



## Property Valuation Report

**Address:** Casa Pisani, Triq Brared, Birkirkara

**Date of Inspection:** 11<sup>th</sup> August 2023

**Date:** 31<sup>st</sup> December 2023

**Ref:** CVL-569

## 1.0. Engagement information

I, the undersigned, was engaged by Mr. James Zammit for and on behalf of J. Zammit Estates Ltd bearing company registration number C52422, to produce a valuation report for the property at the above-mentioned address for the inclusion thereof within the prospectus to be published in connection with a Bond issue.

The undersigned is unaware, at this time, of any conflict of interest pertinent to this valuation report in terms of RICS guidelines and/or TEGOVA code of conduct, and further declares that this report and related work can be done impartially.

This report has been prepared in accordance with Chapter 7 of the Capital Markets Rules issued by the Malta Financial Services Authority.

This property, named Casa Pisani, on Triq Brared, in Birkirkara, is a two storey double fronted townhouse with its own roof and a large back garden. This property was likely built in the 1950s.

This report will estimate the open market value for the property in its complete state.

## 2.0. Sources of information

Information referred to in this report has been gathered from the following sources as referred to specifically in relevant sections:

- Planning Authority permit application submissions with reference PA/01159/15.
- Estate agency website listings, such as Remax, Frank Salt, and Alliance, to gather information on similar properties that have a similar size and condition; that are located in the same locality; and have similar surroundings.
- Property price index rates from NSO

## 3.0. General description of property

This property is a residential property and is accessed via its own main door located on the façade of the building. It has a large back garden flanked by other similar and smaller gardens belonging to third parties.

This property is located in centre of Birkirkara close to the oldest part of this town, and is surrounded by properties of similar nature.

The site area is approximately 358m<sup>2</sup> and the built-up footprint is approximately 183m<sup>2</sup> at ground floor. The internal gross area on the two main floors and the washroom is approximately 361m<sup>2</sup> and the garden has an area of approximately 175m<sup>2</sup>.

A photographic summary of the property is found in appendix A.

#### **4.0. Interior layout description**

The centrally located entrance hall is flanked by a sitting room on one side and by a garage on the other. The main staircase is centrally located behind the sitting room. The central hallway extends inwards on the living room, dining room kitchen and main bathroom. This hallway leads onto large, glazed aperture that leads into the garden. The garden has a centrally located paved aisle and landscaped areas with citrus trees.

The first floor is occupied by three large bedrooms, a bathroom, and a laundry room. Access to the roof is via a stone spiral staircase at the back of the laundry room.

#### **5.0. Exterior description**

The façade of this house is finished in a variety of treatments from white render, exposed stone that is flush pointed and granite cladding. The closed balcony is built in limestone masonry.

#### **6.0. Interior & condition of finishes**

Most of the floors in this property are finished in concrete tiles and the traditional Maltese patterned tiles. Most walls are covered in wallpaper and rooms have a false ceiling. The main staircase is clad in marble.

#### **7.0. Services**

This property is serviced with mains water supply, drainage connection and electricity mains supply.

#### **8.0. Structural considerations**

This property is constructed in masonry walls and traditional masonry ceilings with steel or timber beams. Generally, no structural defects were noted in the walls and ceilings at the time of the inspection apart from those listed below.

#### **9.0. Planning situation (PA)**

This property lies within a zone designated by the Planning Authority as a Residential Area for terraced development in the Urban Conservation Area of Birkirkara. The allowable

building height is three floors on current local plans. Although, the new policy bases height on adjacent commitments.

This property was constructed prior to 1968 and is shown on the 1967 survey sheets. Hence, it can be assumed to be legally built.

This property has an approved permit PA/01159/15 (expiry date: 23/09/2023) for the 'Proposed demolition of existing building and construction of 6 apartments on 3 floors, and underlying garages.' No works have been done to date.

A site plan marking the property, the approved permit, and the local plans are attached in Appendix B.

#### **10.0. Main Terms of Tenants Leases or sub-leases**

None at the time of valuation

#### **11.0. Registered mortgages and privileges and other charges, real rights thereon, emphyteutical concessions, easements and other burdens**

None at the time of valuation

#### **12.0. Open Market value**

The market value is defined as;

*'The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing selling in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.'*

This valuation was using the contractor's method of valuation due the development potential. This calculation is attached in appendix C. The client has declared that this development is not for resale and property will be rented. Capital gains and profit were excluded.

The starting rate per square metre for the residential units is being assumed at €2,300 based on the average from market research being €2,500 and the result based on square metre rates of 2013 modified to cater of inflation to date of €2,210. Garages are being valued at €35,000 per space. Rental rates using a 5% yield also result in a value per square metre of €2,400. The demand for residential units in central locations in Malta remains good at time of valuation.

The contractor's method was used to achieve the current market value by estimated the market value on completion and deducting the costs to reach the complete state. The calculations are attached in Appendix C and give an open market value of €970,000 based on a total expenditure of estimated at €1,820,000 and a total potential income of €2,300,000.

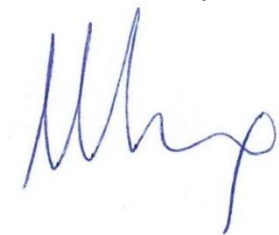
A profit margin of 26% is being assumed. The total value of the complete property is estimated at €2,300,000.

Current market value estimated at €970,000 (Nine Hundred and Seventy Thousand Euro)

### 13.0. Declarations by the undersigned valuer

- The underlying valuer is an independent professional, and this valuation exercise is free of any interests from anyone including the employer and his/her directors.
- There are no further matters known to the valuer that are relevant for the purpose of this valuation.
- This valuation follows standards and general guidelines issued by the Royal Institute of Chartered Surveyors (RICS) and the IVS (international valuation standards), and is in accordance with the local KTP Valuation Standards (2012), which are aligned with the TEGoVA European Valuation Standards.
- The property is being valued in its entirety and is freehold as reported by the client. The tenure or the title of ownership has not been investigated as this was not within the scope of this valuation, given that such checks are being carried out by the Legal and Financial specialists handling the bond issue. Such investigations do not fall within the competence of the undersigned and any considerations regarding title have been reported to the undersigned by the client. Any comments regarding title are being made in order to make the client aware of any potential issues that could affect the value or the marketability of the property. The undersigned accepts no liability in this regard.
- For the purposes of this valuation, based on a general visual inspection and checks of existing permits, there are no material contraventions that can have a significant bearing on the value of the property. Minor deviations from the permit are excluded based on the assumption that these can easily be rectified and at a minimal cost.

Yours sincerely,



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**Mark Arrigo**

*B.E. & A. (Hons), M.Sc.(Surrey), A. & C. E.*

*We have carried out a cursory building structural survey; we have not inspected those parts of the property that are covered, unexposed or inaccessible and such parts have been assumed to be in a good repair and condition. We cannot express any opinion about the condition of the uninspected parts and this report must not be interpreted as if it validates the integrity of the structure or fabric of the building.*

*Neither the whole nor any part of this Valuation Report nor 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 context in which it may appear.*

*This report is confidential to you and your professional advisers and is for the sole purpose stated above. We can accept no liability if it is relied upon by anyone else, whether for the stated purpose or any other.*

# Appendix A

## Photos



Photo A – Bedroom



Photo B – Garden view



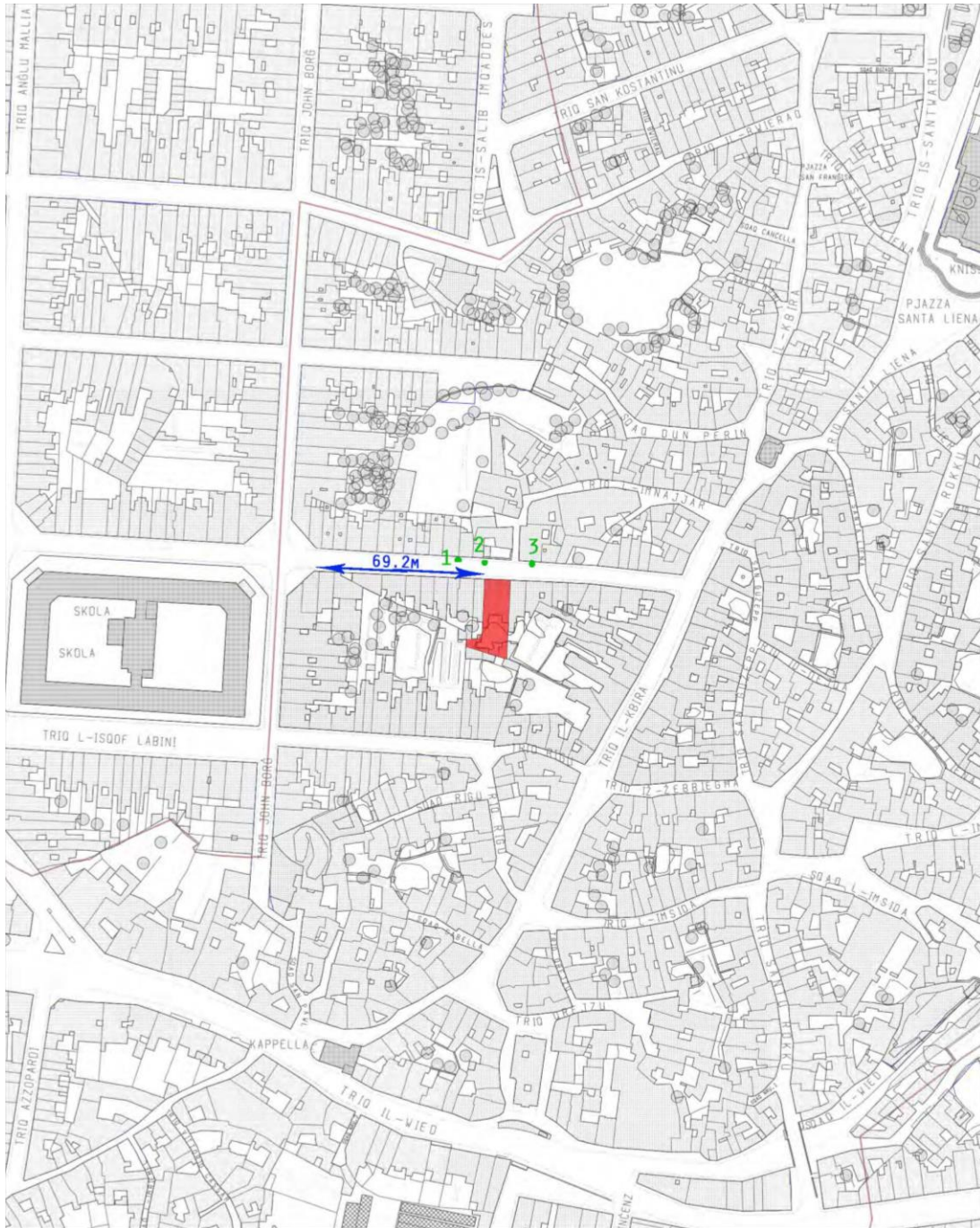
Photo C – Facade



Photo D – Garden area

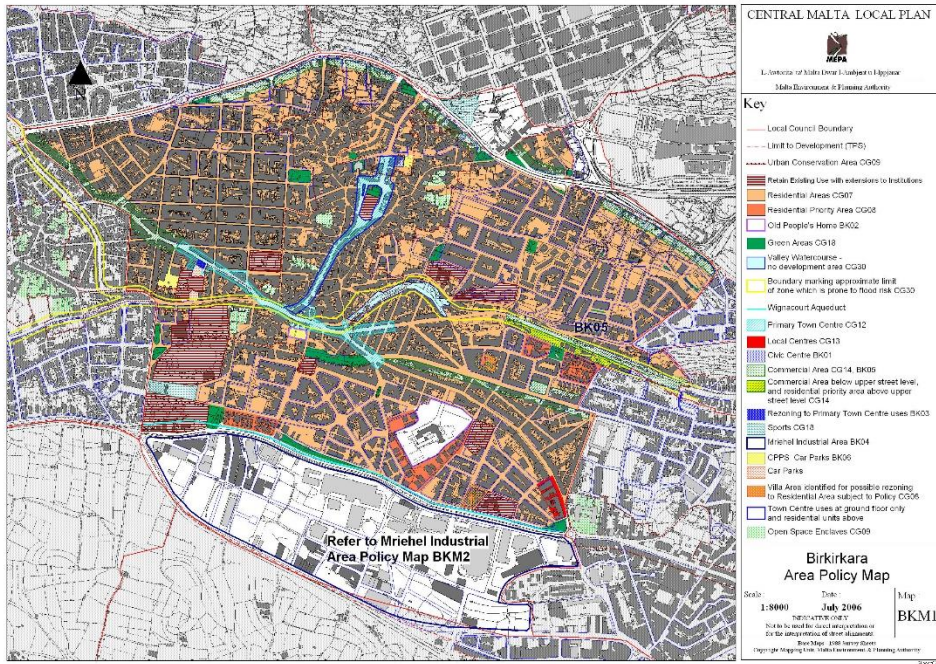
# Appendix B

Site Location  
Local plans  
Permit

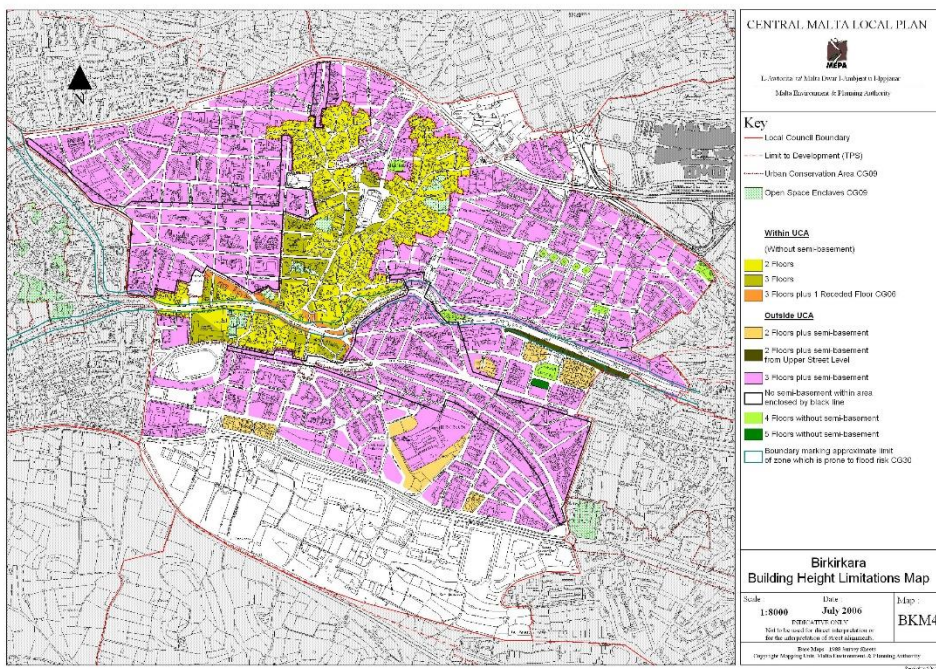


Site location





Birkirkara Area policy map



Birkirkara Building height limitations map

Mr. James Zammit  
Jmc Properties  
Aries House  
Mdina Road  
Zebbug ZBG 9016

Date: 14 September 2015  
Our Ref: PA/01159/15

Application Number: PA/01159/15  
Application Type: Full development permission  
Date Received: 30 May 2014  
Approved Documents: PA1159/15/1D/1E/1M/18E/18H/18I/47A/47B

Location: Casa Pisani , Triq Brared, Birkirkara, Malta  
Proposal: Proposed demolition of existing building and construction of 6 apartments on 3 floors, and underlying garages.

### **Environment and Development Planning Act, 2010 Full Development Permission**

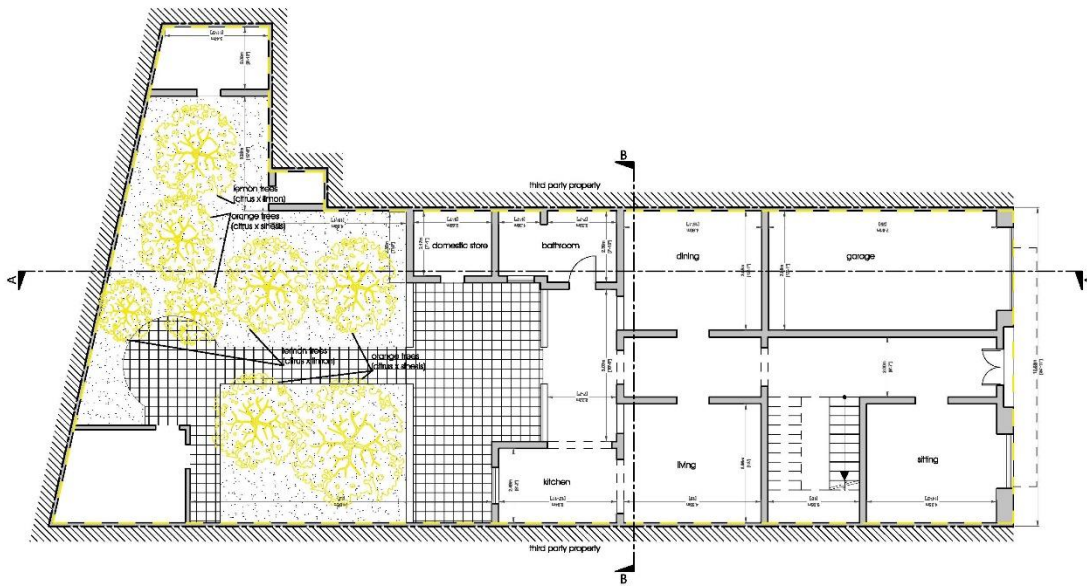
The Malta Environment & Planning Authority hereby grants development permission in accordance with the application and documents described above, subject to the following conditions:

- 1 a) This development permission is valid for a period of FIVE YEARS from the date of publication of the decision in the press but will cease to be valid if the development is not completed by the end of this validity period.
- b) This permission relates only to the development as specifically indicated on the approved drawings. This permission does not sanction any other illegal development that may exist on the site.
- c) Copies of all approved drawings and documents shall be available for inspection on site by MEPA staff at all reasonable times. All works shall be carried out strictly in accordance with the approved drawings, documents and conditions of this permission. Where a matter is not specified, then the conditions of this permission and of Development Control Policy and Design Guidance shall take precedence and shall modify the drawings and documents accordingly.
- d) Where applicable, all building works shall be erected in accordance with the official alignment and official/existing finished road levels as set out on site by MEPA's Land Surveyor. The Setting Out Request Notice must be submitted to the Land Survey Unit of MEPA when the setting out of the alignment and levels is required.
- e) Where an officially schemed street, within the development zone, bordering the site is unopened or unformed, it shall be opened up and brought up to its proper, approved and official formation levels prior to the commencement of any development hereby being

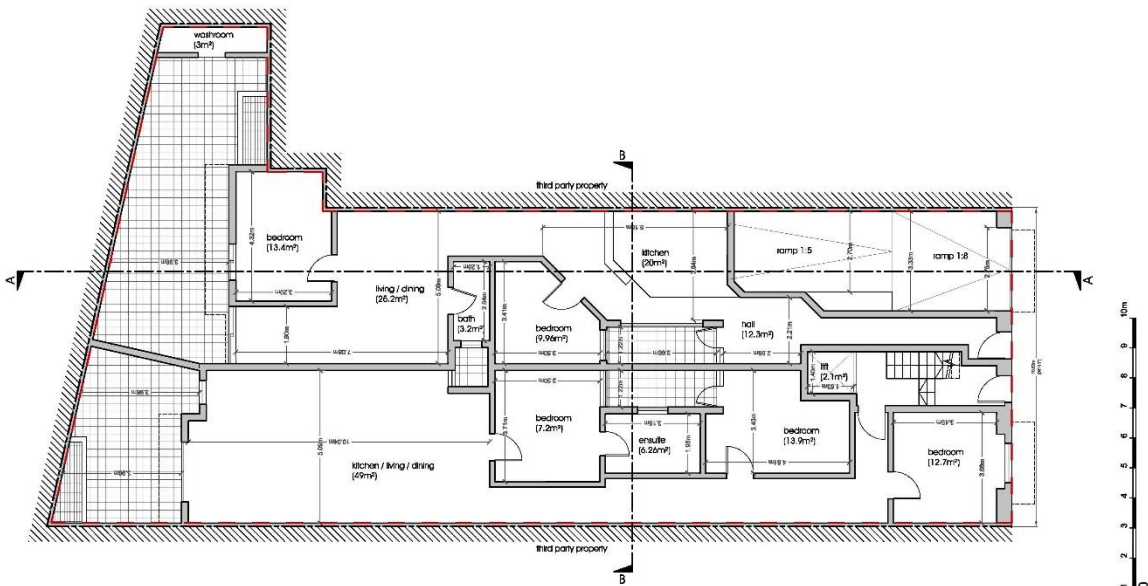
PA/01159/15

Print Date: 16/09/2015

This document has been extracted from the MEPA online system.  
DocStatus: Valid; Available to Public;  
Printed on:16-Sep-2015 15:29:40 Doc Ref:PA01159/1559a



**EXISTING GROUND FLOOR LAYOUT**  
Scale 1:100



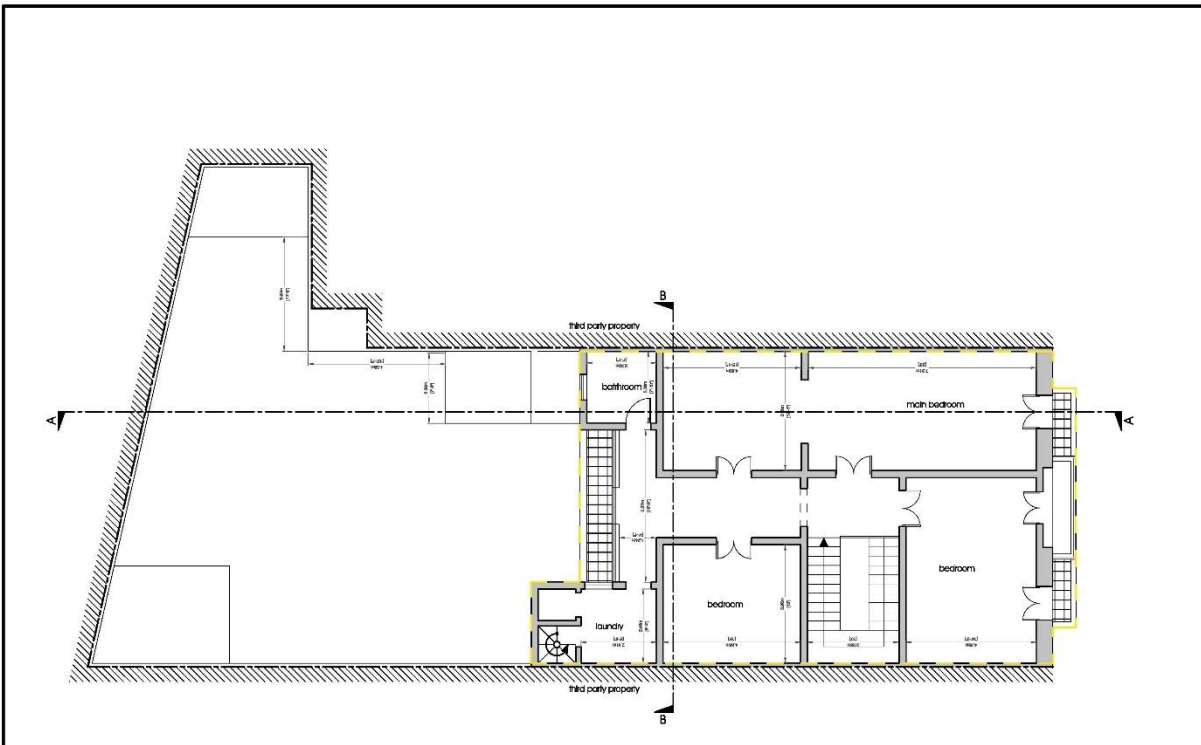
**PROPOSED GROUND FLOOR LAYOUT**  
Scale 1:100

- Proposed, to construct
- Proposed, to demolish

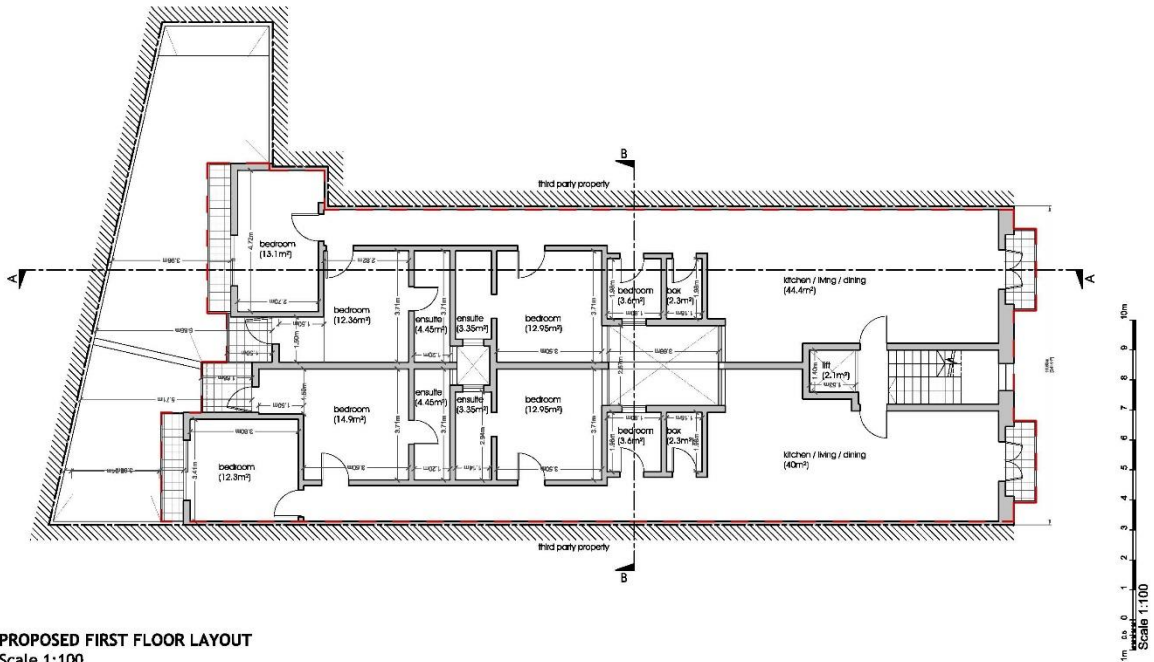
REV.	description	drawn	date
01	amendment	MA	21/07/2014

PROPOSED APARTMENTS CASA PISANI, TRIQ BRARED, BIRKIKARA			
EXISTING & PROPOSED LAYOUTS GROUND FLOOR			
Project No.	174-14	Rev. No.	01
Drawn by	MA	Checked by	MA
Date	21-05-2014	Project No.	M_PR-01
Scale	1:100		

**mark arigo** E.E.A. (Plan), M.Sc., A.R.C.I.  
ARCHITECTURE DESIGN STRUCTURES  
A. Topiklar, 135, Kappuccini Street, San Gwann, SG21178, Malta.  
E. arigo.mark@arigo.com, M. +356 99849090

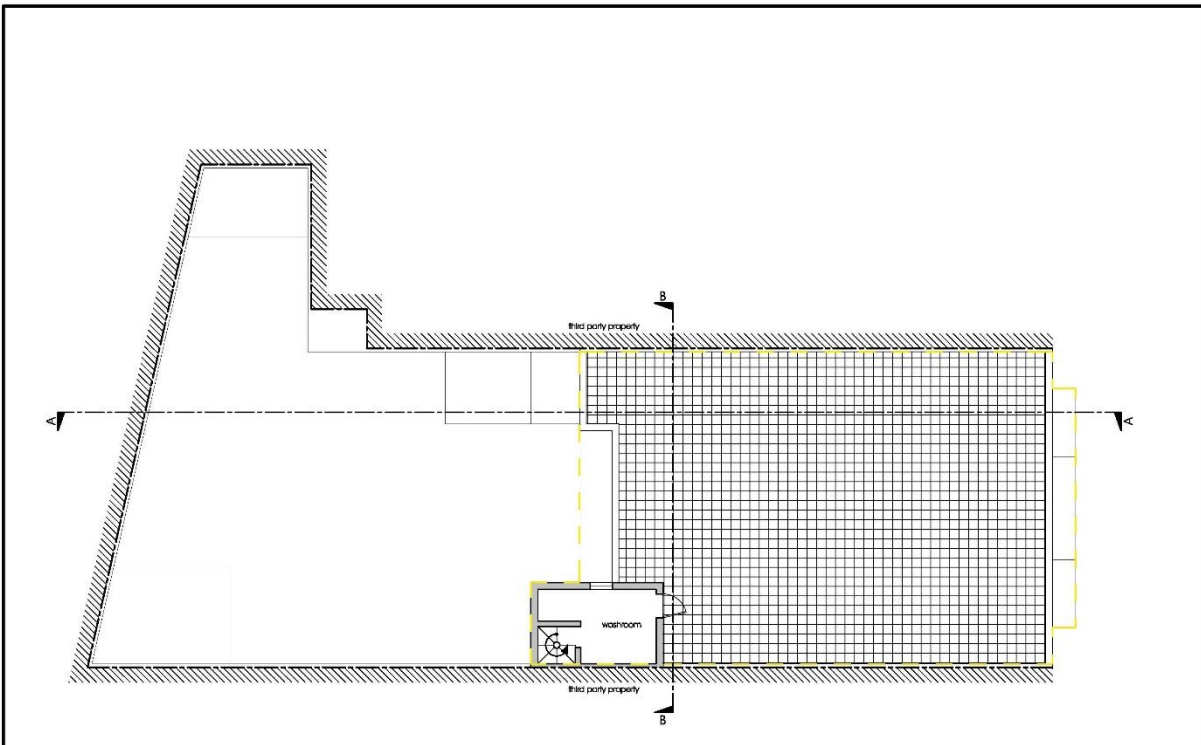


**EXISTING FIRST FLOOR LAYOUT**  
Scale 1:100

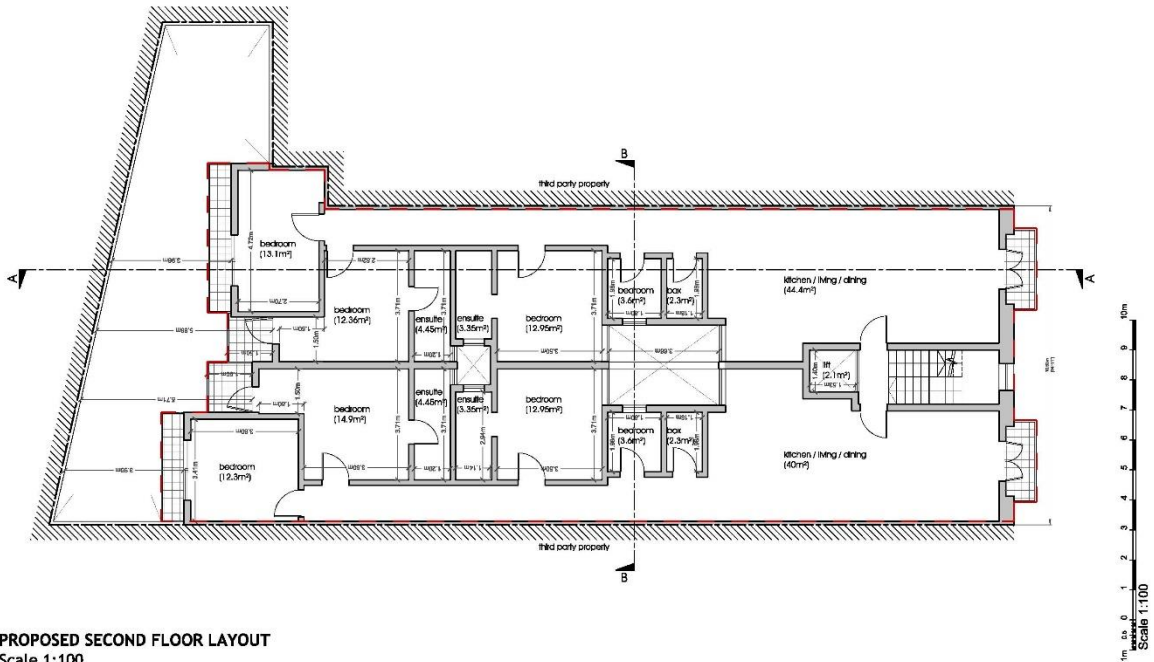


**PROPOSED FIRST FLOOR LAYOUT**  
Scale 1:100

<div style="display: flex; gap: 10px;"> <div style="width: 15px; height: 15px; background-color: red; border: 1px solid black;"></div> Proposed, to construct             <div style="width: 15px; height: 15px; background-color: yellow; border: 1px solid black;"></div> Proposed, to demolish           </div>	<table border="1"> <thead> <tr> <th>REV.</th> <th>DESCRIPTION</th> <th>DRAWN</th> <th>DATE</th> </tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> </tbody> </table>		REV.	DESCRIPTION	DRAWN	DATE																	<table border="1"> <tr> <td colspan="4" style="text-align: center;">PROPOSED APARTMENTS CASA PISANI, TRIQ BRAARD, BIRKIRKARA</td> </tr> <tr> <td colspan="4" style="text-align: center;">EXISTING &amp; PROPOSED LAYOUTS FIRST FLOOR</td> </tr> <tr> <td>Project No.</td> <td>174-14</td> <td>Rev. No.</td> <td> </td> </tr> <tr> <td>Drawn by</td> <td>MA</td> <td>Checked by</td> <td>MA</td> </tr> <tr> <td>Date</td> <td>21-05-2014</td> <td>Project No.</td> <td>M_PR-02</td> </tr> <tr> <td>Scale</td> <td>1:100</td> <td colspan="2"> </td> </tr> </table>		PROPOSED APARTMENTS CASA PISANI, TRIQ BRAARD, BIRKIRKARA				EXISTING & PROPOSED LAYOUTS FIRST FLOOR				Project No.	174-14	Rev. No.		Drawn by	MA	Checked by	MA	Date	21-05-2014	Project No.	M_PR-02	Scale	1:100			<div style="display: flex; align-items: center;"> <div style="flex: 1;"> <p style="font-size: 8px; margin-top: 5px;">ARCHITECTURE   DESIGN   STRUCTURES</p> </div> <div style="flex: 1; font-size: 8px; padding-left: 10px;"> <p>E. E. &amp; A. (Plan), M.Sc., A. &amp; C. E.</p> <p>A: Tappalar, 135, Kappuccini Street, San Gwann, SG211578, Malta. E: arrigo.mark@arrigo.com.ME +356 99849090</p> </div> </div>	
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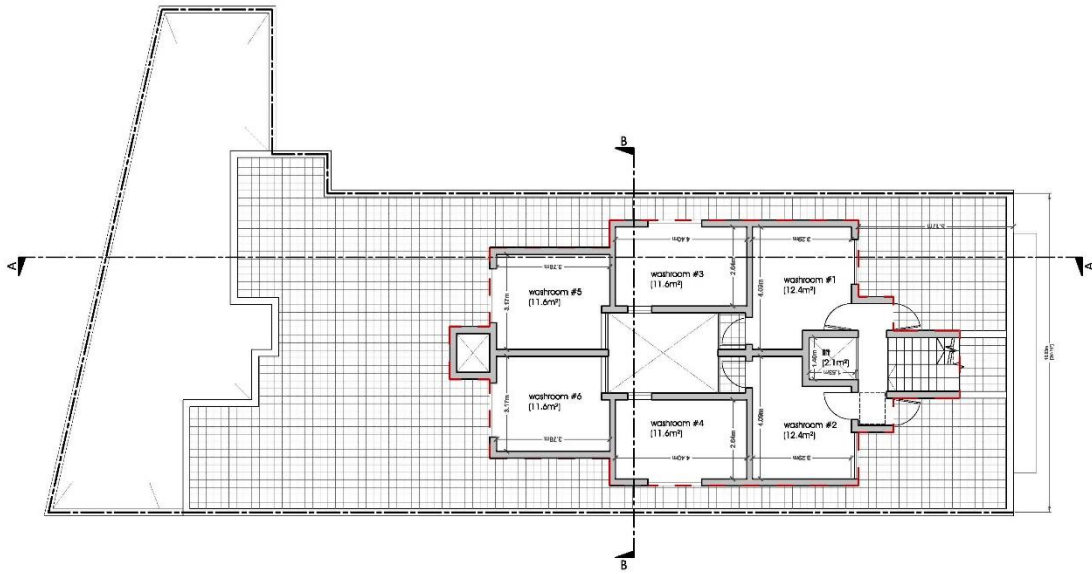


**EXISTING SECOND FLOOR LAYOUT**  
Scale 1:100

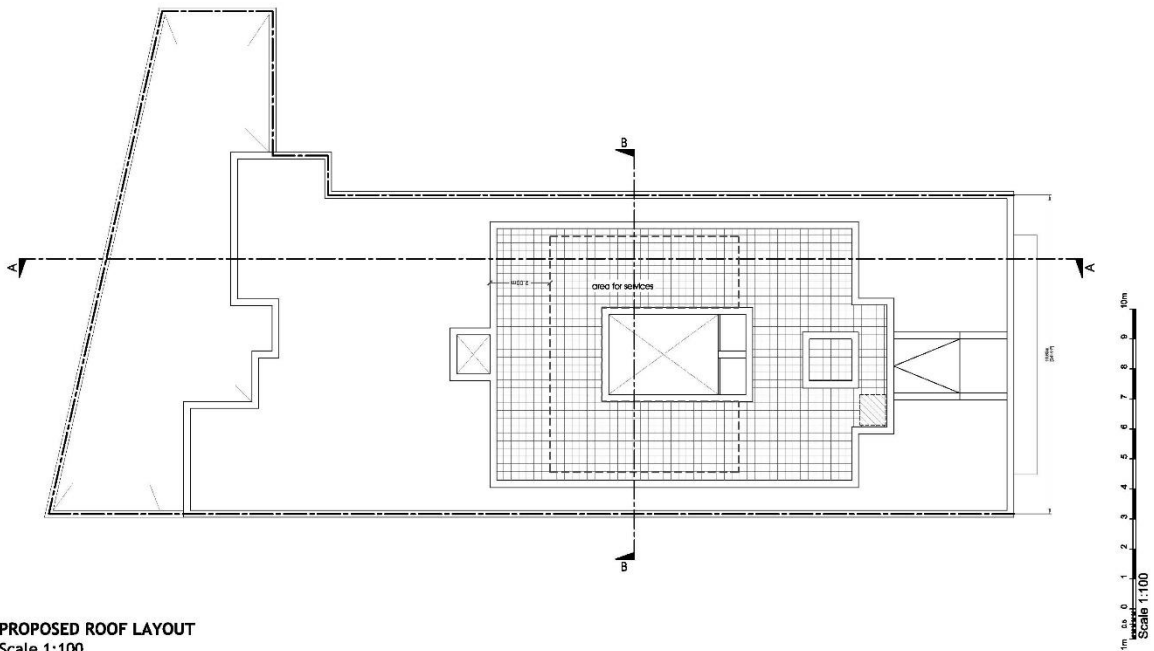


**PROPOSED SECOND FLOOR LAYOUT**  
Scale 1:100

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Date	21-05-2014	Project No.	ML/PJ-03																																									
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**PROPOSED THIRD FLOOR LAYOUT**  
Scale 1:100

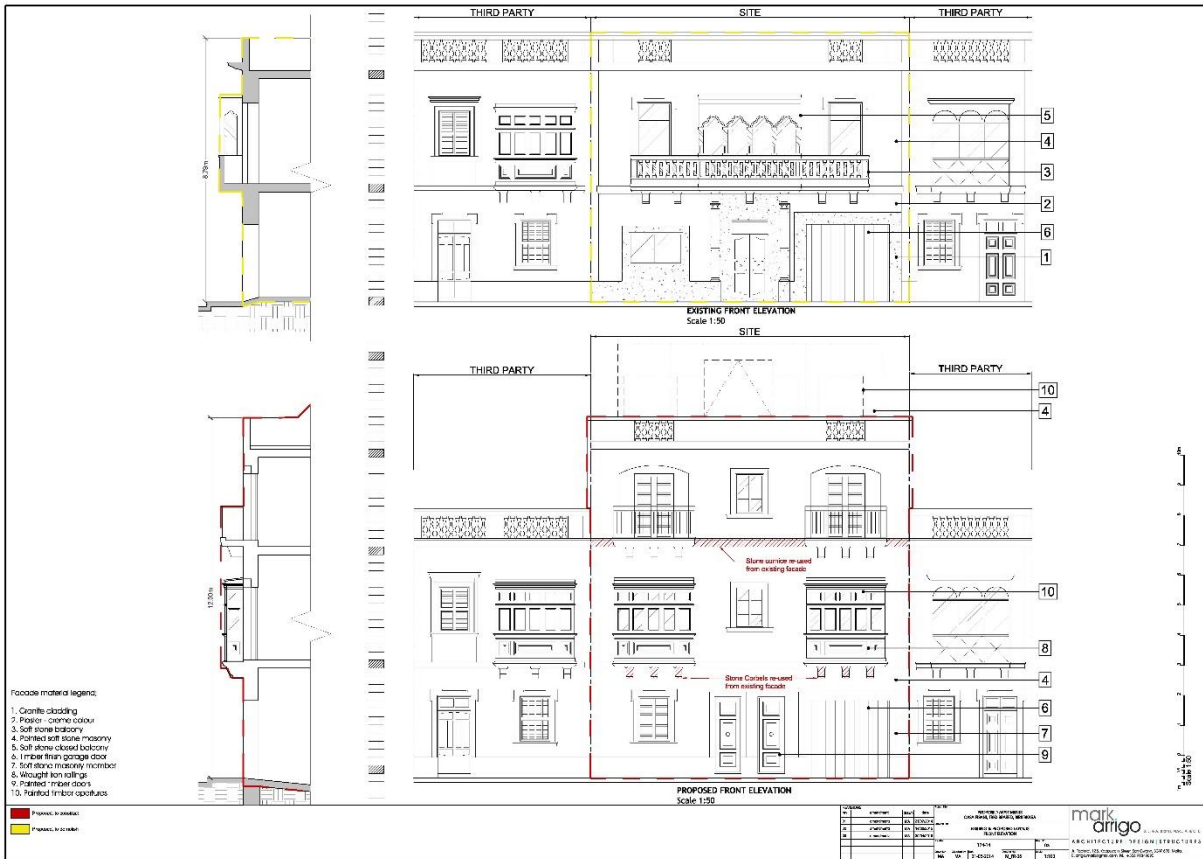


**PROPOSED ROOF LAYOUT**  
Scale 1:100

- Proposed, to construct
- Proposed, to demolish

REVISIONS				Project No.			
no.	amendment	drawn	date	PROPOSED APARTMENTS CASA PISANI, TRIQ BIRAZED, BIRKIRKARA			
01	approved	MA	21/07/2014	PROPOSED LAYOUTS THIRD FLOOR & ROOF			
				plan no.	174-14	sheet no.	01
				drawn by	MA	checked by	MA
				date	21-05-2014	sheet no.	M_PR-04
				scale	1:100		

**mark arrigo** E.E.B.A. (Plan), M.Sc., A. & R.C.E.  
ARCHITECTURE | DESIGN | STRUCTURES  
A. Topiklar, 135, Kappuccini Street, San Gwann, SG211578, Malta.  
E. arrigo.mark@arrigo.com M. +356 99849090



# Appendix C

## Valuation calculation

Table 1: Value Calculation						
		Area	Area Factor	Resulting Area	Resulting market value rate	Market Value
<b>Level 3</b>	Internal	90	1	90	€ 2,185.00	€ 196,650.00
	External	154	0.15	23.1	€ 2,185.00	€ 50,473.50
<b>Level 2</b>	Internal	284	1	284	€ 1,966.50	€ 558,486.00
	External	15.5	0.25	3.875	€ 1,966.50	€ 7,620.19
<b>Level 1</b>	Internal	284	1	284	€ 1,966.50	€ 558,486.00
	External	15.5	0.25	3.875	€ 1,966.50	€ 7,620.19
<b>Level 0</b>	Internal	301	1	301	€ 1,966.50	€ 591,916.50
	External	60	0.25	15	€ 1,966.50	€ 29,497.50
<b>Level -1</b>	Car spaces	11.00	1	11	€ 30,000.00	€ 330,000.00
						€ 2,330,749.88



**Table 2: Contractor's Method Valuation**

**Ref no:** 174-14  
**Location:** Casa Pisani, Triq Brared, Birkirkara

Item	Rate/m <sup>2</sup> (€)	Qty	Unit	Total (€, Ex. VAT)
<b>Planning Fees</b>				
Basement	5.66	348	sq.m	1,970
Ground floor	5.66	284	sq.m	1,607
1st floor	5.66	284	sq.m	1,607
2nd floor	5.66	284	sq.m	1,607
Washrooms	22	114	sq.m	2,508
UIF	2140	0		0
				<b>9,300</b>
<b>Demolition + Excavation</b>				
Demolition	30	1200	cu.m	36,000
Excavation, site clearing	45	900	cu.m	40,500
				<b>76,500</b>
<b>Construction</b>				
Basement	350	348	sq.m	121,800
Ground floor	180	284	sq.m	51,120
1st floor	180	284	sq.m	51,120
2nd floor	180	284	sq.m	51,120
Washrooms	180	114	sq.m	20,520
				<b>295,680</b>
<b>Finishes</b>				
Basement	50	348	sq.m	17,400
Ground floor	180	284	sq.m	51,120
1st floor	180	284	sq.m	51,120
2nd floor	180	284	sq.m	51,120
Setback floor	180	114	sq.m	20,520
Lift				25,000
				<b>216,280</b>
Sub-total			€	597,760
Contingency		10%		59,776
<b>Cost of semi-finished block (Ex. VAT)</b>				<b>657,536</b>
18% VAT				118,356
<b>Total Cost (Incl. VAT)</b>				<b>775,892</b>
Architects Fees		5%		21,959
18% VAT				3,953
<b>Architects Fees (Incl. VAT)</b>				<b>25,911</b>

<b>Total expenditure (Incl. VAT)</b>	€	<b>801,804</b>
Cost of Property	€	970,000
Stamp duty @ 5%	€	48,500
<b>Total expenditure</b>		<b>1,820,304</b>

<b>Income</b>	<b>Rate</b>	<b>Unit (m<sup>2</sup>)</b>	
Basement - Car spaces	€ 35,000.00	7	245,000
Ground Flr - 2 bedroom	€ 2,300.00	125	287,500
Ground floor - 3 bedroom	€ 2,300.00	150	345,000
First Flr - 3 bedroom	€ 2,300.00	130	299,000
First Flr - 3 bedroom	€ 2,300.00	130	299,000
Second Flr - 3 bedroom	€ 2,400.00	130	312,000
Second Flr - 3 bedroom	€ 2,400.00	130	312,000
Setback floor - Washroom	€ 2,000.00	100	200,000
			<b>2,299,500</b>
Less capital gains @ 8%			<b>0</b>
<b>Total income</b>			<b>2,299,500</b>

**Profit** 479,196