

APPRAISAL REPORT

GENERAL

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| Subject property | Two (2) contiguous vacant lots with an aggregate area of 465 square meters to be valued as one unit |
| Location | Part of Llenado Subdivision, and within Brgy. Karuhatan, Valenzuela City, Metro Manila |
| Purpose of appraisal | Determination of fair market value of the house and lot at the time of inspection |
| Fair market value definition | The probable price or estimated amount, where the subject property might be bought in an open market or in an arms-length transaction, where seller and buyer are acting in their own self-interest, knowledgeable on the legal use of the land and not under duress or force to sell or buy. |
| Party requesting appraisal | The registered owner |
| Date of inspection | October 30 , 2018 |
| Date of valuation | October 30, 2018 |
| Appraiser | Cesson Appraisal Corporation |
| Thru | Cesar E. Santos – licensed appraiser since 1995 |

ASSUMPTION AND LIMITING CONDITIONS

1. Information given by fellow practitioners and taken from other sources about values of properties – analyzed and classified, are assumed correct;
2. Ownership is assumed correct and any encumbrance to the property was disregarded;
3. Land is valued based on highest and best-legal use principle;
4. No title verification nor relocation survey made;
5. This report is confidential and cannot be used in court proceedings without the consent of the appraiser.
6. Erasure on date of inspection, valuation and value invalidate this appraisal report.

LOT INFORMATION PER TITLE (FIRST LOT)

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| TCT Number | 013-2016000362 |
| Date registered | January 8, 2016 |
| Register of Deeds | Registry of Deeds of Valenzuela City |
| Lot area | 285 square meters |
| Lot identity | Lot No. 678-B-1-Z Survey No. (LRC) Psd- 122812 |
| Shape of the lot | irregular |
| Street frontage /depth | Street frontage : 17.24meters Average depth : 14.5 meters |
| Encumbrances | Disregarded in this report if any |

LOT INFORMATION PER TITLE (SECOND LOT)

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| TCT Number | 013-2016000363 |
| Date registered | January 8, 2016 |
| Register of Deeds | Registry of Deeds of Valenzuela City |
| Lot area | 180 square meters |
| Lot identity | Lot No. 677-A-1 Survey No. (LRC) Psd- 13026 |
| Shape of the lot | irregular |
| Street frontage /depth | Street frontage : 10.46 Average depth : about 20 meters |
| Encumbrances | Disregarded in this report if any |

LOT SUMMARY

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| • Aggregate area of 2 lots | 465 sqm |
| • Street frontage | Old street (Vinegar St.) - 27.70 meters New street (service road) - 14.50 meters |
| • Shape when combined | Irregular |

LOT INFORMATION PER TAX DECLARATION (FIRST LOT)

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|------------------------------|--|
| Tax Declaration No. | C-017-14096 |
| Property Identification No. | NONE |
| Address | Llenado Subdivision, Karuhatan, Valenzuela City |
| Owner | Development Bank of the Phils (not yet replaced) |
| TCT No. per TD | V-61057 (previous title) |
| Assessor's Lot and Block No. | Lot 678-B-1-2 |
| Land classification | Residential |
| Land actual use | Residential |
| Lot area per TD | 285 sqm |

LOT INFORMATION PER TAX DECLARATION (SECOND LOT)

| | |
|------------------------------|--|
| Tax Declaration No. | C-017-14097 |
| Property Identification No. | NONE |
| Address | Llenado Subdivision, Karuhatan, Valenzuela City |
| Owner | Development Bank of the Phils (not yet replaced) |
| TCT No. per TD | V-61057 (previous title) |
| Assessor's Lot and Block No. | Lot 677-A-1 |
| Land classification | Residential |
| Land actual use | Residential |
| Lot area per TD | 180 sqm |

IMPROVEMENT ON THE 2 LOTS

- The two (2) contiguous vacant lots are enclosed by CHB wall with steel gate.

PROPERTY INFORMATION PER OCULAR INSPECTION

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| Kind of property | Vacant residential lots in an industrial-residential area of Barangay Karuhatan, Valenzuela City, Metro Manila |
| Current Development Location And Accessibility | <p>LOCATION</p> <ul style="list-style-type: none"> • The subject property is a corner lot fronting Vinegar Street at residential side and service road of C-5 Extension (segment road leading to C3 and Pier North Harbor) at the commercial side • It is within Llenado Subdivision – a residential area at Barangay Karuhatan, however, in the midst of industrial estates of Karuhatan <p>ACCESSIBILITY</p> <p>There are three (3) accesses to the property:</p> <ol style="list-style-type: none"> 1. <i>McArthur Highway thru San Francisco-Sto. Rosario and Vinegar – the old route</i> 2. <i>McArthur Highway thru A.Pablo (Puregold area)- C-5 service road – shorter route, or</i> 3. <i>McArthur Highway thru the proposed (ongoing development) service road and about 500 meters away only from the subject property</i> <ul style="list-style-type: none"> • <i>Balintawak is just 15 minutes away from the property due to current development of C-5 Extension, likewise, very accessible to Quezon government center via Mindanao Avenue-NLEX</i> <p>CURRENT DEVELOPMENT</p> <ul style="list-style-type: none"> • The Segment 9 (C-5 Extension Project). From an interior location with narrow access, the property profited most from the development of C-5 extension, access becomes easier enhancing its economic value. |
| Predominant use of lots in the area subdivision | The subject property is within Llenado Subdivision, a residential but in the midst of industrial estate (please google map of the area) |

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| <p>Notable developments within and near the subject property</p> | <ul style="list-style-type: none"> • The SM Valenzuela along McArthur Highway • South Supermarket and Puregold • The NLEX Segment 9 (C-5 Mindanao Avenue Extension) • Fatima University and TESDA Call Center Training • Peoples Park of Valenzuela • City Hall of Valenzuela • Row of commercial establishments along McArthur Highway • Valenzuela Medical Center • Proposed cloverleaf exposing the property to numerous economic potential |
| <p>Physical character of the lot</p> <ul style="list-style-type: none"> • Shape • Elevation | <ul style="list-style-type: none"> • Irregular • Slightly higher than the road (Vinegar Street) and Segment 9 C-5 Extension service road |
| <p>Improvement</p> | <p>None except the 2 lots are enclosed by high CHB walls and secured by steel gate</p> |
| <p>Subdivision description</p> | <p>The area is predominantly a residential development, with several industrial warehouses and factories in the immediate vicinity. Karuhatan is a mixture of residential-industrial development. Commercial activities are high along McArthur Highway. Thanks to the NLEX extension road which is already operational up to McArthur Highway. Easy access to Quezon City via this NLEX extension road. Road lots are concrete with concrete sidewalks and underground drainage system.</p> |

UTILITIES and COMMUNITY FACILITIES

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| <ol style="list-style-type: none"> 1. Power, water and communication facilities are available in the area 2. Public transportation within the subdivision is tricycle 3. Jeepneys, taxis, buses and shuttle services are available along McArthur Highway 4. Philippine National Railway is just at the back 5. Road lots are concrete, concrete sidewalk and underground drainage system 6. Schools, commercial establishments, church, hospital are all accessible in the area 7. The ongoing Segment 9 (C-5 Extension) is a major development in the area which favorably increase the values of properties with direct access |
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HIGHEST and BEST-USE OF THE LAND

1. A medium rise commercial building with Smart or Globe as lessee at rooftop plus advertising sign opportunity at the top due its direct eye contact on the passing vehicles at Segment 9
2. A residential apartelle, a hotel, dormitory or a mixed-use of residential commercial development

MARKETABILITY OF THE PROPERTY

General Condition of Market in the Area

- Due to current development ongoing in the area, population density and accessibility to commercial establishments and government offices, in our opinion, it is seller's market in the area
- Seller's market is a situation where demand is greater than supply.
- **The property is very much marketable due to its:**
 1. Excellent location of the lot
 2. Size of the lot can accommodate bigger development
 3. Corner influence and lot frontages
 4. Elevation and accessibility

VALUATION OF LAND BASED ON ZONAL VALUE

1. **BIR zonal value based on commercial and industrial characteristic**
 - **P10,000.00 effective since October 2015 (2.5 years ago)**

Minimum assumed 2018 Zonal Value because of current position now:

- $(P10,000.00 \times 20\% \times 3 \text{ years}) + P10,000.00 = P16,000.00$

Market Value (private appraiser) based on Zonal Value as adjusted for

- 2018 • $P16,000.00 / 80\% = \mathbf{P20,000.00 /sqm}$

Land Value (465 sqm x P20K) = P9,300,000.00

MARKET DATA OF COMMERCIAL PROPERTIES

1. A commercial lot within Karuhatan with 2-storey house is being offered for sale by Marlon Ng at P25M or P23,518/sqm including the house.
2. At Thomas Manuel Subdivisio, a 346 square meter lot is being offered P7M by a certain Tina or P20,231/sqm (this could one unaffected lot near Segment 9 thus the value)