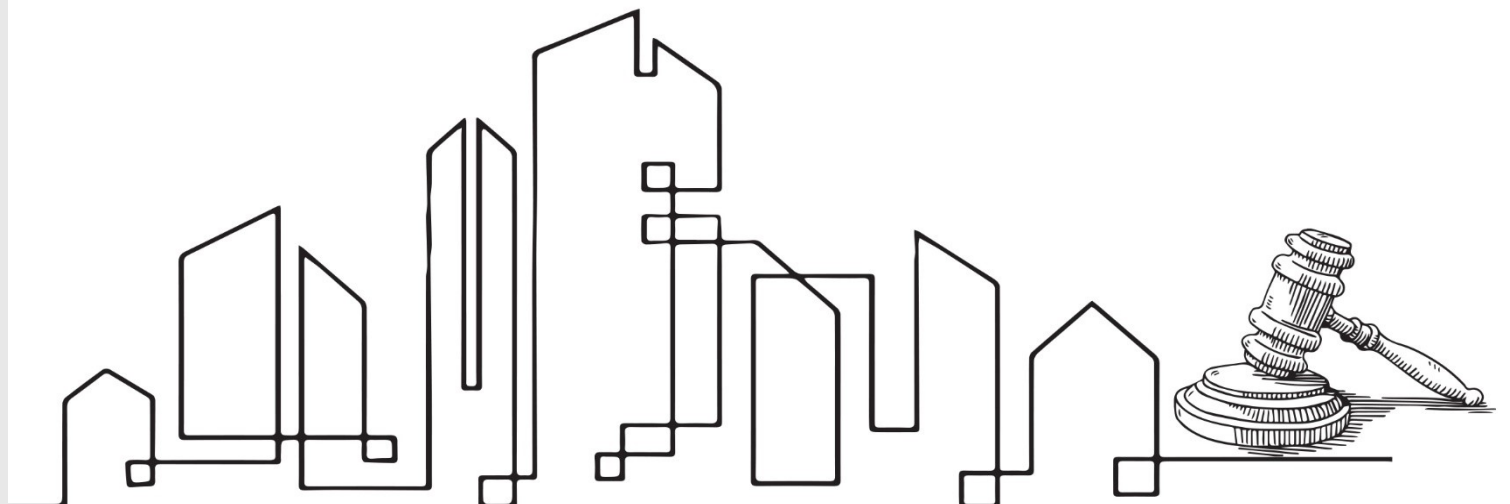
Report Date: 2024-07-29



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Introduction, Technical and Legal Principles





Preface

Dear/ Al-Jazira REIT Fund

Greetings,

Based on your job approval for Barcode Co. on 2024/07/02 to value a Warehouse located in Jeddah for the purpose of Periodic evaluation of the AlJazira REIT traded fund , the inspection was conducted on 2024/07/18.

This valuation was carried out based on the international valuation standards (IVS 2022) issued by the International Valuation Standards Council (IVSC) translated by (Taqeem) – 2022, and in accordance with the professional procedures and regulations recognized in valuation of real estate assets. As it is our endeavor to determine the appropriate value of the property for the purpose for which the valuation report is prepared. This report is a reliable certificate, and is considered one unit and indivisible. (IVS2022)

Warm regards,

Abdulkarim Abanumay

CEO

Barcode Valuation Company

Valuer Holding a Fellowship in Real Estate Valuation

Membership No.: 1210000001

License No.: 1210000001

License Date: 1433/03/01 AH

Valuer Holding a Fellowship in Machinery & Equipment Valuation

Membership No.: 4210000001

License No.: 4114000016

License Date: 1441/07/24 AH





Info of Valuer & Client

Info of Valuation Company

Company Name

Barcode Valuation Company

No of Commercial Registration

1010468077

Date of Commercial Registration

1438/05/15 AH

License Number of Real Estate Valuation

1210000001

License Date

1433/03/01 AH

License Number of Machinery and Equipment Valuation

4114000016

License Date

1441/07/24 AH

We would to emphasize that the accredited valuer is independent. In addition, there is no conflict of interests with any of the parties of the valuation process or the assets under valuation. The valuer has maintained the principles of impartiality, transparency and professionalism, without any external influence of any party.





Technical and Legal Principles

1- Date of Assignment :

2024/07/02

2- Requester (Client):

Al-Jazira REIT Fund

3- Beneficiary (Users of Report):

Al-Jazira REIT Fund

4- Other Users of Report:

A public report published for unitholders of Aljazira REIT Fund that is used by the fund manager (Aljazira Capital) for periodic evaluation of the fund

5- Purpose of Valuation :

Periodic evaluation of the Aljazira REIT traded fund

6- Ability to Value the Asset :

Barcode has a professional staff that can value this type of asset, and has the required competence to identify the market value on the required date, and accordingly it has accepted the work.

7- Professional Standards of Valuation :

This valuation was carried out based on the international valuation standards (IVS 2022) issued by the International Valuation Standards Council (IVSC) – translated by (TAQEEM) 2022 – and in accordance with the professional procedures and regulations recognized in valuation of real estate assets. The procedures are based on analysis, comparison and direct inspection of each asset. In addition, the valuer searches as much as possible for positive and negative influences and characteristics of the asset being valued.

8- Basis of Value :

Market Value : "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."





Technical and Legal Principles

9- Premise of Value :

Current usage

10- Effective Date of Value:

2024/06/30

11- Date of Inspection:

2024/07/18

12- Limits of Inspection, Examination, Research and Investigation

To carry out the valuation and fulfill the purpose of this report, the subject assets were inspected. The data available from the inspection, collected by the valuer in accordance with international valuation standards, were analyzed. It is important to note that this inspection is not relied upon for the purposes of technical or engineering examination and testing. Additionally, the valuer does not provide any warranties regarding the absence of non-apparent defects in the asset under valuation.

13. Currency of Valuation :

The currency used in the report Saudi Riyal

14- Valuer's Scope of Research :

The research and analysis encompassed in preparing the report align with the intended purpose in accordance with international valuation standards. The property was thoroughly examined both internally and externally on the day of inspection, and all necessary data were obtained to facilitate the report preparation.

15-Valuation Approach :

The Market Approach has been adopted in property valuation. Income Approach:- Method of finding a value index is by converting future cash flows into a capital value. Cost Approach:- It is a 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.

16- Sources and Nature of Information :

In preparing the valuation report, we relied on a variety of resources and information mentioned in Appendix C and office data that we believe corresponds to the purpose and time of the valuation. Some resources of information for this report have been mentioned throughout the report.





Technical and Legal Principles

17 - Ownership Documents :

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.

18 - Freedom of Disposition :

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.

19 - Privileges of the Insurance Policy :

No insurance policy document was received for the property under valuation.

20 - Legal Uses of Property :

Based on the inspection of our team, the subject property under valuation is for warehouse use .

21 -Limitation of Liability and Independence :

This valuation process and the report are considered advisory work in which we maintain the principles of neutrality, transparency, and professionalism, without external influence from any party.

22. Type of Report :

Narrative (detailed) report

This report has been prepared in a narrative manner, taking into account all details affecting the asset being valued.

23. Intellectual Property and Reuse :

This report, in form and content, is the intellectual property of Barcode Company, and no party - including the requester and the beneficiary of the report - may republish all or some parts of the report without obtaining written consent from the company.

24- Confidentiality and Preservation of Information :

The report was prepared as a special request and for consulting purposes. Barcode acknowledges the utmost importance for the client to maintain the confidentiality of the report's data and outcomes. It is committed to preserving confidentiality, ensuring that the client's information will only be used within the report. The provided information is considered the exclusive property of the client and the designated users specified in the report, with no right granted to any third party to access it.





Team Members

Our team has previous experience in valuation and has accreditations in valuation from the competent authorities. It has sufficient experience in the regions and categories of real estate that have been valued. The team can prepare reports without any difficulties in accordance with the requirements of international valuation standards.

Name of Valuer	Membership No.	Category of Membership	Type of Membership	Signature
Salem Alharbi	1210003141	Realestate	Affiliate	
Abdulkarim Abanumay	1210000001	Realestate	Certified Fellow	
Ahmed Balubaid	1220001204	Realestate	Essential fellow	
Abdulkarim Sheikh	1210001409	Realestate	Essential fellow	

Approval		
Stamp		
No & Date of Commercial Registration	1010468077	1438/05/15AH
No & Date of Real Estate Valuation License	1210000001	1433/03/01AH
No & Date of Machinery and Equipment Valuation License	4114000016	1441/07/24AH

Executive Summary





Executive Summary

Requester (Client)	Beneficiary (Users of Report)
Al-Jazira REIT Fund	Al-Jazira REIT Fund
Purpose of Valuation	Premise of Value
Periodic evaluation of the AlJazira REIT traded fund	Current usage
Location of Property	Type of Property
Jeddah - Alwadi District	Warehouse
Land Area Based on Deed	Name of Owner
31,796.1m ²	Al-Anmaa Investment Company
No of Title Deed	Date of Title Deed
920205026530	1438-05-12H
Type of Ownership	Basis of Value
absolute	Market value

Valuation Approach & Method
. Income Approach - Direct Capitalization Method . Cost Approach - Replacement cost method

Valuation Standards
(Valuation standards (IVSs 2022

Date of Assignment	Date of Inspection	Effective Date of Value
2024/07/02	2024/07/18	2024/06/30
Value of Property	Value of Property (Amount in Numbers)	Value of Property (Amount in Words)
	43,939,355.0	Forty Three Million Nine Hundred Thirty Nine Thousand Three Hundred Fifty Five



Hypotheses and Determinants of Report

Based on the definition of the International Valuation Standards, “Assumptions are logical matters that can be accepted as fact in the context of valuation without checking them in a specific way. These matters are accepted once they are mentioned and these assumptions are necessary to understand the valuation or advice provided. Special assumptions are assumptions that differ from the actual facts existing at the valuation date, or those that an ordinary market participant in a transaction would not assume at the valuation date.”

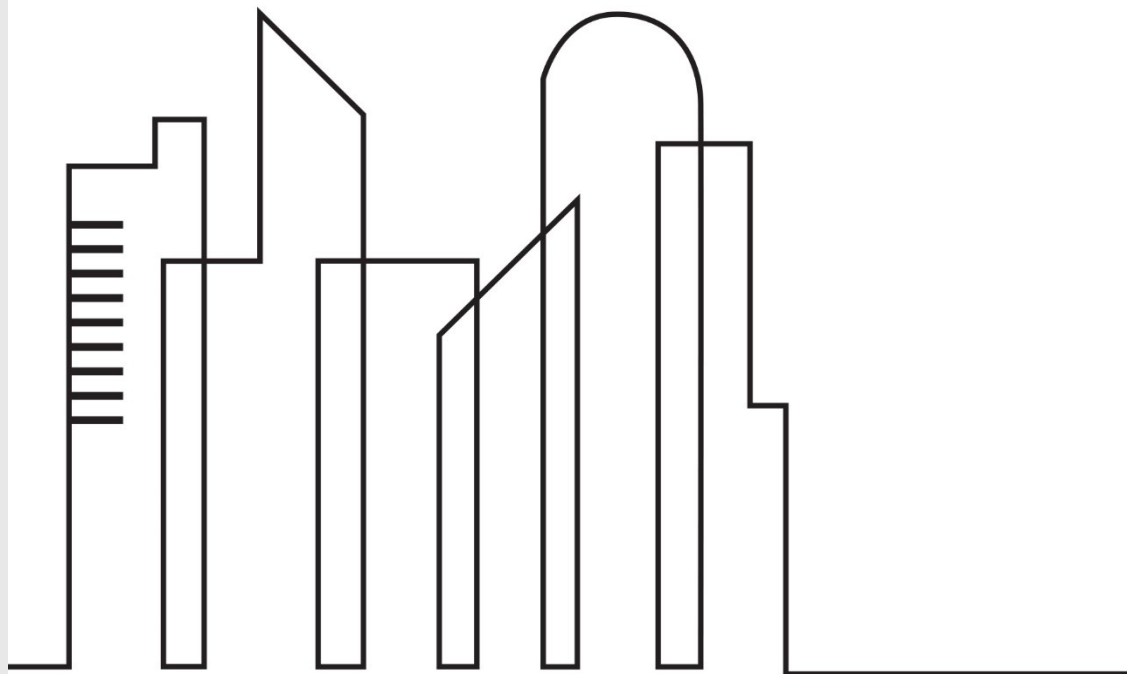
In this valuation process, the following was assumed:

1	Analyzes and conclusions as disclosed by the client.
2	The cost method was adopted because the income does not reflect the value of the property.
3	The boundaries and lengths were approved according to the title deed

Note: The asterisk (*) denotes a specific assumption. The estimated value in this report is contingent upon the fulfillment of the specific assumption.



Info & Location of Property





Location of Asset

Type of Asset	Master Plan
Warehouse	Inside Urban Zone
Region	City
Makkah Region	Jeddah
District	No of Multiple-Plots Land
Alwadi District	ج / ص / 503
Block No.	Plot No.
10	From 129 to 142
Unit No.	Nearest Commercial Street
-	-

Site Coordinates

[39.18868365383875 21.324052605416753](#)

Remarks on Location

The property was located according to the location provided by the client.

Name of Owner

Al-Anmaa Investment Company

Ownership Info

Owner ID	Type of Ownership
1010269764	absolute
Title Deed No.	Date of Title Deed
920205026530	1438-05-12H
Building Permit No.	Date of Building Permit
3400089361	1434/07/24

Remarks on Documents and Ownership

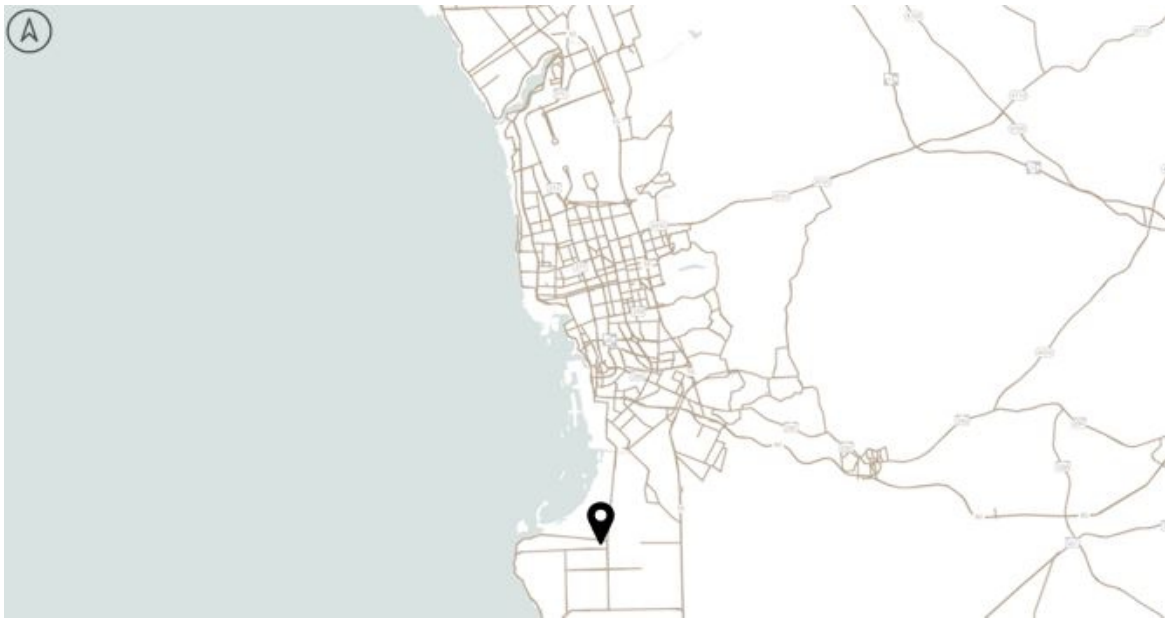


Info of Land

Land Area (Based on Deed)		Land Use Based on System		Land Use Based on Nature (Inspection)	
31,796.1 m²		warehouse		warehouse	
Land Shape		Ground level		Development of Adjacent Parcel	
✓ Regular	<input type="checkbox"/> Irregular	✓ Even	<input type="checkbox"/> Uneven	✓ Built	<input type="checkbox"/> Not Built
Boundaries and Lengths (based on title deed)					
Direction	Boundary		Street width		Length of Side
north	Street		32 m		100 m then it breaks south west with a length of 7,07 m
South	Street		60 m		100.06 m then it breaks north east with a length of 6,96 m
East	Street		32 m		281.18 m then it breaks north west with a length of 7,07 m
West	Street		25 m		277.84 m then it breaks south east with a length of 7,18 m
Remarks	--				



Aerial Photo of Site



An aerial photo showing the location of the property at the city level.



An aerial photograph showing the location of the property in relation to surrounding sites.



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Info of Building & Finishings

Info of Building & Finishings	Age of Building (Based on estimate of the valuation assessor for lack of construction permit)
concrete	10 Years
No of Floors	Basement
1	0
Use Purpose of Building	Buildings Area
warehouse	28480 m²
Condition of Construction	Level of Finishing
good	--
Type of Air Conditioning	-
Finishing of Floor	--
Finishing of Walls	-
Finishing of Ceilings	-
Percentage of Completion of Construction & Finishing	100 %
Remaining Work	--

Property Utilities

✓	Telephone	✓	Electricity
✓	Water	✗	Sewage

Description of Property

The property is a warehouse with a land area of 31,796.08 m², in Al Wadi district, south of Jeddah.



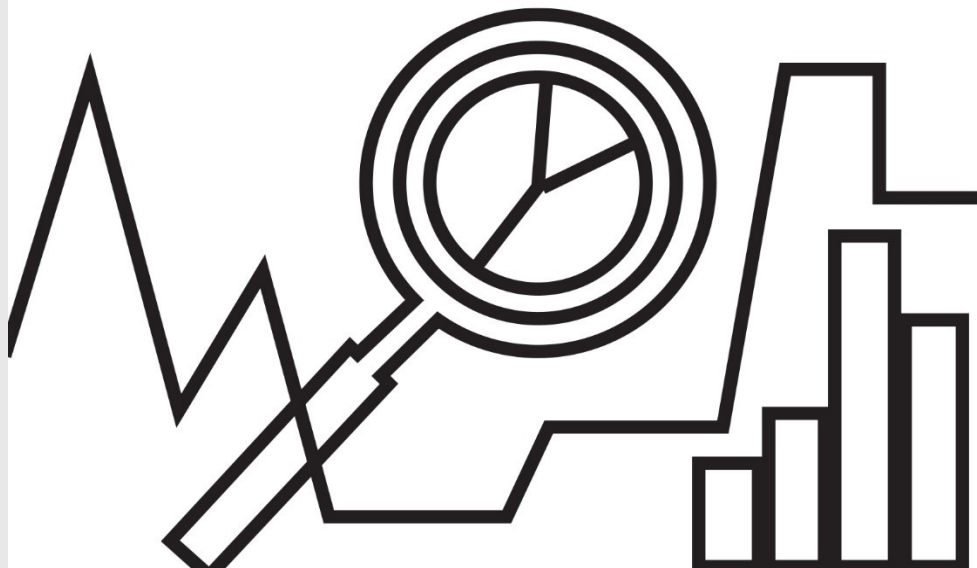
Photos of Property



Photos of Property



Study and Analysis of Market



Services and Facilities Surrounding the Property

On-site Facilities	
Public Services	✓ Government Services
	✓ Banks
	✓ Medical Centers
Commercial Services	✓ Malls
	✓ Restaurants
	✓ Gas Stations
Infrastructure Services	✓ Electricity System
	Sewage System
	✓ Water System
	✓ Telephone System
	✓ Flood Drainage System
Public Utility	✓ Mosques
	✗ Gardens
	✗ Educational Services
On-site Facilities	✓ Asphaltting
	✓ Paving
	✓ Lighting
	✗ Afforestation
	✓ Water
	✓ Telephone
	✓ Electricity
	✗ Sewage
Remarks	

Study & Analysis of Market

After conducting a field survey of current market prices of properties located in the vicinity of the subject property under valuation, the prices of lands of similar uses have been determined. Below are samples of field and desk survey.

	Type of Property	Land Area	Price of a Meter	Total Value	Type of Sample	Source	Coordinate	Remarks
1	Warehouse Land	23,240 m ²	845	19,600,000	Sold	Ministry of Justice	-	
2	Warehouse Land	13,550 m ²	1,200	16,300,000	Sold	Ministry of Justice	-	
3	Warehouse Land	47,000 m ²	910	42,800,000	Sold	Ministry of Justice	-	
4	Warehouse Land	10,000 m ²	1,400	14,000,000	Sold	Ministry of Justice	-	
5	Warehouse	1,450 m ²	3,448	5,000,000	Sell Price	aqar	-	
6	Warehouse	1,200 m ²	2,833	3,400,000	Sell Price	aqar	-	



Supply and demand

Supply and demand



%95



Occupancy rate in the warehouse sector


18.3 million m²




Total spaces of warehouse

Analysis of transactions executed in Jeddah




- 


The data provided showed that the warehouse market in Jeddah has witnessed remarkable developments in recent years.

01
- 


The occupancy rate of warehouses in Jeddah is expected to increase by 8% by 2025.

02
- 


There is a shortage of modern, high-quality warehouses, which has led to high rental prices. And building new projects to meet the increasing demand.

03
- 

Low to medium quality dry warehouses dominate the market and the demand for refrigerated warehouses and refrigerated warehouses is increasing with the growth of sectors such as food and pharmaceuticals.

04
- 

Investments in the Saudi warehouse market are attractive due to the expected growth and high demand for modern, high-quality spaces.

05
- 

The expected growth in the warehouse occupancy rate in Jeddah and the increasing demand for modern, high-quality spaces make investment in the Saudi warehouse market desirable.

06

Source | Barcode data 2024, Ministry of Justice 2024





Estimation of Value



Valuation - Cost Approach (Replacement Method)

The value of the property has been determined using the cost approach - replacement cost method. This method relies on determining the land value in addition to the total cost of replacing and constructing the building at prevailing prices on the valuation date. The calculation involves determining the construction unit price based on the type of construction, finishes, total built-up area, and deducting the depreciation value that has occurred since its construction. This process will be carried out through the following stages:

- 1-Determine the Land Value Using the Comparable Method
- 2-Determine the Direct Cost
- 3-Determine the Indirect Cost
- 4-Calculate Building Depreciation

First: Determine the Land Value Using the Comparable Method :

In the first stage, the land value is determined using the comparable method. A survey and analysis were conducted on samples of current market prices for sold and available lands similar to the subject property under valuation. Given the impossibility of finding identical properties, appropriate adjustments were made to the prices of comparable lands by deducting the value of items representing an advantage for the comparable land and adding the value of items representing an advantage for the land under valuation.

Based on this, field survey samples were taken for comparison with the land under valuation. The table below illustrates the method of estimating the land value:

Factors	Property Under Valuation	Comparable No. (1)		Comparable No. (2)		Comparable No. (3)	
Market Conditions	0	Sold	%0	Sold	%0	Sold	%0
Terms of Financing	The property being evaluated	Not Available	%0	Not Available	%0	Not Available	%0
Price of Square Meter After Adjusting Time, Terms of Financing, and Market Conditions		0		0		0	
Price of Square Meter After Adjusting Time, Terms of Financing, and Market Conditions		1,200		910		845	
Location advantage	Excellent	Very good	%5	Very good	%5	Good	%10
Square Meter Value	0	1200	%0	910	%0	845	%0
Comparison Date		2024-07-18	%0	2024-07-18	%0	2024-07-18	%0
Land Area	31796.08	13550	%-10	47000	%5	23240	%-5
Total of Adjustment Rates	--	% -5		% 10		%5	
Price of Comparable Meter after Adjusting the Factors of Variation/SAR	--	1,140 SAR		1,001 SAR		887.25 SAR	
Weight of Each Comparable in Value	--	%35		%30		%35	
Market value of the meter being evaluated / SAR		1,009.8375 SAR					
Total Value of Land		In Numbers	32,108,953 SAR				
		In Words	Thirty-Two Million One Hundred Eight Thousand Nine Hundred Fifty-Three				



Valuation - Cost Approach (Replacement Method)

Second: Determine the Direct Cost:

After the land value is determined in the first stage, the direct construction costs will be determined. This includes the cost of construction materials and labor costs.

Valuation of Property Using Cost Method				
Direct Construction Costs				
Description	Area	Price of Square Meter	Calculation	Total
Total Area	1,740 m ²	0 SAR/m ²	Price of Meter (0) * (1,740) Area	0
Ground Floor	25,500 m ²	500 SAR/m ²	Price of Meter (500) * (25,500) Area	12,750,000
Wall	800 m ²	450 SAR/m ²	Price of Meter (450) * (800) Area	360,000
Annexes	440 m ²	500 SAR/m ²	Price of Meter (500) * (440) Area	220,000
Total of Building Area (m ²)				28,480
Total of Direct Costs				13,330,000

Third: Determine Indirect Costs :

After the direct costs are determined in the second stage , indirect costs are calculated, which may include, for example, (costs of transportation, installation, professional fees, design, architectural & legal consultations, fees, taxes, financing, other expenses such as commissions, general expenses and fees, permits, profit margin or commercial profit such as return on investment).

Indirect Costs		
Administrative Fees	Fee Percentage (3 %) * (13,330,000) Total of Indirect Costs	399,900
Utility Fees	Fee Percentage (5 %) * (13,330,000) Total of Indirect Costs	666,500
Professional Fees	Fee Percentage (5 %) * (13,330,000) Total of Indirect Costs	666,500
Total of Indirect Costs		1,732,900
Total of Direct and Indirect Costs		15,062,900
Development Profit Margin 10 %	Profit Margin Percentage (10 %) * (15,062,900) Total Direct and Indirect Costs	1,506,290
Total of Building Value Before Depreciation	Total Direct and Indirect Costs (15,062,900) + (1,506,290)) Profit Margin	16,569,190

Fourth: Calculate Building Depreciation :

After the indirect costs are determined in the third stage and added to the direct costs, the depreciation of the building is calculated using the extended life of the percentage mentioned in the table below. An assumed fixed annual rate is applied over the assumed useful life, with no residual value for the building at the end of the assumed useful life.

Depreciation Using Extended Life Method				
Useful Life of Property (Year)	35	Depreciation Rate	Remaining Useful Life(10)/(35) Useful Life	% 28.6
Actual Age of Property (Year)	10	Value of Depreciation	Depreciation Rate (% 28.6) * (16,569,190) Total value of buildings before depreciation	4,738,788.34
Remaining Useful Life (Year)	25	Value of Building After Depreciation	Total value of buildings before depreciation (16,569,190) - (4,738,788.34) Value of Depreciation	11,830,401.66
Land Value (Saudi Riyal)	Land Area (31796.08) * (1,009.8375)Price of Meter			32,108,953
Total Value of Property	Land Value (32,108,953) + (11,830,401.66) Building Value After Depreciation			43,939,355



Valuation - Income Approach (Direct Capitalization Method)

Direct Capitalization Method

After conducting a field survey on current market prices to determine rental prices of properties located in the vicinity of the subject property under valuation, and as the average rate of capitalization and vacancy is determined and the financial data of the property is analyzed, the following assumptions have been concluded:

Permanent Vacancies:

A permanent vacancy rate of 0% has been assumed for the property 0 %

Maintenance and Operation Expenses:

The total value of expenses was determined based on the prevailing market norms and similar properties with characteristics matching the property under valuation, at a rate of 0% 0 %

Capitalization Rate:

A capitalization rate has been adopted. It is deemed suitable for the property in the current condition and actual remaining useful life, determined at a rate of : 7 %

Direct Capitalization Method	
Total Income	3,230,140.0 SAR
Vacancy Rate	0.0 %
Value of Vacancy Rate	0.0 SAR
Active Income	3,230,140.0 SAR
Expenses Rate	-- %
Value of Expenses Rate	323,014.0 SAR
Net Income	2,907,126.0 SAR
Capitalization Rate	7 %
Market Value of Property Using Income Approach	41,530,371.0 SAR
Market Value of Property After Rounding	41,530,371.0 SAR





Total Value

Opinion on Value:

Taking into consideration all the information and relevant factors in determining the current market value of the real property located in Jeddah city, Alwadi District district, and in addition to considering the property's condition and current valuation in accordance with the terms outlined in this report, it has been determined that the market value of the property is:

Weighted Value	In Numbers	43,939,355.0 SAR
	In Words	Forty Three Million Nine Hundred Thirty Nine Thousand Three Hundred Fifty Five



Appendices





باركود
BARCODE

تقييم الأصول Assets Valuation

(Appendix A) deed

المملكة العربية السعودية
وزارة العدل
[٢٧٧]

الرقم : ٩٢-٢٠٥-٢٦٥٣٠
التاريخ : ١٢ / ٥ / ١٤٣٨ هـ

كتابة العدل الاولى 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 وأطرافها كالتالي:

شمالاً: شارع عرض ٣٢ م
جنوباً: شارع عرض ٦٠ م
شرقاً: شارع عرض ٣٢ م
شمال غرب بطول ٧٠,٠٧ م
غرباً: شارع عرض ٢٥ م
جنوب شرق بطول ٧٠,١٨ م

بطول: (١٠٠) بطول مائة متر ثم ينكسر جنوب غرب بطول ٧٠,٠٧ م
بطول: (١٠٠,٠٦) بطول مائة متر و ستة سنتيمتر ثم ينكسر شمال شرق بطول ٦٠,٩٦ م
بطول: (٢٨١,١٨) بطول مئتين و واحد و ثمانون متر و ثمانية عشر سنتيمتر ثم ينكسر

بطول: (٢٧٧,٨٤) بطول مئتين و سبعة و سبعون متراً و أربعة و ثمانون سنتيمتراً ثم ينكسر

ومساحتها : (٣١,٧٩٦,٠٨) واحد و ثلاثون ألفاً و سبعمائة و ستة و تسعون متر مربعاً و ثمانية سنتيمتراً مربعاً فقط
والمستند في إقرارها على الصك الصادر من هذه الإدارة برقم ٤٢٠٢٠٤٠١٨٤٢٦ في ٢٥ / ٥ / ١٤٣٥ هـ
قد انتقلت ملكيتها لـ شركة الانماء للاستثمار بموجب سجل تجاري رقم ١٠١٠٢٦٩٧٦٤ في ٢٣ / ٦ / ١٤٣٠ هـ بـ ثمن وقدره
٥٧٣٧٩٨٥٦,٨٦ سبعة و خمسون مليوناً و ثلاثمائة و تسعة و سبعون ألفاً و ثمانمائة و ستة و خمسون ريال و ستة و ثمانون هللة
وعليه جرى التصديق تحريراً في ١٢ / ٥ / ١٤٣٨ هـ لاعتماد، وصلى الله على نبيينا محمد وآله وصحبه وسلم.

كتابة العدل
رشيدي بن شبيب بن جابر الحاربي

صفحة ١ من ١

تمت

مصلحة مطابع الحكومة - ٣٥٢٥٧٦

(هذا النموذج مخصص للاستخدام بالحاسب الآلي ويمنع تغليفه)

هذا المستند وحده له الحجية ولا يضاف له أي وثائق مستقلة منه يؤدي إلى إلغاء صلاحية المستند

(Appendix A) General and specific risks

General risks to the Fund

Local economic risks



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

Change in interest rates



The Fund will be affected by changes in interest rates if it invests in Murabaha securities or obtains a loan to finance and develop the Fund's assets.

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 rental values and occupancy rates in the future.

Liquidity and asset impairment risks



The low level of liquidity in the real estate market could affect the valuation of the Fund's properties or make it more difficult to exit any of the Fund's assets with the required returns, with the possibility of a decline in the value of the assets in the future as a result of market conditions.

The risk of not having long-term contracts



To obtain stable returns, it is necessary for the fund's portfolio to include investments in properties that have long-term leases to ensure the required cash flows occur.

There is no guarantee of achieving revenues in the future



This means not achieving the expected occupancy rates in the future, which would affect the fund's revenues.



(Appendix A) General and specific risks

Special risks to the property

Risks of obsolescence and lack of maintenance



Over the years and continuous operation, the property is affected by climatic and environmental conditions and the consumption of the building by the beneficiaries, which could affect the quality and reputation of the property in the future if regular maintenance is not paid attention to.

Quality risk and development management



The risks related to the hospitality sector include several risks, the most important of which are: the risks of choosing an experienced developer and a management and monitoring team for the hotel to maintain the estimated operational costs of development and maintenance and the reputation of the project.

Competitor risks



An increase in future projects, which will attract many future competitors in Jeddah, which may affect the occupancy rates and annual income of the property in the future.



Appendix B (Information Recourses)

In the report, it was relied upon several sources of information, both official and unofficial. These include information received from the client, open data, and publicly announced reports, such as:

1. Regulations of Accredited Valuers issued by Royal Decree No. (M/43) on 9/7/1433 AH.
2. Executive regulations of accredited valuers regulations
3. Rules of conduct and ethics of valuation profession issued by TAQEEM
4. International Valuation Standards 2022.
5. Summary of Changes in International Valuation Standards 2022.
6. The International Valuation Standards of the Royal Institution of Chartered Surveyors (RICS) RICS
7. Guide of professional practice for real estate valuers issued by TAQEEM, February 2022.
8. Guide of valuating the market rent for telecom tower sites issued by TAQEEM.
9. Professional guide of valuation for the purposes of expropriation of real estate for public benefit issued TAQEEM.
10. Pricing guide of cost of constructions, improvements, planting and components for the purposes of expropriation issued by TAQEEM.
11. Guide of reviewing valuation reports issued by TAQEEM, May 2022.
12. Indicators of the Ministry of Justice.
13. Real estate indicators of the General Authority for Real Estate.
14. National Geospatial Data.
15. Municipalities of Saudi Cities and Governates.
16. Real estate indicators and data drawn from Paseetah platform which is specialized in real estate data.
17. Barcode Database.
18. Field surveys and personal interviews for each site being valued.
19. Some sources were not initially referenced but have been acknowledged within the details of the report. Although not initially cited, some sources have been duly acknowledged within the content of the report



Appendix C (Technical and Professional Terms)

This glossary defines certain terms used in the International Valuation Standards. It is only applicable to the International Valuation Standards

Asset or Assets

To assist in the readability of the standards and to avoid repetition, the words “asset” and “assets” refer generally to items that might be subject to a valuation engagement. Unless otherwise specified in the standard, these terms can be considered to mean “asset, group of assets, liability, group of liabilities, or group of assets and liabilities”.

Basis (bases) of Value

The fundamental premises on which the reported values are or will be based (see IVS 105 Valuation Approaches and Methods, para 10.1).

Client

The word “client” refers to the person, persons, or entity for whom the valuation is performed. This may include external clients (ie, when a valuer is engaged by a third-party client) as well as internal clients (ie, valuations performed for an employer).

Cost

The consideration or expenditure required to acquire or create an asset.

Discount Rate(s)

A rate of return used to convert a monetary sum, payable or receivable in the future, into a present value.

Equitable Value

This is the estimated price for the transfer of an asset or liability between identified knowledgeable and willing parties that reflects the respective interests of those parties.

Fair Market Value

1- OECD) The Organisation for Economic Co-operation and Development (OECD) defines “fair market value” as the price a willing buyer would pay a willing seller in a transaction on the open market.

2- For United States tax purposes, Regulation No. 20.2031-1 states: “The fair market value is the price at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts”.

Fair Value (International Financial Reporting Standards)

IFRS 13 defines “fair value” as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Intended Use

The use(s) of a valuer’s reported valuation or valuation review results, as identified by the valuer based on communication with the client..

Intended User

The client and any other party as identified, by name or type, as users of the valuation or valuation review report by the valuer based on communication with the client.





Appendix C (Technical and Professional Terms)

Investment Value

The value of an asset to the owner or a prospective owner given individual investment or operational objectives (may also be known as worth).

Jurisdiction

The word “jurisdiction” refers to the legal and regulatory environment in which a valuation engagement is performed. This generally includes laws and regulations set by governments (eg, country, state and municipal) and, depending on the purpose, rules set by certain regulators (eg, banking authorities and securities regulators).

Liquidation Value

The amount that would be realised when an asset or group of assets are sold on a piecemeal basis. Liquidation value should take into account the costs of getting the assets into saleable condition as well as those of the disposal activity. Liquidation value can be determined under two different premises of value (see IVS 104 Bases of Value, section 80):

- (a) an orderly transaction with a typical marketing period; or
- (b) a forced transaction with a shortened marketing period.

Market Value

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.

Synergistic Value

The result of a combination of two or more assets or interests where the combined value is more than the sum of the separate values. If the synergies are only available to one specific buyer, then synergistic value will differ from market value, as the synergistic value will reflect particular attributes of an asset that are only of value to a specific purchaser. The added value above the aggregate of the respective interests is often referred to as marriage value.

May

The word “may” describes actions and procedures that valuers have a responsibility to consider. Matters described in this fashion require the valuer’s attention and understanding. How and whether the valuer implements these matters in the valuation engagement will depend on the exercise of professional judgement in the circumstances consistent with the objectives of the standards.

Must

The word “must” indicates an unconditional responsibility. The valuer must fulfill responsibilities of this type in all cases in which the circumstances exist to which the requirement applies.

Participant

The word “participant” refers to the relevant participants pursuant to the basis (or bases) of value used in a valuation engagement (see IVS 104 Bases of Value). Different bases of value require valuers to consider different perspectives, such as those of “market participants” (eg, market value, IFRS fair value) or a particular owner or prospective buyer (eg, investment value).

Price

The monetary or other consideration asked, offered or paid for an asset, which may be different from the value.

Purpose

The word “purpose” refers to the reason(s) a valuation is performed. Common purposes include (but are not limited to) financial reporting, tax reporting, litigation support, transaction support, and to support secured lending decisions.

Appendix C (Technical and Professional Terms)

Should

The word “should” indicates responsibilities that are presumptively mandatory. The valuer must comply with requirements of this type unless the valuer demonstrates that alternative actions which were followed under the circumstances were sufficient to achieve the objectives of the standards.

In the rare circumstances in which the valuer believes the objectives of the standard can be met by alternative means, the valuer must document why the indicated action was not deemed to be necessary and/or appropriate. If a standard provides that the valuer “should” consider an action or procedure, consideration of the action or procedure is presumptively mandatory, while the action or procedure is not.

Significant and/or Material

However, that judgement should be made in the following context:

Aspects of a valuation (including inputs, assumptions, special assumptions, and methods and approaches applied) are considered to be significant/material if their application and/or impact on the valuation could reasonably be expected to influence the economic or other decisions of users of the valuation; and judgments about materiality are made in light of the overall valuation engagement and are affected by the size or nature of the subject asset.

As used in these standards, “material/materiality” refers to materiality to the valuation engagement, which may be different from materiality considerations for other purposes, such as financial statements and their audits.

Subject or Subject Asset

These terms refer to the asset(s) valued in a particular valuation engagement.

Valuation

The act or process of determining an opinion or conclusion of value of an asset on a stated basis of value at a specified date in compliance with IVS.

Valuation Approach

In general, a way of estimating value that employs one or more specific valuation methods (see IVS 105 Valuation Approaches and Methods).

Valuation Method

Within valuation approaches, a specific way to estimate a value.

Valuation Purpose or Purpose of Valuation

See “Purpose.”

Valuation Reviewer

A “valuation reviewer” is a professional valuer engaged to review the work of another valuer. As part of a valuation review, that professional may perform certain valuation procedures and/or provide an opinion of value.

Value

The opinion resulting from a valuation process that is compliant with IVS. It is an estimate of either the most probable monetary consideration for an interest in an asset or the economic benefits of holding an interest in an asset on a stated basis of value.

Valuer

A “valuer” is an individual, group of individuals or individual within an entity, regardless of whether employed (internal) or engaged (contracted/external), possessing the necessary qualifications, ability and experience to execute a valuation in an objective, unbiased, ethical and competent manner. In some jurisdictions, licensing is required before one can act as a valuer.



Appendix C (Technical and Professional Terms)

Weight

The word “weight” refers to the amount of reliance placed on a particular indication of value in reaching a conclusion of value (eg, when a single method is used, it is afforded 100% weight).

Weighting

The word “weighting” refers to the process of analysing and reconciling differing indications of values, typically from different methods and/or approaches. This process does not include the averaging of valuations, which is not acceptable.

Worth

See investment value.

Conclusion

At the end of the report, we would like to affirm the following:

- * Analyses and conclusions are solely based on disclosed assumptions and conditions.
- * Barcode valuers have no vested interest in the valuation.
- * Barcode valuers possess all the qualifications necessary for compiling this report
- * The team has the requisite experience to carry out this task.
- * Site inspections have been conducted by Barcode team

We are confident that the valuation was conducted in accordance with the international valuation standards. For any inquiries, please contact us through the provided contact information below.

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