

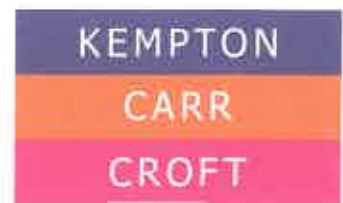
VALUATION REPORT ON:

34 Headley Close

Epsom

Surrey

KT19 9JA



PROPERTY CONSULTANTS

Chatsworth House

29 Broadway

Maidenhead

Berkshire | SL6 1LY

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enquiries@kemptoncarr.co.uk

Name of client

Proplend Ltd

Name of customer

DPJ Property 3 Ltd

Date of inspection

13th June 2019

Weather conditions

Overcast but dry (had rained earlier)

Our Reference

CJ/SNA/34 Headley Close/Vals 2019

Name of surveyor

Catrin Jones MRICS
RICS Registered Valuer
RICS number 0095580

Regulated by RICS | Offices: Basingstoke | Farnham | Gerrards Cross | Maidenhead | Mayfair, London | Reading | Staines-Upon-Thames | Windsor

Kempton Carr Croft is the business name of Kempton Carr (Maidenhead) Ltd, registered in England & Wales. Registration Number 05578213

Registered office: Chatsworth House | 29 Broadway | Maidenhead | Berkshire | SL6 1LY. A full list of directors is open for inspection at the registered office.

Valuation report summary



Property:

34 Headley Close
Epsom
Surrey
KT19 9JA

Location:

The property is located at the end of a popular cul-de-sac of mixed houses and maisonettes between Epsom, West Ewell and Chessington.

Description:

A 2 bed single storey detached bungalow with integral single garage, built around 1981.

Planning use:

Residential C3

Tenure:

Freehold

Valuation date:

13th June 2019

Valuation basis:

Market value (MV)

Purchase price:	£340,000 (Three Hundred and Forty Thousand pounds)* plus probate fee see notes.
Market value:	£360,000 (Three Hundred and Sixty Thousand pounds)
Market value (MV) with limited 180 day marketing period:	£360,000 (Three Hundred and Sixty Thousand pounds)
Market value (MV) with limited 90 day marketing period:	£325,000 (Three Hundred and Twenty Five Thousand pounds)
Market Value (MV) with vacant possession:	£360,000 (Three Hundred and Sixty Thousand pounds)
Market rent (MR):	£1,150 (One Thousand One Hundred and Fifty pounds) pcm with existing dated kitchen and bathroom
Reinstatement valuation:	£195,000 (One Hundred and Ninety Five Thousand pounds)
Suitable for loan security purposes:	YES
Supported by market evidence:	YES

1 Special instructions and assumptions – (See Appendix A - Instruction Letter)

- 1.1 This Valuation Report has been prepared for the purpose of considering the subject property as possible security for loan security purposes.
- 1.2 The Market Value (MV) indicated within this report is dated 13th June 2019.
- 1.3 There is no conflict of interest in terms of the property or the applicant.
- 1.4 This Valuation Report has been prepared in accordance with our standard Conditions of Engagement – Residential Property and in accordance with the RICS Valuation – Global Standards 2017 and UK National Supplement.
- 1.5 No special instructions have been given in connection with the inspection of the property, or the preparation of this Report, nor have any special or unusual assumptions been made in the preparation of this Valuation Report.
- 1.6 In accordance with the RICS Valuation – Global Standards 2017 and UK National Supplement we set out below the special and / or unusual assumptions made in accordance with your instructions during the preparation of this Report: As the existing 1980's style kitchen and bathroom are so dated, we have commented on the likely change in rent if these were updated (to an average only but modern kitchen and bathroom). The rest of the property has already been recently redecorated to an average standard.
- 1.7 Within our report we have provided the following:
 - 1.7.1 A Market Value (MV) of the property on the assumption of vacant possession.
 - 1.7.2 A Market Value (MV) of the property on the assumption of vacant possession assuming a 90 day and 180 day marketing period.
 - 1.7.3 A Market rent (MR) of the property.
 - 1.7.4 An estimated fire reinstatement value of the property.
- 1.8 The special assumptions relating to this valuation are:
 - 1.8.1 In preparing our valuation here we have obtained what we consider to be adequate comparable valuation evidence to support the values provided. However, any effect on the value of the asset due to the recent outcome of the referendum of the UK's membership of the EU and the market uncertainty that may result from this decision has not been taken into account in the valuation given.
 - 1.8.2 As the existing 1980's style kitchen and bathroom are so dated, we have commented on the likely change in rent if these were updated (to an average only but modern kitchen and bathroom). The rest of the property has already been recently redecorated to an average standard.

- 1.8.3. The agreed purchase price is £340,000, but the purchaser told us there was also a £10,000 probate fee for the executor. We have not come across this situation before, and so conveyancers should investigate and confirm that details are acceptable prior to any lending being supplied. We have informed Proplend of this separately.
- 1.9 There are no other, nor further special assumptions that would affect our valuation.

2 Date and extent of inspection

- 2.1 Our inspection of the above property was made on 13th June 2019 when the weather was dry but had rained heavily prior to our inspection.
- 2.2 The property was inspected by Catrin Jones MRICS and the report has been checked by Simon Mills BSc (Hons) MRICS.
- 2.3 An inspection for valuation purposes was possible to all parts of the property valued herein.
- 2.4 At the time of inspection the property was vacant. We were provided access via keys from the probate agent and were accompanied on our inspection at 11.30am.

3 Situation, communications and amenities

- 3.1 The property is located at the end of a well-established residential cul-de-sac of mixed houses, chalet style bungalows and purpose-built maisonettes. The subject itself is a plain single storey detached bungalow. Headley Close comprises a quiet cul-de-sac, the subject is located at one end of the cul-de-sac. The road is conveniently located between Epsom, West Ewell and Chessington.
- 3.2 The property has good access to local type amenities and shops and is approximately 0.7 miles from Chessington North station, 1 mile from Chessington South and 1.2 miles from Tolworth station.

4 Description of property

- 4.1 The property is believed to have been constructed in the early 1980s. It comprises a compact detached single storey bungalow with 2 beds, 1 reception room, 1 kitchen, 1 bathroom and an integral single garage. It is set on an irregularly shaped plot with a small garden at the rear.
- 4.2 We estimate the property has an economic life in excess of 80 years, provided regular maintenance and repairs are carried out.
- 4.3 The property sits on Headley Road which we believe to be an adopted highway.
- 4.4 Legal enquiries should confirm that vehicular and/or pedestrian access rights are allowed at all times in perpetuity.

5 Construction

- 5.1 We have not arranged for an investigation to be carried out to determine whether or not high alumina cement concrete, calcium chloride additive or any other potentially deleterious or hazardous materials or techniques were used in the construction of this property or has since been incorporated, and we are therefore unable to report that the property is free from risk in this respect. For the purpose of this valuation we have assumed that such investigation would not disclose the presence of any such material to any significant extent.
- 5.2 The property is of an age whereby the use of asbestos containing materials in its construction cannot be ruled out. You are advised to obtain further advice upon the management of asbestos in premises and prior to considering the removal or modification of this material, we would refer you to the Health & Safety Executive's web site www.hse.gov.uk/asbestos. In particular, we draw your attention to the matter that the ceilings are covered in Artex. Artex often (but not always) contains asbestos and the only way to establish whether asbestos has been used within the Artex at this property is to have it tested. As such, prior to any alterations being carried out to disturb the Artex, testing should be carried out by a specialist asbestos contractor.
- 5.3 The building is of traditional cavity brick and block construction with brick elevations. Walls were approximately 290mm wide where able to measure, under a pitched concrete tiled roof.
- 5.4 The ground floor is thought to be a floating floor (solid concrete underneath the floating floor).
- 5.5 Windows and doors are of double glazed uPVC specification and heating is provided to the property via a gas fired boiler servicing radiators throughout.
- 5.6 All mains services are understood to be provided to the property, but conveyancers should confirm.

6 Condition and state of repair

- 6.1 We have not carried out a building survey, nor have we inspected those parts of the property which are covered, unexposed or inaccessible and such parts have been assumed to be in good repair and condition. We cannot express an opinion about or advise upon the condition of uninspected parts and this Report should not be taken as making any implied representation or statement about such parts. For the purposes of this valuation we have assumed that an inspection of those parts that have not been inspected would neither reveal material defects nor cause the Valuer to alter the valuation materially.
- 6.2 At the time of inspection, the property appeared to have the original 1980s style kitchen and bathroom, both of which were very dated and showing signs of their age and general wear and tear. Apart from this, the property had been fully cleared and recently redecorated to a neutral colour scheme throughout. Otherwise, it was

found to be in a condition commensurate with its age and type with only general items of repair and maintenance required.

- 6.3 Subject to regular maintenance and decoration the property has a useful life expectancy of 80-100 years.

7 Accommodation

- 7.1 In accordance with the Royal Institution of Chartered Surveyors Property Measurement 2nd edition all areas quoted herein have been calculated using the IPMS 2 – Residential basis for the residential parts.

- 7.2 The accommodation briefly comprises:-

Description	Square Metres
Ground floor	
uPVC entrance porch addition	1.56
Bedroom 1	12.49
Bedroom 2	8.87
Reception room	19.18
Bathroom	3.19
Kitchen	7.3

- 7.3 The size of the property is approximately 61 sq. m (657 sq. ft) of living accommodation. However, the garage is integral, so including the garage the overall size of the property is 75 sq. m. (807 sq.ft.)
- 7.4 We have adopted a conversion multiplier of 10.764 between sq. m and sq. ft.

8 Tenure and tenancies

- 8.1 The property is freehold.
- 8.2 We have assumed that good title can be shown and that the property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoing.

9 Environmental factors

- 9.1 There is some electrical equipment (pylons) within approximately 100m of the property. Public perception of such items can impact on saleability although we have looked at recent local sales within the area and the tone of the locality has already been set. Also, the equipment is not considered overly close, especially compared to other property in the vicinity.

- 9.2 We are unaware of any further environmental factors affecting the property which could adversely affect its occupation in the future or be detrimental to the value. Legal enquiries should verify that the property complies with all statutory requirements.

10 Radon Gas

- 10.1 Radon gas is a naturally-occurring substance, particularly, but not exclusively, prevalent in areas with granite sub-strata. We are unable to confirm whether or not the site is affected by radon gas affecting the property or future occupants.

11 Flooding

- 11.1 From informal enquiries of The Environment Agency's website the property does not lie in a recognised flood plain. Legal enquiries should verify and confirm that all the necessary insurance policies are in place, if required.

12 Invasive species

- 12.1 There was no evidence of any Japanese Knotweed within the property or the immediate vicinity. However, the garden is overgrown, and care should be taken to maintain it regularly in the future in order to prevent possible invasive species.

13 Energy Performance Certificates (EPC)

- 13.1 Since 1st October 2008 an EPC must be made available whenever a non-domestic building is constructed, sold or rented out, subject to certain exemptions. EPC's are valid for ten years.
- 13.2 No EPC Certificate was made available during our inspection and we have not conducted a calculation to assess the EPC rating.
- 13.3 We conducted an online search of the EPC website and an EPC was carried out in May 2019 with a rating of D (60).
- 13.4 As from the 1st April 2018 there is a requirement for any properties rented out in the private rented sector to normally have a minimum energy performance rating of E on an Energy EPC. The regulations came into force for new lets and renewals of tenancies with effect from 1st April 2018 and for all existing tenancies on 1st April 2020. It will be unlawful to rent a property which breaches the requirement for a minimum E rating, unless there is an applicable exemption. A civil penalty of up to £4,000 will be imposed for breaches. There are separate regulations effective from 1st April 2016 under which a tenant can apply for consent to carry out energy efficiency improvements in privately rented properties.

- 13.5 This means investors could face significant improvement costs in order to rent a property which does not meet the minimum requirements. For the purposes of our valuation we have assumed that the property has an energy rating of E or better and it will not be affected by the changes in legislation in the future.

14 Contamination

- 14.1 We found no evidence on site during our inspection to indicate that the property has ever been used for a contaminating use in the past. If however, solicitors' searches reveal that the site was previously under an ownership or a planning use considered likely to create chemical contamination, (e.g. asbestos production, petrochemical or paintworks), or that the site was used for the disposal of waste by land fill tipping this information should be referred back to us so that we can advise further.

15 Planning and use – planning consents and permitted use

- 15.1 Solicitors' enquiries should undertake all the required searches on the property and refer back to us so that we can comment upon the effect, if any, these may have upon our valuation.

16 Council tax

- 16.1 Our internet enquiry of the Valuation Office website reveals that the property is in Band E.

17 Market conditions and trends

April 2019: UK Residential Market Survey

Market sentiment little changed following Brexit extension

- Survey indicators on buyer enquiries and sales still negative while new listings continue to decline
- Conditions remain more challenging at higher price brackets
- Twelve month expectations signal slight improvement in activity further out

The April 2019 RICS UK Residential Survey results point to overall market trends remaining very similar to those reported in recent months, with headline indicators on demand, supply and prices all still stuck in negative territory. Brexit uncertainty and a lack of available stock to purchase remain the key constraints, meaning little change in momentum is anticipated in the near term. That said, expectations are at least slightly more positive at the twelve month horizon.

The national house price net balance came in at -23% in April (equal to the figure posted in March), signalling another gradual moderation in headline house prices over the month. The regional breakdown again shows prices under pressure particularly in London and the South

East, while the South West has now consistently returned negative readings on this measure for the past six months. At the same time, feedback across Northern Ireland and Scotland continues to buck the trend, with respective net balances of +47% and +28% of respondents reporting a further rise in prices.

Back at the national level, feedback from contributors continues to point to higher priced tiers of the market encountering a more challenging backdrop at present. Indeed, for properties marketed at over £1m, 66% of respondents reported sales prices were coming in below asking prices, albeit this is slightly down on 73% six months ago. However, for properties listed at up to £500k and below, 62% of survey participants report sales prices have been at least level with asking (up from 57% in October 2018). Nevertheless, a still noteworthy 28% stated sales prices were coming in up to 5% below.

The sustained fall in new buyer enquiries of late has been a key factor behind the weaker price trends in parts of the country and demand reportedly fell once again in the latest report. The pace of decline was similar (in net balance terms) to that seen in the previous month, while virtually all parts of the UK recorded a fall. On the back of this, the survey's indicator on newly agreed sales remained in negative territory for a ninth consecutive month.

Looking ahead, near term sales expectations remain negative, albeit to a slightly lesser extent than previously, with the net balance moving to -11% from -22% in March. That said, expectations still point to a flat or declining sales trend across all parts of the UK in the coming three months. Further out, however, a headline net balance of +13% of contributors anticipate sales will begin to pick up to some extent over the next twelve months.

Contributors continue to cite a sharp decline in new instructions coming onto the market at the headline level, with the latest net balance of -35% representing the poorest reading going back to June 2016. The subsequent lack of stock on the market continues to present potential buyers with limited choice and is likely playing a significant role in holding back activity at present. Moreover, the number of appraisals being undertaken remains down on an annual comparison, not boding well for the near term pipeline.

In the lettings market, tenant demand remains on a gently upward trajectory according to the latest (seasonally adjusted) figures. Meanwhile, landlord instructions continue to dwindle, extending a run of successive quarterly declines dating back to the middle of 2016. This is already the longest uninterrupted sequence of falling landlord instructions since the series started in 1998, and anecdotal evidence signals little chance of a turnaround in the foreseeable future. On the contrary, comments from contributors suggest the upcoming lettings fee ban and the proposed abolishment of section 21 could lead to more landlords exiting the market (coming on top of tax changes within the sector over recent years).

Either way, rents are projected to rise by around 2% at the national level over the coming twelve months, with growth seen accelerating to average 3% per annum over the next five years.

18 Summary of local market

- 18.1 The property is situated within a good location between Epsom, West Ewell and Chessington and contains a mixture of houses and maisonettes with reasonable access to local type facilities and amenities. Chessington North station is approximately 0.7 of a mile away while Chessington South is 1 mile away and Tolworth approximately 1.2 miles away.
- 18.2 The types of people interested in buying in the area are generally owner occupiers and young families, although the subject itself is currently a single storey detached bungalow which would also appeal to cash-rich downsizers. Nevertheless, in this instance we understand the applicant intends to carry out some type of loft conversion in the future, thus making it a two storey dwelling, and so this style of unextended bungalow would also appeal to other purchasers wishing to develop the property in a similar manner. However, we have been asked to value in its current format.
- 18.3 The expected marketing period to sell the property in its current condition at the time of our valuation would be in the region of 6 months.

19 Market evidence

- 19.1 The following comparable evidence has been used in the preparation of our report and in determining our opinion of the Market Value (MV):

20 Sales comparables

Address	Comments
1. 33 Amis Avenue, Epsom, KT19 9HZ	<p>A much larger detached bungalow, also with 2 beds and a GIA of 96 sq. m. (1,033 sq. ft.) This had a modern-type kitchen and was well kept but was otherwise fairly dated. However, it did have a much better plot and we understand the purchase price may have involved some sort of development opportunity.</p> <p>The sale completed in December 2018 at £400,000 which equates to approximately £387 psf. However, although we will be quoting rates psf we do not consider it particularly relevant when looking at bungalows in areas such as this as bungalows themselves are relatively few and far between in any event and each property should be looked at on its individual merits when comparing to the subject property. Overall, this is larger than the subject property and we consider it to be superior in terms of value.</p>
2. 52 Derek Avenue,	A link-detached 2 bed bungalow, the sale completed outside of our preferred 6 month timeframe in

**Epsom, KT19
9HR**

September 2018. However, we have included it merely as it is a 2 bed bungalow and they are generally scarce which means that there is always less sales evidence.

This is in more modern condition with a newer kitchen and bathroom but was otherwise relatively dated. Nonetheless it was significantly larger than the subject with a GIA of approximately 93 sq. m. (1,002 sq. ft.) plus an attached single garage. It also had a significantly better garden. The sale completed at £415,000 which equates to approximately £414 psf. Overall, we consider this to be better than the subject as it quite a lot larger.

**3. 26 Headley
Close, Epsom,
KT19 9JA**

This is a 2 bed ground floor maisonette located on the same road as the subject. It has a similar internal floor area at 62 sq. m. and was sold in far superior condition with an attractive modern kitchen and was well-presented throughout.

We have included it here as it is on the same road as the subject and actually has a very similar amount of living accommodation, but it is only a ground floor maisonette whereas the subject is a detached 2 bed bungalow plus garage.

Agents Compass Property Ltd confirmed a sale completed in early June this year at £318,000. As this was only last week it is too soon to be listed on HMLR but we have included it here merely to indicate that the subject property, which is a detached bungalow of similar size (although not in quite such good condition) would be expected to achieve significantly more than this dwelling.

**4. 70 Rollesby
Road,
Chessington,
KT9 2BZ**

A 3 bed semi-detached 1930s style house linked to its neighbour via a garage. Located less than 300m of the subject, this had a similar floor area to subject of 65 sq. m. (700 sq. ft.) and was also in a relatively dated condition as per subject. Sale completed in April 2019 at £355,000. Unfortunately, this is not a bungalow but we have included it as it is fairly close by, in similar condition and has a broadly similar overall size to the subject.

**5. 74 Ashby
Avenue,
Chessington,
KT9 2BU**

A larger 1930s mid-terraced house refurbished to a very high standard with a floor area of approximately 73 sq. m. Sale completed in March 2019 at £410,000. This equates to approximately £522 psf. This is larger, has an extra bedroom and is in far superior condition to the subject. We have included it merely as it is a fairly recent sale and because it has been difficult to find sales of bungalows nearby as there are less of them to begin with.

Overall, we consider this to be superior to subject in subject's current format, size and condition.

21 Rental comparables

Address	Comments
1. 8 Devon Way, Epsom, KT19 9HS	A 2 bed detached bungalow less than 400m from the subject, this was larger with accommodation of 75 sq. m. It was slightly dated but otherwise very well kept with a better garden than subject let in June 2019 at £1,400 pcm.
2. 77A Gilders Road, Chessington, KT9 2AE	A 2 bed semi-detached house located less than 500m from subject. This was well kept but slightly dated and let agreed October/November 2018 at £1,250 pcm with a similar number of bedrooms to subject.
3. 41 Collier Close, Epsom, KT19 9JQ	A 2 bed purpose-built maisonette located less than 200m from subject let in January/February 2019 at £1,150 pcm. This was slightly dated but well-kept and had a good garden and off-road parking. It was a maisonette but had similar overall accommodation to subject with the EPC indicating a floor area of 71 sq. m. (overall slightly larger than subject). However, this is only a maisonette, not a detached bungalow and we would generally expect the subject to achieve more as it is not part of a block. However, as the subject currently has a very dated kitchen and bathroom, we would expect it to achieve a more similar amount to this unless those items were updated.

22 Valuation summary and analysis comparables

- 22.1 All of the sales and rental comparables are located within 500m of the subject in generally similar locations.
- 22.2 As the property is a very compact detached bungalow with only 2 beds and an integral garage it has been difficult to find direct comparable evidence as there are less properties that are of similar size that happen to be detached bungalows to begin with, hence a lack of sales of similar properties. As such, we have had to widen our parameters to include other bungalows that are larger, typically with better gardens and plots as well as similarly sized properties that are closer to the subject, such as maisonettes but which are generally refurbished to a better condition. Overall we have looked at a wide range of comparables as there are limited sales available for properties that are directly comparable. As such, while we have mentioned the rates psf in passing on the table above from a sales perspective, we do not consider it appropriate to value the subject property on that basis as it is so individual.

The bungalow at 33 Amis is much larger, had a better plot and a newer kitchen, (£400,000) while the linked detached bungalow at 52 Derek Avenue (£415,000) was outside of our preferred 6 month time frame (prices have hardened since this would

have been agreed), was also larger, had a newer kitchen and bathroom, and a better plot. These are both better than the subject.

We included 26 Headley Close as it is on the same road, and completed very recently at £318,000 (according to agent, but too recent to be showing on HMLR). Whilst it is only a maisonette, and was in far superior condition, it had similar internal size. Clearly a detached bungalow such as subject would achieve a higher capital figure.

Meanwhile 74 Ashby Avenue was larger, had been fully refurbished to a high standard and a sale completed in March at £410,000, and is considered to be better than subject in current format. The property at Rollesby Road (£355,000) had more character, and three bedrooms, but was a similar overall size and condition, and completed in April.

As a result of looking at the various pieces of evidence, plus speaking to local agents, we consider that if the property were to be sold in its existing state and format, then it would be likely to achieve in the region of £360,000.

- 22.3 In terms of rental comparables, the subject property currently has an original early 1980s kitchen and bathroom although the rest of the property is in fair condition. Assuming the original kitchen and bathroom remains in place for rental purposes, we would expect the property to achieve in the region of £1,150 pcm. However, if the applicant was to fit an updated kitchen and bathroom, we would expect it to achieve £1,250 to £1,300 pcm. However, we do understand it is currently not the intention of the applicant to let the property in its current condition as she is planning to carry out some type of loft conversion as well as full refurbishment. As such, in its current state and format we consider that if the property was to be let with its existing very dated kitchen and bathroom, it would achieve in the region of £1,150 pcm.

23 Valuation commentary

- 23.1 When valuing this property we have utilised the "comparison valuation technique" and have utilised our knowledge of transactions within the local area.
- 23.2 In preparing our valuation here we have obtained what we consider to be adequate comparable valuation evidence to support the values provided.

24 Basis of valuation

- 24.1 This Valuation Report is prepared in accordance with the RICS Valuation – Global Standards 2017 and UK National Supplement.
- 24.2 The Basis of Valuation is:-

25 Market Value (MV)

25.1 We confirm that the Interpretive Commentary has been applied when making our valuations herein.

25.2 Definition

25.2.1 The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

26 Market Rent (MR)

26.1 Valuations based on Market Rent (MR) shall be based on the following:

26.2 Definition

26.2.1 The estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

27 Purchase price

£340,000 (Three Hundred and Forty Thousand pounds)

28 Market value

£360,000 (Three Hundred and Sixty Thousand pounds)

29 Market value (MV) with limited 180 day marketing period:

£360,000 (Three Hundred and Sixty Thousand pounds)

30 Market value (MV) with limited 90 day marketing period:

£325,000 (Three Hundred and Twenty Five Thousand pounds)

31 Market Value (MV) with vacant possession:

£360,000 (Three Hundred and Sixty Thousand pounds)

32 Market rent (MR):

£1,150 (One Thousand One Hundred and Fifty pounds) pcm*

*In current condition with dated kitchen and bathroom

33 Reinstatement valuation:

£195,000 (One Hundred and Ninety Five Thousand pounds)

34 Suitability for lending security purposes

34.1 We consider this property suitable for loan security purposes.

35 Legal enquiries

- 35.1 Prior to the exchange of contracts, we strongly advise that Legal Enquiries must confirm the suitability of the following points and refer back to us if any are incorrect so we may amend our valuation accordingly.
- 35.2 Confirmation that the property will enjoy free and uninterrupted rights of vehicular and pedestrian access from Headley Close.
- 35.3 Local Searches should assess and verify the risk of flooding, contaminated land, radon and environmental concerns relating to the site.
- 35.4 Rights and obligations in respect of the boundary ownership and liabilities.
- 35.5 There is high voltage electrical equipment with 100m of the property and public perception of such items can affect saleability although these items are not particularly close to the subject and in any event, we have included comparables that are on the same road as the subject and so the tone of the locality is already set. We are unaware of any further adverse features affecting the subject property and for the purposes of this valuation have assumed that no such adverse features exist. If any adverse features are identified during solicitors' searches these should be notified to us as this may affect our valuation of the property.
- 35.6 We have assumed that a good title can be shown and that the property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoings.
- 35.7 Legal enquiries should confirm the property is held freehold.

36 Third party reference

- 36.1 This Report is provided for the stated purpose and for the sole use of the named Client. It will be confidential to the Client and the Clients' professional advisers. The

Valuer accepts responsibility to the Client alone that the Report will be prepared with the skill, care and diligence reasonably to be expected of a competent Chartered Surveyor and accepts no responsibility whatsoever to any parties other than the Client. Any such parties rely upon the Report at their own risk. Neither the whole nor any part of this Report, nor any reference to it, 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.

37 Status of the valuer

- 37.1 The valuer preparing this valuation is an External Valuer who has no current or presently foreseeable potential fee earning relationship concerning the subject property/properties apart from the valuation fee and who has disclosed in writing to you, the client, any present relationship, or a relationship within the past 2 years of receipt of the valuation instruction, with any of the interested parties and any previous involvement with the subject property/properties.
- 37.2 The valuer preparing this report has the knowledge, skills and understanding of the property and market in order to undertake the valuation competently.

38 Certification

- 38.1 The valuation has been prepared in accordance with the RICS Valuation – Global Standards 2017 and UK National Supplement. During the preparation of our valuation we have made assumptions in regard to the property, which are set out within our Conditions of Engagement and these assumptions form an integral part of this report.



Catrin Jones MRICS
RICS Registered Valuer
For Kempton Carr Croft
 16 June 2019



Simon Mills BSc (Hons) MRICS
RICS Registered Valuer
For Kempton Carr Croft

Appendix A



Proplend Security Limited
20-22 Watford Road
London
W11 7GU

Kempton Carr Croft,
Chatsworth House,
29 Broadway,
Maidenhead,
Berkshire,
SL6 1LY

Ref: DPJ Property 3 Limited

Dear Sirs,

Please accept this letter as our formal instruction to your firm to carry out a valuation, for mortgage purposes, on the addresses indicated below upon which we, Proplend Security Limited shall rely. The valuation may be shown to any third parties in connection with the financing of the property albeit it cannot be relied on by those parties directly. Please notify us if there will be any delay. Please advise us immediately if you are unable to give prompt attention to this matter.

Borrower: DPJ Property 3 Limited
Contact Name: Philippa Isherwood
Phone Number: 07500 188399
Email: isherwop@hotmail.com
Properties: 34 Headley Close, Epsom, KT19 9JA
Tenure: Freehold
Use: Residential
Tenancies: n/a - being bought with vacant possession
Access: via Philippa as above

Instruction

The report should be addressed to Proplend Security Limited which must clearly state that it can be relied upon for lending purposes by the parties named herein. Please ensure that the report accords with the current RICS Appraisal and Valuation Manual.

Please indicate in your report if the valuer or your firm have had any previous involvement with the property forming the subject of the valuation. If so, please indicate the nature and extent of that involvement and confirm specifically that you consider there is no conflict of interest on the part of the valuer or your firm.

The report must be signed by a partner or director of the firm who is a member of the Royal Institute of Chartered Surveyors.

Whilst your report will be addressed to Proplend Security Ltd, it will need to be uploaded to the Proplend website and viewed by its Lending members on the understanding that only Proplend Security Ltd may rely on the report for mortgage purposes. Can you please confirm within your report that this is understood and accepted?

Valuation and Report

The Market Valuation referred to below should be based on current values and should reflect market conditions prevailing at the date of the report, and changes in market conditions that you are able to predict, and should include:

1. The Market Valuation for loan security purposes of the Property in its current condition at the date of your inspection, subject to any current tenancies in place and sold as a going concern. Please indicate the period of marketing you have assumed in arriving at your valuation.
2. A valuation of the Property on the assumption that the Property was being sold without the benefit of a going concern.
3. Please provide comparable evidence to support your assumptions on values.
4. Please provide an estimated rental value for the Subject Properties.
5. Please provide commentary on continued likely market demand for properties of this size and nature, in this location, for sale and to let.
6. Please provide an estimated reinstatement cost of the buildings for insurance purposes.
7. Please provide a full description of the Property to include its accommodation, its size, its construction, location and general state of repair. These details should be supported with photos of the Properties. Whilst you are not instructed to carry out a structural survey on each Property, please comment of any noticeable defects that might warrant further investigation and which might affect the marketability of the Property.
8. Please certify that the Property is acceptable for secured lending purposes.

Report on Title

A copy of the solicitors Report on Title will be sent to you so that you can cross check your assumptions with the facts contained within the said report and comment on specific items which may affect your valuation.

Fees

You have quoted and the Borrower has agreed to pay a fee of £750-00 + VAT for this undertaking. Whilst a receipted invoice for this service should be supplied with your report, and addressed to this company, we ask that you seek settlement of your fee from the proposed Borrowers whose contact details are supplied above. Proplend Security Limited cannot accept any responsibility for non-payment of your fees in this regard.

Contact Details

Please contact Proplend on 0203 637 8418 if you have any queries regarding this instruction.

Please send the Valuation Report to borrower@proplend.com, with hard copy to 15 Little Green, Richmond TW9 1QH. Draft reports are not acceptable. Following provision of the Valuation Report, you should be prepared to discuss its contents with the Lender.

Yours Faithfully,



Brian Bartaby
Director

Proplend Security Limited

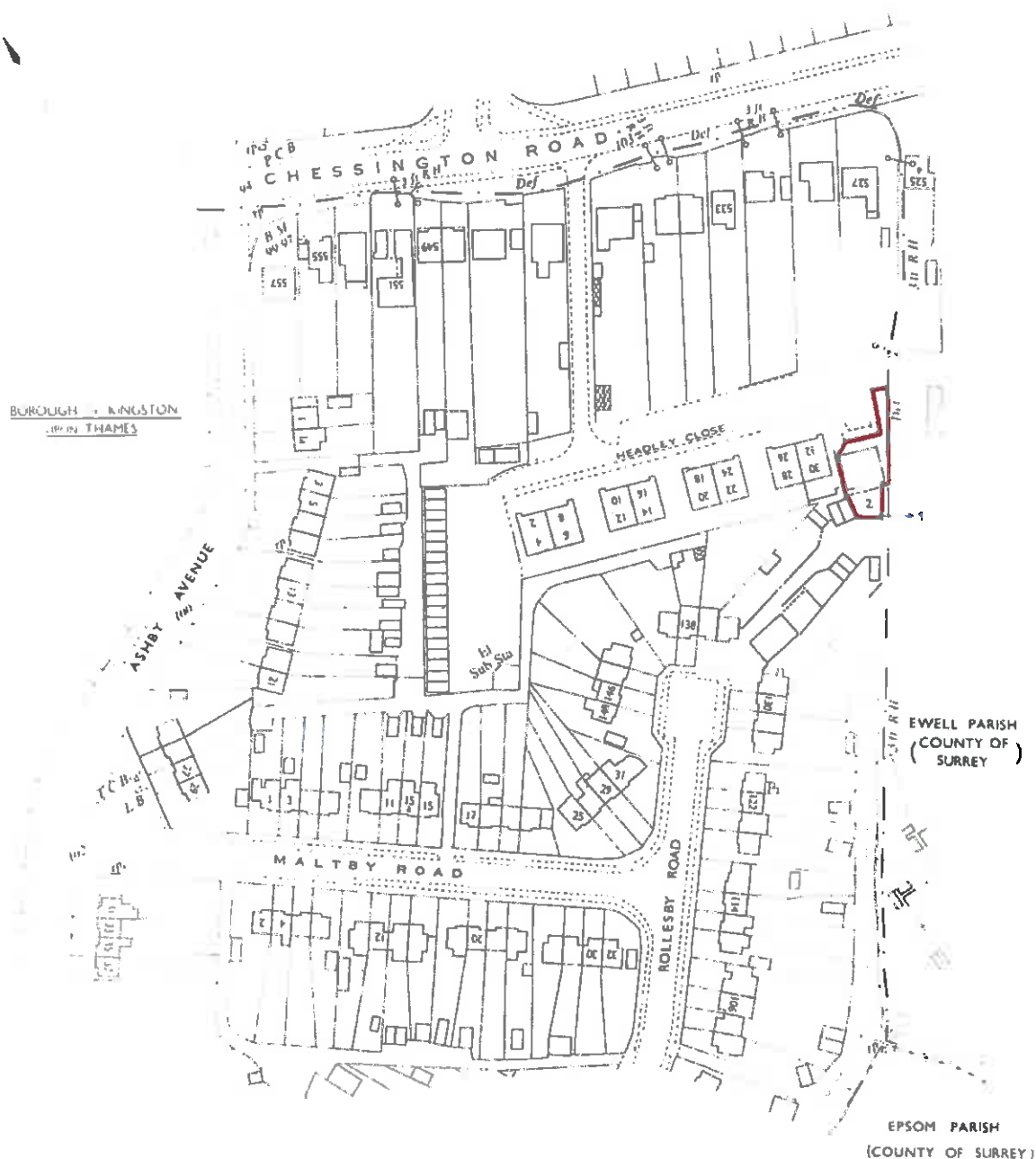
Appendix B

H.M. LAND REGISTRY		TITLE NUMBER	
		SGL362703	
ORDNANCE SURVEY PLAN REFERENCE	COUNTY	SHEET	NATIONAL GRID
	GREATER LONDON		TQ 1963
			SECTION
			E

Scale: 1/1250

© Crown copyright 1977.

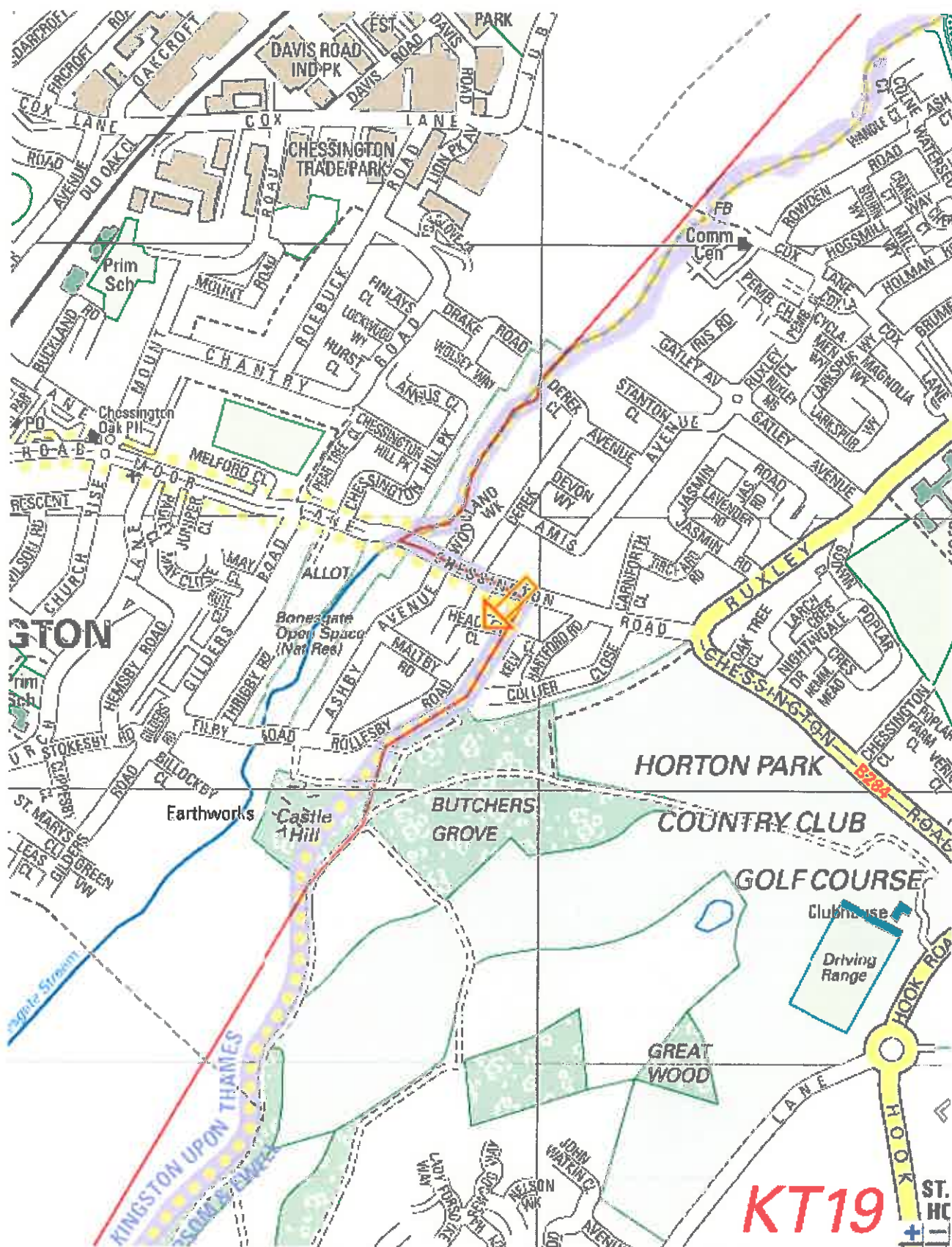
Old Reference SURREY XII 16 Q



This is a print of the view of the title plan obtained from HM Land Registry showing the state of the title plan on 28 May 2019 at 15:43:42. This title plan shows the general position, not the exact line, of the boundaries. It may be subject to distortions in scale. Measurements scaled from this plan may not match measurements between the same points on the ground.

This title is dealt with by HM Land Registry, Croydon Office.

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Appendix C







