

**Executive Summary – Drive-by Valuation of a Self-Storage Facility Property – The Box
Plot No. 267 (591-8404), Jebel Ali First, Dubai, United Arab Emirates**

The executive summary below must be read in conjunction with the full valuation report which it forms part of, and which report includes the explanation of the concept, basis of valuation, valuation assumptions, reasoning, limitations, and findings applied in arriving at the valuation conclusion, and for which this valuation executive summary must therefore not be read in isolation.

Valuation report date	28th July 2021
Asset valued	Self-Storage Facility Property – The Box is on Plot No. 267 (591-8404), Jebel Ali First, Dubai, United Arab Emirates.
Client and intended users	Musharaka Capital (CJSC)
Purpose of the valuation	This valuation report is prepared for Public Listing Offering (REIT) for the Saudi Market purposes and submission to Capital Market Authority (CMA) purposes.
Valuer	Mr. Vismer Mulenga, Appointed as an <i>External Valuer</i>
Surveyor	Mr. Vismer Mulenga
Property Owner	MRCO DMCC
Location	The subject property is situated on Plot No. 267 (591-8404), Jebel Ali First community, Dubai and which community is situated on the southern side of Sheikh Zayed Road (E11).
Property Description	The Subject Property is a purpose-built Self-Storage (B+G+3+R) facility.
Property Interest to be valued / Valuation Special Assumption applied	Private Freehold Interest – <i>superior, perpetual, legally un-encumbered and transferable ownership title (UAE/GCC/Non-GCC Nationals)</i> with the benefit of an existing tenancy in the Subject Property. No Special Assumption has been applied in this valuation.
Basis of valuation	Market Value
Valuation approach applied	Income (Capitalisation) valuation approach incorporating a Discounted Cash Flow Model
Valuation date	30th June 2021
Inspection date	30th June 2021
Market Value	AED 56,600,000 (In Words) UAE Dirhams Fifty-Six Million Six Hundred Thousand

28th July 2021

Mr. Nawaf Fahad Al Tuwaijri
Financial Analyst
Musharaka Capital (CJSC)
P O Box 712
Al Khobar 31952
Saudi Arabia

DRIVE-BY VALUATION REPORT OF A SELF-STORAGE FACILITY PROPERTY – THE BOX

Plot No. 267 (591-8404), Jebel Ali First, Dubai, United Arab Emirates

Dear Sir,

Pursuant to your instructions received under reference Number PRE – 21/6048 for a valuation of the subject property as per details below, we hereby submit our report of findings as under:

INTRODUCTION

In accordance with your instructions, we have undertaken a Drive-by valuation of the Subject Property as on 30th June 2021 ('date of valuation') and described hereunder is our report and findings.

VALUATION INSTRUCTION / PROPERTY INTEREST TO BE VALUED

We received instructions from Musharaka Capital (CJSC) (*Client*) to carry out a Drive-by valuation of the Private Freehold Interest – *superior, perpetual, legally un-encumbered and transferable ownership title (UAE/GCC/Non-GCC Nationals)* with the benefit of an existing tenancy in the Subject Property.

In accordance with instructions received, and for the required valuation purpose, this report has been prepared subject to valuation assumptions, reporting conditions and restrictions as stated hereunder.

CLIENT AND OTHER INTENDED USERS

The subject valuation assignment is being produced strictly for submission to **Musharaka Capital (CJSC)** (*Client*).

This valuation assignment has been undertaken in accordance with the terms and conditions of engagement agreed between ValuStrat Real Estate Valuation Services LLC and the Client, and which agreement also forms part of this valuation report.

PURPOSE OF VALUATION

This valuation report is prepared for a Public Listing Offering (REIT) for the Saudi Market purposes and submission to Capital Market Authority (CMA).

VALUATION REPORTING COMPLIANCE

The valuation has been conducted in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation – Global Standards 2020 and the International Valuation Standards Council (IVSC) International Valuations Standards (Edition 2020). It should be further noted that this valuation is undertaken in compliance with generally accepted valuation concepts, principles and definitions as promulgated in the IVSC International Valuation Standards (IVS) as set out in the IVS General Standards and IVS Asset Standards.

SURVEYOR

Our surveyor, Mr. Vismar Mulenga BSc (Hons) MRICS IRRV RICS Registered Valuer, inspected the Subject Property to obtain details of the property such as location, condition, status of the property and other relevant information.

VALUER

The Valuer on behalf of ValuStrat Consulting FZCO, with responsibility of this report is Mr. Vismar Mulenga, BSc (Hons) MRICS, IRRV (RICS Registered Valuer). We confirm that the Valuer meets the requirements of RICS *Valuation – Global Standards*, having sufficient and current knowledge of the UAE market and the skills and understanding to undertake an objective and unbiased valuation competently.

We confirm that we previously valued the Subject Property for the same Client in a report dated 31st January 2021. We confirm that we have no conflict of interest in us undertaking this assignment.

We further confirm that the proportion of total fees payable by the client during the preceding year relative to the total fee income of ValuStrat Real Estate Valuation Services LLC during that year was minimal (less than 5%).

STATUS OF VALUER

External Valuer

DATE OF INSPECTION	DATE OF VALUATION
30th June 2021	30th June 2021

EXTENT OF INVESTIGATION – DRIVE-BY VALUATION/ REPORTING LIMITATIONS

In accordance with instructions received we have carried out a drive-by inspection only of the property. For reporting purpose, we have expressly assumed that the condition of any un-seen areas is commensurate with those which were seen. We reserve the right to amend our report should this prove not to be the case.

For valuation purposes, we assume that information provided and relied upon is accurate and highlight that any deviation from this could have a material effect on the valuation reported herein, and we reserve the right to re-assess / amend our report.

The subject of this valuation assignment is to produce a valuation report and not a structural / building or building services survey, and hence structural survey and detailed investigation of the services are outside the scope of this assignment.

Drive-by valuation necessitates reporting under restricted information and client should be aware of the possible impact that this may have upon the accuracy of the figure reported herein.

SOURCES OF INFORMATION / DOCUMENTS PROVIDED

For reporting purpose, we assume that information provided to us by the Client is up to date, complete and correct in relation to the title, tenure and other relevant matters as set out in the report. We assume that information provided to us is accurate, and any deviation from this will mean that our reported valuation will be materially affected, and we reserve the right to re-assess and amend our report.

The following documents have been provided by the client and which we have relied on: -

Documents provided	Verification
Title Deed dated 17/09/2020 issued by Land Department, Government of Dubai.	Reliable
Tenancy Contract Agreement dated 07/07/2020 between MRCO DMCC (Propert Owner/Landlord) and The Box Self Storage Services DMCC (Tenant).	Reliable
Affection Plan dated 29/03/2017 issued by Dubai Municipality, Government of Dubai.	Reliable
Concept Design and Architectural Floor Plan Drawings prepared by various consultants.	Reliable

Copies of the above documents are attached in the appendix below.

PROPERTY OWNER

MRCO DMCC as per Title Deed dated 17/09/2020.

PROPERTY INTEREST

Private Freehold Interest – *superior, perpetual, legally un-encumbered and transferable ownership title (UAE/GCC/Non-GCC Nationals).*

PROPERTY OCCUPATION

The property as on the date of inspection is occupied by the Tenant – The Box Self Storage Services DMCC as per Tenancy Contract Agreement dated 07/07/2020 and which property is a self-storage facility in which individual storage units are sub-leased.

ADDRESS

Plot ID No. 267 (591-8404)
 Community: Jebel Ali First
 Dubai

United Arab Emirates

The Subject Property is situated within DMCC Jewellery & Gemplex Complex in Jebel Ali First Community. Ease of access to the site is facilitated from Shiekh Zayed Road (E11) via Garn Al Sabkha Street (D59) near to Interchange No. 5 along Sheikh Zayed Road (E11). Primary access to the property is from First Al Khail Street. The aerial photomaps below show the general location of the area and the Subject Property.



Source: Google earth maps

SCHEDULE OF PLOT

The land envelope is bordered as follows:

- On the North Side Access Road
- On the South Side Adjacent Plot
- On the East Side Adjacent Property
- On the West Side Adjacent Property

DIMENSIONS OF THE PLOT

As per Title Deed dated 17/09/2020 and Affection Plan dated 29/03/2017, the plot area measures approximately 5,378 sq. metres (57,891 sq. feet).

BRIEF DESCRIPTION OF SELF-STORAGE FACILITY

The subject property is a Self-Storage building (B+G+3+R) facility. The building has self-storage units of various sizes / configuration from the ground to three upper floors, open plan workstation office spaces to front sections of the building from first to third floor level, meeting rooms and other service / utility rooms from basement, ground, and roof top.

Summary description of the building is as follows:

Building constructed with reinforced concrete cement (RCC) super and sub-structure with column, beams and intermediate floor slabs, foundations and flat RCC roof structure. Thermal in-fill loadbearing cement concrete block walls plastered and painted. External cladding with composite rendered walls, aluminum, and glazed window panels. Offices and meeting rooms to be fitted with ceramic / porcelain floor tiles, and concealed ceilings with embedded florescent light fittings.

Windows with powder coated window frames / single glazed reflective glass sliding windows and timber flush core doors. Internal floor finishes include ceramic tiles flooring and painted walls. Steel shutter roll-up doors to self-storage units. Central air-conditioning to be installed. The building has 3 stairways and two elevator lifts. Common toilets will be on each floor level.

FLOOR AREA MEASUREMENT OF BUILDING

IPMS 1 - (External) Floor area measurement

The Gross External Area (GEA) of the buildings as per IPMS 1 (External) definition and which measurements are taken from architectural floor plan drawings provided is as follows: -

Floor level	Gross External Area	
	Sq. Meter.	Sq. Foot.
Basement	384	4,133
Ground Floor	3,435	36,974
1 st Floor	3,326	35,801
2 nd Floor	3,325	35,790

Floor level	Gross External Area	
	Sq. Meter.	Sq. Foot.
3 rd Floor	3,339	35,941
Roof Floor	50	538
Total Area	13,860	149,177

Note* Conversion rate: 1 sq. metre = 10.76391 sq. feet
Measurements taken from architectural drawings provided.
Scale of 1:100 shown on the drawings provided.

IPMS 1 - (External) is defined as: *'The total of the areas of each floor level of a Building measured to the outer perimeter of External Walls, Sheltered Areas and Balconies.'*

Source: *IPMS: Industrial Buildings, 3.1.2* - Copyright 2018 International Property Measurement Standards Coalition. All rights reserved.

IPMS 1 equates to 'Gross External Area' as defined in RICS Code of Measuring Practice (6th Edition 2007).

IPMS 2 - (Internal) Floor area measurement for Storage units

The Gross Internal Area (GIA) and configuration for storage units in the building as per IPMS 2 – (Internal) definition and which measurements have been provided by the developer as taken from architectural floor plan drawings is as follows: -

S.I	GROUND FLOOR					FIRST FLOOR				
	UNITS/ QTY	Unit size (each)		Total Unit sizes		UNITS/ QTY	Unit size (each)		Total Unit sizes	
		SQM	SQF	SQM	SQF		SQM	SQF	SQM	SQF
1	9	2	24	20	216	59	2	24	132	1,416
2	26	5	49	118	1,274	54	5	49	246	2,646
3	4	7	73	27	292	79	9	97	712	7,663
4	1	9	93	9	93	1	11	122	11	122
5	18	9	97	162	1,746	29	14	146	393	4,234
6	14	13	145	189	2,030	1	15	162	15	162
7	3	14	146	41	438	21	18	194	378	4,074
8	20	18	194	360	3,880	1	19	200	19	200
9	5	23	243	113	1,215	10	23	243	226	2,430
10	3	27	291	81	873	1	29	315	29	315
11	2	27	291	54	582					
12	1	32	345	32	345					
13	1	33	350	33	350					
14	8	36	388	288	3,104					
15	2	41	436	81	872					
16	1	44	472	44	472					
17	10	54	582	541	5,820					
TOTAL	128			2,193	23,602	256			2,161	23,262

S.I	SECOND FLOOR					THIRD FLOOR				
	UNITS/ QTY	Unit size (each)		Total Unit sizes		UNITS/ QTY	Unit size (each)		Total Unit sizes	
		SQM	SQF	SQM	SQF		SQM	SQF	SQM	SQF
1	59	2	24	132	1,416	116	1	13	140	1,508
2	54	5	49	246	2,646	42	2	24	94	1,008
3	79	9	97	712	7,663	2	2	25	5	50
4	1	11	122	11	122	94	5	49	428	4,606
5	29	14	146	393	4,234	1	5	52	5	52
6	1	15	162	15	162	83	7	73	563	6,059
7	21	18	194	378	4,074	2	7	75	14	150
8	1	19	200	19	200	36	9	97	324	3,492
9	10	23	243	226	2,430	22	14	146	298	3,212
10	1	29	315	29	315	1	16	173	16	173
11						5	18	194	90	970
TOTAL	256			2,161	23,262	404			1,977	21,280

Note* Conversion rate: 1 sq. metre = 10.76391 sq. feet
Measurements taken from architectural drawings provided.
Scale of 1:100 shown on the drawings provided.

IPMS 2 – (Internal) is defined as:

'The total of the areas of each floor level of a Building measured to the Internal Dominant Face of all External Walls and Balconies.'

Source: **IPMS: Industrial Buildings, 3.2.2** - Copyright 2018 International Property Measurement Standards Coalition. All rights reserved.

IPMS 1 equates to 'Gross Internal Area' as defined in RICS Code of Measuring Practice (6th Edition 2007).

Floor area for Office spaces from 1st to 3rd floor levels

The **Floor area** for the office spaces available on an exclusive occupation basis as per **IPMS 3 – Office** definition and which measurements have provided by the Client is as follows: -

Floor level	Type	Total Floor area	
		SQM	SQFT
Ground	Commercial / Office space in exclusive use	73	786
First	Office floor space in exclusive use	389	4,187
Second	Office floor space in exclusive use	389	4,187
Third	Office floor space in exclusive use	389	4,187
Total Floor area in exclusive occupation (IPMS 3 – Office)		1,240	13,347

Note

- Conversion rate adopted between metric to imperial is: 1 sq. meter = 10.76391 sq. feet.
- Floor areas for office units is as per IPMS 3 – Office definition in RICS Property measurement (Edition 2018) and IPMS: Office Buildings (Edition 2014).
- Measurements provided by Client.

IPMS 3 – Office defines the Floor area of an office as:

'The Floor Area available on an exclusive basis to an occupier, but excluding **Standard Facilities** and shared circulation areas, and calculated on an occupier-by occupier or floor-by-floor basis for each **Building**.

Standard Facilities are those parts of a **Building** providing shared or common facilities that typically do not change over time, including, for example, stairs, escalators, lifts/elevators and motor rooms, toilets, cleaners' cupboards, plant rooms, fire refuge areas and maintenance rooms.'

Source: IPMS: Office Buildings, 3.3.1 - Copyright 2018 International Property Measurement Standards Coalition. All rights reserved.

GENERAL OBERVATIONS

The property is situated in Jebel Ali First Jewelry and Gemplex complex which area is characterized with mixed-use industrial/commercial workshop units and associated staff residential accommodation. The community's current development is only having the Jewelry and Gemplex mixed-use complex.

CONDITION OF THE PROPERTY

At the time of our drive-by inspection from the road frontage to the property, we observed that the property appeared to be in good to above average state of condition with no visible defects apparent.

SERVICES

For valuation purpose, we have assumed that the Subject Property is connected to mains water, drainage, and electricity - as supplied by the Dubai Electricity and Water Authority (DEWA). We reserve the right to amend our report should any of our assumptions prove to be incorrect.

LEGAL NOTICE

We are not aware of, nor have we been informed of any legal notices served on the property, outstanding or pending in the courts of law. For valuation purpose, we have assumed that no legal encumbrances / liens exist on the property that would have a detrimental factor on the reported Market Value.

ENVIRONMENT MATTERS

We are not aware of the content of any environmental audit or other environmental investigation or soil survey which may have been carried out on the property and which may draw attention to any contamination or the possibility of any such contamination. In undertaking our work, we have been instructed to assume that no contaminative or potentially contaminative use has ever been carried out on the property. We have not carried out any investigation into past or present use, either of the property or of any neighbouring land, to establish whether there is any contamination or potential for contamination to the Subject Property from the use or site and have therefore assumed that none exists.

However, should it be established subsequently that contamination exists at the property or on any neighbouring land, or that the premises has been or is being put to any contaminative use, this might reduce the value now reported.

MARKET COMMENTARY

Dubai

Dubai is a member of the seven emirates federation forming the United Arab Emirates. The emirate is located on the south-east coast of the Arabian Gulf. It is the most populous city within the UAE reaching more than 3.44 million residents by June 2021. The current growth rate is below the long-term historical trend, growing at approximately 5% on average during the last five years. It also occupies the second-largest land territory (4,114 sq km) after the capital, Abu Dhabi. The city of Dubai shares borders with Sharjah in the northeast, Abu Dhabi to the south, and Sultanate of Oman in the southeast.

Industrial property sector

As per latest available data, an estimated 131,749 sq m (1.4 million sq ft) BUA of industrial facilities are under-construction in Jebel Ali. This includes a 5,000 sq m (53,810 sq ft) gold refinery, a 12,000 sq m (129,167 sq ft) workshop and a 70,000 sq m (753,473 sq ft) BUA data centre. Dubai CommerCity (DCC) launched a 13,471 sq m (145,000 sq ft) e-commerce logistic and multi-client warehouses in its logistics cluster. Jebel Ali Free Zone Authority (JAFZA) announced plans to build a new set of Light Industrial Units (LIUs) and warehouse project worth AED 130 million. The total estimated net project value of remaining projects under construction this year is at AED 1.34 billion.

No quarterly changes seen in industrial property prices during the second quarter 2021 with rates generally ranging between AED 861 to 3,767 per sq m (AED 80 to 350 per sq ft) in established industrial areas with modern and higher specification facilities priced at the upper range. Higher rates commanded for cold storage facilities and modern high standard built industrial properties. Asking rental rates also remained relatively stable with quoted asking prices generally ranging between AED 161 per sq m to AED 484 per sq m (AED 15 to 45 per sq ft) depending on various factors such as location, size, condition, lease terms, and age of the building. Small and medium sized facilities in Jebel Ali Free Zone and Dubai Technology Park saw more transactional activity.

BASIS OF VALUATION

Market Value

The valuation of the Subject Property, and for the above stated purpose, have been undertaken on the **Market Value** basis of valuation in compliance with the mentioned *Valuation Standards* as promulgated by the IVSC and adopted by the RICS.

Market Value is defined 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.

The definition of **Market Value** is applied in accordance with the following conceptual framework:

“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;

“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;

“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;

“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”;

“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;

“in an arm's-length transaction” is one between parties who do not have a particular or special relationship e.g. 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;

“after proper marketing” means that the asset would be exposed to the market in the most appropriate manner to affect 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;

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

Market value is the basis of value that is most commonly required, being an internationally recognised definition. It describes an exchange between parties that are unconnected (acting at arm’s length) and are operating freely in the marketplace and represents the figure that would appear in a hypothetical contract of sale, or equivalent legal document, on the valuation date, reflecting all those factors that would be considered 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.

Market value is the estimated exchange price of an asset without regard to the seller’s costs of sale or the buyer’s costs of purchase and without adjustment for any taxes payable by either party as a direct result of the transaction.

VALUATION GENERAL ASSUMPTIONS

This valuation assignment is undertaken on the following assumptions:

1. The Subject Property is valued under the assumption having the benefit of an existing tenancy in the property;
2. That information provided to us by the Client is up to date, complete and correct in relation to issues such as land tenure, planning use/consent, and other relevant matters that are set out in the report;
3. That no contaminative or potentially contaminative use has ever been carried out on the site;
4. We assume no responsibility for matters legal in character, nor do we render any opinion as to the title and tenure relating to the property, which we assume to be good and free of any undisclosed onerous burdens, outgoings, restrictions, or other encumbrances which would adversely affect the valuation. Information regarding title must be checked by your legal advisors;
5. This subject is a valuation report and not a structural/building survey, and hence a building and structural survey is outside the scope of the subject assignment. We have not carried out any structural survey, nor have we tested any services, checked fittings or any parts of the structure which are covered, exposed or inaccessible, and, therefore, such parts are assumed to be in good repair and condition and the services are assumed to be in full working order;

6. We have not arranged for any investigation to be carried out to determine whether or not any deleterious or hazardous material have been used in the construction of the property, or have since been incorporated, and we are therefore unable to report that the property is free from risk in this respect. For the purpose of this valuation, we have assumed that such investigations would not disclose the presence of any such material to any significant extent; and
7. The Market Value conclusion arrived at for the property reflects the full contract value and no account is taken of any liability to taxation on sale or of the costs involved in effecting the sale.

VALUATION SPECIAL ASSUMPTIONS

No valuation *Special Assumption* has been applied in this valuation.

VALUATION APPROACH AND REASONING

Our opinion of the *Market Value* for the subject property has been arrived at using an *Income Capitalization* valuation approach. This valuation approach is a preferred method of valuation used for analysing such properties and is a market-based valuation approach that considers expectations of market participants. This is the method of valuation which would also be adopted in the market.

This valuation approach provides a value estimate by converting future cash flows to a single current capital value. In using the Income valuation approach, we have used a 'Term and Reversion' valuation model incorporating a *Discounted Cash Flow* model applied to determined / anticipated income streams which will be receivable in the property.

This approach considers the income that the asset will generate over its useful life and indicates the terminal value through a capitalisation process. We have applied the following valuation techniques in using the *Income* approach:

- Discounted cash flow where an appropriate discount rate is applied to a series of cash flow streams under an agreed lease contract and the determined terminal value which are discounted to a present value; and
- Income capitalisation of the terminal income at an appropriate capitalisation rate to determine the Terminal Value.

All key assumptions used in this analysis, reflect market conditions as on the date of valuation, and in this respect, we have regard to market evidence as well as our general market knowledge of such properties in the local market.

In our valuation, we have considered the following valuation factors, inputs, and assumptions.

Valuation Inputs and assumptions

In our valuation, we have considered the following factors and valuation assumptions: -

- i. The Client has provided us with a copy of the Tenancy Contract Agreement dated 07/07/2020 between MRCC DMCC (Property Owner/Landlord) and The Box Self Storage Services DMCC (Tenant). The property is leased for a period of 25 years from 1st October 2020 to 30th September 2045 with an option to extend the lease on expiry by a further period of 5 years. The rental income receivable in the property under the tenancy contract is initially at **AED 4,000,000** p.a. for the first 5 years. For the first year the rent is payable annually in advance and for subsequent years is payable bi-annually in advance. Further the annual rent is subject to upward rent reviews at a fixed rate of 10% every 5th year.
- ii. In our valuation, we have discounted above income streams receivable in the property under the tenancy contract for the 25-year lease term period and the 5-year extension period under the assumption the lease will be extended, and thereafter for reversionary period we have capitalised rentals incomes based on *Market Rent* to determine the *Terminal Value* of the asset.
- iii. In our valuation, we have applied a discount rate of 9.50% which we consider as an appropriate discount rate that would be applied in the market for such a property, reflective of the type and nature of asset, perceived security of income, and the inherent risk in owning such an asset. We have used a weighted average cost of capital (WACC) model in determining the discount rate which is based on a percentage split of 70% cost of capital and 30% cost of equity ratio with cost of capital taken at 5.00% and cost of equity at 20% as a return that would be considered appropriate to induce investors taking into consideration the type, characteristics, nature, and inherent risk elements of the property.
- iv. In establishing the *Market Rent*, we have had regard to anecdotal information on observed lettings for such properties.
- v. From our research, prevailing *Market Rents* for similar natured properties are ranging in the following rental price ranges: -

Property type	Market Rental range per month (AED)
Self-Storage units	AED 86 to 301 per sq. m (AED 8 to 28 per sq. ft.)
Offices	AED 323 to 646 per sq. m (AED 30 to 60 per sq. ft.)

We do observe that rents are influenced by various factors such as size, age / condition, type / finishing details of accommodation and buildings / facilities, and amenities offered in complexes, location, and community services and amenities, etc.

In our valuation we have adopted *Market Rents* to various units as follows:

- Self-Storage units.

GROUND FLOOR			
Storage unit size		Rental rate per month	
SQM	SQF	SQM	SQF
2	24	269	25
5	49	183	15
7	73	140	13
9	93	129	12
9	97	129	12
13	145	129	12
14	146	129	12
18	194	129	12

GROUND FLOOR			
Storage unit size		Rental rate per month	
SQM	SQF	SQM	SQF
23	243	118	11
27	291	118	11
32	345	118	11
33	350	118	11
36	388	118	11
41	436	118	11
44	472	118	11
54	582	118	11

UPPER FLOORS (1st to 3rd)			
Storage unit size		Rental rate per	
SQM	SQF	SQM	SQF
1	13	269	20
2	24	215	15
2	25	215	15
5	49	118	10
5	52	118	10
7	73	118	10
7	75	118	10
9	97	118	10
11	122	118	10
14	146	118	10
15	162	118	10
16	173	118	10
18	194	118	10
19	200	118	10
23	243	108	9
29	315	108	9

- Commercial office spaces.

Floor level	Market Rent per annum (AED)
Ground floor	AED 645.83 per sq. m (AED 60 per sq. ft.)
Upper floors	AED 376.74 per sq. m (AED 35 per sq. ft.)

- vi. In our valuation, we have made a deduction allowance for rolling void / vacancy periods at the rate of 15% of *Market Rents* for the reversionary period.
- vii. Our further analysis of other outgoing unrecoverable expenses incurred in such buildings, are generally ranging from between 8% to 12% of rental income in buildings. In our valuation, we have made allowances for unrecoverable outgoing expenses at the rate of 10% of *Market Rent*.

viii. In determining the *Terminal Value* of the asset, we have adopted an appropriate capitalization rate which we consider as typically would be applied for such a property. Property capitalisation rates for commercial storage / logistics properties based on market research observed are generally ranging from 9.50% to 12.00%. In our valuation, we have applied a capitalization rate of 9.50% to projected net Market Rental income to determine the Terminal Value which Cap. rate we consider is a fair reflection of the type and nature of property, and inherent risk in holding such property.

VALUATION

Market Value of the Subject Property

It is our considered opinion that the *Market Value* of the Private Freehold Interest – *superior, perpetual, legally un-encumbered and transferable ownership title (UAE/GCC/Non-GCC Nationals)* with the benefit of an existing tenancy in the Subject Property; subject to the contents herein, and which property is valued using an *Income Capitalization* valuation approach considering evidence, prevailing market conditions and sentiments as on the date of valuation (30th June 2021) is: -

AED 56,600,000

In words (UAE Dirhams Fifty-Six Million Six Hundred Thousand)

Drive-by valuation necessitates reporting under restricted information and client should be aware of the possible impact that this may have upon the accuracy of the figure reported herein.

VALUATION UNCERTAINTY

In line with the RICS Valuation - Global Standards 2020 Valuation Practice Guidance Application 10 (VPGA 10): we believe that a reasonable period in which to negotiate a sale at our opinion of Market Value is 12 - 18 months. It should be noted, however, that if credit conditions substantially worsen or any other change were to occur to the investment market then the liquidity of the investment and the value, may change. We do not consider there to be a special prospective purchaser in the market for the Subject Property who would pay more than our opinion of Market Value.

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a “Global Pandemic” on 11 March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries. Market activity is being impacted in many sectors. As at the valuation date, we, **ValuStrat Real Estate Valuation Services LLC**, consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement. Our valuation is therefore reported on the basis of ‘material valuation uncertainty’ as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of the Subject Property under frequent review.

The RICS valuation standards consider it essential to draw attention to foreseen valuation uncertainties that could have a material effect on valuations, and further advises to indicate the cause of the uncertainty and the degree to which this is reflected in reported valuations.

For the avoidance of doubt this explanatory note, including the 'material valuation uncertainty' declaration, does not mean that the valuation cannot be relied upon. Rather, this explanatory note has been included to ensure transparency and to provide further insight as to the market context under which the valuation opinion was prepared. In recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of COVID-19 we highlight the importance of the valuation date.

Where a material uncertainty declaration is being used, its purpose is to ensure that any client relying upon that specific valuation report understands that it has been prepared under extraordinary circumstances.

The term is not meant to suggest that the valuation cannot be relied upon; rather, it is used in order to be clear and transparent with all parties, in a professional manner that – in the current extraordinary circumstances – less certainty can be attached to the valuation than would otherwise be the case. Indeed, with regard to the process itself, professional valuers will almost certainly have undertaken far more due diligence than normal, in order to arrive at their estimate of value.' Ben Elder FRICS, RICS Global Director of valuation.

RESTRICTIONS ON USE, DISTRIBUTION OR PUBLICATION

This valuation is for the sole use of the named Client. This report is confidential to the Client, and we accept no responsibility whatsoever to any third party. No responsibility is accepted to any third party who may use or rely upon the whole or any part of the contents of this report. It should be noted that any subsequent amendments or changes in any form thereto will only be notified to the Client to whom it is authorised.

DISCLAIMER

In undertaking and executing this assignment, an extreme care and precaution has been exercised. This report is based on the information supplied by the bank and or the owner/s of the property. The values may differ or vary periodically due to various unforeseen factors beyond our control such as supply and demand, inflation, local policies and tariffs, poor maintenance, variation in costs of various inputs, etc. It is beyond the scope of our services to ensure the consistency in values due to changing scenarios.

CONCLUSION

This report is compiled based on the information received to the best of our belief, knowledge and understanding. The information revealed in this report is strictly confidential and issued for the consideration of the Client. No part of this report may be reproduced either electronically or otherwise for further distribution without our prior and written consent. We trust that this report and valuation fulfills the requirement of your instruction. This report is issued without any prejudice and personal liability.

For and on behalf of **ValuStrat Real Estate Valuation Services LLC**



Vismar Mulenga, BSc (Hons), MRICS, IRRV
RICS Registered Valuer
Director – Commercial Valuations

Sean Swinburne BSc (Hons) MRICS
RICS Registered Valuer
Manager – Commercial Valuations



SOME PHOTOGRAPHS OF THE PROPERTY



Issue Date	17/09/2020	تاريخ الإصدار
Mortgage Status:	Not mortgaged	حالة الرهن: غير مرهونة
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 الملاك وحصصهم:
(5468096) MRCC DMCC	5378.26	(5468096) إم آر سي أوه م.د.م.س

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 درهماً فقط لا غير يخضع هذا العقار وملكيته لأحكام إعلان المجمع السكني للمنطقة المذكورة أعلاه. وللقواعد والتعليمات المتعلقة بذلك والتي يتم إصدارها أو تعديلها من وقت لآخر

المساحة الإجمالية المباعة طبقاً لعقد المطور () قدم مربع

Approved Signature



توقيع معتمد

58745/2020

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



Receipt

سند قبض

Name THE BOX SELF STORAGE DMCC

الاسم ذا بوكس سيلف ستوراج م.د.م.س

Receipt Details

بيانات سند القبض

Receipt Number 89820/2017 ٢٠١٧/٨٩٨٢٠ رقم سند القبض
Receipt Date 23-3-2017 ٢٠١٧-٣-٢٣ تاريخ سند القبض

Procedure Data

بيانات الأجراء

Procedure Type Development Registration تسجيل حق منفعة نوع الاجراء
Procedure Number 457/2017 ٢٠١٧/٤٥٧ رقم الاجراء
Procedure Date 23-3-2017 ٢٠١٧-٣-٢٣ تاريخ الاجراء

Property Data

بيانات العقار

Region Jabal Ali First جبل علي الأولى المنطقة
Property type Land ارض نوع العقار
Land Number 267 ٢٦٧ رقم الأرض
Land Sub Number 0 رقم الأرض الفرعي
Municipality Number 591-8404 ٥٩١-٨٤٠٤ رقم البلدية

Fees Details

بيانات الرسوم

Fee	Amount \ المبلغ	الرسوم
Issuing title deed of real property	250.00	اصدار شهادة ملكية
issuing a land map	100.00	رسوم اصدار خارطة ارض
Registering a contract for the use and development of the land of another person	208,408.00	رسوم مساطحة
Fee of AED knowledge	40.00	رسوم درهم المعرفة
Fee of AED innovation	40.00	رسوم درهم الابتكار
processing an urgent real property disposition transaction	5,000.00	نجاز معاملة تصرف عقاري بصوره مستعجله

Total Fees: 213,838.00 اجمالي الرسم :

تفاصيل الدفع

م	طريقة الدفع	قيمة الدفعة	رقم الشيك	تاريخ الشيك	اسم البنك	القيمة المسحوبة
١	شيك	٢٠٨٨١٨	458564	٢٠١٧-٣-١٥	بنك الامارات دبي الوطني	٠
٢	شيك	٥٠٢٠	458556	٢٠١٧-٣-١٣	بنك الامارات دبي الوطني	٠

المجموع: ٢١٣٨٣٨



دائرة الأراضي والأماك
Land Department
رقم الموظف: 688 Emp. No.

* Receipt is not confirmed unless stamped

* لا يعتمد السند إلا بختم الدائرة

* The Site Plan will be kept for a maximum of six months from its issuance

* سيتم الاحتفاظ بخريطة العقار بعد أقصى ستة أشهر من تاريخ تقديم الطلب

Print Date: Thursday, 23 March 2017 09:00:06

Our vision: To position Dubai as the world's premier real estate destination and a byword for innovation, trust and happiness

رؤيتنا: أن تكون الوجهة العقارية الأولى عالمياً في الابتكار والثقة والسعادة

www.dubailand.gov.ae

Payment Details

I D	Payment Method	Amount	Cheque No.	Cheque Date	Bank Name	Amount Withdrawn
1	Cheque	208,818.00	458564	15-3-2017	Emirates NBD	0.00
2	Cheque	5,020.00	458556	13-3-2017	Emirates NBD	0.00

Total: 213,838.00

Employee Name

رشا المهيري

اسم المحصل



دائرة الأراضي والأموال
Land Department
رقم الموظف : 688 Emp. No.

* Receipt is not confirmed unless stamped

* لا يقبل السند إلا بختم الدائرة

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www.dubailand.gov.ae

عقد إيجار عقار

الحمد لله رب العالمين، والصلاة والسلام على نبينا محمد وعلى آله وصحبه أجمعين ... أما بعد ..
ففي يوم الإثنين تاريخ 1441/11/16 هـ الموافق 2020/07/07 م تم الإتفاق في إمارة دبي بين كل من :-

أولاً :

شركة إم آر سي أو ، وهي شركة _م.د.س.م مسجلة بالسجل التجاري رقم وتاريخ/...../..... صادر
من وعنوان مركزها الرئيسي ص.ب. بريد إلكتروني a.owaid@musharaka.co وهي تمثل
صندوق مشاركة ريت بصفتها شركة مملوكة بالكامل من قبل شركة حفظ المشاركة العقارية "شركة ذات غرض خاص
مسجلة في المملكة العربية السعودية" والغرض منها هو حفظ وتسجيل أصول صندوق مشاركة ريت - وصندوق
مشاركة ريت هو صندوق استثماري عقاري متداول في السوق المالية السعودي - ويمثلها في التوقيع على هذا العقد
السيد/ إبراهيم بن فهد العساف بصفته المدير العام لشركة إم
(ويشار إليها في هذا العقد بالطرف الأول)

ثانياً :

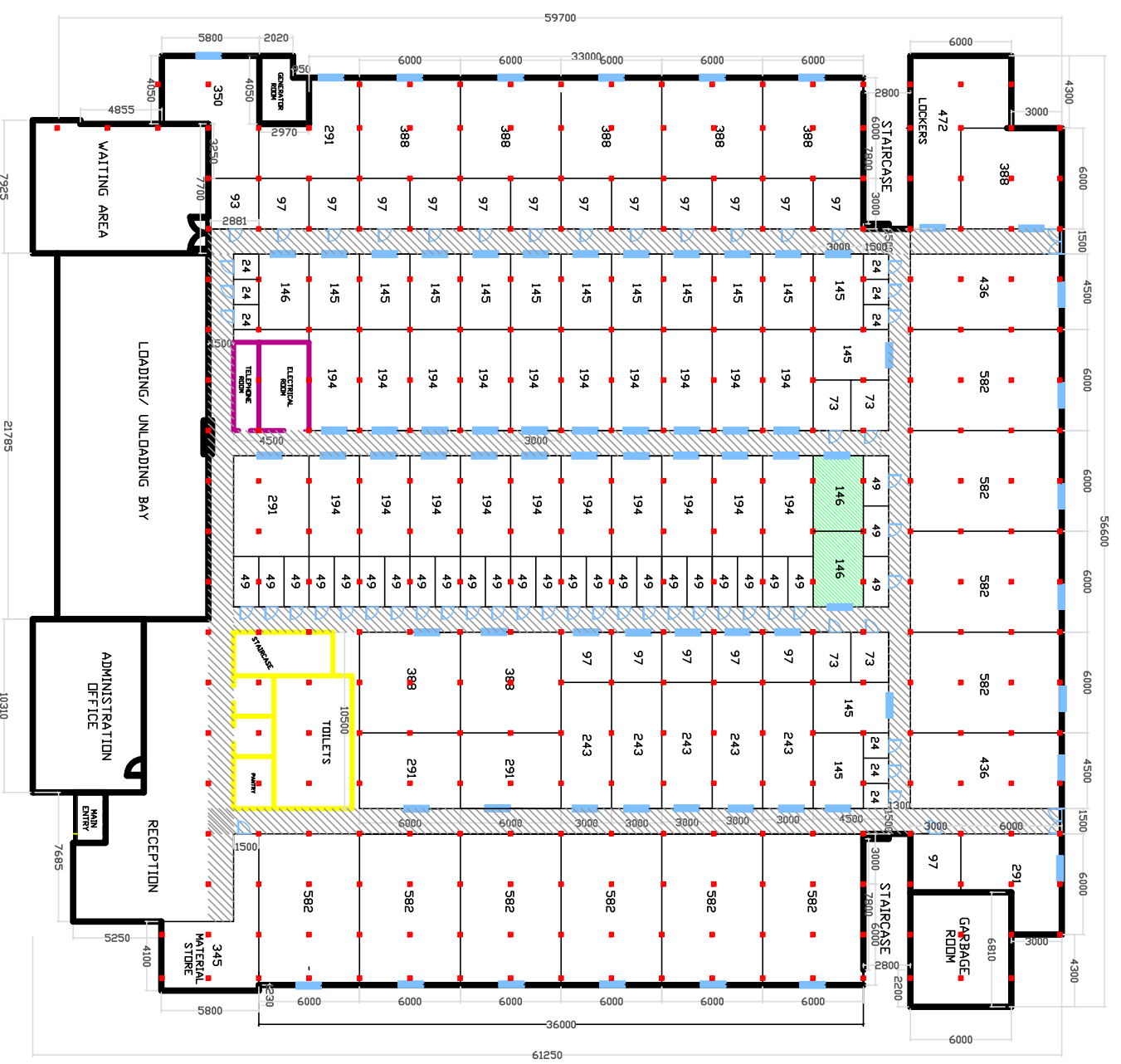
1- شركة ذا بوكس سيلف ستوراج م.د.س.م بموجب السجل التجاري رقم 56222 وتاريخ 2017/1/31 صادر
من مدينة دبي وعنوان مركزها الرئيسي : دبي - شارع قرن السبخه - (اسم المبني) جويلاري جيمبلكس
ص.ب. 75583. بريد إلكتروني wadih@theboxme.com ويمثلها في التوقيع على هذه الإتفاقية السيد/وديع
فادي حداد . بصفته المالك والمدير للشركة.
2- السيد/ وديع فادي حداد ، لبناني الجنسية بموجب الجواز الوطني رقم LR0692444 وتاريخ الإنهاء
2022/12/28 م والمقيم في دولة الإمارات العربية المتحدة بموجب (بطاقة هوية مقيم) رقم الهوية
(784-1980-2193650-9) والمنتمية بتاريخ 2022/02/11 م ورقم الجوال (+971505591826)
(ويشار إليهما في هذا العقد بالطرف الثاني)

التمهيد :-

حيث أن شركة صندوق مشاركة ريت "المالك" يملك العقار رقم 267 منطقة جبل علي الأول المسعى مستودع الصندوق
للتخزين الذاتي (The Box Self Storage) الكائن في منطقة جبل علي الأول في المنطقة الحرة بإمارة دبي في دولة الإمارات
العربية المتحدة والمكون من سرداب ودور أرضي+ وعدد (3) ثلاث أدوار متكررة و 28 موقف سيارة وبه عدد (2) اثنين
مصاعد وله مدخل واحد فقط ويشار إليه لاحقاً بـ "العقار" وحيث أن الطرف الثاني أبدى رغبته في إستئجار العقار
لاستعماله في الأغراض المذكورة في هذا العقد (يشار إليها لاحقاً بـ "العين المؤجرة"). عليه فقد اتفق الطرفان وهما بكامل
أهليتهما الشرعية والنظامية. وعليه أبرم هذا العقد وذلك وفق شروط الإيجار التالية:

<u>الطرف الثاني</u>	<u>الطرف الأول</u>
<u>الاسم: شركة ذا بوكس سيلف ستوراج</u>	<u>الاسم: شركة إم أرسى أو م.د.س.م</u>
<u>م.د.م.س</u>	يمثلها : إبراهيم بن فهد العساف
يمثلها : وديع فادي حداد	الصفة : الرئيس التنفيذي
الصفة : المالك والمدير العام	التوقيع :
التوقيع :	الختم :
الختم :	
<div style="border: 1px solid black; padding: 5px; text-align: center;"><p>ذا بوكس سيلف ستوراج م.د.م.س THE BOX SELF STORAGE DMCC Dubai - United Arab Emirates</p></div>	

LAY-OUT PLAN



TECHNICAL SPECIFICATIONS :

- NOTE:**
1. THIS DRAWING IS THE PROPERTY OF AL MALAS TECHNICAL STEEL WORKS LLC IT IS NOT ALLOWED TO PRODUCE ITS CONTENTS IN ANY FORM EXCEPT FOR THE FORM INTENDED. ANY MODIFICATION IS INTENDED.
 2. THIS DRAWING IS NOT TO BE SCALED. ALL DIMENSIONS SHALL BE VERIFIED ON SITE AND APPROVED BY ENGINEER-IN-CHARGE PRIOR TO EXECUTION.
 3. ANY DISCREPANCIES ARE TO BE BROUGHT TO THE ATTENTION OF THE ENGINEER-IN-CHARGE AND RESOLVED BEFORE COMMENCEMENT OF ANY WORK.

REVISION

NO	DATE	MODIFICATIONS
1	10-03-2019	
2	16-03-2019	
3	16-03-2019	
4	03-04-2019	

CLIENT



PROJECT
**DMCC
WORK**

LOCATION:



DRAWING TITLE
LAY-OUT PLAN

DRAWN BY: Ms. Jolife M. Baldevarona
CHECKED BY: Mr. Mohammad Mashael

DATE: 07-03-2019
SCALE: NTS
REFERENCE: Sh./Eng-6371
DWG NO.: **1**