

Client: Musharaka Capital (CJSC)

Property: Logistics Warehouse, Plot 591-8404, Jebel Ali First, Dubai, UAE

08 August 2023 | Our Ref. V23-0200



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# 1 Terms of Engagement

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## 1.1 Instructions

We refer to the instructions received from Musharaka Capital (CJSC) (“Client”/ “you”) requesting JLL Valuation L.L.C (“JLL”/ “we”/ “our”) to provide a market valuation of the freehold interest in the logistics warehouse constructed on (the “Property”).

Our report is prepared in accordance with JLL’s “General Principals Adopted in the Preparation of Valuations and Reports”, as outlined in Appendix B.

## 1.2 Purpose of Valuation

Our valuation is provided for internal management decision-making purposes and in relation to Saudi Arabian Capital Markets Authority (“CMA”) compliance only. Our valuation report will be provided for this purpose only and should not be published or disclosed to any party.

## 1.3 Valuation Standards

The Valuation assignment will be undertaken in accordance with the Royal Institution of Chartered Surveyors Valuation – Global Standards effective 31<sup>st</sup> January 2022 (“the Standards”) incorporating the International Valuation Standards (IVS) with the same effective date. Our valuations may be subject to monitoring by the RICS and the Dubai Land Department (DLD).

## 1.4 Interest to be Valued

We have provided our opinion of Market Value of the freehold interest in the Property free of any encumbrances or third-party interests.

## 1.5 Basis of Valuation

We have prepared our valuation on the basis of Market Value that is defined by the RICS and IVSC as:

*“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.”*

No allowance has been made for any costs of realisation, acquisition or taxation, including marketing and legal fees.

## 1.6 Disclosure of Conflicts

JLL has previously provided an opinion of Market Value on the Property for the Client in Q2 2019, Q4 2021, and Q2 and Q4 2022. Fees received from the client during the preceding 12 months, relative to our total fee income during the same period, are less than 5%. Which is considered as minimal according to the Standards.

We are not aware of any other previous involvement, existing, or potential conflicts of interest, either on the part of JLL or the individual Valuation team members to be assigned to this project, which would prevent us from providing an independent and objective opinion of value.



## **1.7 Valuation Date**

Our assessment of Market Value is as of 30 June 2023.

## **1.8 Status of Valuer**

We have acted as an External Valuer, defined by the Standards as:

*“A valuer who, together with any associates, has no material links with the client, an agent acting on behalf of the client or the subject of the assignment”.*

The valuation has been prepared by Sarah Meechan AssocRICS and Bater Qassem MRICS, Associate with a review by Youcef El Hachemi MRICS, Director. Together we have the knowledge, skills and understanding required to undertake the valuation competently.

## **1.9 Liability & Reliance**

We extend reliance to our Client only. Notwithstanding any consent by JLL, the Client agrees and acknowledges the report have been prepared solely for the Client, and therefore, JLL accepts no third-party liability, and the Client shall indemnify JLL against any third-party claims, howsoever and whatsoever arising, whether directly or indirectly.

We accept no liability with respect to Clients Information, as such information is considered the responsibility of the Client.

## 2 Property Location and Description

### 2.1 Property Location

The Property is located in DMCC (Dubai Metals and Commodities Centre) in the southwestern area of Dubai. DMCC Free Zone is in a prime location close to the predominantly residential developments of Jumeirah Lakes Towers (JLT) and Discovery Gardens.

The Property is easily accessible via Sheikh Zayed Road (E11) and First Al Khail Street to the east and thereafter by internal estate roads. The Property is approximately 33 km northwest of Al Maktoum International Airport (DWC), and 38 km southwest of Dubai International Airport (DXB).

The surrounding area is predominantly for industrial and commercial use. Notable projects in the same area include Jewellery and Gemplex gold refinery buildings to the south. In addition, three commercial buildings (MTM and Al Etihad gold refinery) are situated on the west and east sides of the Property.

The northern and eastern boundaries of the Property comprise vacant land plots.

The images below show the macro and micro-location of the Property.

#### Macro Location Map



Source: Google Earth maps modified by JLL



## Micro Location Map



Source: Google Earth maps modified by JLL

Please note that the maps above are for indicative purposes only.

## 2.2 Description

The Property is a purpose-built self-storage building completed in 2020 and comprises ground plus three floors. It has a gross floor area (GFA) of 13,426 sq m (144,513 sq ft). The improvements are built on Plot 591-8404, a flat, rectangular-shaped site extending to approximately 5,378 sq m (57,891 sq ft).

The site details from the Dubai Municipality affection plan are summarised in the table below.

Plot No.	Date	Permissible Use	Plot Area (sq m)	Permissible Height	FAR	GFA (sq m)
5918404	29/03/2017	Industrial and Labour Accommodation	5,378.26	G+3	2.42	13,000

Source: Affection Plan

We note that the affection plan states a permissible GFA of 13,000 sq m, whereas the Dubai Municipality approved floor plans show the area extending to 13,426 sq m. The Dubai Municipality floor plans post-date the affection plan and we have been instructed to rely on this area.

The site is accessed via entrance gates located on the eastern boundary and benefits from boundary fencing, drive around access and a parking area with a total of 28 parking spaces.

The building comprises mainly self-storage units and ancillary administration office units. The building is airconditioned (roof top chillers), sprinklered and monitored by security cameras. We have been advised that the Property was completed in February 2020 and has been occupied by The Box Self Storage DMCC since this date. At the date of inspection we were advised that the capacity for storage increased in 2023 (level3 office and VIP room converted to storage lockers) and the occupancy of the storage units was approximately 95%.

We have summarised the Leasable Area of the Property as provided in the floor plans in the table below.

Description	Leasable Area (sq ft)	Leasable Area (sq m)
Ground Floor	36,976	3,435
First Floor	35,804	3,326
Second Floor	35,789	3,325
Third Floor	35,944	3,339
<b>Total</b>	<b>144,513</b>	<b>13,425</b>

Source: Floor Plan

## 2.3 Accommodation

The accommodation has been summarised as follows:

Floor	Accommodations
Basement	Two water tanks
	Pump Room
Ground	Loading/Unloading Bay
	Lobby, administration office, reception, waiting area
	Various partitioned self-storage spaces with external access
	Toilets, pantry
	Substation, LV room, generator room, garbage room
	28 car parking spaces
First	Lobby, six administration offices
	Various partitioned self-storage spaces
	Toilets, pantry
Second	Lobby, offices
	Various partitioned self-storage spaces
	Toilets, pantry
Third	Offices
	Various partitioned self-storage spaces
	Toilets, pantry
Roof	Roof service area

Source: Floor Plans/Inspection

Floor plans of the Property are provided at Appendix F.

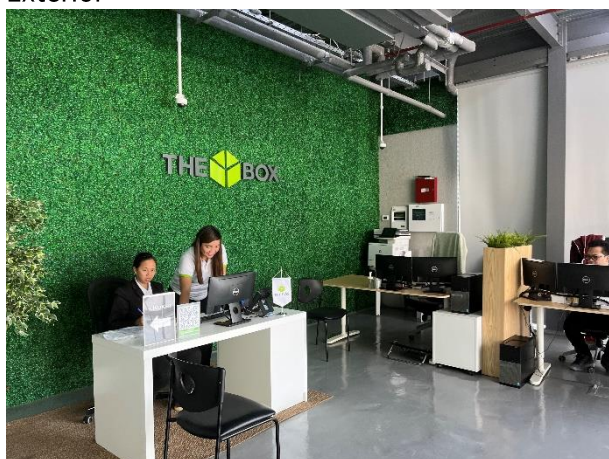




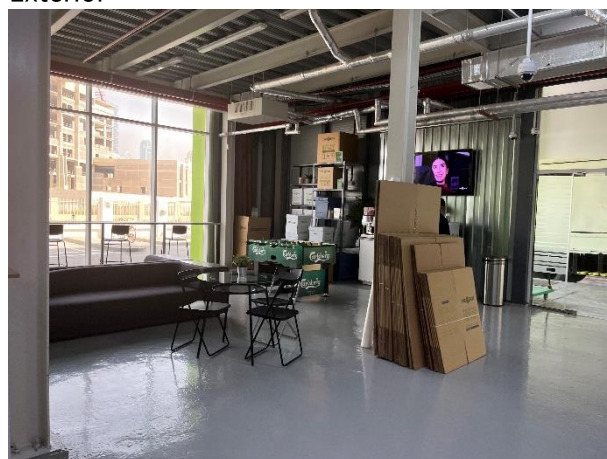
Exterior



Exterior



Reception



Common area



Office Accomodation



Storage Units

### 3 Sources of Investigation

We have reported within the extent of our expertise, on the understanding that you will seek further specialist advice where necessary. Following subsequent detailed investigations, we reserve the right to review and amend our valuation accordingly.

#### 3.1 Information Relied Upon

We have previously been provided with the following information by the Client in respect of the Property:

- Title Deed dated 17 September 2020 prepared by the Dubai Land Department;
- Affection Plan dated 29 March 2017 prepared by Dubai Municipality;
- Sale and Leaseback Agreement between MRCO DMCC and The Box Self Storage Company DMCC dated 07 July 2020;
- Floor plans prepared by Golden Square Engineering Consultants – approved/stamped by Dubai Municipality on 7 July 2018;
- Summary of value of work done (BOQ items) dated 1 December 2019 prepared by Fit it Solution Contracting LLC;
- DMCC Service License issued on 10 August 2020;
- Articles of Association of MRCO DMCC (The “Company”).

We have relied on the information provided to us by you as being accurate and complete and our valuation is based on it without further enquiries as to the matters covered. We will take no responsibility for any misstatement, misrepresentation or omission in the information provided to us or for the subsequent affect that this may have on the figures reported. If the information provided is subsequently shown to be incorrect or incomplete, the accuracy of our valuation may be affected, and we reserve the right to review the assumptions made and adjust our valuation accordingly.

We have made independent enquiries in relation to market conditions and outlook, pricing, and sales using a variety of sources including agents, developers and other active participants in the local property market. We have also had regard to information from reputable data providers.

#### 3.2 Title and Tenure

We have been provided with a copy of the title deed for the Property which we have summarised below.

Issue Date	Community	Plot No.	Municipality No	Area (sq m)	Area (Sq ft)	Owner's numbers and their shares
17/9/2020	Jabal Ali First	267	591-8404	5,378.26	57,891.11	(5468096) MRCO DMCC

We have assumed that private title is held under freehold title, and this is unencumbered by third party interests. We have not therefore undertaken further investigations with the Dubai Land Department.

We recommend that you instruct your legal advisor to undertake these investigations. If at a later date any defects in title or restrictions on the transferability of the Property are proven, this may affect our opinion of value and we reserve the right to review and amend our valuations accordingly.



### 3.3 Lease Agreement

We summarise below the salient terms of the sale and leaseback agreement present at the Property.

The agreement was signed on 07 July 2020 with a lease start being 1 October 2020. We are instructed that is a valid lease agreement between the Client and the lessor The Box Self Storage Company DMCC.

#### **First Party/Landlord:**

MRCO DMCC, a company registered in the trade registry. A partnership registered in Saudi Arabia and is intended to preserve and register the assets.

#### **Second Party/Lessee:**

- A. The Box Self Storage company, under commercial register No. 56222 and dated 31/1/2017 in Dubai City.
- B. Mr. Wadea Fadi Haddad

Property number 267, the storage units are in Jebel Ali area 1 in the Jumeirah area of Dubai, United Arab Emirates, which is made up of a basement level, a ground level, 3 above-ground floors, a parking space consisting of 28 spots, and 2 elevators with only one entrance. Hereinafter referred to as "the property", the second party has expressed its wish to lease the property for the purposes mentioned in this contract, both parties have agreed and therefore the contract was concluded in accordance with the terms of lease.

#### **Clause III: The Subject Matter of the Contract**

1. The first party rents out to the second party, which entitles the activity of leasing the units as individual storage or as it deems appropriate, as well as leasing offices and sports club in the leased units, while doing maintenance, operation and management. The second party is not entitled to modify the activity agreed to or add to it unless the first party's written consent is taken.
2. The second party acknowledges that it has seen the subject of this contract, its components, area, location, borders, descriptions, and surroundings, acknowledging that it is up to date and suitable for its activity, and that there is nothing to find or prevent the party from obeying and accepting them as they are. His signature of this contract is a purely acknowledgment of receipt without observations or reservations.

#### **Clause IV: Receipt and Processing of Leased Units**

1. The leased unit shall be handed over by a signed record of the representatives of the parties with the full information required from the leased unit and without reservations between the other party.
2. The second Party shall not be entitled to put devices that cause greater electrical loads than what will be allocated to the leased unit.
3. The second party is fully responsible for all damage or damage to the leased units because the storage is not used for any finished, hazardous, or miscellaneous items in the leased units or other excretion.
4. The first party shall provide sufficient voltage and power to cover the second Party's activity and in accordance with the standards set by the regulators.
5. The second party acknowledges that it has received the rented units and its current status - incomplete finishing. Thus, any construction understandings that will be made on the leased units to make it usable to the other party will be at the full expense of the other party but will be liquidated directly under the ownership of the first party - the then-leased owner. It is not entitled that the second party may refer to the first Party for any amounts or costs for such construction additions or construction works and equipment.

**Clause V: Duration of the Contract**

1. The second party guarantees performance of the lease and all obligations arising from this contract towards the first party for 10 (ten) years from the date of commencement of the lease.
2. The term of this contract is 25 (twenty-five) years starting from 01 October 2020 to 30 September 2045.
3. The second party alone has the option of extending the lease for an additional five years after the 25 years. Which would entail the term of the lease to be 30 years. If the second party wishes to do this, it is obliged to notify the first party in writing before the end of the twenty-fifth year of the lease by one year.
4. This contract does not end in case of death by the parties, the mental and systemic obligations continue to confront the heirs. This contract shall apply between the parties and their public and private successors to the effect that the heirs or partners of the other party may not change the activity of the leased units except with the written consent of the first party. If the property or interest of the unit is recovered or restricted by the contract then the owner shall act as a carrier of the property, all obligations, terms and conditions under this contract shall remain binding, valid and critical in the face of the transfer of ownership.

**Clause VI: Rental Wage Value and Guarantee of Repayment**

The two parties agree that the total annual rental value of the first five years to a total of twenty million dirhams by only (4,000,000) four million Emirati dirhams per annum, to be paid in one full payment on the first year and the remaining payments for the second, third, fourth and fifth year will be divided bi-annually. The first instalment is due at the beginning of the second year and the second instalment is due after six months, according to the table below. From year 6 onwards rental uplifts exist of 10% every 5 years.

Period/Instalment	Annual Rent (AED pa)	Date
First Year	4,000,000	01-10-20 (On commencement date)
Second Year (1st Instalment)	2,000,000	01-10-21
Second Year (2nd Instalment)	2,000,000	01-04-22
Third Year (1st Instalment)	2,000,000	01-10-22
Third Year (2nd Instalment)	2,000,000	01-04-23
Fourth Year (1st Instalment)	2,000,000	01-10-23
Fourth Year (2nd Instalment)	2,000,000	01-04-24
Fifth Year (1st Instalment)	2,000,000	01-10-24
Fifth Year (2nd Instalment)	2,000,000	01-04-25
Sixth Year (1st Instalment)	2,200,000	01-10-25
Sixth Year (2nd Instalment)	2,200,000	01-04-26
Seventh Year (1st Instalment)	2,200,000	01-10-26
Seventh Year (2nd Instalment)	2,200,000	01-04-27
Eighth Year (1st Instalment)	2,200,000	01-10-27
Eighth Year (2nd Instalment)	2,200,000	01-04-28
Ninth Year (1st Instalment)	2,200,000	01-10-28
Ninth Year (2nd Instalment)	2,200,000	01-04-29
Tenth Year (1st Instalment)	2,200,000	01-10-29
Tenth Year (2nd Instalment)	2,200,000	01-04-30
Eleventh Year (1st Instalment)	2,420,000	01-10-30
Eleventh Year (2nd Instalment)	2,420,000	01-04-31
Twelfth Year (1st Instalment)	2,420,000	01-10-31
Twelfth Year (2nd Instalment)	2,420,000	01-04-32
Thirteenth Year (1st Instalment)	2,420,000	01-10-32
Thirteenth Year (2nd Instalment)	2,420,000	01-04-33
Fourteenth Year (1st Instalment)	2,420,000	01-10-33

Period/Instalment	Annual Rent (AED pa)	Date
Fourteenth Year (2nd Instalment)	2,420,000	01-04-34
Fifteenth Year (1st Instalment)	2,420,000	01-10-34
Fifteenth Year (2nd Instalment)	2,420,000	01-04-35
Sixteenth Year (1st Instalment)	2,662,000	01-10-35
Sixteenth Year (2nd Instalment)	2,662,000	01-04-36
Seventeenth Year (1st Instalment)	2,662,000	01-10-36
Seventeenth Year (2nd Instalment)	2,662,000	01-04-37
Eighteenth Year (1st Instalment)	2,662,000	01-10-37
Eighteenth Year (2nd Instalment)	2,662,000	01-04-38
Nineteenth Year (1st Instalment)	2,662,000	01-10-38
Nineteenth Year (2nd Instalment)	2,662,000	01-04-39
Twentieth Year (1st Instalment)	2,662,000	01-10-39
Twentieth Year (2nd Instalment)	2,662,000	01-04-40
Twenty-first Year (1st Instalment)	2,928,200	01-10-40
Twenty-first Year (2nd Instalment)	2,928,200	01-04-41
Twenty-second Year (1st Instalment)	2,928,200	01-10-41
Twenty-second Year (2nd Instalment)	2,928,200	01-04-42
Twenty-third Year (1st Instalment)	2,928,200	01-10-42
Twenty-third Year (2nd Instalment)	2,928,200	01-04-43
Twenty-fourth Year (1st Instalment)	2,928,200	01-10-43
Twenty-fourth Year (2nd Instalment)	2,928,200	01-04-44
Twenty-fifth Year (1st Instalment)	2,928,200	01-10-44
Twenty-fifth Year (2nd Instalment)	2,928,200	01-04-45

### 3.4 Inspection and Areas

The Property was inspected by Sarah Meechan, Associate on 22 June 2023. The inspection was visual in nature.

You have instructed us not to measure the Property but to rely upon measurement information provided by you. Therefore, we have relied upon the site area and built-up area (BUA) stated in the floor plans and site plan and have assumed that they have been prepared in accordance with local market practice.

### 3.5 Infrastructure and Utilities

You have instructed us not to undertake detailed site surveys.

We have assumed connections to the main service network (roads, electricity, water, sewerage and telecom) are adequate for the existing use of the Property.

We have relied on this information when preparing our valuation. If the information provided is subsequently shown to be incorrect or incomplete, the accuracy of our valuation may be affected, and we reserve the right to review the assumptions made and adjust our valuation accordingly.

### 3.6 Planning and Zoning

You have instructed us not to undertake planning (zoning) or building investigations. We have been provided with approved drawings stamped by Dubai Municipality however we have not been provided with a building completion certificate for the Property. We have reported our opinion of value on the basis that the Property has all necessary consents for the development, however we recommend your legal advisors confirm this in accordance with all relevant regulations.

### **3.7 Contamination and Hazardous Substances**

You have instructed us not to undertake investigations into contamination and hazardous substances. We have therefore assumed that the Property is not adversely affected by contamination and hazardous substances. Prior to relying on our report, we recommend that specialists be instructed to verify this.

### **3.8 Environmental Matters**

You have instructed that we are not required to undertake investigations into environmental matters.

Our report has been prepared on the basis that the Property is not adversely affected by environmental matters and that ground conditions are sufficient for any proposed developments/extensions. We recommend that specialists be instructed to verify this.

### **3.9 Services and Utilities**

We have not tested the services and utilities available to the site. The Property is currently occupied and for the purposes of our valuation we have assumed that services and utilities at the [Subject] are sufficient and in full and working order for their use. Should this prove not to be the case, we reserve the right to amend our valuation.

### **3.10 Environmental, Social and Governance Review**

We have not been provided with data related to ESG and Sustainability pertaining to the asset. Based on this lack of data, we conclude that it is likely that the Property has some features which may result in medium to long-term ESG obsolescence risk. This likely indicates a potential for medium-term negative value impacts unless action is taken to retrofit the asset and ensure it meets and adheres to an energy use reduction pathway to net or near-zero carbon over the next few years.

## 4 Market Commentary

### 4.1 Industrial Market

Dubai benefits from a number of well-developed infrastructure projects (most notably Jebel Ali port and Dubai International Airport). Transportation and connectivity are major drivers of industrial development, as they directly affect the cost of operations. A sophisticated infrastructure network and a consistent and sufficient power supply are among the other factors that tenants consider in selecting industrial locations.

The centre of industrial activity within Dubai has shifted to the south over the past few years, driven largely by projects such as the Al Maktoum International Airport in Dubai South and Jebel Ali port. These projects have a significant impact on the industrial landscape of the city (and the wider region) by creating logistical synergies and enhancing overall connectivity. The following map provides an impression of the various industrial areas across Dubai and the perceived quality of their offering.

#### Dubai Industrial Areas



Source: Google Earth modified by JLL Research

No.	Location	No.	Location	No.	Location
1	Dubai Industrial/Wholesale City	6	Dubai Investment Park	11	Al Qusais Industrial Area
2	Dubai South	7	Al Quoz Industrial Area	12	Al Khubaisi
3	National Industries Park	8	Ras Al Khor Industrial Area	13	Dubai Maritime City
4	JAFZA	9	Umm Ramool		
5	Jebel Ali Industrial Area	10	DAFZ		

Dubai has improved its industrial sector by launching new and modern onshore industrial areas such as Dubai Industrial (DI) and Dubai Investment Park (DIP), as well as free zone areas such as DAFZ and JAFZA. The newer



industrial areas and the free zones are slowly eclipsing the traditional onshore areas such as Al Quoz or Al Qusais as they offer better infrastructure systems, better connectivity and proximity to large projects such as the Jebel Ali Port and the Al Maktoum International Airport.

## 4.2 Land Allocation and Land Ownership

All modern industrial locations within Dubai are controlled by government related entities with land being allocated to the large semi government developers, especially for large-scale projects. Once this land is serviced, these master developers typically sell or lease plots to private developers and end users.

Industrial land is typically allocated to developers or end users on the following basis:

- Land plots that are not located within free zone areas are typically leased and regulations do not allow for the sale of these plots.
- Although hypothetically land sales are permitted to GCC nationals in free zones, the typical practice observed in the market is long-term leasing.
- The relevant authority typically leases land for a term of 15, 25 or 30 years, on renewable terms.
- Developers typically seek 15 – 30-year land leases on serviced plots.
- Given the local environment, the estimated economic useful life of industrial buildings in the region is 15 – 20 years.
- Banks are typically unwilling to lend against leasehold interests in land.
- Grace period/rent free period granted on land leases vary between 12 to 18 months subject to the size of the land plot and development period.

## 4.3 Supply & Demand

In comparison to other countries in the MENA region, the industrial market in Dubai is relatively resilient and stable as the market is dominated by light industries and logistics, with relatively little purpose built and highly specialised heavy industrial plant.

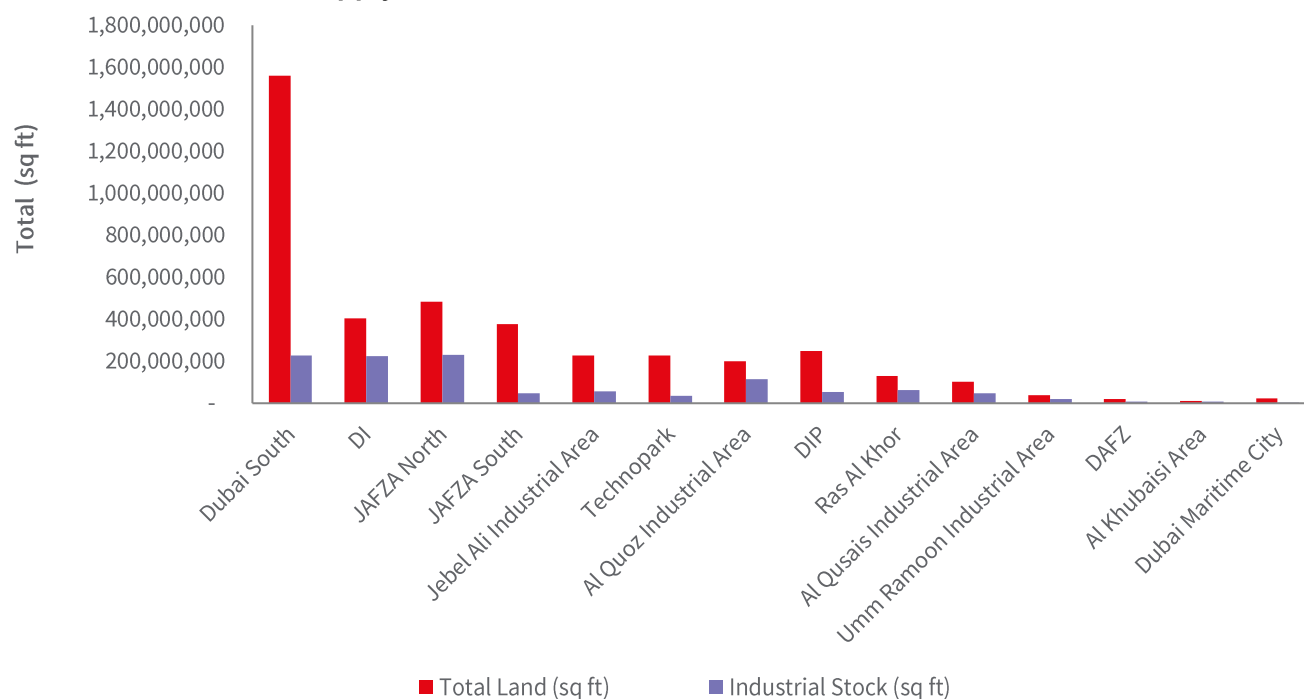
Despite the age and low specifications of units in the traditional onshore areas, such as Al Quoz, Al Qusais, Ras Al Khor, these locations remain popular as they are well established and well positioned close to commercial areas within the city. However, as those traditional older areas are becoming saturated and their products are inferior in terms of quality, occupiers are shifting towards the newer industrial areas such as Dubai Industrial (DI), Dubai Investment Park (DIP), or JAFZA, which offer better connectivity, proximity to major infrastructure projects as well as higher quality products.

The free zone areas (e.g., JAFZA, DAFZ, Dubai South) are capitalising on their proximity to major ports and airports while the non-free zone areas such as DIP or DIC are also seeing stable demand. The major selling points of these industrial developments are their sophisticated and advanced infrastructure. They typically offer a combination of small but high specification warehouses and larger land parcels on which larger end users can construct their own facilities.

The chart and corresponding table below provide a summary of the total land area and industrial stock within the major industrial areas in Dubai. While exact supply has not been fully transparent or publicly made available over the past couple of years during the Covid-19 period, the below chart represents an indicator of the distribution of industrial space around Dubai.



## Dubai Industrial Areas Supply



Source: JLL

## 4.4 Performance

The industrial sector is considered one of Dubai's most resilient real estate markets, with rates remaining stable due to the lack of speculation in the market. Following the global downturn, the industrial sector followed the general trend but the impact on this sector was less felt than the commercial and residential sector.

The growth in the e-commerce segment during the pandemic, more specifically since Q4 2020, has increased the requirement for storage and fulfilment centres, which is boosting the demand for warehouses throughout different locations in Dubai.

More recently, JLL is aware that Dubai South and KIZAD Industrial Zones are becoming increasingly competitive and to counter the migration from JAFZA to these areas, JAFZA are now more willing to enter into lease re-gear negotiations etc.

## 4.5 Warehouse Rents

Rental rates in Dubai currently vary significantly from one area to another, as the quality of stock offered varies greatly, with no real standardisation of logistics facilities. The highest rates are achieved by Dubai Airport Free Zone (DAFZ) because of its shortest cargo clearance time and quick access to Dubai mainland business locations.

Excluding the free zone areas such as JAFZA and DAFZA, the areas located in the older part of Dubai including Al Quoz, Al Qusais and Ras Al Khor command higher average rents compared to areas such as DIP and Jebel Ali Industrial. This is due to their proximity to their base markets and consumers, despite the congestion and lower quality of the existing premises. At present, critical mass, clustering and location are driving rents with the quality of the premises having a lesser effect on rentals.

Further research on comparable rentals for the Property can be found in Sections 4.7 of this report.

## 4.6 Capital Markets

Most transactions in regional capital markets are typically by GCC investors as overseas investors have limited access to tenable opportunities. Interest from overseas investors has also been restricted by the following:

- regional economic and political uncertainty;
- lack of suitable, institutional grade product;
- pricing (bid-ask spread);
- liquidity restrictions;
- limited transparency.

As a result, JLL consider there to be a three-tier investment market:

- tier 1 comprising local/GCC private investors;
- tier 2 comprising GCC funds;
- tier 3 comprising international financial institutions/funds

Based on our experience, the investors that fall into tiers one and two view GCC based real estate investments significantly more favourably than tier three investors. This is due to a number of factors including:

- familiarity with local market;
- sentiment;
- comparative ease to undertake a real estate transaction (legally, culturally etc.);
- risk profile;
- lack of ownership restrictions.

## Recent History and Future Outlook

In 2020 and 2021, industrial real estate has emerged as one of the most sought-after property investments due to the growth in e-commerce. More recently, and with the drive to ensure sustainability in supply chains and the successful storage of temperature sensitive products such as vaccines, cold storage has emerged as a unique segment within the industrial real estate market. While the demand drivers are strong, cold storage facilities are difficult and costly to operate and maintain. This however can be mitigated through specialised features and construction techniques that improve efficiencies and minimise costs, in addition to exploring the build-to-suit alternative.

Additionally, growth in consumer spending and e-commerce is reshaping the customer experience and is impacting virtually every industry. E-grocery delivery has been on the rise over the last few years with strong grocery spending expected to continue over the medium term. Expansion of online grocery and prepared meals and food deliveries requires additional cold store processing and packaging space.

Other sectors such as healthcare and pharmaceuticals are also positively impacting the need for warehouse and cold storage space which in turn is also playing a very important role in investment sentiment driving demand for such space leased to F&B and / or healthcare operators and allowing a slight compression of yields for such product which is witnessing demand for investment good quality grade with long term leases at circa 8.5% to 9% depending on location, covenant strength and lease structure.

## 4.7 Transactional Evidence

Historically, there have been very few transactions recorded in the industrial sector in the Dubai market. Those sales that have occurred fall into two distinct categories.

- Sales of older properties on annually renewable ground leases in established industrial locations within Dubai such as Al Quoz, Al Qusais and Ras Al Khor. These properties are typically traded between local parties as foreign investment is not generally permitted in these non-freehold locations.
- Investor demand exists for completed projects leased to strong covenants in the 'new' industrial areas, but these sales remain conditional on the renewal of ground leases at "market levels".

We have summarised below various industrial investment transactions, which we consider reflect the price/yield investors have been willing to pay over the past few years for industrial assets.

We are aware that there are very few potential purchasers in the market, with Arcapita and Rasmala undertaking most of the industrial transactions. Generally, their preference is for occupational leases in excess of 10 years and for this they are typically willing to pay in the region of 8.5-9.5%. We understand that the recent purchases have been driven by the requirement for HSBC Saudi Arabia's USD 150 million GCC investment fund targeting logistics and warehouse assets in Saudi Arabia and the United Arab Emirates.

### 1. Warehouse, DIP

We are aware of a warehouse which is currently under offer in DIP. The details of the transaction are confidential, but we understand the warehouse is leased to multiple parties and the purchase price of AED 120 million reflects a net initial yield of 8.2%.

### 2. Warehouse, JAFZA, Dubai

We are aware that a warehouse in JAFZA sold in February 2019. The details of the potential transaction are confidential, but we are aware that the warehouse is leased for 20 years and the purchase price of AED 79m reflected an initial yield at 8.8%.

### 3. Warehouse, Dubai

JLL is aware that a warehouse sold in June 2018. The warehouse was leased for 15 years. The purchase price of AED 70m reflecting an initial yield of 8.75%.

### 4. 48 Warehouses, Dubai Investment Park

JLL is aware that 48 warehouses with a 500,000 sq ft (46,451.5 sqm) BUA sold in May 2017. The transaction was a sale and leaseback from Rasmala, a Dubai based investment company, to a large UAE conglomerate. The purchase price was AED 234m.

### 5. 10 Warehouses, Dubai Investment Park

JLL is aware that 10 warehouses sold in March 2017. The warehouses had a total built-up area of 1.2m sq ft (111,484 sqm) with approximately 60% on long term leases. The purchaser was Arcapita, a Bahrain based investment fund. The purchase price was USD 150m.

### 6. 72 Warehouses, Dubai Investment Park

JLL is aware that 72 warehouses sold in June 2016. The 72 warehouses were split across 8 buildings with a total BUA of 595,843 sq ft (55,356 sqm) and occupied by over 30 tenants. Rasmala purchased the property from Fujairah National Construction (FNC). All the units were sub-let to Elite who sub leases to individual tenants (e.g., Bateel, Lifestyle, Al Ain Food etc). We understand that the 7-year sub-lease was guaranteed by FNC. The purchase price of AED 300m reflected an initial yield in the region of 8.75%.

## 4.8 Lease Transactions

In arriving at our opinion of estimated rental value for the Property we have had regard to the following comparable rental transactions in the last three months, within Jebel Ali Industrial.

Location	Type	BUA (sq ft)	Start date	Rental Rate pa (AED/sq ft of BUA)
Jebel Ali Industrial	Warehouse	26,228	May-23	30
Jebel Ali Industrial	Warehouse	10,269	May-23	29
Jebel Ali Industrial	Warehouse	10,258	May-23	29
Jebel Ali Industrial	Warehouse	15,025	Jun-23	36

Source: Property Monitor Online Portal

We note that there are limited details available regarding the above transactions including details on any incentives, rental steps, plot areas and condition/type of improvements. However, we note that the headline rates achieved typically fall within the range of AED 24 to 30 per sq ft of BUA with contract lengths varying between 1-4 years.

## 4.9 Lease Asking Prices

Given the limited details available for the lease transactions, we have also had regard to asking rental rates for warehouses within different industrial zones in Dubai, at the Valuation Date, as follows:

Type	Location	BUA (sq ft)	Asking Rent (AED pa)	Rental Rate pa (AED/sq ft of BUA)	Comments
Warehouse	DIP	37,558	1,427,000	38	<ul style="list-style-type: none"> <li>Fully insulated and epoxy flooring,</li> <li>8.5- 10.4 metres height clearance, overhead crane,</li> <li>300 kW power capacity,</li> <li>Sprinklered,</li> <li>Brand new.</li> <li>18 car spaces.</li> <li>7 loading docks and 1 ramp</li> <li>Rate excludes sublease fee (15%)</li> </ul>
Logistics warehouse	DIP	236,711	9,478,440	40	<ul style="list-style-type: none"> <li>Temperature controlled,</li> <li>To be completed Q4 2023,</li> <li>13.5 m to eaves,</li> <li>Covered loading dock</li> <li>Rate excludes sublease fee (15%)</li> </ul>
Logistics warehouse	DIP	32,518	1,200,000	37	<ul style="list-style-type: none"> <li>8 m height clearance,</li> <li>300 kw power, triple phase,</li> <li>1 automated ground roller shutter,</li> <li>Secure yard,</li> <li>14 car parking spaces</li> <li>Rate excludes sublease fee</li> </ul>
Warehouse	DIP	102,794	2,900,000	28	<ul style="list-style-type: none"> <li>Plot 184,706 sq ft,</li> <li>Standalone warehouse facility,</li> <li>9 cranes 5-ton ea.,</li> <li>Height 12-15 m.</li> </ul>

Type	Location	BUA (sq ft)	Asking Rent (AED pa)	Rental Rate pa (AED/sq ft of BUA)	Comments
					<ul style="list-style-type: none"> <li>Older facility</li> </ul>
Warehouse	Jebel Ali Industrial	4,306	96,900	23	<ul style="list-style-type: none"> <li>Warehouse factory with high power,</li> <li>Terrace warehouse of block construction,</li> <li>low height clearance</li> </ul>
Warehouse	Jebel Ali Industrial	44,626	1,600,000	36	<ul style="list-style-type: none"> <li>Brand new,</li> <li>9.5 m eaves to 11m apex,</li> <li>800kW power,</li> <li>G+M fitted office (approx.10% of BUA),</li> </ul>
Manufacturing facility	Jebel Ali Industrial	47,120	2,100,000	45	<ul style="list-style-type: none"> <li>Large plot area of 90,000sq ft.</li> <li>Predominantly temperature-controlled space (39,238 sq ft),</li> <li>High specification for manufacturing,</li> <li>low clearance manufacturing space.</li> </ul>
Warehouse	Jebel Ali Industrial	47,000	700,000	15	<ul style="list-style-type: none"> <li>Brand new,</li> <li>G+M building with roller door access,</li> <li>low clearance,</li> <li>fitted office,</li> <li>basement car parking,</li> <li>gated community.</li> </ul>
Warehouse	Jebel Ali Industrial	19,744	631,808	32	<ul style="list-style-type: none"> <li>Warehouse with office,</li> <li>380 kW power,</li> <li>AC to office,</li> <li>fitted with washrooms and pantry.</li> </ul>

Source: Online Property Portals

The asking prices for warehouses range between AED 15 to 45 per sq ft (AED 153 to 484 per sq m) of BUA. We note that the asking rates varied depending on different characteristics such as size, location, accessibility, finishing quality and condition, age of the buildings, and services and amenities available.

## 5 Valuation Approach

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### 5.1 Valuation Methodology

When forming our opinion of Market Value of the Property, we have had regard to the Income Approach.

#### **Income Approach (Income Capitalisation Method)**

Income producing real estate is typically purchased as an investment, essentially exchanging present money for the right to receive future income. The indication of value using the income capitalisation approach requires consideration of market-oriented assumptions and data.

This method requires a market derived projection of economic annual net operating income (NOI) for a subject property based on the current and expected lease or other arrangements and occupant profile. This NOI is then capitalised to lease expiry in the case of leasehold property using a market derived capitalisation rate to give the market value estimate. Allowance is made for any capital expenditure costs required as well as making provision for a vacancy factor with reference to historic letting experience.

JLL has modelled our valuation calculations using Argus Enterprise software to arrive our opinion of Market Value of the Property.



## 6 Valuation Rationale

### 6.1 Sale and Leaseback Agreement

We are instructed by the Client to adopt the signed Sale and Leaseback Agreement (SLA) as further detailed at Section 3.3 of this report. The salient points of the agreement are presented in the table below:

Item	Details												
Lease Commencement Date:	01 October 2020												
Lease Term:	25 years												
Lease Expiry Date:	30 September 2045												
Tenant Break Option:	No												
Annual Rent:	The rents are detailed below and include a 10% increment on every 5-year anniversary.												
	<table> <tr> <th>Lease Start Date</th><th>Annual Rent (AED)</th></tr> <tr> <td>01-10-2020</td><td>4,000,000</td></tr> <tr> <td>01-10-2025</td><td>4,400,000</td></tr> <tr> <td>01-10-2030</td><td>4,840,000</td></tr> <tr> <td>01-10-2035</td><td>5,324,000</td></tr> <tr> <td>01-10-2040</td><td>5,856,400</td></tr> </table>	Lease Start Date	Annual Rent (AED)	01-10-2020	4,000,000	01-10-2025	4,400,000	01-10-2030	4,840,000	01-10-2035	5,324,000	01-10-2040	5,856,400
Lease Start Date	Annual Rent (AED)												
01-10-2020	4,000,000												
01-10-2025	4,400,000												
01-10-2030	4,840,000												
01-10-2035	5,324,000												
01-10-2040	5,856,400												
Payment Schedule:	Bi-annually in advance												
Rental Guarantee:	Rent guaranteed by Lessee for first 10 years												

Source: Client

### 6.2 Estimated Rental Value (ERV)

We have conducted research of comparable rents within the market to estimate the current Market Rent of the Property. There is limited information available on similarly designed self-storage facilities therefore we have estimated Market Rent based on other storage and warehouse facilities available in the market. Our findings are summarised in Section 4. We note that the recent rental transactions and asking prices typically range in the order of AED 28 to AED 40 per sq ft of BUA. This range largely reflects the difference in quality/condition of the unit, available space for racking systems (height clearance and accessibility) and provision of temperature-controlled areas. The higher end of this range reflects units that have higher building specification and better condition. We also note that the asking prices are typically for smaller sized offerings when compared to the Property.

Having regard to the comparable data, the subject Property's characteristics as a specialist self-storage facility, and general market conditions, we adopted an ERV of AED 28 per sq ft of BUA (AED 4,000,000 per year).

### 6.3 Void Allowance

We have not explicitly adopted a general vacancy allowance for potential default risk of the tenant. We have assumed on expiry the lease is renewed (to a single tenant) at our opinion of ERV.

## 6.4 Operational Expenses

The SLA is a Full Repairing and Insuring (FRI) lease with terms reflective of those within the market. The tenant is therefore fully responsible for the operating expenses of the Property, and therefore we have not modelled a non-recoverable cost or a sinking fund allowance.

## 6.5 Yield Rationale

The Property has an agreed lease term of 25 years commencing in October 2020 and thus has an approx. 22 years term certain remaining at the valuation date. We consider that the Property would appeal to an investor as the lease agreement provides a long and secured income stream to the landlord with nominal growth. At the inspection we were advised that the Property's business, which was launched in 2020, is outperforming the business plan with occupancy of the storage units at approximately 96%. Having regard to the above, and with reference to the transactional evidence contained in Section 5.6 of this report, we have applied a net initial yield of 8.5%.

## 6.6 Summary of Valuation Calculation

We provide a summary of our valuation calculation for Market Value below.

Input	Unit	Amount	
Leasable Area	Sq ft	144,513	
Contracted Rent	Start Date/AED per year	01/10/2020	4,000,000*
		01/10/2025	4,400,000
		01/10/2030	4,840,000
		01/10/2035	5,324,000
		01/10/2040	5,856,400
Market Rent	AED per sq ft per year/AED per year	28	4,000,000
Initial Yield	%	8.50%	

\*semi-annual payments from 1/10/2021

Output		
NOI Year 1	AED	4,000,000
Capital Value	AED	47,058,824
Market Value (Rounded)	AED	47,000,000
Equivalent Yield	%	9.74%
Reversionary Yield	%	8.51%
Rate	AED/sq ft of BUA	325

Source: JLL

The resultant Market Value, after rounding, is **AED 47,000,000** equating a rate of AED 325 per sq ft of BUA.

## 7 Opinion of Market Value

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### 7.1 Opinion of Market Value

We are of the opinion that the Market Value of the freehold interest in the Property, subject to the assumptions outlined herein, as at 30 June 2023 is:

**AED 47,000,000**

**(Forty-Seven Million United Arab Emirates Dirhams)**

No allowance has been made for taxation, or for any expenses of acquisition or realisation which might arise in the event of sale.

### 7.2 Value Added Tax (VAT)

VAT has not been explicitly accounted for within our valuations.

Yours faithfully,

For and on behalf of JLL Valuation LLC



**Sarah Meechan AssocRICS**  
Associate, Value and Risk Advisory  
Middle East and North Africa  
RERA Registration No. 41899



**Youcef El Hachemi MRICS**  
Director, Value and Risk Advisory  
Middle East and North Africa  
RERA Registration No. 39448

### 7.3 Principle Risks

Whilst we have undertaken all reasonable efforts to understand the prevailing real estate market and to analyse relevant sale transactions as is usual for property valuation professionals acting in accordance with RICS and International Valuation Standards, we draw the reader's attention to the following:

- the current low liquidity levels in MENA real estate markets combined with low levels of transparency and the consequent difficulty of verifying reported transactions;
- the rapidly evolving real estate laws, regulations and planning controls relating to property and property dealings;
- the volatility of real estate investment and development markets; and
- the restricted investor base together with the significant influence of state sponsored developers and operators, in relatively small markets.

These factors result in our assessments being reliant on generally less complete and less reliable information and consequently being subject to a greater level of uncertainty than is usual in more mature markets. As such, this uncertainty must be taken into account by all parties seeking to rely or base decisions upon valuations undertaken in these circumstances.

We trust we have carried out the valuation in accordance with your instruction and should there be any points that require clarification, please contact the signatories.

## Appendix A – General Terms of Business

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### JLL

JLL means JLL Valuation LLC and/or any subsidiary or holding company or company connected to JLL Valuation LLC that provides any of the services under the Agreement.

#### 1. When the Terms Apply

These General Terms of Business (“the Terms”) apply where JLL provides a service to a client and there is no written agreement for the provision of that service or if there is, to the extent that the Terms do not conflict with the terms of that written agreement. In the case of conflict between the Terms and the terms of any written agreement, the terms of the written agreement shall prevail to the extent of the conflict. Reference in these Terms to the agreement means the written or informal agreement that incorporates these Terms (“the Agreement”).

#### 2. Service level

JLL is to provide the service to the specification and performance level stated in writing in the Agreement or, if none is stated, to the specification and performance levels that it ordinarily provides in accordance with JLL’s duty of care as set out below. Any variations must be agreed in writing.

#### 3. What is not included

JLL has no responsibility for anything that is beyond the scope of the service so defined or if not defined anything that is beyond the scope as interpreted by JLL in its sole discretion. In particular, it has neither obligation to provide nor liability for:

- an opinion on price unless specifically instructed to carry out a valuation;
- advice, or failure to advise, on the condition of a property unless specifically instructed to carry out a formal survey;
- the security or management of property unless specifically instructed to arrange it;
- the safety of those visiting a property, unless that is specified in its instructions;
- estimates of construction or building costs, unless it has specifically engaged a qualified cost consultant or quantity surveyor to provide such estimates.

#### 4. Duty of care and Liability

##### a) Duty of care

JLL owes to the client a duty to act with reasonable skill and care in providing the service and complying with the client’s instructions where those instructions do not conflict with:

- the Terms, or
- the Agreement, or
- applicable law, regulations and professional rules. JLL is not obliged to carry out any instructions of the client which conflict with the applicable law, regulations and professional rules.

##### b) Liability to the client

JLL has no liability for the consequences, including delay in or failure to provide the services, of any failure by the client or any agent of the client:

- to promptly provide information, documentation and/or any other material that JLL reasonably requires at any given time, or where that information, documentation or material provided is inaccurate, misleading or incomplete. The client warrants that, where it provides information, documentation or material to JLL, JLL is entitled to rely on its accuracy.
- to follow JLL’s advice or recommendations.

The liability of JLL in contract, tort (including negligence or breach of statutory duty), misrepresentation or otherwise howsoever caused arising out of or in connection with the provision of services or otherwise under the Agreement is not limited for fraud or where its gross negligence causes death or personal injury, but otherwise its liability:

- is excluded to the extent that the client or someone on the client’s behalf for whom JLL is not responsible is responsible;
- is excluded if caused by circumstances beyond JLL’s reasonable control;
- excludes indirect, special and consequential losses;
- (where JLL is but one of the parties liable) is limited to the share of loss reasonably attributable to JLL on the assumption that all other parties pay the share of loss attributable to them (whether or not they do); and
- In any event and in recognition of the relative risks and benefits of the project to both the client and JLL, the risks have been allocated such that the client agrees, to the fullest extent permitted by law, to limit the liability of JLL to the client for any and all claims, losses, costs, damages of any nature whatsoever or claims expenses from any cause or causes,

including attorneys' fees and costs and expert witness fees and costs, so that the total aggregate liability of JLL to the client shall not exceed and is limited to the professional fees received by JLL from the client.

Apart from fraud or criminal conduct, no employee of the JLL group of companies has any personal liability to the client and neither the client nor anyone representing the client may make a claim or bring proceedings against an employee or former employee personally

**c) Liability to third parties**

JLL owes no duty of care and has no liability to anyone but its client, unless specifically agreed in writing by JLL. No third party is intended to have any rights under the Agreement unless agreed in writing.

**d) Liability for others**

JLL has no liability for products or services that it reasonably needs to obtain from others in order to provide the service.

**e) Delegation**

JLL may delegate to a third party the provision of the service, or part of it, only where this is reasonable but remains liable for what the third party does unless the client agrees to rely only on the third party (and the client must not unreasonably withhold that agreement). If delegation is at the client's specific request, JLL is not liable for what the third party does or does not do.

The client shall effect and maintain adequate property and public liability insurance and general third party liability insurance providing coverage for bodily injury and property damage which will either include JLL as a joint insured or a waiver of the insurer's subrogation rights against JLL, its employees or delegates.

**f) Liability to JLL**

The client agrees to indemnify JLL against all third party (including any insurer of the client) claims (including without limitation all third party actions, claims, proceedings, loss, damages, costs and expenses) ("Claims")

- for which the client has agreed to insure under the Agreement;
- that relate in any way to the provision of the service except a Claim that a court of competent jurisdiction decides or JLL acknowledges (whether or not it admits liability) was caused by the fraud, wilful default, material breach of contract or gross negligence of JLL or of a delegate for whom JLL is responsible under the Terms.

**5. Delivering the service**

**a) Timetable**

JLL is to use reasonable endeavours to comply with the client's timetable but is not responsible for not doing so unless specifically agreed in writing. Even then, JLL is not liable for delay that is beyond its control.

**b) Intellectual property**

Unless otherwise agreed in writing all intellectual property rights:

- in material supplied by the client belong to the client.
- in material prepared by JLL belong to JLL.

Each has a non-exclusive right to use the material provided for the purposes for which it is supplied or prepared. No third party has any right to use it without the specific consent of the owner.

**c) Confidential material**

Each party must keep confidential all confidential information and material of commercial value to the other party of which it becomes aware but it may:

- use it to the extent reasonably required in providing the service;
- disclose it if the other party agrees;
- disclose it if required to do so by law, regulation or other competent authority.

This obligation continues for a period of two (2) years after termination of the Agreement. After this period JLL may destroy any papers or information it retained without having to provide the client with an advance notice. Equally JLL may retain any information it must to comply with any regulation of legislation applicable to the international JLL group of companies.

**6. Remuneration and Payment**

**a) Fees and Taxes**

Where the fees and expenses payable for the service, or for additional or extended services requested by the client are not specified in writing, JLL is entitled to the fee specified by the RICS or other applicable professional body or, if none is specified, to a fair and reasonable fee by reference to time spent and reimbursement of expenses properly incurred on the client's behalf. Where the service is not performed in full JLL is entitled to a reasonable fee proportionate to the service provided as estimated by JLL.



Unless specified in writing to the contrary, the client must pay any additional applicable tax as will be added to such fees invoiced to the client.

**b) Value Added Tax (V.A.T)**

- Value Added Tax (VAT.) shall mean the value added tax imposed under the applicable laws of any member state of the Gulf Co-operation Council, or any similar tax imposed under the laws of any other jurisdiction if applicable.
- All payments due to JLL under the terms of this Agreement are expressed to be exclusive of VAT. Should amounts payable under this Agreement attract VAT, the appropriate amount of such VAT shall be shown as a separate item on the invoice issued by JLL, and the total amount payable under the Agreement by the client shall include the amount payable for the service and an amount for VAT, if applicable. Any VAT so chargeable shall be borne by the client and shall either be paid by the client to JLL or, if required by the law, be self-accounted for by the client.
- If JLL has not issued a valid tax invoice under the applicable law prior to the due date for the payment of the consideration for the service, the client shall pay the amount of the VAT to JLL upon receipt of a valid tax invoice from JLL.
- The client shall indemnify and hold JLL harmless from and against any and all costs of whatever nature and howsoever caused arising as a result of the client's failure to pay to JLL, if required under the applicable law, the amount of VAT shown on the tax invoice in accordance with the payment terms set out in paragraph (1) of this sub-clause above.
- If one of the parties to this Agreement is entitled to be reimbursed or indemnified by the other party for a loss, cost, expense or outgoing incurred in connection with this Agreement, then such reimbursement or indemnification shall include any VAT paid by the first mentioned party with respect to such loss, cost, expense or outgoing unless the VAT is recoverable by that party.

**c) Payment timeframe**

The client agrees that in addition to all other rights and remedies of JLL if the client fails to pay all monies as and when due in accordance with the timeframe in the Agreement, or within 30 days from the date of the invoice if no timeframe is so agreed, JLL shall be entitled to payment of interest on overdue amounts. The interest payable by the client shall be calculated at the rate of 12% per annum. Such interest shall accrue on a daily basis from the due date until actual payment of the overdue amount. The client shall pay the interest together with the overdue amount on demand. JLL will also be entitled to suspend work on the assignment where any invoice is outstanding beyond the agreed timeframe for payment.

JLL is entitled to postpone the start of or suspend work on an assignment until its initial payment has been received as stated in the Agreement.

**7. Communication**

The client will appoint for the purpose of this Agreement a representative who will act as liaison and contact person with JLL.

JLL may use electronic communication and systems to provide services, making available to the client any software required that is not generally available.

A notice is valid if in writing addressed to the last known address of the addressee and is to be treated as served:

- when delivered, if delivered by hand or through a Notary Public in the United Arab Emirates (if that is during normal business hours) otherwise when business hours next commence;
- two business days after posting, if posted by recorded delivery;
- when actually received, if sent by ordinary mail or fax;

Notice may not be given by electronic mail.

**8. Estimates, Valuations and Financial models**

The client acknowledges that unless specified as such in the Agreement and in reports or deliverables prepared by JLL, any financial estimates relating to real estate interests or assets are not opinions of value and may not be construed as valuations.

Where valuations are provided by JLL in accordance with the Agreement, such valuations are based on information reasonably available to JLL at the time of the valuation and its knowledge of the market. JLL will use reasonable skill and care in providing any valuations but the client acknowledges that the valuations are estimates only and the client further acknowledges that market conditions and assumptions may change and reliance on valuations will be at its own risk. All such valuations are prepared in accordance with the terms, conditions and limitations specified in the valuation report.

Financial estimates, cash flow models and valuations may be prepared using business models and software that are the sole property of JLL. JLL has no obligation to share with the client its proprietary models.

**9. Termination**

**a) Termination**

The client or JLL may terminate the Agreement immediately by notice to the other if the other:

- has not satisfactorily rectified a substantial or persistent breach of the Agreement within the reasonable period as specified in an earlier notice to rectify it;
- is insolvent according to the laws of its country of incorporation.

**b) Effect of termination on claims**

Termination of the Agreement does not affect any claims that arise before termination or the entitlement of JLL to its proper fees up to the date of termination or to be reimbursed its expenses.

In the event that the assignment is suspended or terminated by reasons outside the direct control of JLL, it shall be entitled to retain in full all payments made or due at the date of suspension or termination, including any initial payment.

**10. Compliance**

The client is aware of JLL's obligation to comply with prevailing anti-corruption rules, such as but not limited to the U.S. Foreign Corrupt Practices Act ("FCPA") and anti-money laundering provisions relevant to the contracting parties and the client therefore warrants that it will not use money or any other consideration paid by JLL for unlawful purposes, including purposes violating anti-corruption laws, such as make or cause to be made direct or indirect payments to any government official in order to assist JLL or any of its subsidiaries, affiliates, holding-companies or anyone acting on their behalf, in obtaining or retaining business with, or directing business to, any person, or securing any improper advantage. In addition the client warrants that it is not aware of any (potential) breach of any relevant prevailing anti-money laundering provision.

The client declares and warrants that:

- its members, officers and employees are not a government official(s) and does not and will not employ or otherwise compensate or offer to compensate any government officials, or make or cause another to make any direct or indirect offers or payments to any government officials, for the purpose of influencing or inducing any decision for the benefit of JLL.
- it will not employ any sub-contractor, consultant, agent or representative in connection with the Agreement without a thorough documented examination of his person, reputation and integrity.
- it will not employ any subcontractor, consultant, agent or representative who does not comply with the prevailing anti-corruption rules and in case any such violation comes to its attention it informs JLL immediately.
- it shall not make any payment (including any offer to pay, promise to pay or gift of money or anything else of value) to any JLL employee in connection with the solicitation or award of any services.
- any payments client shall make to third parties related to any services related to the Agreement shall be supported by written, detailed invoices.
- JLL may immediately terminate the Agreement if the client violates any of the prevailing anti-corruption laws and/or the provisions defined in this compliance clause.

Civil servants, government employees and officials can provide certain services to JLL if the provision of such services does not violate the conflict of interest provisions of the laws governing their position or does not involve the use of their official position to assist JLL in obtaining or retaining business.

Client represents, warrants and covenants the following:

- a) It is JLL policy not to violate any anti-bribery or anti-corruption laws, and we have never had a significant violation of any anti-bribery or anti-corruption laws, rules or regulations in the jurisdictions in which we operate.
- b) It is JLL policy not to violate any anti-money laundering (AML) laws, and JLL has never had a significant violation of any applicable AML laws in the jurisdictions in which we operate.
- c) JLL has not been the subject of any government indictment, nor has JLL had any fines, penalties or settlement agreements with any government agency in the past 5 years that resulted in material financial costs to JLL's company or affected its ability to conduct business operations.
- d) It is JLL policy to conduct the business ethically, and to uphold standards of fair business dealings, competition, and customer privacy.
- e) It is JLL policy to uphold standards of equal opportunity and anti-discrimination. JLL has never had a discrimination claim that involved a significant percentage of its employees or resulted in significant fines, penalties, or settlement amounts.
- f) (i) It is JLL policy to support and respect the protection of human rights; (ii) JLL does not use, or engage in, any of the following: forced or compulsory labour, child labour, physical abuse, withholding of identity papers, or retaliation in any form; (iii) JLL has satisfactory labour relations, including with respect to working hours, wages, benefits and humane treatment; (iv) JLL and its officers, employees, agents and subcontractors comply with all applicable anti-slavery and anti-human trafficking laws including, without limitation, the Modern Slavery Act 2015 and have not engaged in any activity, practice or conduct that would constitute an offence under sections 1, 2 or 4, of the Modern Slavery Act 2015 if such activity, practice or conduct were carried out in the UK; (v) Neither JLL nor its officers, employees, agents or subcontractors have been investigated for, or convicted of, slavery-related or human trafficking-related offences; (vi) JLL has in place adequate due diligence procedures for the operations as well as for the suppliers, subcontractors and other participants in the supply chains, to ensure that there is no slavery or human trafficking in JLL supply chains; (vii) JLL does not engage any third-party including recruiting agency that engages in modern slavery and will require the supply chain to contractually agree to the same.
- g) It is JLL policy to provide a safe and healthy work environment to its employees, and JLL has a health and safety program that is appropriate for the services. JLL has not had a violation of any health or safety laws, rules or regulations in the jurisdictions within which JLL operate in the past 5 years that resulted in a significant financial cost to JLL's company or affected the ability to conduct business operations.

- h) It is JLL policy to uphold principals of environmental responsibility, and in its operations, JLL seeks to minimize adverse effects on the community, environment, and natural resources. JLL has not had a violation of any environmental laws, rules or regulations in the past 5 years that resulted in a material financial cost to JLL's company or affected its ability to conduct business operations.

Client shall notify JLL's Legal Department at [Andrew.Hatherly@eu.jll.com](mailto:Andrew.Hatherly@eu.jll.com) if it has any exceptions to the above representations, warranties and covenants, cc'ing its business contact at JLL, stating "EMEA Client Ethics Compliance" as the subject heading of the email. Client shall notify JLL as soon as it becomes aware of any actual or suspected slavery or human trafficking in its own operations or supply chain. Client shall maintain a complete set of records to trace the supply chain of all goods and services provided under this Agreement and make available such records for audit and inspection. JLL may terminate this Agreement with immediate effect by giving written notice to Client if Client commits a breach of the representations, warranties and/or covenants in clause 9.

## 11. Miscellaneous

### a) Waiver

Failure to enforce any of the Terms is not a waiver of any right to subsequently enforce that or any other term of the Agreement.

### b) Severability

The invalidity, illegality and unenforceability in whole or in part of any of the provisions of the Agreement shall not affect the validity, legality or enforceability of its remaining provisions which shall remain in full force and effect.

### c) Governing law/Arbitration

The Agreement shall be governed by, construed and interpreted in accordance with the laws of England & Wales.

Any disputes or conflicts arising out of or in connection with the Agreement or otherwise between the parties of the Agreement, including any question regarding its existence, validity or termination, shall be referred to and finally reserved by arbitration in accordance with the Arbitration rules of the DIFC-LCIA Arbitration Centre, which rules are deemed to be incorporated by reference into this clause. Arbitration shall be held in Dubai, the United Arab Emirates and shall be conducted in English by one (1) arbitrator. An award rendered by the arbitrators shall be final and binding on the parties, their successors and assigns. Such award shall not be subject to appeal to any other court or body and the parties shall forthwith give it full effect.

### d) Assignment and Novation

- JLL and the client each binds itself and its partners, successors, executors, administrators, assigns and legal representatives to the other party to this Agreement and to the partners, successors, executors, administrators, assigns and legal representatives of the other party in respect of all covenants and obligations of this Agreement.
- JLL may assign, novate, sublet or transfer any right or obligation under the Agreement without the written consent of the client. The client shall not assign, novate, sublet or transfer any right or obligation under the Agreement without a prior written consent from JLL which consent shall not be unreasonably withheld or delayed.
- Sub-consultancy: Nothing contained in this clause shall prevent JLL from employing within its fee such persons or companies as it may deem appropriate to assist it in the performance of the Agreement. JLL shall subcontract any part of the services to a sub-consultant without the prior approval of the client. Where the client has required JLL to appoint selected consultants as the JLL's sub-consultants, fees owed to those sub-consultants shall be due to JLL in addition to the JLL's own fees.

### e) Non-competition

The client herein commits not to recruit or seek to recruit to join the client or any related company any JLL employees directly or indirectly involved in this assignment within a period of twenty-four (24) months from the date of payment of the final invoice. If the client breaches this provision then the client agrees to pay JLL a sum equivalent to six (6) months of the total remuneration of such employee based on his salary prevailing at the time of the breach.

### f) No partnership

Nothing contained in the Agreement shall be construed as creating a partnership or joint venture between any of the Parties to the Agreement.

### g) Corporate power

Each of the parties hereby represents and warrants to the other as follows:

- that it is duly established and is validly existing under the laws of its incorporation;
- that it has full corporate power and has taken on all corporate acts to enable it to effectively enter into and perform its obligations under the Agreement.

**h) Force Majeure**

It is agreed that the obligations of both parties herein will be affected by an event of Force Majeure including but not limited to, civil disturbances, riots, strikes, act of God, war, governmental decisions or any other acts of a similar nature which is beyond the control of either party, to be sufficient excuse for delay and non-performance traceable to any of these causes.

**i) Conflict of Interest**

If JLL becomes aware of a conflict of interest it will advise the client promptly and recommend an appropriate course of action.

**j) Binding documents**

The engagement letter or agreement instructing JLL as well as the preamble and its attachments, including the Terms form an integral and indivisible part of the Agreement. No amendment to the Agreement shall be valid unless executed in writing and signed by both the parties hereto. Neither party hereto may assign its interest hereunder without the prior written consent of the other party hereto. Words importing the singular number include the plural and vice versa. The obligations of each party shall be binding upon its heirs and assigns. The parties hereto hereby agree and undertake to take all such steps as may be necessary to give effect to the provisions contained in the Agreement.

**k) Entire Agreement**

This Agreement constitutes the entire agreement between the Parties hereto with respect to the Services and supersedes all prior negotiations, representations or agreements related to the Agreement, either written or oral. No amendments to this Agreement shall be effective unless evidenced in writing and signed by the Parties to this Agreement.

## Appendix B – General Principles

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Our General Principles should be read in conjunction with our General Terms of Business and Proposal and apply, except where they conflict with these (in which case the proposal and then the General Terms of Business prevail).

### 1. Professional Guidance

All work is carried out in accordance with the RICS Valuation – Global Standards, published by the Royal Institution of Chartered Surveyors (“the Standards”), which incorporate the International Valuation Standards (IVS) and local requirements (in Abu Dhabi, the Real Estate Valuation Standards and in Dubai, the Emirates Book Valuation Standards). Our valuations may be subject to monitoring by the RICS and local regulatory bodies.

### 2. Valuation Basis

Our reports state the purpose of the valuation and, unless otherwise noted, the basis of valuation is as defined in the Standards. The full definition of the basis, which we have adopted, is either set out in our report or appended to these General Principles.

### 3. Assumptions and Special Assumptions

Where we make an ‘assumption’ or ‘special assumption’ in arriving at our valuations, we define these terms in accordance with the “IVS” as follows:

These types of assumptions generally fall into one of two categories:

- assumed facts that are consistent with, or could be consistent with, those existing at the date of valuation (“Assumption”), and
- assumed facts that differ from those existing at the date of valuation (“Special Assumption”).

All assumptions and special assumptions must be reasonable under the circumstances, be supported by evidence, and be relevant having regard to the purpose for which the valuation is required.

We will not take steps to verify any assumptions.

### 4. Disposal Costs Taxation and Other Liabilities

No allowances are made for any expenses of realisation, or for taxation, which might arise in the event of a disposal. All property is considered as if free and clear of all mortgages or other charges, which may be secured thereon. However, we take into account purchaser’s costs in investment valuations in accordance with market conventions.

No allowance is made for the possible impact of potential legislation which is under consideration. Valuations are prepared and expressed exclusive of VAT payments, unless otherwise stated.

### 5. Sources of Information

Where we have been provided with information by the client, or its agents, we assume that it is correct and complete and is up to date and can be relied upon. We assume that no information that has a material effect on our valuations has been withheld.

In respect of valuations for loan security purposes, commissioned by a lending institution, we may also rely on information provided to us by the Borrower or its advisors. In such cases, we have similarly assumed that all



information is correct, complete, up-to-date and can be relied upon and that no pertinent information has been withheld.

## **6. Title and Tenancy Information**

We do not normally read leases or documents of title. We assume, unless informed to the contrary, that each property has a good and marketable title, that all documentation is satisfactorily drawn and that there are no encumbrances, restrictions, easements or other outgoings of an onerous nature, which would have a material effect on the value of the interest under consideration, nor material litigation pending. Where we have been provided with documentation we recommend that reliance should not be placed on our interpretation without verification by your lawyers. We have assumed that all information provided by the client, or its agents, is correct, up to date and can be relied upon.

## **7. Tenants**

Although we reflect our general understanding of a tenant's status in our valuations i.e. the markets general perception of their creditworthiness, enquiries as to the financial standing of actual or prospective tenants are not normally made unless specifically requested. Where properties are valued with the benefit of lettings, it is therefore assumed, unless we are informed otherwise, that the tenants are capable of meeting their financial obligations under the lease and that there are no arrears of rent or undisclosed breaches of covenant.

## **8. Measurements/Floor Areas**

All measurement is carried out in accordance with either the International Property Measurement Standards (IPMS) or the Code of Measuring Practice (6th Edition) issued by the Royal Institution of Chartered Surveyors, except where we specifically state that we have relied on another source. The areas adopted are purely for the purpose of assisting us in forming an opinion of capital value. They should not be relied upon for other purposes nor used by other parties without our written authorisation.

Where floor areas have been provided to us, we have relied upon these and have assumed that they have been properly measured in accordance with the International Property Measurement Standards (IPMS) or the Code of Measuring Practice referred to above.

## **9. Site Areas**

Site areas are generally calculated using proprietary digital mapping software and are based on the site boundaries indicated to us either at the time of our inspection, or on plans supplied to us. No responsibility is accepted if the wrong boundaries are indicated to us.

## **10. Estimated Rental Values**

Our assessment of rental values is formed purely for the purposes of assisting in the formation of an opinion of capital value and is generally on the basis of Market Rent, as defined in the IVS. Where circumstances dictate that it is necessary to utilise a different rental value in our capital valuation, we will generally set out the reasons for this in our report. Such a figure does not necessarily represent the amount that might be agreed by negotiation, or determined by an Expert, Arbitrator or Court, at rent review or lease renewal or the figure that might be obtained if the property or unit were being let on the open market.

## **11. Town Planning and Other Statutory Regulations**

Information on town planning is, wherever possible, obtained either verbally from local planning authority officers or publicly available electronic or other sources. It is obtained purely to assist us in forming an opinion of capital value and should not be relied upon for other purposes. If reliance is required we recommend that verification be obtained from lawyers that:

- the position is correctly stated in our report;
- the property is not adversely affected by any other decisions made, or conditions prescribed, by public authorities;
- that there are no outstanding statutory notices.

Our valuations are prepared on the basis that the premises (and any works thereto) comply with all relevant statutory regulations, including fire regulations, access and use by disabled persons, control and remedial measures for asbestos in the workplace and any applicable bye laws.

## 12. Structural Surveys

Unless expressly instructed, we do not carry out a structural survey, nor do we test the services and we, therefore, do not give any assurance that any property is free from defect. We seek to reflect in our valuations any readily apparent defects or items of disrepair, which we note during our inspection, or costs of repair which are brought to our attention. Otherwise, we assume that each building is structurally sound and that there are no structural, latent or other material defects. Unless stated otherwise in our reports we assume any tenants are fully responsible for the repair of their demise either directly or through a service charge.

## 13. Deleterious Materials

We do not normally carry out or commission investigations on site to ascertain whether any building was constructed or altered using deleterious materials or techniques (including, by way of example high alumina cement concrete, woodwool as permanent shuttering, calcium chloride or asbestos). Unless we are otherwise informed, our valuations are on the basis that no such materials or techniques have been used.

## 14. Site Conditions

We do not normally carry out or commission investigations on site in order to determine the suitability of ground conditions and services for the purposes for which they are, or are intended to be, put; nor do we undertake archaeological, ecological or environmental surveys. Unless we are otherwise informed, our valuations are on the basis that these aspects are satisfactory and that, where development is contemplated, no extraordinary expenses, delays or restrictions will be incurred during the construction period due to these matters.

## 15. Environmental Contamination

Unless expressly instructed, we do not carry out or commission site surveys or environmental assessments, or investigate historical records, to establish whether any land or premises are, or have been, contaminated. Therefore, unless advised to the contrary, our valuations are carried out on the basis that properties are not affected by environmental contamination. However, should our site inspection and further reasonable enquiries during the preparation of the valuation lead us to believe that the land is likely to be contaminated we will discuss our concerns with you.

## 16. Insurance

Unless expressly advised to the contrary we assume that appropriate cover is and will continue to be available on commercially acceptable terms. In particular, we will have regard to the following:

- Composite Panels
  - Insurance cover, for buildings incorporating certain types of composite panel may only be available subject to limitation, for additional premium, or unavailable. Information as to the type of panel used is not normally available. Accordingly, our opinions of value make no allowance for the risk that insurance cover for any property may not be available, or may only be available on onerous terms.



**■ Terrorism**

- Our valuations have been made on the basis that the properties are insured against risks of loss or damage including damage caused by acts of Terrorism.

**■ Flood and Rising Water Table**

- Our valuations have been made on the assumption that the properties are insured against damage by flood and rising water table. Unless stated to the contrary our opinions of value make no allowance for the risk that insurance cover for any property may not be available, or may only be available on onerous terms.

**17. Outstanding Debts**

In the case of property where construction works are in hand, or have recently been completed, we do not normally make allowance for any liability already incurred, but not yet discharged, in respect of completed works, or obligations in favour of contractors, subcontractors or any members of the professional or design team.

**18. Confidentiality and Third Party Liability**

Our Valuations and Reports are confidential to the party to whom they are addressed and prepared for the specific purpose to which they refer, and no responsibility whatsoever is accepted to any third parties unless stated in the relevant section of the proposal. Furthermore, unless stated otherwise in the relevant section of the proposal, neither the whole, nor any part, nor reference thereto, may be published in any document, statement or circular, or in any communication with third parties, without our prior written approval of the form and context in which it will appear.

**19. Statement of Valuation Approach**

We are required to make a statement of our valuation approach. In the absence of any particular statements in our report the following provides a generic summary of our approach.

The majority of institutional portfolios comprise income producing properties. We usually value such properties adopting the investment approach where we apply a capitalisation rate, as a multiplier, against the current and, if any, reversionary income streams. Following market practice we construct our valuations adopting hardcore methodology where the reversions are generated from regular short term uplifts of market rent. We would normally apply a term and reversion approach where the next event is one which fundamentally changes the nature of the income or characteristics of the investment. Where there is an actual exposure or a risk thereto of irrecoverable costs, including those of achieving a letting, an allowance is reflected in the valuation.

Vacant buildings, in addition to the above methodology, may also be valued and analysed on a comparison method with other capital value transactions where applicable.

Where land is held for development we adopt the comparison method when there is good evidence, and/or the residual method, particularly on more complex and bespoke proposals.

There are situations in valuations for accounts where we include in our valuation properties which are owner-occupied. These are valued on the basis of existing use value, thereby assuming the premises are vacant and will be required for the continuance of the existing business. Such valuations ignore any higher value that might exist from an alternative use.

**20. Capital Expenditure Requirement**

Where buildings are undergoing works, such as refurbishment or repairs, or where developments are in progress, we have relied upon cost information supplied to us by the client or their appointed specialist advisors.

## **21. Goodwill, Fixtures and Fittings**

Unless otherwise stated our valuation excludes any additional value attributable to goodwill, or to fixtures and fittings which are only of value, in situ, to the present occupier.

## **22. Plant and Machinery**

No allowance has been made for any plant, machinery or equipment unless it forms an integral part of the building and would normally be included in a sale of the building.

## **23. Services**

We do not normally carry out or commission investigations into the capacity or condition of services. Therefore, we assume that the services, and any associated controls or software, are in working order and free from defect. We also assume that the services are of sufficient capacity to meet current and future needs.

## **24. Land and Building Apportionments**

Unless explicitly stated in our Proposal, we will not provide apportionments between land and buildings for depreciation purposes.

## **25. Portfolio Valuations**

In respect of valuations of portfolios of properties, our overall valuation is an aggregate of the individual values of each individual property. The valuation assumes, therefore, that each property would be marketed as an individual property and not as part of a portfolio. Consequently no portfolio premium or discount has been reflected and any consequence of marketing a range of individual properties together has also not been reflected in our valuations. However, if adjoining or complimentary properties might achieve a higher value by being marketed together (known as “prudent lotting”), we have reported the higher value that would emerge.

## **26. Plans and Maps**

All plans and maps included in our report are strictly for identification purposes only, and, whilst believed to be correct, are not guaranteed and must not form part of any contract. All are published under licence. All rights are reserved.

## Appendix C – Interpretative Commentary of Market Value

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The following definition and conceptual framework are reproduced from the International Valuation Standards (IVS)—IVS 104 Bases of Value.

### Definition

Market Value 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.

### Conceptual Framework

The definition of Market Value must be applied in accordance with the following conceptual framework:

(a) “the estimated amount” refers to a price expressed in terms of money payable for the asset in an arm's length market transaction. Market Value is the most probable price reasonably obtainable in the market on the valuation date in keeping with the market value definition. It is the best price reasonably obtainable by the seller and the most advantageous price reasonably obtainable by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of value available only to a specific owner or purchaser.

(b) “an asset or liability should exchange” refers to the fact that the value of an asset or liability is an estimated amount rather than a predetermined amount or actual sale price. It is the price in a transaction that meets all the elements of the Market Value definition at the valuation date.

(c) “on the valuation date” requires that the value is time-specific as of a given date. Because markets and market conditions may change, the estimated value may be incorrect or inappropriate at another time. The valuation amount will reflect the market state and circumstances as at the valuation date, not those at any other date.

(d) “between a willing buyer” refers to one who is motivated, but not compelled to buy. This buyer is neither over-eager nor determined to buy at any price. This buyer is also one who purchases in accordance with the realities of the current market and with current market expectations, rather than in relation to an imaginary or hypothetical market that cannot be demonstrated or anticipated to exist. The assumed buyer would not pay a higher price than the market requires. The present owner is included among those who constitute “the market”.

(e) “and a willing seller” is neither an over-eager nor a forced seller prepared to sell at any price, nor one prepared to hold out for a price not considered reasonable in the current market. The willing seller is motivated to sell the asset at market terms for the best price attainable in the open market after proper marketing, whatever that price may be. The factual circumstances of the actual owner are not a part of this consideration because the willing seller is a hypothetical owner.

(f) “in an arm's length transaction” is one between parties who do not have a particular or special relationship, eg, parent and subsidiary companies or landlord and tenant, that may make the price level uncharacteristic of the market or inflated. The Market Value transaction is presumed to be between unrelated parties, each acting independently.

(g) “after proper marketing” means that the asset has been exposed to the market in the most appropriate manner to effect its disposal at the best price reasonably obtainable in accordance with the Market Value definition. The method of sale is deemed to be that most appropriate to obtain the best price in the market to which the seller has access. The length of exposure time is not a fixed period but will vary according to the type of asset and market conditions. The only criterion is that there must have been sufficient time to allow the asset to be brought to the attention of an adequate number of market participants. The exposure period occurs prior to the valuation date.

(h) “where the parties had each acted knowledgeably, prudently” presumes that both the willing buyer and the willing seller are reasonably informed about the nature and characteristics of the asset, its actual and potential uses, and the state of the market as of the valuation date. Each is further presumed to use that knowledge prudently to seek the price that is most favourable for their respective positions in the transaction. Prudence is assessed by referring to the state of the market at the valuation date, not with the benefit of hindsight at some later date. For example, it is not necessarily imprudent for a seller to sell assets in a market with falling prices at a price that is lower than previous market levels. In such cases, as is true for other exchanges in markets with changing prices, the prudent buyer or seller will act in accordance with the best market information available at the time.

(i) “and without compulsion” establishes that each party is motivated to undertake the transaction, but neither is forced or unduly coerced to complete it.

The concept of Market Value presumes a price negotiated in an open and competitive market where the participants are acting freely. The market for an asset could be an international market or a local market. The market could consist of numerous buyers and sellers or could be one characterised by a limited number of market participants. The market in which the asset is presumed exposed for sale is the one in which the asset notionally being exchanged is normally exchanged.

The Market Value of an asset will reflect its highest and best use (see paras 140.1-140.5). The highest and best use is the use of an asset that maximises its potential and that is possible, legally permissible and financially feasible. The highest and best use may be for continuation of an asset’s existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid.

The nature and source of the valuation inputs must be consistent with the basis of value, which in turn must have regard to the valuation purpose. For example, various approaches and methods may be used to arrive at an opinion of value providing they use market-derived data. The market approach will, by definition, use market-derived inputs. To indicate Market Value, the income approach should be applied, using inputs and assumptions that would be adopted by participants. To indicate Market Value using the cost approach, the cost of an asset of equal utility and the appropriate depreciation should be determined by analysis of market-based costs and depreciation.

The data available and the circumstances relating to the market for the asset being valued must determine which valuation method or methods are most relevant and appropriate. If based on appropriately analysed market-derived data, each approach or method used should provide an indication of Market Value.

Market Value does not reflect attributes of an asset that are of value to a specific owner or purchaser that are not available to other buyers in the market. Such advantages may relate to the physical, geographic, economic

or legal characteristics of an asset. Market Value requires the disregard of any such element of value because, at any given date, it is only assumed that there is a willing buyer, not a particular willing buyer.

## **RICS Valuation – Global Standards Commentary**

Market value is a basis of value that is internationally recognised and has a long-established definition. It describes an exchange between parties that are unconnected and are operating freely in the marketplace and represents the figure that would appear in a hypothetical contract of sale, or equivalent legal document, at the valuation date, reflecting all those factors that would be taken into account in framing their bids by market participants at large and reflecting the highest and best use of the asset. The highest and best use of an asset is the use of an asset that maximises its productivity and that is possible, legally permissible and financially feasible – fuller treatment of this particular premise of value can be found at section 140 of IVS 104.

It ignores any price distortions caused by special value (an amount that reflects particular attributes of an asset that are only of value to a special purchaser) or marriage value. It represents the price that would most likely be achievable for an asset across a wide range of circumstances. Market rent applies similar criteria for estimating a recurring payment rather than a capital sum.

In applying market value, regard must also be had to the requirement that the valuation amount reflects the actual market state and circumstances as of the effective valuation date.

Notwithstanding the disregard of special value, where the price offered by prospective buyers generally in the market would reflect an expectation of a change in the circumstances of the asset in the future, the impact of that expectation is reflected in market value. Examples of where the expectation of additional value being created or obtained in the future may have an impact on the market value include:

- the prospect of development where there is no current permission for that development and
- the prospect of marriage value arising from merger with another property or asset, or interests within the same property or asset, at a future date.

The impact on value arising by use of an assumption or special assumption should not be confused with the additional value that might be attributed to an asset by a special purchaser.

In some jurisdictions a basis of value described as ‘highest and best use’ is adopted and this may either be defined by statute or established by common practice in individual countries or states.

### **RICS Glossary of technical terms**

Special Value is an amount that reflects particular attributes of an asset that are only of value to a Special Purchaser.

A Special Purchaser is a particular buyer for whom a particular asset has a special value because of advantages arising from its ownership that would not be available to other buyers in the market.

Marriage Value is an additional element of value created by the combination of two or more assets or interests where the combined value is more than the sum of the separate values.



## Appendix D – Title Deed

شهادة ملكية عقار  
Title Deed

Issue Date	17/09/2020	تاريخ الإصدار
Mortgage Status:	Not mortgaged غير مرهونة	حالة الرهن:
Property Type:	Land ارض	نوع العقار:
Community:	Jabal Ali First جبل علي الأولى	المنطقة:
Plot No:	267	رقم الأرض:
Municipality No:	591 - 8404	رقم البلدية:
Area Sq Meter :	5378.26	المساحة الكلية متر مربع :
Area Sq Feet :	57,891.11	المساحة الكلية بالقدم المربع :

Owners numbers and their shares:	المساحة بالمتر المربع \ Area (Sq Meter)	أرقام و أسماء المالك وحصصهم:
(5468096) MRCC DMCC	5378.26	(5468096) إم آر سي أوه جرد. جرس

Purchased from DUBAI MULTI COMMODITIES CENTER  
by the Land Registration No. : 58744/2020 Date  
17/09/2020 for the amount 14000000 Dirham Fourteen  
Million Dirhams Only Dirhams

This property and its ownership is subject to the terms of  
the jointly owned property declaration of the above  
mentioned community and to the regulations issued in  
accordance with it as may be amended from time to time

ألت بالشراء من مركز دبي للسلع المتعددة بموجب العقد رقم  
٥٨٧٤٤/٢٠٢٠ بتاريخ ١٧/٠٩/٢٠٢٠ بمبلغ وقدره ١٤٠٠٠٠٠٠٠ درهم  
أربع عشر مليون درهم فقط لا غير  
يخضع هذا العقار وملكيته لأحكام إعلان المجمع السكني للمنطقة المذكورة  
أعلاه وللوائح والتعديلات المتعلقة بذلك والتي يتم إصدارها أو تعديلها من  
وقت لآخر

المساحة الإجمالية المباعة طبقاً لعقد المطور ( ) قدم مربع

Approved Signature



58745/2020

توقيع معتمد

DUBAI LAND DEPARTMENT (430) دائرة الأراضي والأموال

- Digital data of this certificate is securely stored on blockchain
- Certificate is electronically issued and no signature or stamp is required
- Any changes in the certificate make it void
- It is prohibited to hold this certificate by any other party

1 / 1

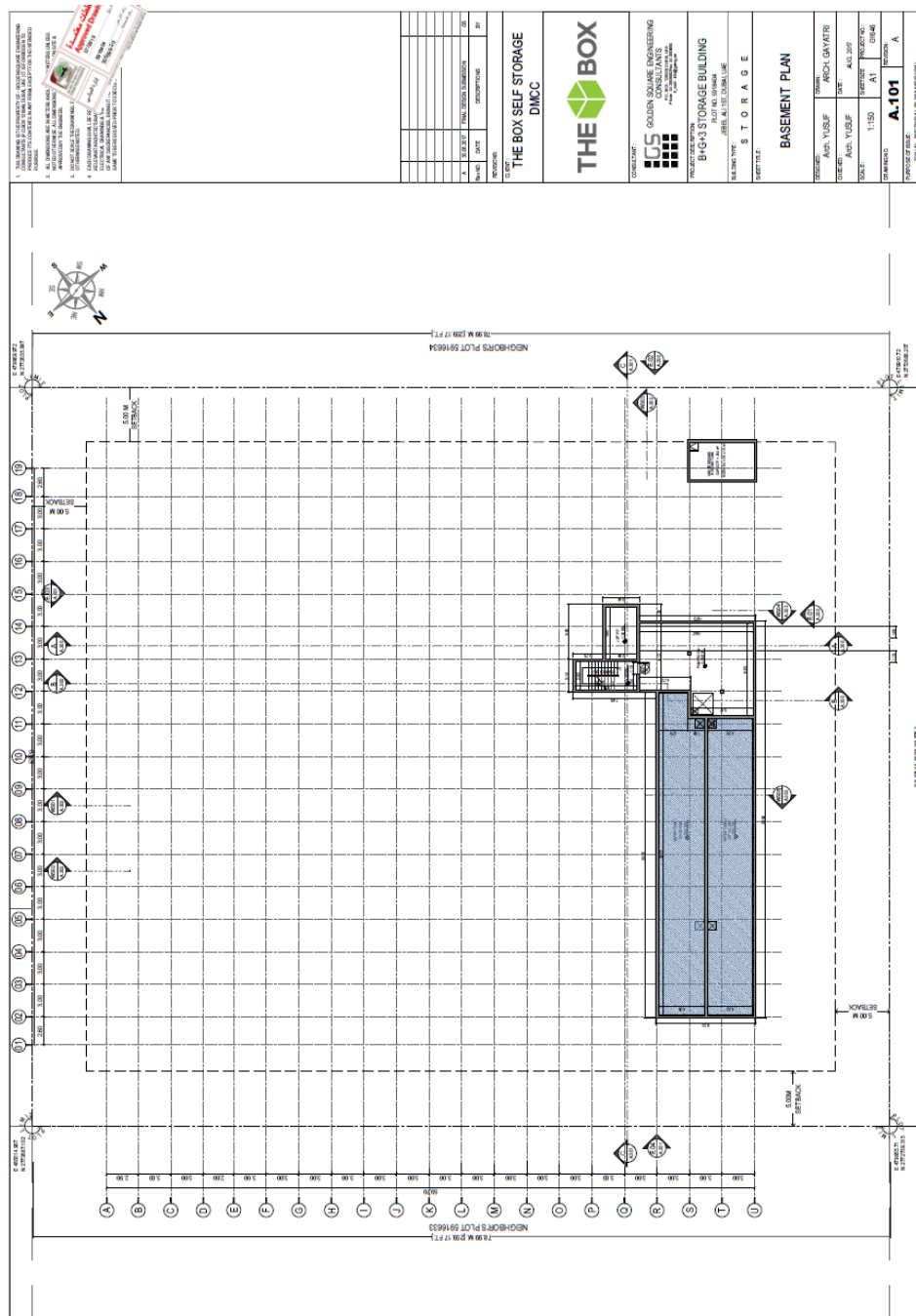
- يتم تخزين بيانات الشهادة الرقمية على البلوكتشين
- هذه الملكية صادرة إلكترونياً ولا تحتاج إلى توقيع أو ختم
- في حال وجود أي تغيير في الملكية تعتبر لاغية
- يمنع الاحتفاظ بهذه الشهادة من قبل أي طرف آخر من غير المتكبرين

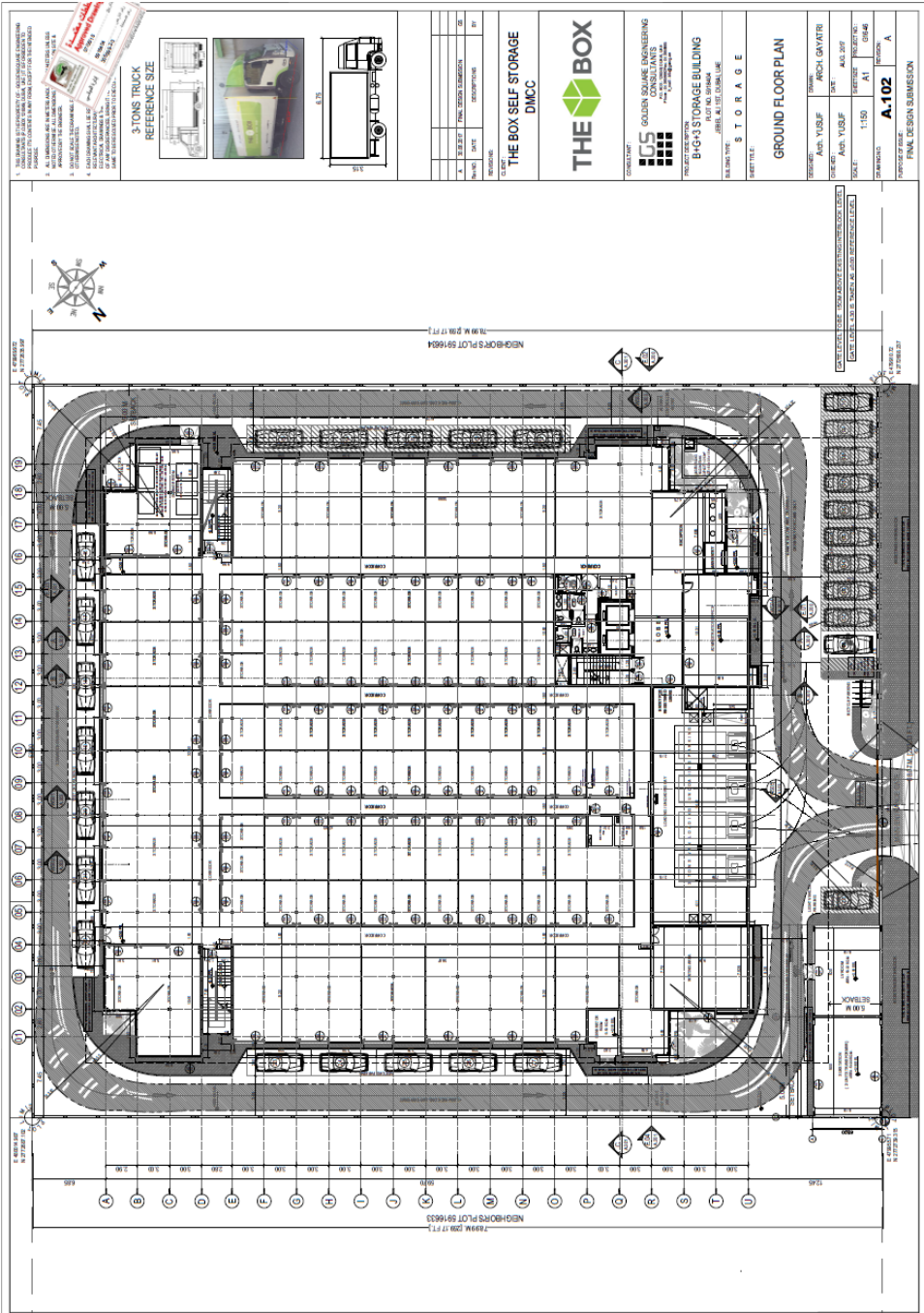
## Appendix E – Affection Plan

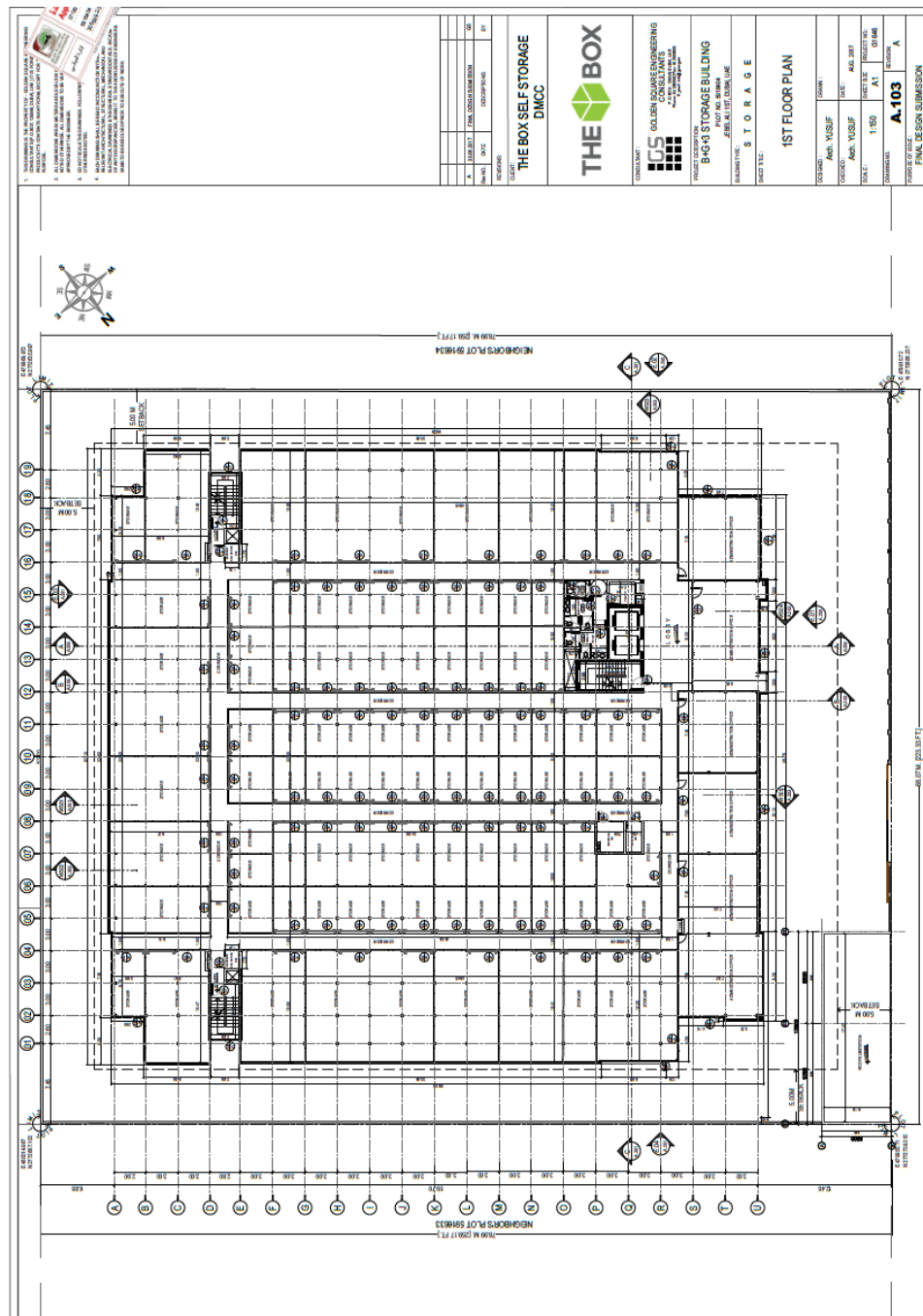


Prepared By : mohammadjn

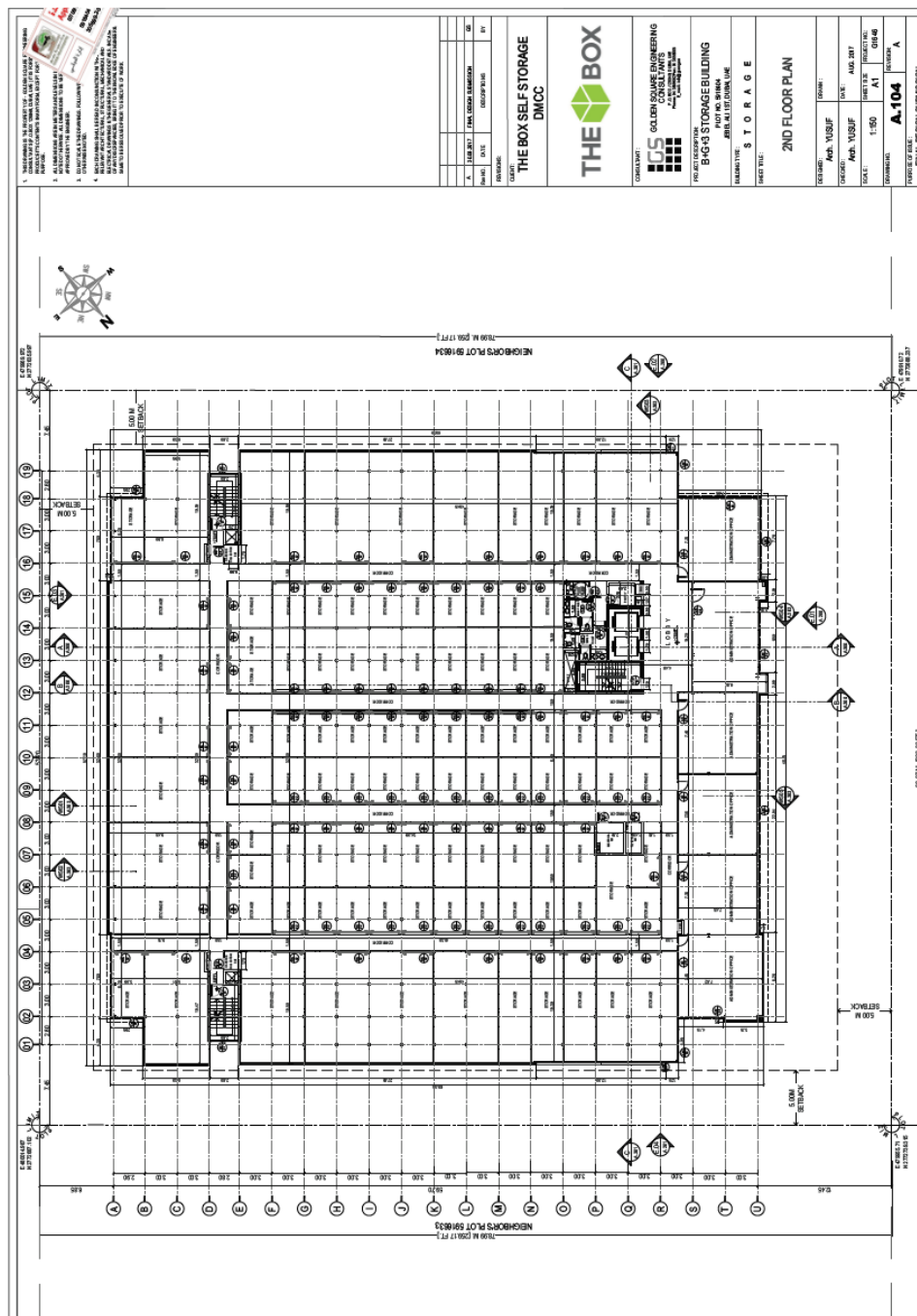
## Appendix F – Floor Plans

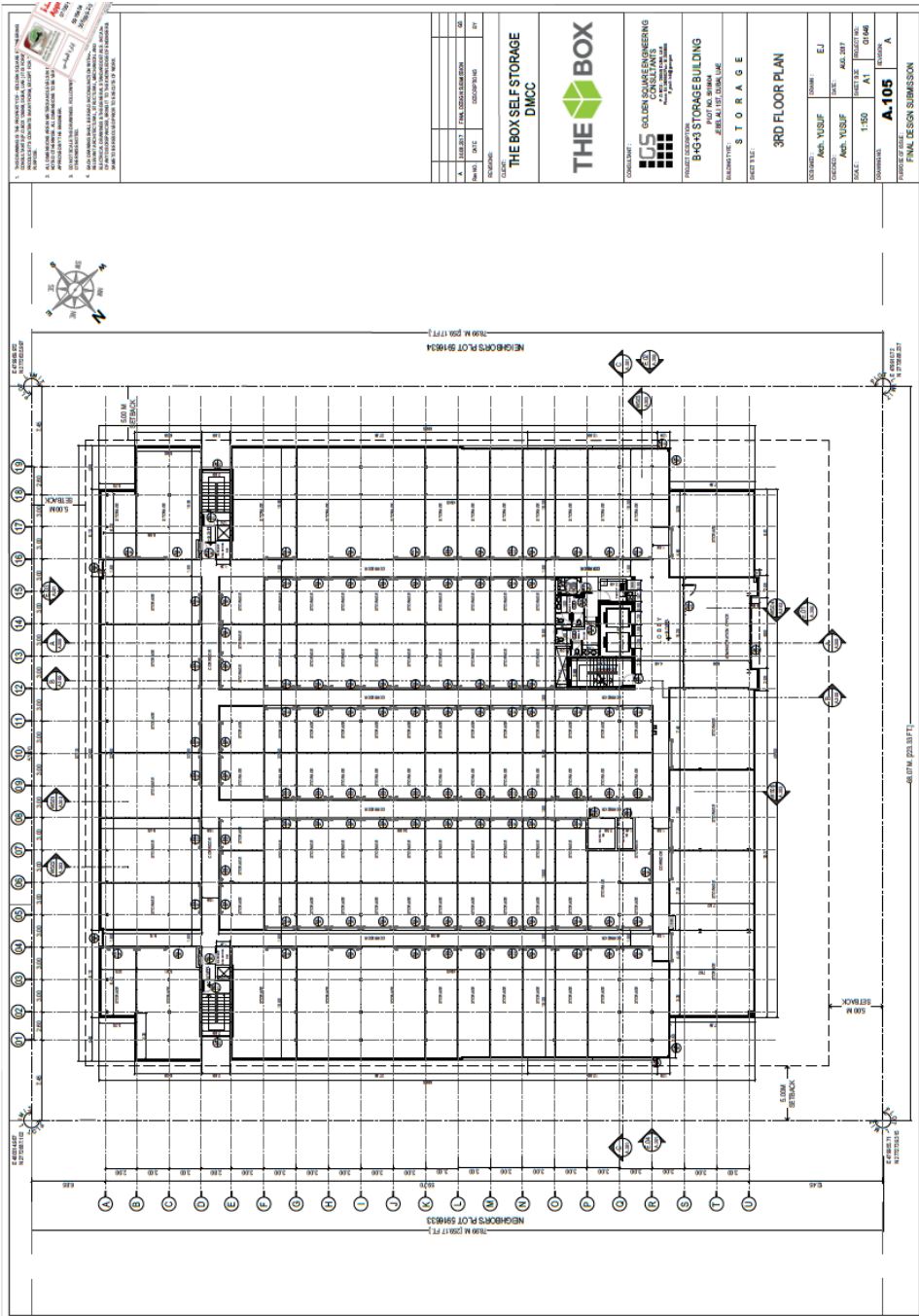


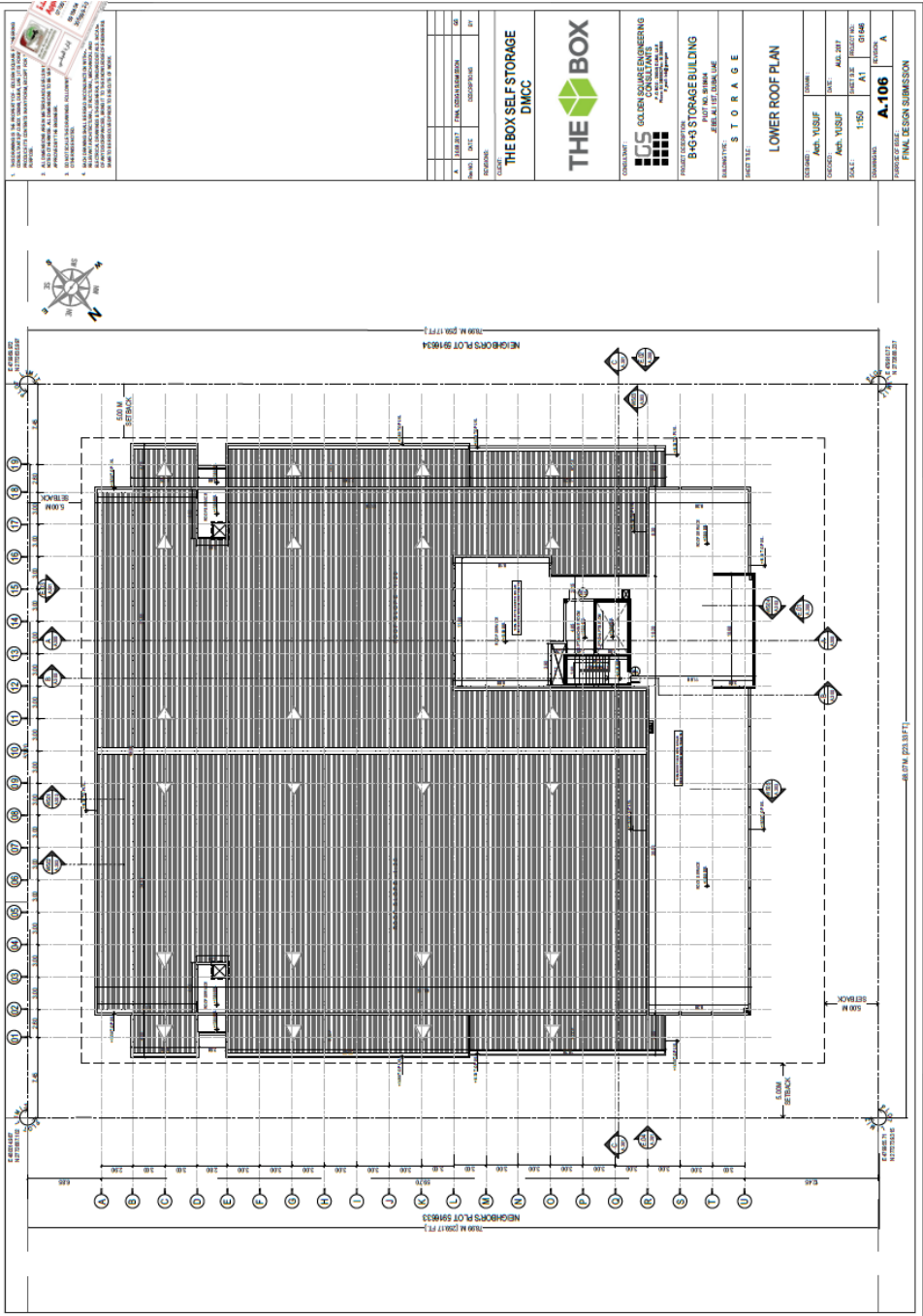


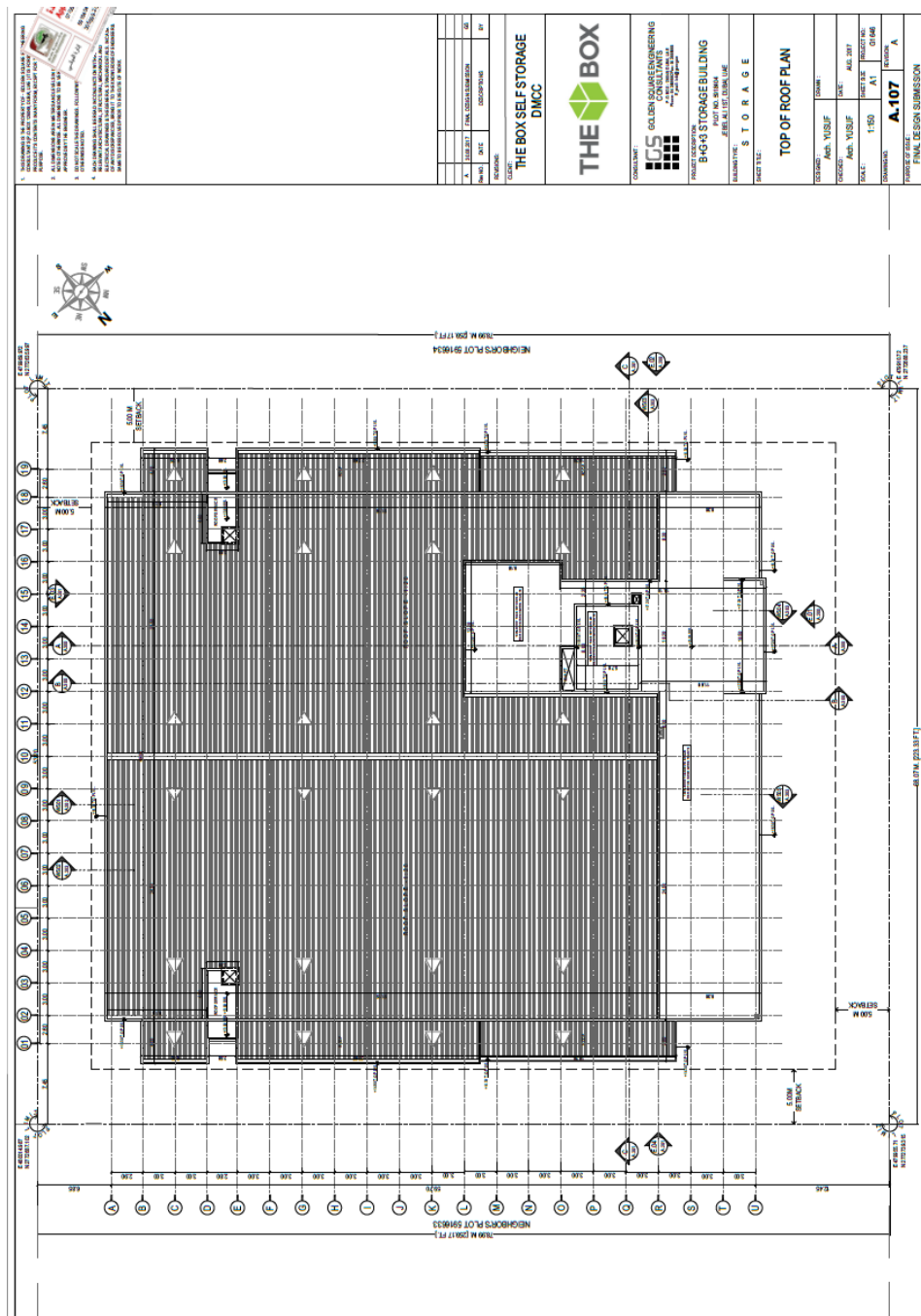












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