



WHITE CUBES

REAL ESTATE VALUATION REPORT

Al Khabeer Capital

Vision College - Riyadh (Previously Al Farabi)

Awal Al Malqa Real Estate Company

Riyadh City
December 2023



رؤية
VISION
2030
المملكة العربية السعودية
KINGDOM OF SAUDI ARABIA

REAL ESTATE
VALUATION REPORT

REF: 23-0907

Code:

Date: 31/12/2023

Subject: Valuation Report for Vision College (Previously Al Farabi) in Riyadh City, Saudi Arabia.

Dear Awal Al Malqa Real Estate Company,

In accordance with your approved request dated 30th of October 2023, we are pleased to present you with a comprehensive report on the evaluated property. This report encompasses a thorough market analysis, an economic analysis, and a detailed description of the valuation methods employed.

At WHITE CUBES, we prioritize the utmost confidentiality of our clients' information. Rest assured that we maintain strict confidentiality protocols to safeguard the privacy of all client data. Furthermore, our commitment to complete impartiality ensures an unbiased evaluation process. There are no shared interests between WHITE CUBES and the client, ensuring transparency and objectivity throughout the valuation process.

WHITE CUBES Consulting Services Co.

Essam Mohammad Al Husaini – President

Fellow Member of the Saudi Authority of Accredited Valuers

License No. 1210000474

Issued: 01/08/1437 Exp: 24/08/1447

WHITE CUBES Co. Real Estate Valuation Membership No: 11000171

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EXECUTIVE SUMMARY

EXECUTIVE
SUMMARY

Executive Summary

Reference No.	23-0907
Dep. Code	
Report Type	Detailed Report.
Client	Awal Al Malqa Real Estate Company.
Report user	The Client, The Auditors.
Other users	Investors or individuals interested in making investments.
Purpose of Valuation	Inclusion in financial statements.
Subject Property	Educational Facility.
Property Location	Ishbilyah district, Riyadh City.
Title Deed No.	498507005691
Title Deed Date	04/06/1442
Ownership Type	Title deed-restricted
Limitations	Mortgaged to Al Rajhi Banking Investment Company.
Owner	Awal Al Malqa Real Estate Company.
Land Use	Educational
Land Area (Sqm)	The land has an area size of 17,046 Sqm
BUA (Sqm)	As per the provided construction permit, the total BUA is 44,657.01 Sqm.
GLA (Sqm)	Based on the leasing contract provided by the client, the subject property is fully leased to one tenant.
Basis of Value	Fair Value.
Value Hypothesis	Current use.
Valuation Approach	Market Approach, Cost Approach and Income Approach (Cap Rate).
Currency	Saudi Arabian Riyal
Final Property Value	SAR 213,330,000
Report Date	31/12/2023
Valuation Date	30/11/2023
Inspection Date	20/11/2023



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SCOPE OF WORK

SCOPE OF
WORK

Scope of Work

1.1 Introduction

This report was prepared by WHITE CUBES Co. based on the International Valuation Standards of the Council of International Assessment Standards (IVSC 2022) and the Guide to Practice and Regulations issued by the Saudi Authority of Accredited Valuers (Taqeem), to ensure accurate access to information, the evaluation report must be read in its entirety, our firm is pleased to offer its services to:

Awal Al Malqa Real Estate Company in order to estimate the **fair value** of the property that is being evaluated.

1.2 Purpose of valuation

The client requested that we evaluate the subject properties for **Inclusion in financial statements**.

1.3 Basis of Valuation

Fair Value: 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. It is based on the principle of an "exit price,"

1.4 Valuation Methods

Depending on the purpose of the valuation, and upon the request of the client, we will apply **the market approach-comparable method, cost approach-DRC method and Income approach- capitalization method (CAP RATE)**.

1.5 Currency

Unless otherwise stated, all values in the report are in Saudi Arabian Riyals.

1.6 Scope of Research

Research plays a pivotal role in the valuation process as it enables a comprehensive analysis of various factors that can significantly influence the value of a property or asset. Our valuation approach involves conducting extensive research and analysis to ensure a robust evaluation. This includes investigating market conditions, studying comparable sales data, examining key property characteristics, assessing income potential, and considering pertinent legal and regulatory factors. By diligently conducting thorough research, we aim to provide an accurate and well-informed assessment of the property or asset's value in this valuation report.

1.7 Property Inspection

As per the context of this valuation report, involves a comprehensive visit to the subject property for the purpose of assessing its physical attributes, performance, and gathering relevant information. This includes examining quantities, specifications, land area, building areas, rental areas, services, public utilities, and various project components. The inspection carried out on **20/11/2023** provided an opportunity to observe and record the property's specifications. It should be noted that this inspection was not a technical examination but rather a visual overview and documentation of all observed aspects. This information forms the basis for expressing an opinion regarding the property's value in this valuation report.

1.8 Information Sources

A comprehensive on-site field survey was undertaken by our team with the primary objective of verifying the accuracy of crucial market information essential for the evaluation process. This involved gathering data on various factors such as nearby asset prices, occupancy rates, and specific details pertaining to the asset under evaluation. The following sources were diligently utilized during the extensive field research:

1. **Property Records:** Property ownership documents such as title deeds and construction permit.
2. **Market Trends:** In-depth analysis of prevailing market trends to understand the dynamics and influences impacting the asset's value within its specific industry or sector.
3. **Income Analysis:** Rigorous assessment of income-related factors, including revenue streams, operating expenses, and potential cash flows, to gauge the asset's financial performance and viability.
4. **Inspection:** Direct observation and meticulous inspection of the asset, encompassing its physical condition, amenities, and any discernible factors that might influence its market value.
5. **Historical Database:** Reference to our extensive historical database housing information on comparable assets to draw meaningful comparisons and insights into market trends, pricing patterns, and value fluctuation over time.
6. **Specialist Agents:** Consultation and engagement with industry experts and agents specializing in the same type of asset to gain valuable insights, expert opinions, and up-to-date market intelligence.

By employing these comprehensive research methodologies, we have ensured the collection of accurate and relevant data, which forms the basis for determining the true market value of the asset under evaluation.

1.9 Assumptions and Special Assumptions

In accordance with the International Valuation Standards, assumptions play a crucial role in the evaluation process. They are considered logical matters that are accepted as facts during the valuation work, without requiring specific verification. These assumptions are acknowledged as soon as they are mentioned and are based on the factual information available at the time of the valuation. The following assumptions have been made for this evaluation report:

1. **Absolute Ownership:** The property under evaluation is assumed to mortgage to Al Rajhi Banking Investment Company., implying that there are no legal or ownership disputes affecting its market value.
2. **Accuracy of Client Information:** It is assumed that all information provided by the client, whether oral or written, is accurate and up to date as of the date of the evaluation.
3. **Valuation Report Scope:** This report focuses on valuation and does not encompass a structural survey. Therefore, utility checks, service checks, soil tests, and similar assessments have not been conducted.
4. **Market-Based Valuation Methodologies:** The valuation methodologies employed in this report are based on market data compiled using our relevant market knowledge and experience. These methodologies provide a framework for estimating the property's value.
5. **Output and Estimates:** The final value presented in this report is derived from the assumptions used, documents received from the client, and relevant market data. However, it is important to note that the estimated output provides an indication of the property's value and should be interpreted as such.

By acknowledging and incorporating these assumptions into the evaluation process, we aim to provide a comprehensive and reliable assessment of the property's market value.

1.10 Use, Distribution, and Publication Restrictions

This report has been prepared by WHITE CUBES Co. to determine the fair value of the assets under evaluation. Please note that there are limitations on the transfer, referencing, and disclosure of this report and its contents to any third party, except as explicitly stated in the contract letter. Any use of this report for purposes other than those specified herein requires prior written consent from WHITE CUBES Co.

1.11 Legal Notes

To the best of our knowledge, there are no ongoing or pending legal notices served on the property, as per the information accessible to us at this time.



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PROPERTY DETAILS

PROPERTY
DETAILS

Property and Location Description

2.1 Property Description

The subject property is Vision College (Previously Al Farabi) educational facility in Ishbiliyah district, Riyadh city. Based on the provided copy of the title deed and the construction permit, the property has a total land area of 17,046 Sqm, and a total BUA of 44,656.92 Sqm. During our site inspection conducted for the purpose of valuation, it was observed that the property is open on 2 sides, allowing ample natural light and ventilation. Notably, the property offers a direct view of Al Bahar Al Arabi Road from the western side, enhancing its desirability and potential accessibility.

2.2 Surrounding Area

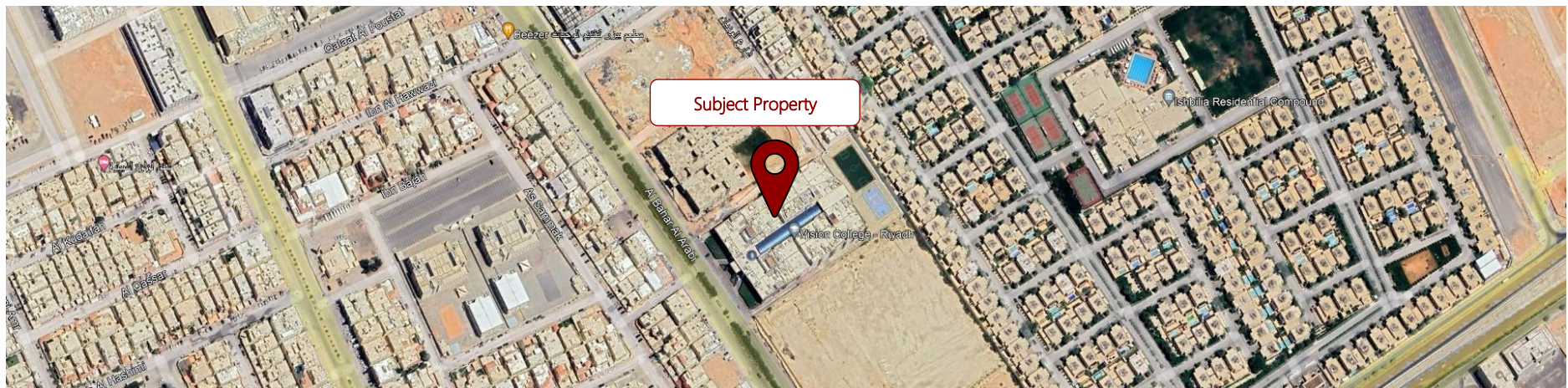
The subject property is primarily surrounded by several residential and commercial buildings, adding to its appeal and potential opportunities.

2.3 Ease of Access

The access level of the subject property is classified as high due to its location on Al Bahar Al Arabi Road.

2.4 Infrastructure

All the infrastructural facilities are available in the surroundings and connected to the subject property.



2.5 Title Deed and Ownership

The client has provided us with a copy of the title deeds pertaining to the subject property, which is jointly owned by one title deeds. Here are the details of the subject property:

City	Riyadh	Land Area	17,046 Sqm
District	Ishbilyah	Plot No.	4
T.D Type	Electronic	Block No.	---
T.D Number	498507005691	Layout No.	---
T.D Date	04/06/1442	Ownership Type	Mortgage
Owner	Awal Al Malqa Real Estate Company	Limitation of Document	Mortgage to Al Rajhi Banking Investment Company.
Issued From	Notarized by Abdul Rahman Suliman Aba Al Khail.		
North Side	15 meters street	East Side	Private property
South Side	Plot# 5	West Side	40 meters street

Note: The client has provided us with a copy of the Title Deed which was assumed to be correct and authentic. It is not in our scope to run legal diagnosis on any legal document.

2.6 Construction and Buildings

The building permit indicates the maximum permissible BUA approved by the city municipality. However, the actual area may differ from the area mentioned in the building permit. Therefore, the Client has provided us with a copy of the Construction Permit issued by Riyadh Municipality with the below details:

Subject Property	
Construction Permit Type	Renewed Permit
Property Type	Educational Facility
Construction Permit No.	1433/1470
Construction Permit Date	05/03/1439

Description	No. of Units	Area (sqm)	Use
Ground Floor	1	9,440.25	Educational
Basement 2	0	10,414.69	Parking
Basement 1	0	10,357.19	Parking
First Floor	1	9,254.32	Educational
Electricity Chamber	0	20.00	Electricity
Annexes	1	4627.16	Educational
Fences	1	543.40	Fences
Total BAU (sqm)		44,657.01	

2.7 Photographs of the Subject Property





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MARKET INDICATORS

MARKET
INDICATORS

Market Indicators

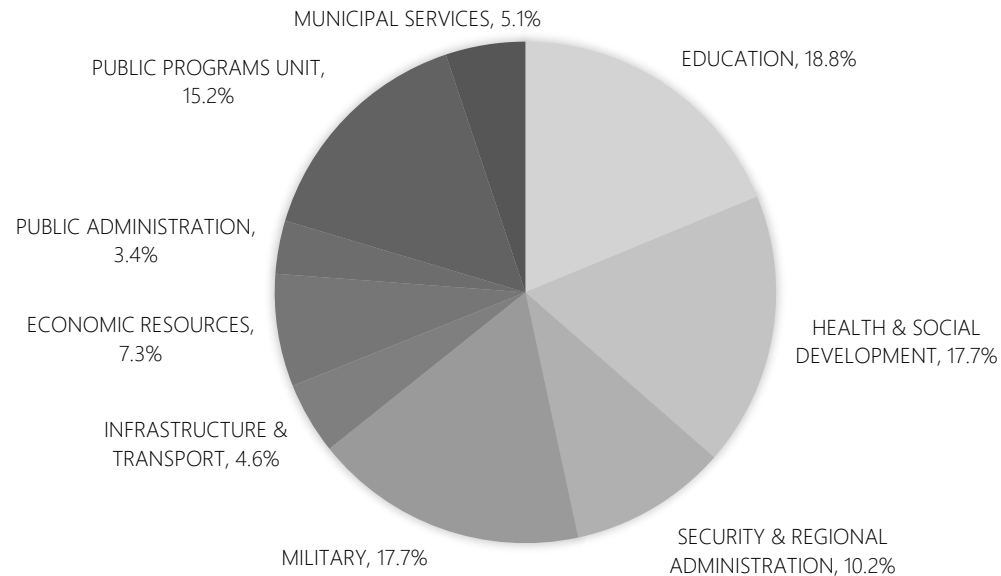
3.1 Saudi Arabia Economic Indicators

Economic Indicator	Budget	Expectations	Estimated	
	2022	2023	2024	2025
Total revenue	1,234	1,130	1,146	1,205
Total expenses	1,132	1,114	1,125	1,134
Budget surplus	102	16	21	71
Debt	985	951	959	962
GDP growth	8.5%	3.1%	5.7%	4.5%
Nominal gross domestic product	3,957	3,869	3,966	4,247
Inflation	2.6%	2.1%	2.1%	2.0%

3.2 Budget Allocation for 2022

Public Administration	37 SAR bn
Military	259 SAR bn
Security & Regional Adm.	105 SAR bn
Municipal Services	63 SAR bn
Education	189 SAR bn
Health & Social Dev.	189 SAR bn
Economic Resources	72 SAR bn
Infrastructure Transport	34 SAR bn
General Items	165 SAR bn

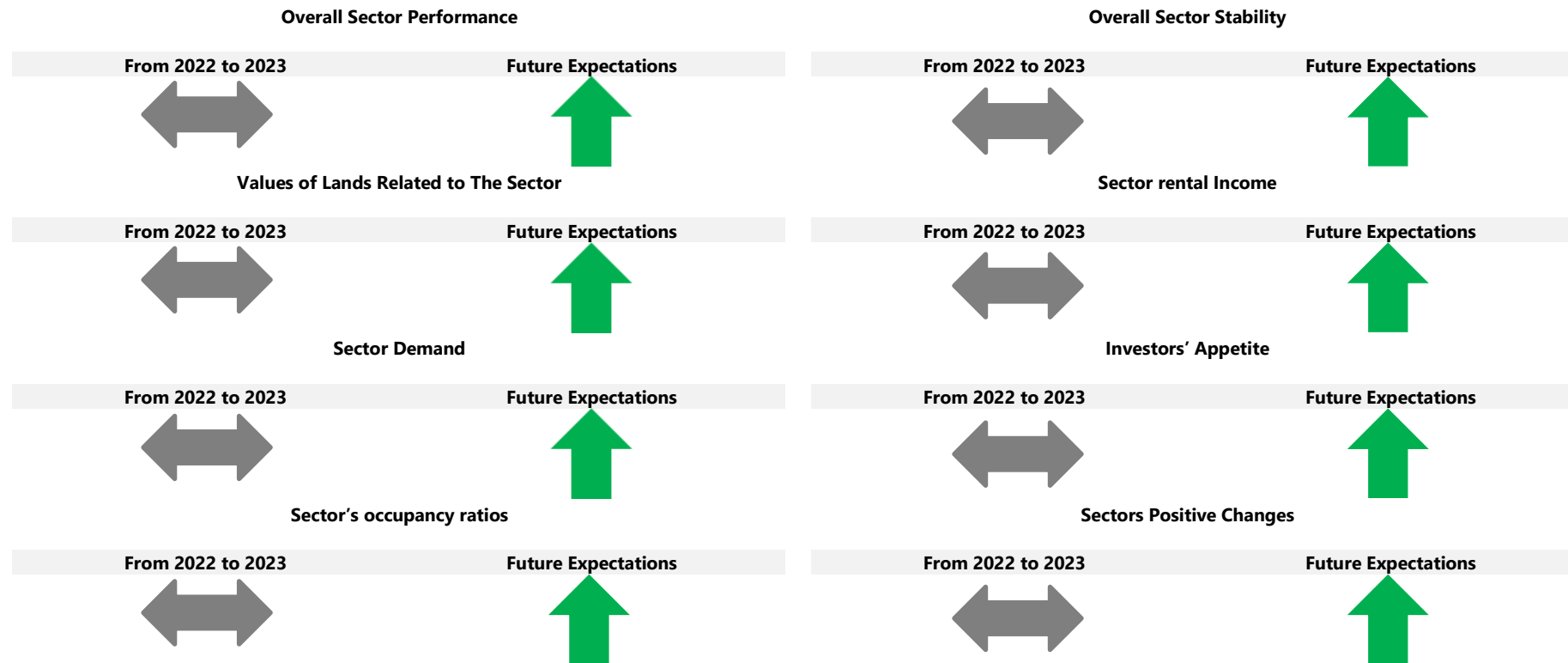
Source: Ministry of Finance



3.3 Sector Brief

In the following we will insert general information about the real estate sector related to the property subject of our valuation and which is intended to give an initial indication of the sector. These information and indicators are estimated based on our experience, the current sector performance and some other historical data collected from our side, In addition to some current economic changes in general.

-  Indicator showing a decrease in the current performance comparing to last year
-  Indicator showing an increase in the current performance comparing to last year
-  Indicator showing a stable position in the current performance comparing to last year



White Cubes Team's Analysis

3.4 Risk Analysis

- Sector Analysis

Risk Factor	Very Low Risk (1) 1-6	Minimal Risk (2) 7-12	Medium Risk (3) 13-18	Elevated Risk (4) 19-24	Very High Risk (5) 25-30
Overall, Economy	----	----	✓	----	----
Sector Current Performance	----	----	✓	----	----
Sector Future Performance	----	✓	----	----	----
Occupancy Rates	----	----	✓	----	----
Supply Rate	----	----	✓	----	----
Demand Rate	----	----	✓	----	----
Total Risk	0	2	15	0	0

Risk Category 17 Risk Points - Medium Risk

-Land Analysis

Risk Factor	Very Low Risk (1) 1-5	Minimal Risk (2) 6-10	Medium Risk (3) 11-15	Elevated Risk (4) 16-20	Very High Risk (5) 21-25
Access	----	✓	----	----	----
Location	----	✓	----	----	----
Land Shape	----	✓	----	----	----
Surrounding Area facilities	----	✓	----	----	----
Total Risk	0	8	0	0	0

Risk Category 8 Risk Points – Minimal Risk

-Property Analysis

Risk Factor	Very Low Risk (1) 1-3	Minimal Risk (2) 4-6	Medium Risk (3) 7-9	Elevated Risk (4) 10-12	Very High Risk (5) 13-15
Facilities & Amenities	----	----	✓	----	----
Management Skills	----	----	✓	----	----
Overall Condition	----	✓	----	----	----
Total Risk	0	2	6	0	0

Risk Category 8 Risk Points - Medium Risk



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PROPERTY VALUATION

PROPERTY
VALUATION

Property Valuation

4.1 Valuation Methods

With reference to the valuation purpose, taking into consideration the nature of the subject property, we will use the following ticked methods to estimate the fair value of the subject property:

	Market Approach	Cost Approach	Income Approach			
	Comparable method	DRC method	DCF method	Invest. method	Cap. Rate method	RLV method
Land	✓	----	----	----	----	----
Buildings	----	✓	----	----	----	----
Property	----	----	----	----	✓	----

COMPARABLE METHOD

This is the method most are familiar with as it is the accepted method for valuing residential real estate. Typically, this method involves selecting properties with similar characteristics in the same market area that have recently sold. Once those properties are found they are compared to the property in question and a professional appraiser will deduct value from the subject property for comparative deficiencies and increase value for advantages. Typically, this method is required if the investor is seeking conventional financing. For comparable information, property brokers, dealers and estate agents are contacted to ascertain the asking and selling prices for property of the nature in the immediate neighborhood and adjoining areas. Neighboring properties, which have been recently sold or purchased, are investigated to ascertain a reasonable selling price.

DEPRECIATED REPLACEMENT COST (DRC)

A cost approach is a real estate valuation method that surmises that the price someone should pay for a piece of property should not exceed what someone would have to pay to build an equivalent building. In cost approach pricing, the market price for the property is equivalent to the cost of land plus cost of construction, less depreciation. It is often most accurate for fair value when the property is new. Generally, the cost approach considers what the land, devoid of any structures, would cost, then adds the cost of building the structures, then depreciation is subtracted. The cost approach is most often used for public buildings, such as schools and mosques, because it is difficult to find recently sold comparable properties in the local market, and public buildings do not earn income, so the income approach cannot be used, either. A property that already has improvements will usually contribute a certain amount of value to the site, but improvements can also lower property value if the site's potential buyers wish to use the property for another use that would entail removing some of the improvements to the current site. The cost approach is best used when improvements are new and there is adequate pricing information to value the property components. The cost

approach may be less desirable if there are no recent sales of vacant land for which to compare, since the major method of valuing vacant lands is to use the sales comparison approach, or when construction costs are not readily available. The cost approach method includes:

- Estimate what the vacant property would be worth.
- Estimate the current cost of building the structures, then add that value to the value of the vacant land.
- Estimate the amount of accrued depreciation of the subject property, then subtract it from the total to arrive at the property's worth.

CAPITALIZATION METHOD (CAP RATE)

The income approach values property by the amount of income that it can potentially generate. Hence, this method is used for apartments, office buildings, malls, and other property that generates a regular income.

The appraiser calculates the income according to the following steps:

- Estimate the potential annual gross income by doing market studies to determine what the property could earn, which may not be the same as what it is currently earning.
- The effective gross income is calculated by subtracting the vacancy rate and rent loss as estimated by the appraiser using market studies.
- The net operating income (NOI) is then calculated by subtracting the annual operating expenses from the effective gross income. Annual operating expenses include real estate taxes, insurance, utilities, maintenance, repairs, advertising, and management expenses. Management expenses are included even if the owner is going to manage it, since the owner incurs an opportunity cost by managing it herself. The cost of capital items is not included since it is not an operating expense. Hence, it does not include mortgage and interest since this is a debt payment on a capital item.

Estimate the capitalization rate (aka cap rate), which is the rate of return, or yield, that other investors of property are getting in the local market.

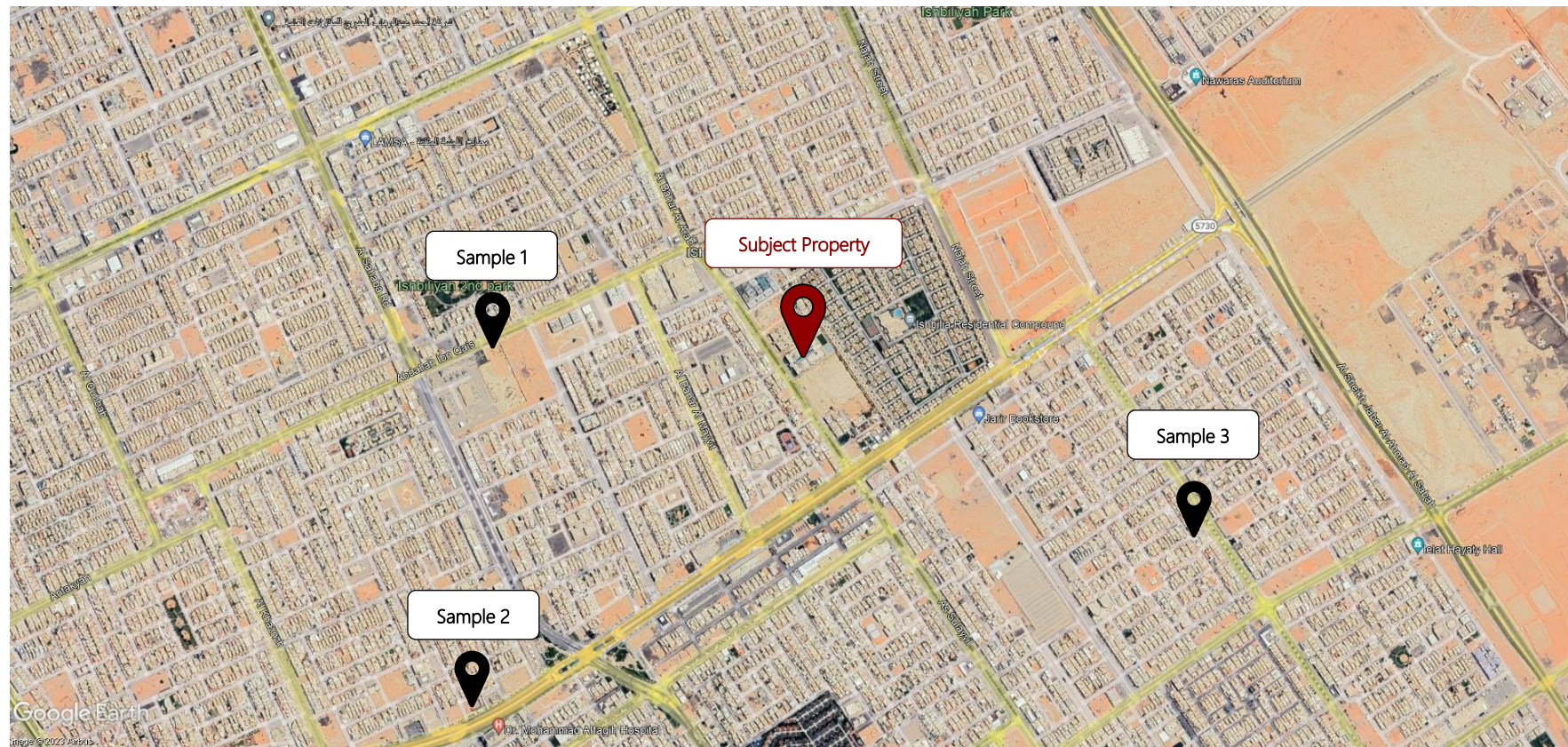
4.2 Comparable Method

This method aims to collect data and information on actual sales and / or current offers of similar properties within the surrounding market, and then make the necessary adjustments to these comparisons in terms of area, location, shape, quality, content, and others. Below is a summary of the valuation process using the comparable method and the amendments made to the available comparisons.

Characteristics of Samples							
Feature	Subject Property	Sample 1		Sample 2		Sample 3	
Quoting	-----	Offering		Offering		Offering	
City	Riyadh	Riyadh		Riyadh		Riyadh	
Sale Price	-----	SAR 7,520,000		SAR 9,506,000		SAR 8,754,000	
Data Source	Client	Market Survey		Market Survey		Market Survey	
Area Size	17,046.00	1,890.00		2,840.00		2,460.00	
SAR / Sqm	-----	SAR 3,979		SAR 3,347		SAR 3,559	
Market Conditions Adjustment Analysis							
	Subject Property	Sample 1		Sample 2		Sample 3	
SAR/ Sqm before Adj.	-----	SAR 3,978.8		SAR 3,347.2		SAR 3,558.5	
Mortgage	-----	Cash	0.00%	Cash	0.00%	Cash	0.00%
Market Conditions	-----	-----	0.00%	-----	0.00%	-----	0.00%
Total Adjustments Ratio			0.00%		0.00%		0.00%
Total Adjustment Amount			SAR 0.00		SAR 0.00		SAR 0.00
Net After Adjustment			SAR 3,978.84		SAR 3,347.18		SAR 3,558.54
Location Adjustment Analysis							
	Subject Property	Sample 1		Sample 2		Sample 3	
Area Size	17,046.00	1,890.00	0.00%	2,840.00	0.00%	2,460.00	0.00%
Location Desirability	Average	Average	0.00%	Average	0.00%	Average	0.00%
Accessibility	Average	Average	0.00%	Average	0.00%	Average	0.00%
Main Street Width (m)	40	40	0.00%	40	0.00%	40	0.00%
Sides Open	2	2	0.00%	2	0.00%	2	0.00%
Land Shape	Regular	Regular	0.00%	Regular	0.00%	Regular	0.00%
Close to main street	Yes	Yes	0.00%	Yes	0.00%	Yes	0.00%
Total Adjustments Ratio			0.00%		0.00%		0.00%
Total Adjustment Amount			SAR 0.0		SAR 0.0		SAR 0.0
Net After Adjustment			SAR 3,978.8		SAR 3,347.2		SAR 3,558.5
Weighted Mean			15%		15%		70%
			SAR 596.83		SAR 502.08		SAR 2,490.98
SAR / Sqm	SAR 3,590						
Rounded Value	SAR 3,600						

Property Value	Sensitivity Analysis					
		-10%	-5%	0%	5%	10%
SAR 61,370,000	Land Area	17,046	17,046	17,046	17,046	17,046
	SAR / Sqm	SAR 3,240.0	SAR 3,420.0	SAR 3,600.0	SAR 3,780.0	SAR 3,960.0
	Property Value	SAR 55,229,040	SAR 58,297,320	SAR 61,365,600	SAR 64,433,880	SAR 67,502,160

Based on the market samples obtained with the assistance of some real estate experts in the region and the inspection made by our team, the average price for similar properties falls in the range of 3,200 - 4,000 SAR / Sqm with an average of 3,600 SAR / Sqm. When comparing with the results of the analysis of comparisons, we found that the property value falls within the same range and is close to the market average values.



4.3 Depreciated Replacement Cost (DRC)

As a first step, the cost of reconstructing the building (the cost of replacement) was estimated, based on the average construction costs of similar properties and at the same level of finishes, services, utilities, and others. The opinion of some engineering experts was used in this regard. The following table shows the expected replacement costs for such property.

	Min Cost (SAR / Sqm)	Max Cost (SAR / Sqm)	Average Cost
Concrete Cost	SAR 800	SAR 1,000	SAR 900
MEP	SAR 400	SAR 600	SAR 500
Finishing Materials	SAR 1,100	SAR 1,300	SAR 1,200
Site Improvements	SAR 80	SAR 120	SAR 100
Developer Profit	18%	22%	20%

We will estimate the direct replacement cost of the property taking into consideration the main components of the building, such as the concrete structure, electromechanical work, finishes, site improvements, etc. Then we will estimate the value of the indirect costs as a percentage of the total direct costs to estimate the total construction costs of the project

Land			
Land Area	SAR / Sqm		Total Value
17,046.00	SAR 3,600		SAR 61,365,600
Building			
	Unit		Total BUA
Basement	Sqm		20,771.79
Upper Floor	Sqm		23,885.13
Total (SQM)	44,656.92		

Development Cost					
Hard Cost - (Upper Floors)					
	Area	SAR / Sqm	Total	Completion Rate	Total Cost
Skeleton and Block	23,885.13	SAR 900	SAR 21,496,617	100%	SAR 21,496,617
Electro Mechanic	23,885.13	SAR 500	SAR 11,942,565	100%	SAR 11,942,565
Finishing	23,885.13	SAR 1,200	SAR 28,662,156	100%	SAR 28,662,156
Site Improvement	17,046.00	SAR 100	SAR 1,704,600	100%	SAR 1,704,600
Total			SAR 63,805,938	100%	SAR 63,805,938
Hard Cost - (Underground)					
	Area	SAR / Sqm	Total	Completion Rate	Total Cost
Skeleton & Block	20,771.79	SAR 1,200	SAR 24,926,148	100%	SAR 24,926,148
Electro Mechanic	20,771.79	SAR 500	SAR 10,385,895	100%	SAR 10,385,895
Finishing	20,771.79	SAR 200	SAR 4,154,358	100%	SAR 4,154,358
Total			SAR 39,466,401	100%	SAR 39,466,401

Overall Soft Cost					
			Total Hard Cost	Ratio	Soft Cost
Initial Project Pre Cost			SAR 103,272,339	1.00%	SAR 1,032,723
Design			SAR 103,272,339	1.00%	SAR 1,032,723
Eng Consultant			SAR 103,272,339	2.00%	SAR 2,065,447
Management			SAR 103,272,339	2.00%	SAR 2,065,447
Contingency			SAR 103,272,339	5.00%	SAR 5,163,617
TOTAL				11.00%	SAR 11,359,957.29
Total Hard Cost	SAR 103,272,339			BUA	44,656.92
Total Soft Cost	SAR 11,359,957.29			SAR / Sqm	SAR 2,567
Total Construction Cost	SAR 114,632,296.29			Overall Completion	100%

After knowing the total construction costs at a rate of 2,563 SAR per square meter, we will estimate the economic life of the property according to the type of construction and its general condition, then apply the depreciation rates based on the actual age of the property. The developer's profitability will be added to the property's value after depreciation to reflect the estimated fair value of the building.

DEVELOPMENT VALUE					
Total Dev Cost	SAR 114,632,296	Annual Dep Rate	2.2%		
Total Completion Rate	100.00%	Actual Age	11		
Developer Profit Rate	20.0%	Total Dep Rate	24.44%		
Dev. Profit Amount	SAR 22,926,459	Add Appr Rate	0.50%		
Development Value	SAR 137,558,756	Net Dep Rate	23.94%		
Economic Age	45	Cost After Depreciation	SAR 104,621,076		

In order to determine the full value of the property, the construction costs will be added to the fair value of the land as follows:

Total Dev. Value	Land Value	Total Property Value	Rounded Value
SAR 104,621,076	SAR 61,365,600	SAR 165,986,676	SAR 166,000,000

4.4 Income Approach

Market Capitalization Rate Analysis

Based on recent deals from the sale of similar real estate and real estate funds, we found that the operating rate of return, or the so-called capitalization rate, on the basis of which the commercial exchange for similar real estate ranges from 7% to 8%. Where this average is affected by rise and fall due to several factors, including the quality of the building's finishing, the general location, the ease of access to the property, the actual age of the property, the size of the project, and the extent of income stability in it. In addition to the above, the capitalization rates are also affected directly by the supply and demand rates for the same type of real estate.

The Capitalization Rate Used for the Valuation

With regard to the capitalization rate used in the valuation, we will base our analysis on the average capitalization rates based on the market and then make some adjustments based on the property situation in terms of its characteristics, location and some other important elements.

Project	Sample 1	Sample 2	Sample 3
Sale Price	188,540,000	98,950,000	143,670,000
Revenue	14,140,500	7,916,000	10,056,900
Cap Rate	7.50%	8.00%	7.00%
Average Cap Rate	7.50%		

As per the client, and as per the signed leasing contract, promissory notes have been signed by the tenant for the contract duration which guarantees more stability of the project's revenue stream. Based on that, this will affect the used cap rate to be lower than the market average (cap rate used at 7.5%)

Occupancy Rates in the Project

The subject property is fully rented to one tenant (Vision College). The details of the leasing contract is as follows:

Owner (1 st Party)	شركة المقصد العقارية
Tenant (2 nd Party)	شركة كليات الرؤية للتعليم
Contract Starting Date	06/06/2022
Contract Duration	25 Years
Rent Increase Role	5% every 5 years.

As for the annual rent of the subject property, the following tables shows the rent escalation on yearly bases:

Year	Annual Rent	Year	Annual Rent	Year	Annual Rent
2020	SAR 16,000,000	2029	SAR 16,800,000	2037	SAR 18,522,000
2021	SAR 16,000,000	2030	SAR 17,640,000	2038	SAR 18,522,000
2022	SAR 16,000,000	2031	SAR 17,640,000	2039	SAR 18,522,000
2023	SAR 16,000,000	2032	SAR 17,640,000	2040	SAR 19,448,100
2024	SAR 16,000,000	2033	SAR 17,640,000	2041	SAR 19,448,100
2025	SAR 16,800,000	2034	SAR 17,640,000	2042	SAR 19,448,100
2026	SAR 16,800,000	2035	SAR 18,522,000	2043	SAR 19,448,100
2027	SAR 16,800,000	2036	SAR 18,522,000	2044	SAR 19,448,100
2028	SAR 16,800,000				

Revenues					
Unit Type	Quantity		Revenues		Total Revenues
	Total GLA	No of Units	SAR / Sqm	SAR / Unit	
Educational Facility	The subject property is Fully leased to 1 tenant				SAR 16,000,000
				Total Revenues	SAR 16,000,000
Expenses					
Unit Type	Management	Utilities	Maintenance	Others	Total Expenses
Educational Facility	0.00%	0.00%	0.00%	0.00%	0.00%
				Total Expenses	0.00%
Net Operating Income					
Unit Type	Total Revenues		Total Expenses		NOI
Educational Facility	SAR 16,000,000		0.00%		SAR 16,000,000
				Total	SAR 16,000,000
Total Property Revenues					SAR 16,000,000
Total Property Expenses					SAR 0
Net Operating Income					SAR 16,000,000.00
Net Operating Income	Cap Rate		Property Value		Rounded Value
SAR 16,000,000.00	7.50%		213,333,333.33 SAR		SAR 213,330,000.00

4.5 Subject Property Value in Different Approaches

Methodology	Subject of Valuation	Value in Numbers	Value in Letters
Comparable	Land	SAR 61,370,000	Sixty-One Million Three Hundred Seventy Thousand Saudi Riyals
DRC Approach	Land + Building	SAR 166,000,000	One Hundred Sixty-Six Million Saudi Riyals
Income- Contracts	Property	SAR 213,330,000	Two Hundred Thirteen Million Three Hundred Thirty Thousand Saudi Riyals

4.6 Subject Property Value

Based on our analysis utilizing the income approach capitalization method (CAP RATE) and considering the intended purpose of valuation, we have reached the conclusion that the total fair value of the subject property is as follows:

Property Value: SAR 213,330,000
Two Hundred Thirteen Million Three Hundred Thirty Thousand Saudi Riyals.

4.7 Accredited Valuers

Essam M. Al Husaini
 President



Fellow Member of (RE Valuation)
 License No. 1210000474

Nabeel M. Al Husaini
 CEO



Member of (RE Valuation)
 License No. 1210002782

Farah E. Al Husaini
 Valuation Manager



Member of (RE Valuation)
 License No. 1210001964

Abdulrahman A. Al Rajih
 Valuer



Fellow Member of (RE Valuation)
 License No. 1210002523

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4.8 Conclusion

In conclusion, this evaluation report offers a comprehensive assessment of the subject property's value, considering pertinent factors and adhering to established valuation standards. The information contained in this report is confidential and intended exclusively for the client's review and consideration. Reproduction or distribution of this report necessitates written consent from the valuer.

It is important to note that the value presented in this report is based on the available information and professional expertise. However, it is subject to limitations and external factors that may influence the property's value.



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DOCUMENTS

DOCUMENTS

Documents Received

5.1 Title deed and Construction Permit

رقم الصك: 498507005691

القاريه: 1442/06/04 هـ

وزارة العدل
عبد الرحمن سليمان بن عثمان ابوالخيل
الرياض
ترخيص رقم 40/1738

صک رہن

الحمد لله وحده والصلاة والسلام على من لا نبي بعده، وبعد:
فإن قطعة الأرض رقم 4 من أصل الأرض رقم بدون الوافع في حي الشيبليا بمدينة الرياض . وحودها واطولها :
شمالا: شارع عرض 45م بطول 180 مائة وثمانون متر
جنوبا: قطعة رقم5 بطول 180 مائة وثمانون متر
شرقا: جاز بطول 94.7 أربعة وتسعون متر و سبعون سنتيمتر
غربا: شارع عرض40م بطول 94.7 أربعة وتسعون متر و سبعون سنتيمتر
ومساحتها 17046 سبعة عشر ألف و ستة و أربعون متر مربعا
المعلومة لشركة أول المثلث العقارية بموجب سجل تجاري رقم
1010893802 بموجب الصك الصادر من الموثقين بالرياض3032 رقم 4932250003 في 26 / 01 / 1442 قد تم رزها وما
أقيم أو يساقم عليها من بناء لصالح / شركة الراجحي للتطوير المحدودة بموجب سجل تجاري رقم 1010158249 ضمن اللواء
4200000000 قفص الرضاعة و ضررون مليون ريال سعودي لا غير . سبب الرهن : أداء ضمان اللوواء بالمديونية تسدد كل 6 أشهر
وفي حالة عدم السداد للقترضين بيع القطار بالقيمة التي تنتهي عنها الرغبات، واستيفاء مالي ثمة الزاهن من مبلغ وما نقص يرجع
فيه عليه بعد اكمال مايلزم شرعا. وعليه جرى التصديق تحريرا في 06 / 06 / 1442 لا عتادة ،وصلى الله على نبينا محمد وآله
وصحبه وسلم

الموثنى

الختم الرسمي

عبدالرحمن سليمان بن عثمان ابوالخيل

[illegible]

5.2 Real Estate Valuation License





وزارة التجارة والاستثمار
Ministry of Commerce and Investment

ترخيص مزاولة مهنة لفرع تقييم العقارات

المقر الرئيسي: الرياض

فئة العضوية: أساسي

رقم الترخيص 1210000474 تاريخ إصداره 1437/8/1 هـ تاريخ انتهائه 1447/8/24 هـ

يرخص **عصام محمد عبدالله الحسيني** (سعودي الجنسية) سجل مدني رقم 1044275947 لمزاولة المهنة

وقد منح هذا الترخيص بعد أن استوفى شروط القيد الواردة في المادة الخامسة من نظام المقيمين المعتمدين الصادر بالمرسوم الملكي رقم (م/43) وتاريخ 1433/07/9 هـ بموجب قرار لجنة قيد المقيمين رقم (95/ق/42) وتاريخ 1442/5/22 هـ

رئيس لجنة قيد المقيمين



أ. وليد بن عبدالله الرويشد

ختم الوزارة



وزارة التجارة والاستثمار
Ministry of Commerce and Investment
إدارة المهن الاستشارية





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