

**VALUATION REPORT FOR COMPENSATION PURPOSES AT MTONDO
VILLAGE IN RUANGWA DISTRICT COUNCIL**

PHYSICAL VERIFICATION AND ASSESSMENT OF COMPENSATION VALUES

**PREPARED FOR:
PACCO GEMS COMPANY LIMITED,
PO.Box 105817,
DAR ES SALAAM.**

**PREPARED BY:
VALUATION SECTION,
NACHINGWEA DISTRICT COUNCIL,
P.O. BOX 291,
NACHINGWEA**

JUNE, 2016

VALUATION FOR COMPENSATION OF REAL PROPERTIES AT MTONDO VILLAGE IN NAMBILANJE WARD IN RUANGWA DISTRICT COUNCIL.

We are instructed by **PACCO GEMS COMPANY LIMITED** of P.O. Box 105817, Dar es Salaam to inspect and value land, buildings and crops for compensation at Nambilanje Ward in Ruangwa District. The aim of the said valuation is to provide an opinion of the **Fair Market Value** of land, buildings and crops under reference for compensation purposes.

Accordingly, we have carried out the said exercise and contained in this booklet is our Valuation Report.

2.0 MARKET VALUE DEFINED

The **Market Value** of a property is the highest price in terms of money which the property under appraisal should bring in a competitive and open market under conditions requisite for a fair sale. Implicit in this definition is the consummation of a sale at a specified date and the passing of ownership from seller to buyer under conditions whereby:-

- Both the Buyer and Seller are economically motivated and are both acting prudently.

- The sale price is not affected by any undue influence
- Both parties are well informed and well advised and are acting in what they consider to be their own best interest
- A reasonable time is allowed for exposure in the open market

Thus, the economic ability and capacity of the would be potential buyers is the basic determinant of the market value of a property. In this regard, the market value of a property is therefore not necessarily fully determined by the capital (cost) spent in its construction.

Whereby there is scarcity of able buyers, the market value of a property would be far exceeded by its costs of construction and vice versa.

3.0 BASIS OF VALUATION

In this valuation the **Direct Capital Comparison** method has been used to determine the market value of the subject land and crops. The basis of valuation for compensation is the open market value. The market value of the property is defined as the highest price in terms of money, which the property under appraisal is most likely to fetch in a competitive and open market under conditions requisite for a fair sale.

The **Direct Capital Comparison Method** sometimes referred to as the **Comparative Method of valuation** has been used in determining the **Market Value** of the property under reference. By this method, the valuer equates the value of the property being valued to a known value of a comparable property whereby the latter's value is taken to be the best price that can be obtained by the property being valued with due adjustments made for value affecting differences between the subject and comparable properties such as:

- Condition
- Location
- Level and amount of services provided
- Accessibility
- Plot size
- Planning and zoning regulations
- Date of transaction
- Parties to the transaction
- Motive of sale
- Tenure and Unexpired term

The investment method contends that the market value is arrived at by capitalising the net profit with an appropriate multiplier.

4.0 VALUATION DATA ANALYSIS:

In this valuation the rates used are those from the contractor's books, and research done for Coast Region on the Construction rates per square Meters of an individual building put to the professional data bank after averaging.

The rates:

- Buildings Constructed out of local materials with added inferior modern facilities mud, wattle walls with coconut leaves and floor is earthed.

Very good	-	150,000/=	-	200,000/=
Good	-	100,000/=	-	150,000/=
Fair	-	50,000/=	-	100,000/=
Poor	-	20,000/=	-	50,000/=
Very poor	-	10,000/=	-	20,000/=

Depreciation rates

Ranges 2% for very good to 90% very poor

Site works

1% - 15% (if any)

5.0 LAND ACQUISITION AND COMPENSATION IN TANZANIA

There are several reasons that may necessitate the State to take back land under occupation by its citizens. These will include:

- (a) Declaration of an area to be a planning area i.e. urban
- (b) Public Purpose, which may be defined as the need for accommodating projects that are of interest to the Government or society.
- (c) Special Projects like forestry, tourism etc

Land acquisition in Tanzania is governed by Act No. 47, the Land Acquisition Act of 1967. Provisions related to land acquisition in the Town and Country Planning Ordinance Cap. 378 is subservient to the provision in Act No. 47. The new Land Act of 1999 has not amended any of the land acquisition provisions in Act No. 47. Act No. 47 is the main law used in Tanzania and is the 'Mother Act' when it comes to land acquisition. However, the provisos on assessment are elaborated by the new Land Act, Part II. Section 3(1) paragraph "g" of the Land Act No.4 of 1999 which provides:

"To pay full, fair prompt compensation to any person whose right of occupancy or recognized long standing occupation or customary use of land is revoked or otherwise interfered with to their detriment by the State under this Act or is acquired under the Land Acquisition Act."

Regulations made under S.179, the Land (Assessment of the value of land for Compensation) Regulations, 2001 and which became operational in May 2001 provide assessment of compensation on land to be based on the following:

- (i) Market value of the real property
- (ii) Disturbance allowance which is a percentage of market value of the acquired over 12 months
- (iii) Transport allowance calculated as the cost of 12 tons hauled over a distance not exceeding a radius 20 km
- (iv) Loss of profit or accommodation based on business audited accounts
- (v) Accommodation allowance which is equivalent to the rent of the acquired property per month over 36 months period

It is important to note that no compensation is paid to tenants. This position poses practical problems particularly in the case of commercial premises which are usually leased and the tenants' business suffers most in case of compulsory acquisition of the land. It is also worth mentioning that Loss of Profit is only assessed when one has access to audited accounts of the compensatees.

This requirement is almost impossible to comply with as most business undertakings in informal areas such as in the subject land do not keep accounts of the dealings. The alternative for compensation under this category is the compensation for loss of accommodation as provided under the law. Indeed, in case of commercial premises, compensation is only paid either for loss of accommodation or loss of profit.

In carrying out field surveys, a valuer was accompanied by Village leaders who identified the owners where by houses, farms, boundaries, crops and land were identified by farm owners, and Land Surveyors for taking the coordinates of each of individual farm and certified by VEOs.

The rates used for crops are those given by the Ministry of Land which commencing on 2014 as southern zone Crop Compensation Schedule. Land value was obtained as per current market rates in Ruangwa District as Tshs. 200,000 – 400,000 per acre.

6.0 STANDARD LIMITING CONDITIONS

Publications

Neither the whole nor any part of this report or any reference thereto may be included in any published document, circular or statement nor published in any way without the valuer's written approval of the form and contents in which it may appear.

Validity Clause

This report is Valid for six months; thereafter compensation values are subject to interest as specified in the Land Act No. 5 of 1999 under the Village Land Act Regulation 2001 section 19 (1) and (3). The Land Act No. 4 of 1999 section 3(b) recognizes long standing occupation and section 3(f) land has value which considered in any transaction affecting that interest, and in 3 (g) that full, fair

and prompt transaction is paid to any person whose Right, or long standing occupation or customary use of land is revoked or acquired.

Confidentiality

Our responsibility concerning this valuation report is limited to our instructing Client and to no third party and our report is confidential to the client for the specific purpose to which it refers. It may be disclosed to other professional advisors assisting the client in respect of the purpose but is not to be disclosed to any other person.

The values assessed in this valuation report are applicable only within the stated terms of reference and they should not be used for any other purpose whatsoever.

7.0 DATE OF VALUATION

The date of this valuation is May, 2016 and values expressed herein are those current on the said date.

8.0 CERTIFICATION

This valuation report has been prepared on behalf of **PACCO GEMS COMPANY LIMITED P. O BOX 105817, DAR ES SALAAM** for the aforesaid purpose by **NACHINGWEA DISTRICT COUNCIL P.O. Box 291 NACHINGWEA.**

9.0 VALUATION SUMMARY

As regards the factors affecting values, we are of the opinion that the **Current Market Value** of the land and crops situated in **NAMBILANJE** ward at **MTONDO** village ,Ruangwa District in Lindi Region as described in our report is in the order of **TShs 669,606,000/= (Tanzania Shillings Six Hundred Sixty Nine Million Six Hundred and Six Thousand) Only.**



SENSO M. Kisyeri
Senior Valuer, BSc. LMY (2004), PRS, MTIVEA
NACHINGWEA DISTRICT VALUER
NACHINGWEA

DISTRICT VALUER
P O Box 291
NACHINGWEA

UNITED REPUBLIC OF TANZANIA	
FROM THE DESK OF	
CHIEF GOVERNMENT VALUER	
VALUATION APPROVED BY	
OFFICER-IN-CHARGE	ASSISTANT CHIEF VALUER
SOUTHERN ZONE	
P.O. BOX 97, MTWARA	

AFISA MTENDAJI KATA
NAMBILANJE

AFISA
24/06/2016

NAMBILANJE WARD

PACCO GEMS LTD, 2016

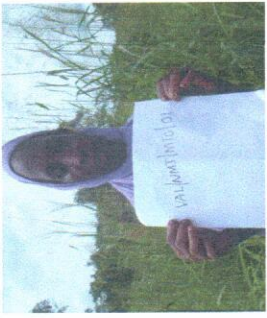





LINDIREGION



CLIENT: PACCO GEMS COMPANY LIMITED

PAYEE: PROJECT AFFECTED PERSON AT MTONDO- NAMBILANJE

LOCATION: REGION:NAMBILANJE WARD: RUANGWA DISTRICT: LINDI.

COMPENSATION SCHEDULES OF LAND, CROPS AND BUILDINGS (TSHS)

TOTAL COMPENSATION								
S/N	NAME OF OWNER	REF. NUMBER	PICTURE	VILLAGE	TOTAL COMPENSATION	CHEQUE NUMBER	DATE OF PAYMENT	SIGNATURE
1	ZAINABU SAID MBUNGALA	VAL/NMJ/MTO/001		MTONDO	6,862,000.00			X 
2	HASHIMU ISSA LIKWETI	VAL/NMJ/MTO/002		MTONDO	7,650,000.00			
3	MOHAMEDI ABDALLAH MNJENGA	VAL/NMJ/MTO/003		MTONDO	3,999,000.00			


52	SERIKALI YA KIJUJI CHA MTONDO	VAL/NIMJ/MTO/085		MTONDO	5,163,000.00	
GRAND TOTAL					669,606,000.00	

CERTIFICATION

Signature of a District Valuer



Signature of District Land Officer



Signature of Ward Executive Officer



Signature of Paying Officer

Signature of Chief Government Valuer



P.O. BOX 97, MTWARA

Signature of District Commissioner

P.O. BOX 97, MTWARA

Signature of Regional Commissioner

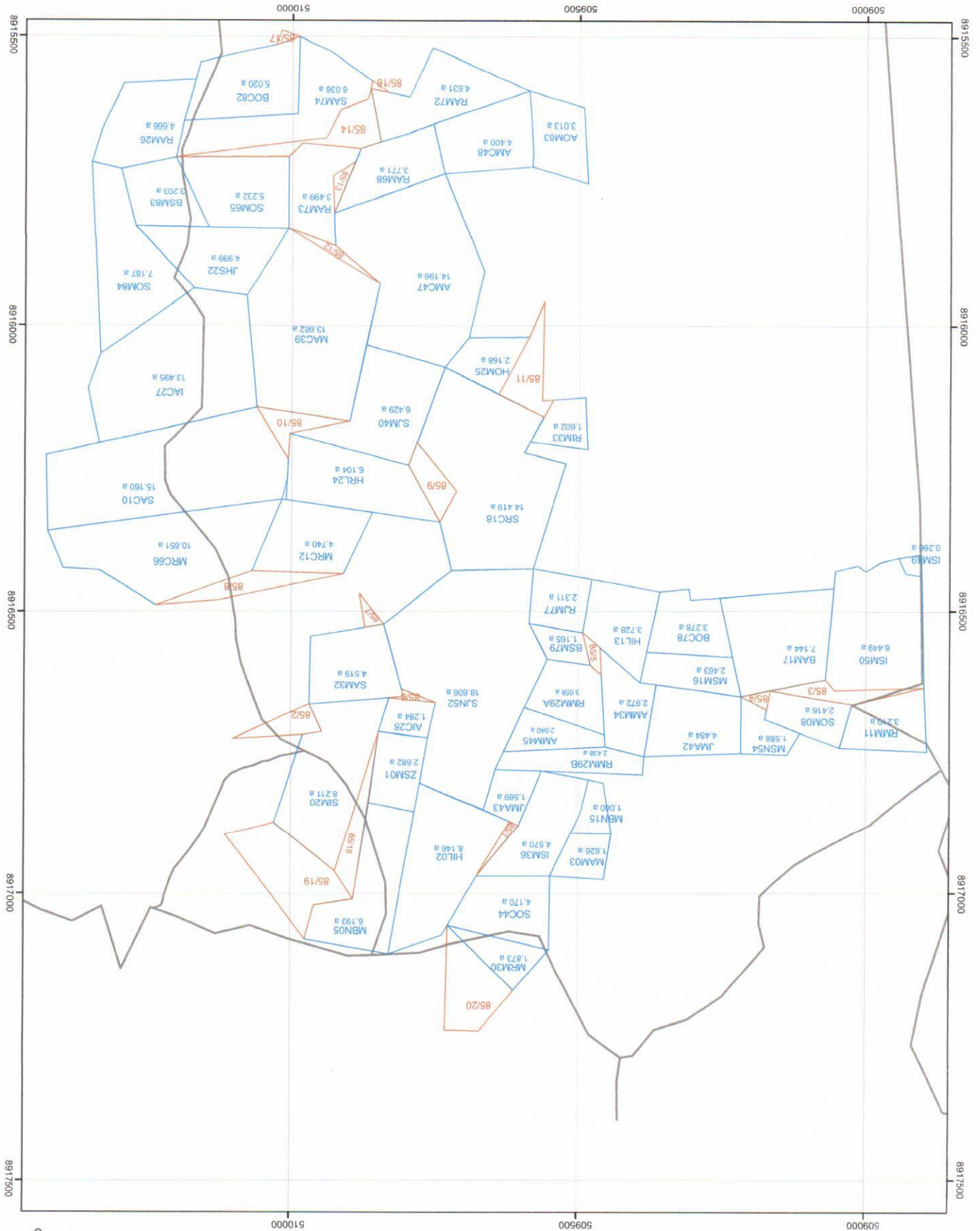
22/8/2016
MKUU WA MROA
LINDI

AFISA MTENDAJI KATA
NAMBILANJE

NAMBILANJE WARD

24/08/2016

Legend
Road
Lands (Govt. Data)





THE UNITED REPUBLIC OF TANZANIA

PRESIDENT'S OFFICE

REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT

LINDI MUNICIPAL COUNCIL



VALUATIONS REPORTS FOR THE COMPENSATION PURPOSES IN RESPECT OF THE PROPERTIES
MPUTAMPUTA HAMLET MTONDO VILLAGE NAMBIANJE WARD IN RUANGWA DISTRICT

PREPARED BY

VALUATION OFFICE,
LINDI MUNICIPAL COUNCIL,
P.O.BOX 1070,
LINDI

PREPARED FOR

MANAGING DIRECTOR,
GRAFICA RESOURCES LIMITED,
P.O.BOX 105014,
DAR ES SALAAM

APR 11 2011

1. INSTRUCTION AND PURPOSE OF VALUATION

We have been instructed by GRAFICA RESOURCES LIMITED Director of P. O. Box 105014 **Dar Es Salaam** to carry out a physical inspection and thereafter report on the Market value of all developments thereto for compensation purposes. Accordingly, we have carried out the said exercise and contained in this booklet is our valuation report.

2. LOCATION

The Project is located at Mputamputa Street Mtondo Village, Nambilanje Ward in Ruangwa District Council, about forty-two (42) kilometers Ruangwa Centre, and about two (2) kilometers from Mtondo Village to Mputamputa area.

3. METHODS AND BASIS OF VALUATION

The basis of Valuation is the Market value that arrived by Comparative method evidenced by actual recent sales of similar properties or by use of Income approach or Replacement cost method where the property is of special nature and not saleable.

3.1 Market Value

Market value of a property is defined as the highest price in terms of money, which the property under appraisal should bring in a competitive and open market under conditions requisite for a fair sale.

Implicitly in this definition are the consummation of a sale at a specified date and the passing of ownership from seller to buyer under conditions whereby: -

- Both the Buyer and Seller are economically motivated and are both acting prudently.
- The sale price is not affected by any undue influence.

- Both parties are well informed and well advised and are acting in what they consider to be their own best interest.
- A reasonable time is allowed for exposure in the open market.

Generally, the Open Market Value would form the Basis of Valuation for compensation purpose.

3.2 Methods of valuation

In this appraisal, we have used the Comparative method of valuation which is sometimes referred to as the Direct Capital Comparison method (DCCM). Under the later method, Depreciated Replacement Cost is equated to the Market value of the subject property.

4. METHOD USED IN ARRIVING AT PROPERTIES COMPENSATION VALUES

Compensation value for particular individual arrived at by summing up the value of buildings/other structures, crops and/plants, land parcels and respective allowances offered.

- **Buildings/other structures value**

Value of buildings and other structures has been arrived at by adopting the comparative method/replacement cost method as cited above. To arrive at market value, depreciation or adjustments on comparable was carried out by considering the value affecting factors such as the type of properties, use, location, material used and condition.

- **Crops and/or plants value**

Value of crops and plants has been arrived at by using crop compensation schedules commencing 7th February 2013 for Dar es Salaam and Cost regions issued by office of Chief Government Valuer Dar es Salaam. The percentage of adjustments made with regard to variations of crop growth stages from seedlings to maturity stage to reflect their Market values.

- **Land value**

The Land value has been arrived at basing on the average market rate for recently sold land parcels within the locality. In this case adopted rate for land Value is T.shs. 150,000/= per acre.

Allowances

Various allowances have been derived as per The Valuation and Valuers Registration Act, Regulations 2018(G.N No 136 published on 23/03/2018). In computing allowances, the following has been considered;

- i. Disturbance allowance: Obtained by multiplying the value of property (Buildings/other structure, Crops/plants & land) with average interest rate offered by commercial banks at fixed deposits for 12 months. In this case seven percent (7%) interest rate adopted.
- ii. Accommodation allowance: Arrived at by using the market rents per month of the subject building (room) multiply by 36 months.
- iii. Transport allowance: This is actual cost of transporting luggage of 12 tons by road or rail within 20kms from the point of displacement.
- iv. Loss of profit allowance: Arrived at by computing net monthly profit (from audited accounts) multiplied by 36 (months). In this case we found no audited account of affected business/activity.

It should be noted that

- (a) Transport, accommodation and loss of profit allowances shall not be paid for un-occupied properties.
- (b) Accommodation and loss of profit allowances are paid to the property owners not to tenants (third part)

5. CONFIDENTIALITY

This report is confidential to the client for the specific purpose to which it refers. Neither the whole nor part of it may be extracted for any other purpose without the prior consent of the appraiser concerned. We, however, shall not accept any responsibility for whatever loss or injury from the publication of this report, either whole or part thereof so made without our written consent.

6. VALIDITY CLAUSE

This report is valid for the period of two years commencing from the date of endorsement of the valuation report. The person or entity responsible shall be liable to effect prompt payment of compensation to all affected persons within six months from the date of valuation; thereafter compensation values are subject to interest as specified by The Valuation and Valuers Registration Act No. 7 of 2016 and *The Valuation and Valuers Registration Regulations 2018- GN. No 136 published on 23/03/2018.*

7. THIRD PART INFORMATION

Where information given by a third part or by our instructing client and believe such information to be reliable, we cannot accept any responsibility should it prove otherwise.

8. DATE OF INSPECTION AND VALUATION

The properties within the project area (crops/plants and /or buildings/structures) were physically inspected in December 2017 and Valuation done on April 2023.

9. VALUATION REPORTING AND SUMMARY:

Contained herein our report is;

- (i) Part I: Introductory Notes.
- (ii) Part II: Valuation Summary/ Schedules of payment
- (iii) Part III: Detailed Valuation Report for Compensation.
- (iv) Part IV: Appendices.

10. CERTIFICATION

Having due regard to our introductory notes and detailed compensation schedules herein. We are of the opinion that the total compensation value of Mputamputa Hamlet Mtondo Village, Nambilanje Ward at Ruangwa District Council Worthy. **T. Shs 187, 420, 000/= (One hundred Eighty Seven Million Four Hundred Twenty Thousand Tanzanian Shillings Only).**

This valuation report has been prepared for GRAFICA RESOURCES LIMITED of P. O. Box 105014 Dar es salaam by Valuation Section Lindi Municipal Council, supervised on behalf by;

Msuka
MTHAMINI
MANISPA YA LINDI









MSUKA, M.P.
.....
Valuer I





B. Sc.in LMV (2012) ARU,
Reg No VRB/PVR/274/2019
For LINDI MUNICIPAL COUNCIL

Eigy

.....
Eigy Gaudence kambali
Dip.GM (2013) ARIMO
Technician Land Surveyor
For Ruangwa District Council

THE UNITED REPUBLIC OF TANZANIA
REGIONAL ADMINISTRATION AND LOCAL GOVERNMENT
LINDI MUNICIPAL COUNCIL
 COMPENSATION SCHEDULE OF MTONDO AREA AT MTONDO VILLAGE, RUANGWA DISTRICT COUNCIL
PAYER: GRAFICA RESOURCES LIMITED

S/N	PHOTOGRAPH	VALUATI ON REF. NO.	NAME OF THE OWNER	COMPENSATI ON VALUE (TSHs)	DISTURBANCE ALLOWANCE	ACCOMODAT ION ALLOWANCE	TRANSPORT ALLOWANC E	TOTAL COMPENSATIO N	SIGNATURE OF PAYEE
1		VAL/CO MP/RNG/ MTO/01	JUMA MOHAMEDI MACHEA	921,710.40	64,519.73			986,230.12	
2		VAL/CO MP/RNG/ MTO/02	AHAMADI BAKARI MATALA	3,186,415.73	223,049.10			3,409,464.83	
3		VAL/CO MP/RNG/ MTO/03	SAIDI MOHAMEDI CHIMATILO	3,188,550.00	223,198.50			3,411,748.50	
4		VAL/CO MP/RNG/ MTO/04	SALUM SELEMANI MATOLOKA	2,664,399.73	186,507.98			2,850,907.71	

49		VAL/CO MP/RNG/ MTO/054	ABDALLAH ALLY MANJAWILA	2,806,378.66	196,446.51			3,002,825.17	
50		VAL/CO MP/RNG/ MTO/055	ABDALAH ALLY MTANGE	2,731,296.10	191,190.73			2,922,486.83	
				GRAND TOTAL				187,420,116.9	
				SAY				187,420,000.0	

Certification:

We consider the total compensation of Mtondo Village, Nambilanje Area in Ruangwa District Council worthy T.shs 187, 420, 000/= (One Hundred Eighty Seven Million Four Hundred Twenty Thousands Tanzanian Shillings Only)

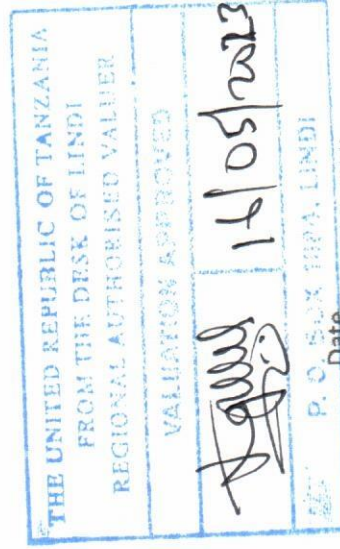
4/4/2023 Date *[Signature]*
 MSUKA, M.P
 Reg No VRB/PR V/274/2019
 Valuer I, Lindi Municipal Council

.....Date.....
 Signature of Payer

[Signature] Date... 5/14/2023
 Signature of VEO
**MTENDAJI WA KIJJI
 CHA MTONDO**

[Signature] Date... 14/05/2023
 Signature of District Commissioner
 Ruangwa District

[Signature] Date... 14/05/2023
 Signature of Authorized Land Officer
 Ruangwa District Council
**AKUU WA WILAYA
 RUANGWA**



.....Date.....
 Signature of Government Chief Valuer
 For Approval

