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VALUATION

Hotel Valuation Report

Kilindi Heights · 140-key 4-star · Mombasa, Kenya

PREPARED FOR

Kenya Commercial Bank · Structured Finance

15 April 2026 · Ref VAL-2026-0027 · Prepared by Maxwell Otiende, HotelCompass

Executive Summary

This valuation report provides a market-value opinion for the Kilindi Heights hotel for the purpose of refinance due diligence on behalf of Kenya Commercial Bank. The property is a 140-key 4-star hotel in Mombasa, Kenya, trading under independent management since its opening in 2019.

Market-value conclusion: USD 34.8 million (USD 248,570 per key) as of the valuation date 15 April 2026. This is the reconciled mid-point of three independent valuation approaches: Discounted Cash Flow (USD 35.4m), Direct Capitalisation of Year-1-Forward EBITDA (USD 34.1m), and Comparable-Sales (USD 34.9m). All three approaches lie within a 4.0% band of the mid-point, indicating a high-confidence valuation.

The report follows the RICS Red Book Global Standards (November 2024 edition) and the International Valuation Standards (IVS 2024). It is prepared by a RICS-registered valuer on the understanding that it will be used by the addressee bank for internal credit-committee review.

Subject Property Description

Kilindi Heights is a 140-key 4-star hotel on Nyali Beach Road, Mombasa, built in 2019. The property comprises three five-storey blocks totalling 9,200 sq.m of gross floor area, on a 0.9-hectare leasehold site with 18 years remaining on a 99-year lease from the Mombasa County government.

The guestroom inventory is 110 Standard Rooms (28 sq.m), 22 Deluxe Rooms (34 sq.m), and 8 Suites (48 sq.m). Public areas include two restaurants (180 covers total), a rooftop bar, a 200-capacity ballroom, three meeting rooms, a fitness centre, a spa with four treatment rooms, and an outdoor pool deck.

Market Context

The Mombasa upper-midscale and upscale hotel market currently comprises approximately 2,850 keys across 22 properties within a 12-km radius of the subject. 2025 competitive-set performance was 64.8% occupancy, USD 151 ADR, USD 98 RevPAR, representing a 9.1% RevPAR growth on 2024. The subject property achieved 68.4% occupancy, USD 158 ADR, USD 108 RevPAR in 2025, placing it slightly above the competitive-set average.

Forward-looking market drivers are positive: the Mombasa Port Expansion (commissioning 2027) will add an estimated 18,000 annual corporate room-nights in the three-year horizon; Kenya Airways' fleet renewal is adding three direct daily services to MBA from new source markets; and the Mombasa MICE strategy launched in Q3 2025 is expected to grow the city's meetings capture by 2,300 event-nights per year by 2028.

Valuation Methodology

Approach 1 - Discounted Cash Flow (10-year hold): A 10-year DCF using a discount rate of 11.25% and a terminal cap rate of 8.0% on year-10 EBITDA gives a gross-of-costs present value of USD 35.4m. The discount rate build is: risk-free rate 6.25% (Kenya USD-denominated sovereign 10-year) + equity-risk premium 3.75% + country risk 1.00% + asset-specific premium 0.25%.

Approach 2 - Direct Capitalisation: Year-1-forward stabilised EBITDA of USD 2.82m divided by a market cap rate of 8.25% gives USD 34.1m. The cap rate is derived from six comparable transactions recorded by Cushman & Wakefield Africa in the East Africa region during 2023-2025.

Approach 3 - Comparable Sales: Five transactions of comparable properties in East Africa and Southern Africa, normalised to a per-key basis and adjusted for age, brand positioning, and market, give a range of USD 232,000-USD 266,000 per key. Applied to the subject property's 140 keys, this yields USD 32.5m-USD 37.2m, with a central tendency at USD 34.9m.

Reconciliation & Market Value

The three approaches reconcile to a market-value mid-point of USD 34.8m (USD 248,570 per key). All three approaches lie within a 4.0% band of this mid-point, indicating a high-confidence valuation.

Weighting applied: DCF 45%, Direct Cap 35%, Comparable Sales 20%. The DCF weight reflects the property's stabilised performance pattern; the Direct Cap weight reflects the availability of reliable recent transactions at this cap rate; the Comparable Sales weight is lowered by the limited number of directly-comparable East African transactions in the 2023-2025 window.



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MAXWELL OTIENDE, HOTELCOMPASS**