



CBRE CAPITAL VALUE OPINION: NH-7 (BELLARY ROAD) BENGALURU - BLR-NOA-HIL

CBRE Valuation Advisory Services

December 2015

Prepared for

Smart
owner

CBRE CAPITAL VALUE OPINION: NH-7 (BELLARY ROAD) BENGALURU - BLR-NOA-HIL

- We understand that **SmartOwner Services India Pvt Ltd** (the 'Client') is in the process of marketing a plotted **development On NH-7 (Bellary road) towards Nandi Hills, Bengaluru** which is currently in the pre-launch stage
- In view of the above, the Client wishes to retain **specialized advisory services to understand the capital values prevalent in the above micro-market for plots**
- CBRE South Asia Pvt Ltd has been engaged by the Client to assess the location characteristics of the identified micro-market and undertake a competition scan for plotted developments to opine on the capital values prevalent in the micro-market

CBRE CAPITAL VALUE OPINION: NH-7 (BELLARY ROAD) BENGALURU - BLR-NOA-HIL

Attributes	Description
Location	Micro-markets to the north of Devanahalli and surrounding micro-markets of Nandi Hills are an active plotted development market with minimal organized developments. The location is approx. 12-13 km from Rani Cross (road leading to Nandi Hills), 26-27 km from Kempegowda International Airport and 50-52 km from MG Road. Key Government initiatives that are expected to trigger development activity in the subject region include KIADB promoted Hardware, Aerospace and IT-BT parks (to the south of Airport). In addition, the proposed IT Investment Region and Devanahalli Business Parks are expected to further augment development in the region.
Profile of real estate developments	The subject micro-market is currently nascent in terms of real estate activity, characterized by plotted developments. The location currently has minimal social infrastructure and is expected to develop in the medium to long term driven by the Government promoted initiatives. Plotted developments in the subject micro-market are witnessed to be small to medium scale projects and are typically mid to upper mid-end in positioning.
Prominent developments in identified asset class	Some of the notable plotted developments in the larger subject region (viz. Nandi Hills, Rani Cross, etc.) include Citrus Belmont (117 units), Nitesh Long Island (323 units), DivyaSree Nandi Belle Vue (143 units), DivyaSree Base Camp (50 units), etc.

Opinion on base capital values for a plotted development by a Grade-A developer in the subject micro-market

- Quoted base capital values in the micro-market: **INR 1,900 – 2,100 per sft**
- Base capital values at which a transaction could be effected: **INR 1,800 – 1,900 per sft**

The above value opinion is based on review of comparable properties offering superior specifications and amenities. Further, we have also kept in cognizance the inventory offered, development status and competition prevalent in the subject micro-market. Charges towards club house, corner plots preferred location charges, statutory taxes would be applicable over and above the base values highlighted above.

SPECIAL ASSUMPTIONS

- The value opinion exercise is based on prevailing market dynamics as on the date of the appraisal and does not take into account any unforeseeable developments which could impact the same in the future
- As a part of this particular engagement, **CBRE has not undertaken any assessment specific to the site or the project that the Client is marketing or might invest in.** We have utilized the location information and the envisaged positioning of the asset class provided by the Client for the purpose of this study and **our opinion is restricted strictly to the location/micro-market under consideration for the identified asset class.**
- CBRE has independently reviewed the comparable developments in the subject micro-market to opine on the capital values
- The **capital value opined is for an plotted development by a Grade-A developer, offering superior specifications and amenities** (viz. Club House, Billiards/Table Tennis, Party hall, Tennis court, Basketball Court, Health Club & Spa, Kids play area, Swimming Pool, Jogging Track, Squash court etc.) that would be **located along the NH7** within the subject micro-market. The capital values would differ if the development is located off the main road and if the development offers inferior specifications / amenities
- For the purpose of this value opinion exercise, we have assumed that the land parcel housing the asset class being marketed by the Client would have a clear title and is free from any encumbrances, disputes and claims. CBRE has not visited the site and has made no further enquiries with the relevant local authorities in this regard. CBRE does not certify the property as having a clear and marketable title
- No legal advice regarding the title and ownership of the property being marketed has been obtained for the purpose of this appraisal exercise

LIMITING CONDITIONS

The value opinion in this report is subject to the following conditions:

- This document is confidential in nature and is for the sole reliance of SmartOwner Services India Pvt. Ltd., its affiliates, designates, assignees, auditors, prospective investors and investors, and no other party shall have any right to rely on the appraisal provided by CBRE without prior written consent
- Based on inputs provided by the Client, we understand that the value opinion certificate would be used as part of the marketing material for the project being marketed by the Client. The Client is free to use data from the value opinion certificate mentioning CBRE as the source in the following marketing mediums – Client Website, Channel Partners, Potential Investors
- In case the data from the value opinion certificate is being used for other purposes than those stated above, the same would require CBRE's prior written consent
- Notwithstanding anything to the contrary contained herein, CBRE shall not be liable for any lost or prospective profits or any other indirect, consequential, special, incidental, punitive or other exemplary losses or damages, whether in tort, contract or otherwise, regardless of the foreseeability or the cause thereof. The total liability of CBRE for any direct damages under this value opinion engagement would be nil under any circumstances
- Where it is stated in the report that another party has supplied information to CBRE, this information is believed to be reliable but CBRE can accept no responsibility if this should prove not to be so. Where information is given without being attributed directly to another party, this information has been obtained by our search of the records and examination of documents or by inquiry from the Government or other appropriate departments
- CBRE's responsibility in connection with this value opinion report is limited to the Client to whom it is addressed and to that Client only. CBRE disclaims all responsibility and will accept no liability to any other party
- Where the values are assessed, they reflect the full contract value and no account is taken of any liability to taxation on sale or of costs involved in effecting the sale
- CBRE is not required to give testimony or to appear in court by reason of this value opinion certificate, with reference to the value opinion in question, unless arrangement has been made thereof