



INTERSITE

ASSET INVESTMENTS



SPECIFICATION / SCOPE OF WORK

DESCRIPTION OF GOODS / SERVICES / WORK	REQUEST FOR PROPOSAL (RFP) FOR THE APPOINTMENT OF CREDIBLE AND EXPERIENCED EXPERT SERVICE PROVIDER WHO HAS CAPACITY AND RESOURCES TO CONDUCT INVESTMENT PROPERTY VALUATION FOR PRASA FOR A PERIOD OF 36 MONTHS.
REQUEST FOR PROPOSAL NUMBER	INTERSITE/ IP VALUATIONS/ 02/10/2026
DIVISION	INTERSITE ASSET INVESTMENTS (PTY) LTD: ASSET MANAGEMENT



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1. INTRODUCTION

Intersite Asset Investments (Pty) Ltd is a subsidiary of the Passenger Rail Agency of South Africa and is responsible for the management of PRASA's property portfolio across all provinces.

Intersite Asset Investments (Pty) Ltd intends to appoint a credible experienced expert service provider who has capacity and resources to conduct investment property valuations for PRASA for three consecutive financial years.

2. BACKGROUND INFORMATION

International Accounting Standard, GRAP requires that the entities determine the fair value of investment properties. The entity can then elect to value the property at fair value in their records or value the property at cost and disclose the fair value by way of a note to the financial statements.

As a result of this requirement and to ensure compliance with the International Financial Reporting Standard, PRASA has elected to value their investment properties at fair value in its financial statements on annual basis.

3. OBJECTIVE OF THE PROPOSED PROJECT

The valuation of PRASA investment properties will ensure compliance with International Financial Reporting Standards (IFRS), compliance with Auditor General Requirements and is also in line with PRASA investment property policy. Intersite is a custodian of PRASA Land assets and therefore valuation of Investment Portfolio falls within Intersite Asset Investments (Pty) Ltd responsibilities.

In order to reduce cost of annual valuations and to establish continuous uninterrupted process it was decided in 2017 to appoint a service provider for a period of 3 years. The saving is attributed to the fact that the first-year valuations will require a full investigation which include among other activities review of SG diagrams, Title Deeds and leases, sourcing of market information as well as site visits. Follow up valuations will be a refresher of existing valuation report using updated lease information as well as most recent market research data. Current contract with the Service provider started on the 1st of August 2023 and will end on the 31st of July 2026. Current contract is for delivery of 3 annual reports for 2024, 2025, 2026 and the current contract was extended by a period of four (04) months from 01 August 2026 to 30 November 2026 without variation to the contract value. Therefore, there is a need to appoint another service provider for 3 years



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cycle to make sure there is a team of valuers available to assist with 2027, 2028 and 2029 annual valuations and assist with AG queries. New contract should ideally start on 1st of December 2026 to allow new service provider to get acquainted with PRASA Investment Portfolio, have enough time to visit properties and analyse title deed, SG and lease information.

3.1. CURRENT MECHANISMS IN PLACE TO ADDRESS THE PROBLEM

PRASA has elected to value their investment properties at fair value in its financial statements on annual basis. The valuation of PRASA investment properties will ensure compliance with international financial reporting Standards (IFRS), compliance with Auditor General Requirements and is also in line with PRASA investment property policy.

3.2. DESIRED OUTCOMES FOR CARRYING OUT THE PROPOSED PROJECT

- Service provider in place to deliver the 2026 IP valuations.
- Current contract expired on the 31st of July 2024 but an extension until 30th of November 2026 was granted.
- An appointment of a service provider delivers 2027, 2028 and 2029 FY IP valuation. The FYs for Intersite commence 01st April and ends on 31st March each FY.

3.3. PROJECT BENEFITS TO PRASA

The valuation of PRASA investment properties will ensure compliance with international financial reporting Standards (IFRS), compliance with Auditor General Requirements and is also in line with PRASA investment property policy.



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Table 1: Benefit Tracking

No	Benefit	Beneficiaries	Attained By	Sources to Measure	Key Objective Supported	Strategic
Financial						
1.	Property ownership	PRASA GROUP	PRASA Group Finance	Property verification.	Ownership	
2.	Improved lease value	Intersite Asset Investments (Pty) Ltd	Intersite Asset Investments (Pty) Ltd	Income statement	Improving financial performance of PRASA Group	
3.	Reduced utility services costs	Intersite Asset Investments (Pty) Ltd	Intersite Asset Investments (Pty) Ltd – Asset Management	Savings	Cost Management	



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Non-Financial					
4.	Opportunity to correctly manage and classify properties identified for future commercial use.	PRASA Group Intersite Asset Investments (Pty) Ltd	Intersite Asset Investments (Pty) Ltd – Asset Management PRASA GROUP	Number of audit findings Reliable information base	- Operational Effectiveness - Risk Management
5.	Improved experience and partnerships	Public and commuters	Semi commercialisation of rail property. PRASA GROUP	Service Excellence	Service Excellence
6.	Improved Land Asset Register	Intersite Asset Investments (Pty) Ltd	PRASA Group Finance	Clean Data	Clean Land Audit

4. SCOPE OF WORK AND AREAS OF FOCUS

4.1. APPROVED SCOPE OF WORK

The total number of properties to be valued is as follows:

- Investment Properties/Assets = 400
- High Income Stations = 7 (Cape Town, Johannesburg Park, Pretoria, Mabopane, Durban, Berea, Isipingo)
- Additional High-Income Stations = 2 (individual stations to be advised)

Estimated to have up to 220 individual valuation reports. All sites are located in South Africa, 90% of PRASA Properties are located within major metropolitan areas. List of current sites will be provided at the Compulsory Briefing session.

Estimates are based on the following Valuation Report Categories:

Valuation reports for undeveloped land: 16

Valuation reports for developed sites: 195

Valuation reports for Station Complexes: 9



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The valuation work includes but not limited to the following:

- Preparation phase
 - Data collection from different sources and authorities (e.g. asset list, lease income and terms data, Maps, SG Diagrams, Title Deeds, Municipal valuation, etc)
 - Visit to local Authority for data verification (e.g. municipal Values, zoning etc.).
- Inspection of properties
 - Technical inspection of all the properties and visual inspection of the surrounding areas.
 - Photographs
- Market Research
 - Provide Property Agents details, where possible
 - Sources of information should be acknowledged in the report
 - Comparable Sales
 - Supporting market research for capitalization and vacancy rates and expense ratios used
- Compilation of Valuation of report (per site) in line with PRASA's requirements.
 - Reports to display understanding of subject property and to include:
 - Current owner's details
 - Correct legal description of the property, Stand size
 - Details of the property asset being valued such as size, construction, condition etc
 - Provide sufficient motivation for unutilised bulk, zoning and usage of the Subject Property
 - Only the latest available research sources like SAPOA Cap and Data Survey or Rode Report to be cited
 - Recent sales of property in the area
 - Determination of value; and
 - Certificate of value.
 - A valuation of the property based on the most suitable valuation method
 - Statement of suggested rent per Ha/m2 per asset category involved (land, Office, Warehouse, Retail)
- Ensure alignment with:
 - Property Valuers Profession Act (Act 47 of 2000)
 - International Valuation Standards (IVS) or SA Valuation Standards
 - Municipal Property Rates Act (MPRA) (where applicable)
 - Any applicable MFMA / PFMA requirements



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- The bidder shall produce valuation reports that are fully compliant with the International Valuation Standards (IVSC), ensuring adherence to all relevant principles, methodologies, disclosure requirements, and reporting frameworks prescribed under the latest IVS guidelines
- Resolution of queries and follow up activities where required
- Resolution of AG/Internal Audit/Insurance queries/requests

4.2. GEOGRAPHIC SCOPE

All sites are located in South Africa, 90% of PRASA Properties are located within major metropolitan areas.

4.3. TYPE OF SERVICES REQUIRED

To appoint a credible experienced, expert service provider who has capacity and resources to conduct investment property valuation for PRASA for three consecutive financial years of property specialist to conduct Investment Property Valuation.

4.4. CONTRACT PERIOD

The appointed service provider(s) will be required to start immediately after signing the contract and be available to provide the services, for annual IP valuation as well as additional valuations on an as-needed basis, for a period three (3) years

Annual IP valuation cycles to be delivered before 15 of April each year as follows:

Year 1: IP Valuation reports as of 31 March 2027

Year 2: IP Valuation reports as of 31 March 2028

Year 3: IP Valuation reports as of 31 March 2029