

Report and Valuation Development Appraisal

Block B & C Cranfields Mill,
College Street,
Ipswich, IP4 1FW



On behalf of:

Proplend Security Limited
20-22 Wenlock Road
London
N1 7GU

Date of Inspection: 22 August 2019

Property Address: Blocks B & C Cranfields Mill, College Street, Ipswich, IP4 1FW
Client Reference: AK
Report Reference: BX034132

Valuation Report Details

Property: Blocks B & C Cranfields Mill
College Street
Ipswich
IP4 1FW

Lender: Proplend Security Limited
20-22 Wenlock Road
London
N1 7GU

Client Reference: AK

Applicant: Cardinal Lofts (Victorian Building) Ltd

Date of Inspection & Valuation: 22 August 2019

Report Prepared by: Arwel Griffith, FRICS, RICS Registered Valuer
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IMPORTANT NOTICE TO MORTGAGE APPLICANTS

This report has been prepared to allow the mortgage lender to assess the suitability of the property as security: it has not been prepared for the benefit of the Mortgage Applicant who is not entitled to rely on the report. The services have not been tested and a detailed survey has not been carried out and thus defects could exist which are not mentioned in the report. The Valuer is entitled to make certain assumptions which during subsequent legal or other investigations may prove to be inaccurate. Applicants acquiring property interests are strongly advised to obtain their own detailed advice from suitably qualified professionals before exchanging contracts.

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Valuation Report Summary

Property:	Blocks C & D Cranfields Mill College Street Ipswich IP4 1FW
Description:	A five storey detached former Victorian Mill building built around 1900, but currently derelict and vacant. No access gained internally due to the building being a dangerous structure.
Planning:	Will be C3 - residential.
Floor Area:	No internal access, not measured.
Tenure:	Believed to be leasehold, fuller details given elsewhere in this report.
Tenancies:	None, vacant when inspected.
Purpose:	Secured Lending.

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Valuations:

- (a) **Market Value, vacant possession**
£2,700,000

- (b) **Market Rental Value when completed (assuming fully let):**
£468,500 per annum

This summary is provided as a quick reference and must not be relied upon out of context from the full valuation report.

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1 INSTRUCTIONS

1.1 We have received instructions from you to inspect and value the property known as Blocks B & C Cranfields Mill, College Street, Ipswich, IP4 1FW. This report provides you with our opinion of:-

(a) Market Value, when completed.

(b) Market Rental Value when completed (assuming fully let).

Of the long leasehold interest in the subject site, on the assumption that each of the proposed new 45 flats will have long unexpired leasehold terms created with nominal ground rental and service charges.

1.2 Our report is undertaken in accordance with RICS Valuations - Global Standards 2017 ('The Red Book').

1.3 Definitions for Market Value and Market Rent are as follows:

Market Value is 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.

Market Rent is the estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a 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.

1.4 We understand that this valuation is required for the purposes of assisting you in considering the suitability of this property in respect of a provision of loan, mortgage or other finance and is thus for commercial secured lending purposes. This valuation is intended solely for this and for no other purposes and should not be relied upon by any third party to whom it is not addressed who would do so entirely at their own risk.

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- 1.5 In preparing this valuation we have relied upon the following information:
- (a) Sales evidence from online websites including Rightmove and Zoopla.
 - (b) Information from local estate agents including the selling agents.
 - (c) Information from online websites including the Environments Agency, Valuation Office Agency, the Local Authority online planning portal, The Land Registry, BCIS, English Heritage (Historic England), amongst others.
 - (d) Information on sales and construction costs supplied by the applicant.
- 1.6 In accepting this report it is assumed that you are satisfied that we are able to place reliance on the information and that you accept the report on this basis.

2 CONDITIONS OF ENGAGEMENT

- 2.1 Your instructions are accepted on the basis of your Panel or Service Agreement which has previously been agreed between our respective organisations or, in the absence of this, our standard Terms & Conditions based upon the requirements of the Royal Institution of Chartered Surveyors, a copy of which was sent to you when your instructions were received. Any variances from the appropriate Terms and Conditions which have been agreed are noted in this report. A copy of the appropriate Terms & Conditions is included in the Appendix to this report.
- 2.2 We have discussed and agreed with you any special assumptions (if any) prior to commencing the valuation process.
- 2.3 We are external valuers as defined in the RICS Valuations - Global Standards 2017. We are not aware of any conflicts that preclude us from preparing this valuation.
- 2.4 In accordance with the RICS Valuations - Global Standards 2017, it is confirmed that this firm does not have any anticipated, or has not had any current or recent fee earning involvement with the property to be valued although we have previously supplied valuation advice to other lenders on behalf of the same or similar applicant.

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- 2.5 We understand that your intention is to upload a copy of this valuation report to your website and that it can then be viewed by your lending members. This is on the understanding, however, that only Proplend Security Limited may rely on the report for mortgage lending purposes.

3 DETAILS OF INSPECTION

- 3.1 The property was inspected on 22 August 2019 and the report has been prepared by Arwel Griffith, FRICS, RICS Registered Valuer acting as an independent valuer, with the relevant knowledge, skills and understanding to undertake the valuation competently.
- 3.2 At the time of our inspection, we were unable to gain access into Blocks B or C due to their derelict and dangerous condition.
- 3.3 The weather conditions at the time of our inspection were dry and fair.

4 LOCATION

- 4.1 The subject of this report is a 5 storey detached former Victorian Mill built, we believe, around 1900. It has been vacant for a number of years.
- 4.2 The front entrance to the buildings is off Albion Wharf, just to the east of its junction with Foundry Lane.
- 4.3 The block is short distance away from Neptune Marina and the River Orwell. The immediate docks locality is an area that has been improving over the course of the past few years and although there are still some derelict properties close by, it is likely that these too will be improved in due course.

Ipswich is a large town in Suffolk and it is the country town of Suffolk. The primary settlement of Ipswich is located on the estuary of the River Orwell. Nearby towns include Felixstowe, Woodbridge and Needham Market. Ipswich is a Non-Metropolitan District.

- 4.4 The town is located close to the A14 and the A12 major transport thoroughfares. It also benefits from stops on the Great Eastern Mainline Railway service from London to Norwich, and also the East Suffolk line to Lowestoft.

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- 4.5 About an hours' drive away is Stansted Airport. Forty minutes' away by car is Harwich International Port. The Port of Felixstowe is a major container port which is about 12 miles (18km) to the east.
- 4.6 The area is well served by bus services run mainly by Ipswich Buses, First Norfolk and Suffolk, together with a number of other smaller companies.
- 4.10 For identification purposes, we have included a street, location and title plan in Appendix B.

5 DESCRIPTION & PROPOSED DEVELOPMENT

- 5.1 As the attached photographic appendix shows, Blocks B & C are a connected former Victorian Mill building of 5 storeys.
- 5.2 The applicants intend to convert the building into 45 self-contained residential flats.
- 5.3 External, internal and street scene photographs are attached in Appendix C.
- 5.4 In accordance with the extant planning consent (04/00313/FUL) for the entire Mill site, the Borrower intends to create A3/A5 restaurant and bar units at ground and mezzanine level, with residential apartments above. The upper five floors are designated under the outline planning permission for the wider Mill development for C3 residential accommodation.
- 5.5 At upper floor levels most of the servicing and common areas are located in the adjacent building, over which we understand there are rights of way.
- 5.6 None of the units will have outside amenity space and there is no dedicated car parking on site; however, the Borrower also owns a development site located at St Peters Port approximately 350 ft to the north. The intention is to provide in excess of 150 parking spaces at St Peters Port, some of which will be offered to residents within the Property.
- 5.7 We understand that the ground floor commercial units will provide 10,592 sq ft / 984 m sq.

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- 5.8 We understand that the upper floors will provide residential accommodation. We have not been provided with a breakdown of the residential accommodation in terms of number of units, but assume that the flats will typically extend to around 45 m sq / 485 sq ft in size, equating to approximately 45 units.
- 5.9 We understand for this proposal there will be a build period anticipated to be approximately 12 to 15 months.
- 5.10 We have not undertaken a structural or building survey of the property.
- 5.11 We have made a visual external inspection only. The external inspection has been undertaken from ground level only. We have not inspected those parts of the property which are covered, unexposed or inaccessible including the roof space and such parts are assumed to be in good repair and condition.
- 5.12 We have not tested the services or arranged for investigations to be carried out to determine whether any deleterious materials have been used in the construction of the subject premises or subsequent additions. In the event that a subsequent survey reveals defects in the subject property we reserve the right to revise our valuation advice.

6 ACCOMMODATION & MEASUREMENT RECORD

- 6.1 The applicant proposals for the new flats as shown above are expected to total 45 m sq / 485 ft sq approximately per flat.
- 6.2 The commercial space is expected to extend to 10,592 ft sq / 984 m sq.

7 MORTGAGE REGULATION

- 7.1 On completion of the applicants' proposed development, the block will be more than 40% in residential use.

8 SERVICES

- 8.1 We have not carried out any detailed investigations into the availability of the services; however, we would comment that we have assumed all mains services are available to the property.

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- 8.2 We have also assumed that there are existing adopted foul and surface water sewers or a combined sewer in College Street and that these have sufficient capacity and are at adequate depth to drain the entire site by gravity without the need for any flow retention measures, or traffic control works in making the connections.
- 8.3 The valuation makes no allowance for moving or diverting any unknown existing service supplies within the site or in the adjoining footpaths and since the costs of such works can be significant, the company should confirm that no such works are required.

9 BUILDING & PLANNING

- 9.1 The local authority is Ipswich Borough Council.
- 9.2 The applicants proposed use of the new flats is C3 Use Class as defined in the Town and Country Planning (Use Classes Order 1987) - as amended.
- 9.3 We have researched the local authority's planning portal for any recently recorded planning history. We have found an extant planning consent (04/00313/FUL) for the entire Mill site, a copy of which is attached to this report. Your legal advisers will need to confirm that the applicant's proposals fall within this consent.
- 9.4 The Historic England List for England confirms the buildings are not listed.
- 9.5 The local authority website suggests the property may be located in a conservation area but legal advisers to confirm.
- 9.6 The local authority will not respond to verbal enquiries other than on a general basis. The local authority search will in due course confirm the current use is lawful and whether or not the property is the subject of enforcement action.
- 9.7 We are not aware of any other development proposals for the immediate area that may have an adverse effect upon the property.
- 9.8 The properties are accessed over College Street, we believe that this is made up and adopted roadway. Legal advisers should confirm this during their pre-contract enquiries.

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9.9 We have assumed that all statutory consents were obtained with regard to the use, occupation and any alterations at the premises in the past.

10 ENVIRONMENTAL ISSUES

10.1 We have not been provided with an Environmental Audit. Based upon our visual inspection of the site including immediately adjoining land, there is no obvious contaminative or potentially contaminative use which might reduce the values now reported. We reserve the right to review our valuation in the event that contamination issues come to light.

10.2 We are not professionally qualified to provide advice on environmental issues. The Royal Institution of Chartered Surveyors instructs its valuers not to take environmental liabilities into account when producing a valuation of a particular property. As a result, if there is any doubt about environmental liability, a specialist environmental survey should be carried out on the property.

10.3 Based on our inspection of the property for valuation purposes, no evidence was noted to suggest that the property may have been affected in the past by any significantly adverse ground conditions.

10.4 Being in the Ipswich docks area there is a risk of flooding. There is a need therefore to make sure that any buildings insurance policy taken out includes adequate cover against flood risk.

11 OTHER ENVIRONMENTAL ISSUES

ISSUES	COMMENTS
Asbestos	We have not undertaken a detailed inspection for the presence or otherwise of asbestos or any other deleterious or hazardous materials. The block is believed to date back to around 1900, thus the likelihood of the use of asbestos or any other deleterious or hazardous materials is remote.
Mining	This is not a mining area.
Mundic Block	Not applicable in this area.
Radon	This is not an area where radon is of concern.

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Invasive Species	We did not identify any Japanese Knotweed or other invasive species at the property on the day of inspection.
Archaeological Remains	We saw no evidence of such remains and we assume no such remains exist.
Subsidence/Landslip	There is a moderate potential risk of foundation damage to properties within the postcode of the subject property. We have assumed appropriate insurance is in place.

- 11.1 Energy Performance Certificates (EPC's) are required by law when a dwelling is constructed or marketed for sale or to let. EPC Certificates will need to be issued for all of the units once the works are completed.
- 11.2 The UK Government has enacted legislative changes to make it unlawful to let residential or commercial properties with an EPC Rating of F or G (i.e. the lowest 2 grades of energy efficiency) from 2018. This is likely to have an adverse effect on the value of properties with poor EPC ratings as necessary improvements could be costly.

12 TENURE AND OCCUPATIONAL LEASES

- 12.1 We believe that the buildings are held leasehold under Land Registry Title SK361894, but that the title also includes an area to the front known as E1. Part E1 has been excluded from our valuation advice and thus only part of the leasehold interest is included. It would be prudent for your legal advisers to comment further to you in this regard.
- 12.2 On completion of the applicant's proposed redevelopment of Blocks B & C into 45 flats, we have assumed that they will all have long unexpired leasehold terms with nominal ground rental and service charges.
- 12.3 We have not been provided with a copy of any Report on Title.
- 12.4 The site is being valued assuming vacant possession.
- 12.5 We have attached an extract of the Land Registry Title Plan which shows Blocks B & C, but also E1 as well. E1 has been excluded from our valuation advice.

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- 12.6 It is important that your legal advisors verify the above details in their Report on Title and should confirm the above information and assumptions during the course of their pre-contract enquiries and should any documentation become evident to the contrary, we reserve the right to amend our valuation advice accordingly.

13 BUSINESS RATES / COUNCIL TAX

- 13.1 Upon completion of the applicants' proposed development the individual flats will all need to be registered for Council Tax purposes.

14 INSURANCE RE-INSTATEMENT COST

- 14.1 We are not aware whether the existing block is insured under a block indemnity policy. However, it is our opinion that Blocks B & C should be insured as existing for a minimum of £750,000 (Seven Hundred and Fifty Thousand Pounds).
- 14.2 Partial rebuild may attract VAT.
- 14.3 This insurance reinstatement appraisal is provided for guidance only. It does not take into account any additional Local Authority requirements, which may be involved in the rebuilding and assumes that there are no foundation problems or need for abnormal foundations or rebuilding. It should therefore be verified by a specialist commercial buildings insurance assessor.
- 14.4 The cost of rebuilding bears no relationship to Market Value.
- 14.5 On completion of the applicant's proposed conversion of the block into flats, then it will be necessary for each new flat to be inspected for buildings reinstatement purposes and insured accordingly.

15 MARKET COMMENTARY

- 15.1 BREXIT continues to dominate much of the economic news within the UK, although strained global relations between China and the US, and Russia and the UK, are having an effect on the financial markets and investment sentiment.

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- 15.2 In formal BREXIT negotiations, progress has been made regarding the transition period from 31 October 2019, but the pace of agreement is inconsistent with frequent periods of public stalemate even if there is movement behind the negotiating scenes.
- 15.3 The financial markets have noticeably dropped in value since late January with the FTSE 100 falling by nearly 11.5% between mid-January and late March (despite having been relatively stable during the BREXIT process to that point) with some recovery into early April.
- 15.4 Despite the market's reaction, economic growth continues to be positive, growing 0.5% in the fourth of quarter of 2018 (up from 0.4% in the previous quarter - ONS) though; in 2018 growth as a whole was 1.8% compared with 1.9% in 2017.
- 15.5 The economy is expected to grow at a slower rate over the next five years but at a higher rate than was forecast by the Office for Budget Responsibility in November 2017.
- 15.6 However, UK borrowing continues to reduce and still falls within government target levels. The Consumer Prices Index (CPI) shows the current rate of annual inflation (currently 2.7%) and above the Bank of England's 2% target. Commentators feel that the increase in the Bank of England's Base Rate to 0.75% is likely to be the first rate rise in a series of incremental increases over the medium term with speculation growing as to the date for the next increase.

The unemployment level at 4.3% continues to be low compared to rates over the last 40 years which, while positive for households, could squeeze productivity growth.

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15.7 *The UK Housing Market:*

The over-riding temperature of the housing market is lukewarm presently, largely due to a restricted supply of homes to the market (whether new build or second hand) in many parts of the country and lower levels of demand than in recent years. The knock on effect has been lower than trend sales volumes. Demand remains in most regions with housing being a 'need' rather than a 'want' acting as a natural economic hedge but in many areas there appears to be a lack of urgency pushing sales through expediently. Our recent valuation experience has illustrated that homes in better micro-market locations and/or with a development/refurbishment angle are proving most easily saleable although pricing is often static. There is also growing evidence of the North / South divide narrowing with regions furthest outside of London seeing greater growth in percentage terms.

- 15.8 The market place for residential and commercial properties in this area have been reasonably stable over the course of the past 12 months with property values overall increasing by 0.11%. There has been a change, however, over the course of the past 6 months during which values have fallen 2.3%, although there has been better news in the past 3 months as properties have started to rise again in value by 0.86%.
- 15.9 Our regular portfolio valuations in recent months have demonstrated that region by region performance is certainly not uniform. A good example is the prime London market where values are under pressure, with price falls recorded in numerous locations - particularly at higher price bands. With comparatively high pricing and associated higher stamp duty obligations for buyers as well as ongoing CGT tax implications for investors, the economic backdrop continues to undoubtedly act as a head wind to market performance.
- 15.10 Northern regions, particularly at lower price points, have though seen notable growth for some properties.
- 15.11 There is a continuing presence of overseas buyers which are increasingly active in the regions in addition to Central London although the changes to Capital Gains tax relief on commercial property (to match the rules for residential property) from 2019 has caused some to think twice about investing in the short term.

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15.12 *The Residential Lettings Market:*

With the announcement that letting agents/landlords will be banned from charging letting fees to tenants, the hike in stamp duty charges and cuts in tax relief, 2017 was a relatively tough year for buy-to-let landlords. It is anticipated that rent levels will increase in the coming months as landlords attempt to compensate, although the impact of this will depend on prices tenants are willing to pay, especially in areas where a range of rental stock is available.

15.13 Commentators continue to forecast growth in demand for the Private Rented Sector (PRS) and, nationally, this may well lead to rent increases as there are fewer incentives now for landlords to increase supply of dwellings to the sector. However, from our own research - in conjunction with independent researchers, BDRC - at a regional level, growth rates in rents have statistically been lower than market perception or forecasts in the past and are likely to be so in future. Landlords do not always choose to increase rents (preferring to protect against voids) and ability to pay is a crucial factor in setting sustainable rental levels.

15.14 To illustrate the point, rents for high value prime central London have changed very little over the last ten years or more, and are currently falling slowly. The ONS Index of Private Housing Rental Prices February 2018 research showed that In England, private rental prices grew by 1.1% in the 12 months to January 2019, Wales saw growth of 1.4% while Scotland saw rental prices increase by 0.4%. Within England, the worst performing region was the North East (no change) and the best region was the East Midlands (2.5%).

15.15 *Outlook :*

As discussions as to the mechanics of leaving the EU continue at a slow pace it is clear that uncertainty is affecting the housing market across the UK and are being felt most in London. In the short term, this is likely to lead to a continuance of the paucity of supply, low transaction levels and pricing performance dictated by micro market characteristics including price level, location popularity, redevelopment potential and the supply of similar dwellings within close proximity.

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15.17 With the Chancellor choosing not to change the highest level of SDLT rates (including the surcharge on second homes), there is an increasing question mark over high value London property and how far it might fall in value. This would be exacerbated if significant numbers of international organisations concluded that they need to move to areas that will remain in the EU. A clear reversal in the wider London Market, were it to happen, would likely ripple out to other regions as buyers would become concerned that the market was approaching, or past, its peak.

16 VALUATION METHODOLOGY

16.1 The valuation has been prepared in accordance with normal practice taking into account comparable evidence and current market conditions. In determining our opinion of market value, we have had regard to the comparison and residual method of valuation.

16.2 We have carried out our usual research and enquiries and have analysed the existing commentaries and data in determining our opinion as to the market value of the subject property. Information has also been obtained from internal records. Information has also been obtained from internal records. In arriving at our assessment of Gross Development Value (GDV) we have researched the local market and made enquiries of a number of local agents for sales evidence as detailed below.

16.3 The transaction dates for the evidence listed below is inevitably historical. We have reflected in arriving at our opinion of value our estimate of more recent changes in supply and demand and values in the locality in our consideration of the evidence to assist us in arriving at our opinion of value.

16.4 Arriving at our opinion of value we have had regard, inter alia, to the following comparable evidence.

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Property Address	Description	Transaction Details
Residential Properties Sold		
Flat 614 Foundry, The Mill, College Street, Ipswich.	A 51 sqm 1 bedroom purpose built flat built in 2018 and immediately adjacent to both blocks. It came to the market at £126,000 on 30 October 2018 through Nicholas Estates (01473 215 743).	The Land Registry confirmed that a sale completed at £126,000 leasehold on 12 March 2018, this breaks down to £2470 per sqm/£229 per sq ft.
Flat 302 Quayside, The Mill, College Street, Ipswich, IP4 1FT	A 75 sqm 2 bedroom purpose built flat in a block less than 100m away built in 2007. It came to the market at £140,000 during mid-2018 through Nicholas Estates (01473 215 743).	The Land Registry confirms that a sale completed at £138,000 leasehold on 14 September 2018. This breaks down to £1840 per sqm/£171 per sq ft.
Flat 103 Quayside, The Mill, College Street, Ipswich, IP4 1FT	A 2 bedroom flat of 112 sqm in a 2009 built block less than 100m away.	The land Registry confirms that a sale completed at £180,000 leasehold on 24 January 2019. This breaks down to £1607 per sqm/£149 per sq ft.
Flat 302, Quayside, The Mill, College St, Ipswich IP4 1FT	A 64.3sqm/692sqft 2 bedroom flat on the third floor of the subject block D2. 115 years remaining on the leasehold interest.	The Land Registry confirms that a sale completed at £138,000 on 14 September 2018. This equates to £199psf.
Flat 305, Mill House, The Mill, Ipswich IP4 1FW	A 64.3sqm/692sqft 2 bedroom flat on the fifth floor of the subject block D2. 115 years remaining on the leasehold interest.	The Land Registry confirms that a sale completed at £130,000 on 6 August 2018. This equates to £188psf.

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8 Stokebridge Maltings, Ipswich IP2 8EU	A 2 bedroom 63.7sqm/686sqft flat in a modern conversion 100m away. Good condition, with a balcony view of the waterside.	The Land Registry confirms that a sale completed at £135,000 on 29 June 2018. The purchase price breaks down to £197 per sqft.
11 The Cambria, Regatta Quay, Ipswich IP4 1FF	A 543sqm/463sqft 1 bedroom purpose built flat in a modern purpose built block approximately 150 meters away. 121 years remaining on the leasehold interest, offered in good condition.	The Land Registry confirms that a sale completed at £137,000 leasehold on 26 June 2018. This breaks down to £296 per sqft.
Flat 804, Mill House, The Mill, Ipswich IP4 1FW	A 1 bedroom flat of 55sqm/592sqft on the seventh floor of the subject block D2. 115 years remaining on the leasehold interest.	The Land Registry confirms that a sale completed at £118,000 on 22 June 2018. This equates to £199psf.
Flat 501, Mill House, The Mill, Ipswich IP4 1FW	A 67.3sqm/725sqft 2 bedroom flat on the fifth floor of the subject block D2. 115 years remaining on the leasehold interest.	The Land Registry confirms that a sale completed at £135,000 on 21 June 2018. This equates to £186psf.
7 Neptune Square, Ipswich IP4 1QH	A 50.8sqm/547sqft 2 bedroom purpose built flat in the Marina locality approximately 150 meters from D2.	The Land Registry confirms that a sale completed at £181,500 on 4 May 2018, which equates to £332psf.
Residential Properties to Let		
Flat 204 The Mill, Ipswich, IP4 1FP	A studio flat in the same postcode. It came to the market in May 2019 through Nicholas Estates (01473 215 743).	A let agreed from 13 May 2018 at £525 pcm on an AST agreement.

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404 Foundry Lane, Ipswich, IP4 1FP	An unfurnished studio flat in the same postcode.	A let agreed through Nicholas Estates (01473 215 743) at £500 pcm on an AST agreement from 15 April 2019.
Flat 602 Mill House, The Mill, College Street, Ipswich, IP4 1FW.	A purpose built 1 bedroom flat in the same postcode. It came to the market for rental on 5 February 2019 through William H Brown Lettings (01473 226 101).	A let agreed from 28 February 2019 for £585 pcm on an AST agreement.
Flat 504 Foundry, The Mill, College Street, Ipswich, IP4 1FP	A studio flat in a modern block less than 100m away.	Let agreed on 30 th July 2018 through Nicholas Estates (01473 215 743) at £535 per calendar month on an AST agreement.
Flat 504 Foundry, The Mill, College Street, Ipswich, IP4 1FP	A studio flat in a modern block less than 100m away.	Let agreed on 30 th July 2018 through Nicholas Estates (01473 215 743) at £535 per calendar month on an AST agreement.
Block A, The Mill, College Street, Ipswich IP4 1FW	A studio flat furnished located in Block A, adjacent to the subject property. Came to the market on 27 th December 2018 through Pauline Scott.	Let agreed at £625 per calendar month.
College Street, Ipswich IP4 1FW	1 bedroom flat, in a neighbouring block to the subject property. Marketed by William H Brown.	Let agreed at £595 pcm 22 February 2019

Property Address: Blocks B & C Cranfields Mill, College Street, Ipswich, IP4 1FW

Client Reference: AK

Report Reference: BX034132

Commercial Sales & Rentals		
<p>10-12 Orwell Place, Ipswich, IP4 1BB</p>	<p>The property is part of the Ipswich retail sub-market and extends to 560sqft/52sqm. The property came to the market in December 2017 and remained available for 8 months until being let to Higgins Trust on the basis of a 5 year fully repairing and insuring lease which commenced in August 2018 and which ends in August 2033 without any rent review or break clauses.</p>	<p>The achieved rent is £13,000 per annum; this breaks down to £23.21 per sqft/£249.78 on an overall basis.</p>
<p>8 Eagle Street, Ipswich, IP4 1JB</p>	<p>A small 264sqft/24.52sqm ground floor retail space which came to the market in April 2018 and remained available for only one month.</p>	<p>It is let to an undisclosed tenant in May 2018 at £5,400 per annum, for lease terms unknown. The rental breaks down to £20.44 per sqft/£220 per sqm on an overall basis.</p>
<p>19-23 Princes Street, Ipswich, IP1 1PH</p>	<p>Part of the Ipswich sub-market, 1,514sqft/140.65sqm of basement and ground floor retail space came to the market in August 2017 and remained available for seven months.</p>	<p>Letting agreed from February 2018 for a term of 5 years on an internal repairing and insuring basis ending in February 2023 without review or break clauses. Agreed rental £16,000 per annum which breaks down to £10.56 per sqft/£113.62 per sqm.</p>

Property Address: Blocks B & C Cranfields Mill, College Street, Ipswich, IP4 1FW

Client Reference: AK

Report Reference: BX034132

<p>4 Falcon Street, Ipswich, IP1 1SL</p>	<p>Part of the Ipswich retail sub-market, this 817sqft/75.9sqm of ground floor retail space came to the market in May 2017 where it remained available for 9 months. It let on a fully repairing and insuring basis in January 2018.</p>	<p>Agreed rental of £14,500 per annum which breaks down to £17.75 per sqft/£191 per sqm on an overall basis.</p>
<p>46-48 Tavern Street, Ipswich, IP1 3AW</p>	<p>A large store front building of 15,035sqft/1,396sqm. Sold according to KLM Retail at £2,825,000 on the 24th June 2016.</p>	<p>We have spoken with the sales agents who confirm an agreed net initial yield of 6.35% and a price of £187.89 per sqft/£2,022 per sqm.</p>
<p>17-19 Cornhill, Ipswich, IP1 1DF</p>	<p>A 1960 built store front building of 8,502sqft/790sqm. Sold on 1st November 2017 at £3,000,050 freehold through KLM Retail.</p>	<p>We have spoken with the selling agents who confirm a price per sqft of £358.74/£3,860 per sqm and a confirmed net initial yield of 6.58%.</p>

17 VALUATION ANALYSIS

- 17.1 The subject of this report comprises of Blocks B & C, and old Victorian Mill in Ipswich, Suffolk. It is part of a complex of a former mill and commercial use buildings fronting onto Albion Wharf.
- 17.2 The applicant's intention is to convert the building into 45 self-contained flats. It is presently derelict and access internally was not possible due to it being a dangerous structure internally.
- 17.3 The size and accommodation within each of the flats, and in the retail unit is as detailed elsewhere in this report. In the event that the applicants' proposals change, then you should refer this matter back to us for additional commentary as our valuation advice is likely to require amendment.

Property Address: Blocks B & C Cranfields Mill, College Street, Ipswich, IP4 1FW

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- 17.4 The comparable evidence that we refer to above has been obtained by speaking with leading local letting and sales agents in addition to examining subscription only websites such as CoStar Suite and Rightmove Plus.
- 17.5 The applicants have informed us of their opinion that the 45 flats will all have one bedroom and are expected to have values when completed of around £130,000 each. This is a combined GDV of £5,850,000. This expectation does not appear unreasonable given the comparable evidence referred to above.
- 17.6 We understand that the 45 new flats will generate ground rental income. However, this may be subject to the Government's White Paper proposals which are likely to restrict ground rentals to a maximum sum, possibly, £1 per annum. In this event, there will be no additional value achievable from the sale of the right to receive these incoming ground rentals.
- 17.7 With regards to the Market Rental and having made enquiries of local letting agents in our opinion the 1 bedroom flats should be capable of achieving around £525 per calendar month. This is a total expected monthly rental income from the 45 flats of £23,625 or an annual rental of £283,500 if fully let on an individual basis and on Assured Shorthold Tenancies (ASTs).
- 17.8 The shortage of recent leasing activity in the Waterfront area makes it difficult to establish the Market Rent of the retail units. Historic evidence around the marina shows rental levels of between approximately £20.00 and £25.00 per sq ft on ground floor accommodation that benefit from waterside frontages or close proximity to the marina. However, since these lettings completed the UK retail and casual dining markets have deteriorated, with a number of operators going into administration. More recent lettings in the Ipswich Waterfront area have been at materially lower rents of around £10.00 per sq ft, albeit these units do not benefit from waterside positions.
- 17.9 Based on the above letting transactions we expect the retail accommodation at the subject Property, which will benefit from a waterside frontage, to achieve a rent of around £17.50 per sq ft.
- 17.10 In determining the appropriate capitalisation yields we have had regard to recent sales in both the Waterfront area and Ipswich town centre. We anticipate that the units will be let to national and regional restaurant and leisure operators and once let are likely to attract yields of between 9.00% and 9.50%.

Property Address: Blocks B & C Cranfields Mill, College Street, Ipswich, IP4 1FW

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- 17.11 The yield reflects the nature of the development and surrounding properties, the corresponding leasing risk, and the uncertainty relating to tenant covenant and specific lease terms. The expected rental value for the commercial units is £185,000 per annum. At a yield of 9%, values the proposed commercial units at £1,925,000.
- 17.12 The combined GDV is therefore £7,775,000. If fully let, the combined MRV from the entire development is expected to be £468,500 per annum.
- 17.13 We have not been supplied with a summary build cost breakdown from the applicants for the conversion works, but we have adopted construction costs of £45.00 per sq ft for the ground floor commercial units, and £95 per sq ft for the residential upper parts. These will need to be firmed up by the applicant in due course.
- 17.14 You should bear in mind that we are not build cost consultants or quantity surveyors, and have assumed that it will be possible to undertake the works for this sum. You may however decide to take other professional advice in this regard.
- 17.15 We have adopted a special assumption for the limited marketing period, as instructed, in order to assist you with loan security assessment taking into account the timing and expeditious disposal following a default.
- 17.16 However, if only a 90 days marketing period before exchange of contracts was available, the valuation of the property subject to this special assumption, would need to be considerably adjusted as fewer potential purchasers would be in the market to exchange contracts in such a short time period, unless the price is clearly very attractive for the accommodation provided in our view would be attractive to local cash investors who would seek to obtain the property at a discounted price.
- 17.17 In arriving at our opinion of market rental value we have assumed a minimum 6 months letting term for the residential units on Assured Shorthold Tenancies (ASTs), and a minimum five year lease term for the commercial floor space.

Property Address: Blocks B & C Cranfields Mill, College Street, Ipswich, IP4 1FW

Client Reference: AK

Report Reference: BX034132

18 VALUATIONS

18.1 Having regard to the comments set out above, we have considered the matter of value in accordance with the appropriate RICS guidelines and we set out below our opinions of value of the freehold assuming leasehold interest to be created in all 6 flats when completed in the property known as Blocks C & D Cranfields Mill, College Street, Ipswich, IP4 1FW:

- (a) **Market Value Market Value, vacant possession**
£2,700,000
- (b) **Market Rental Value when completed (assuming fully let):**
£468,500 per annum

19 SECURITY & RECOMMENDATIONS

- 19.1 Allowing for regular maintenance including decoration and repairs as appropriate it is anticipated that the building will retain a useful economic life of at least 25 years.
- 19.2 Subject to the above comments, the property is considered to provide suitable security for an advance by the mortgage lender on its usual terms for an asset of this type and age.
- 19.3 Any matters arising which contradict this report and the assumptions stated herein, or are otherwise likely to affect the valuation should be referred back for reconsideration.
- 19.4 In the current banking climate many lenders will not provide funding for the purchase of newly converted or built property where the property is not covered by a recognised defect liability warranty e.g. NHBC or Zurich, or a Council of Mortgage Lenders Professional Consultant Certificate. Without an approved warranty or certificate being obtained for the proposed new housing the value of the property could be adversely affected and our opinion of value may be lower than that stated within this report.

Property Address: Blocks B & C Cranfields Mill, College Street, Ipswich, IP4 1FW

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It should be appreciated that the final sale price for the units will be as new. It may not be possible to obtain this figure if the properties are re-sold as second-hand, especially if comparable new properties are on offer at the same time.

No information regarding sales incentives was available at the time of inspection and the valuation is based on the understanding that no sales incentives are being offered on the properties. This should be confirmed by the vendor's legal advisors in accordance with the CML handbook if the properties are to be sold as new.

- 19.5 The valuation reflects the profit typically required by the type of purchaser / developer who we consider likely to be able to offer the highest price for the site. The types of purchaser require varying levels of profit depending upon their procurement method and the proportion of work undertaken by others, whose costs are directly accommodated within the feasibility.
- 19.6 It will therefore be appreciated that in many cases the residual basis can provide a different value for the land, depending on the nature of the purchaser and the procurement method adopted. However, if only a ninety day marketing period for exchange of contracts was available, the valuation of this property subject to this special assumption, would need to be considerably adjusted as fewer potential purchasers would be in the market to exchange contracts in such a short time period, unless the price is clearly very attractive for the accommodation provided in our view would be attractive to local cash investors who would seek to obtain the property at a discounted price.
- 19.7 The site has been valued on a residual basis as recommended by the RICS UK practice statement 3 and UK appendix 3.3. However, you should be aware of the general limitations of this approach deriving from the large number of assumptions which are required. For example, experience shows that the profit margin required varies from developer to developer and from time to time, and the residual value is highly sensitive to the assumptions made.
- 19.8 Small changes in certain variables, especially the estimated value on completion and interest charges, will lead to a large change in the residual site value. Furthermore, the method requires the import of a relatively large amount of data, which is rarely absolute or precise. A small variation in each figure can lead accumulatively to a large effect on the opinion of the residual land value.

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Client Reference: AK

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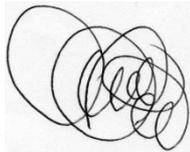
- 19.9 Whilst our assumptions are, where possible, assessed by reference to evidence, research and sound reasoning, and based on the current planning application for the proposed development, any valuation of development land should not be considered to be a precise statement of value. You should be aware that the valuation reflects and is largely based on forecast of the estimated sale prices at the date when the development is fully complete and assumes that sale prices will remain static during the development period.
- 19.10 In accordance with the RICS Valuations - Global Standards 2017 (The Red Book), we identify a current period of market uncertainty following the UK's decision to exit the EU, and whilst therefore we are able to confirm the given valuation reported herein, we would also wish to draw the lender's attention to the relative volatility of the market pending structuring of the UK's exit from the EU. Uncertainty within the market will inevitably affect the robustness of our opinion and the valuation.

20 LIMITATION & PUBLICATION

- 20.1 This valuation is prepared solely for the use of the addressee and no responsibility is accepted to any other party for the whole or any part of its contents. (It may be disclosed to other professional advisors assisting in respect of the purpose for which the valuation is prepared).
- 20.2 Neither the whole nor any part of this valuation certificate nor any reference thereto may be included in any published document, circular or statement nor published in any way without our approval of the form and context in which it may appear.
- 20.3 We deem there to be no conflict of interest in relation to providing this valuation.

Property Address: Blocks B & C Cranfields Mill, College Street, Ipswich, IP4 1FW
Client Reference: AK
Report Reference: BX034132

21 SIGNATURE OF VALUER / COUNTER SIGNATURE



**Arwel Griffiths, BSc Frics
RICS Registered Valuer
For and on behalf of
Robert Sterling Surveyors LLP**

Date: 22 August 2019



**Martin Hill, FRICS
RICS Registered Valuer
For and on behalf of
Robert Sterling Surveyors LLP**

Date: 22 August 2019



Property Address: Blocks B & C Cranfields Mill, College Street, Ipswich, IP4 1FW
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Appendix A - Instructions

Property Address: Blocks B & C Cranfields Mill, College Street, Ipswich, IP4 1FW
 Client Reference: AK
 Report Reference: BX034132

BX034132



Proplend Security Limited
 20-22 Wenlock Road
 London
 N1 7GU

Robert Sterlings Surveyors LLP
 First Floor, 59A Southbury Road,
 Enfield, Middlesex
 EN1 1PJ

Aug.
 12-30. 22/8.
 [Handwritten initials]

Ref: AK

Cardinal Lofts (Victorian Building) 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:	Cardinal Lofts (Victorian Building) Limited
Contact Name:	Larry Isherwood
Phone Number:	07484 517242
Email:	larry.isherwood@curzondv.co.uk
Properties:	Blocks B & C, Old Victorian Mill, Ipswich, Suffolk, IP4 1FT
Tenure:	Freehold
Use:	Land

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. A valuation of the Property on the assumption of Vacant Possession.
4. Please provide comparable evidence to support your assumptions on values.

Proplend Security Limited Registered in England and Wales Company No: 08620117 T: 0203 397 8290

Property Address: Blocks B & C Cranfields Mill, College Street, Ipswich, IP4 1FW
Client Reference: AK
Report Reference: BX034132



Proplend Security Limited
20-22 Wenlock Road
London
N1 7GU

5. Please provide an estimated rental value for the Subject Properties.
6. Please provide commentary on continued likely market demand for properties of this size and nature, in this location, for sale and to let.
7. Please provide an estimated reinstatement cost of the buildings for insurance purposes.
8. 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 on any noticeable defects that might warrant further investigation and which might affect the marketability of the Property.
9. 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 £2,500.00 + VAT for this undertaking. Whilst a receipted invoice for this service should be supplied with your report, 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,

A handwritten signature in black ink, appearing to read 'B Bartaby', with a horizontal line extending to the right.

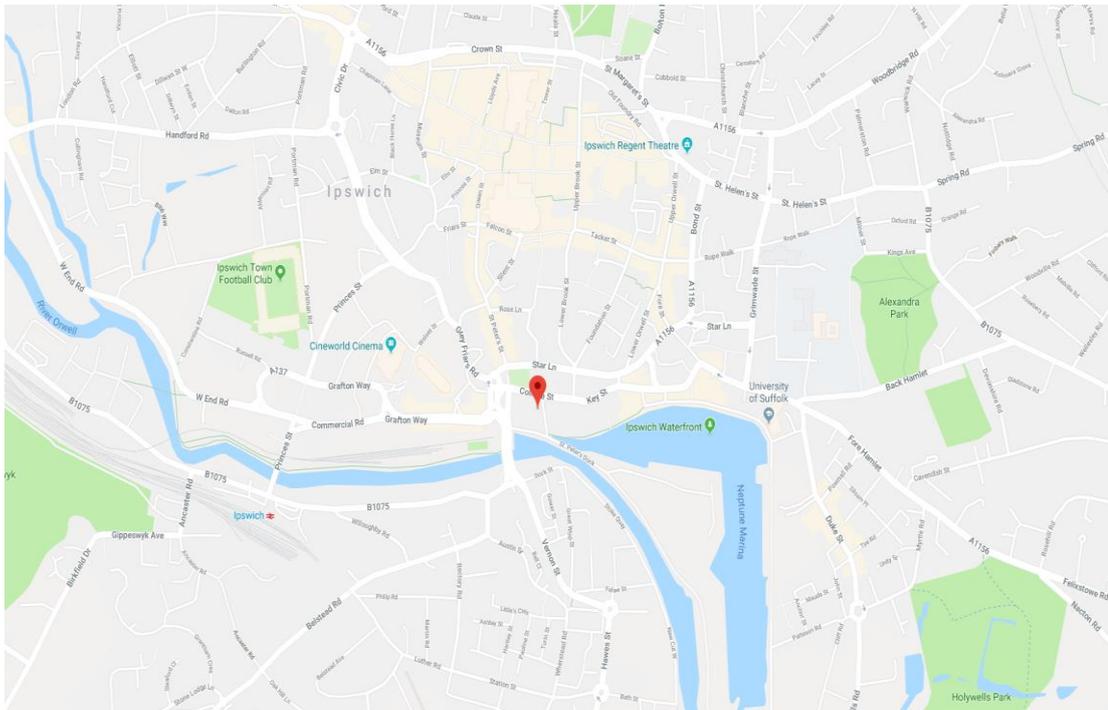
Brian Bartaby
Director
Proplend Security Limited



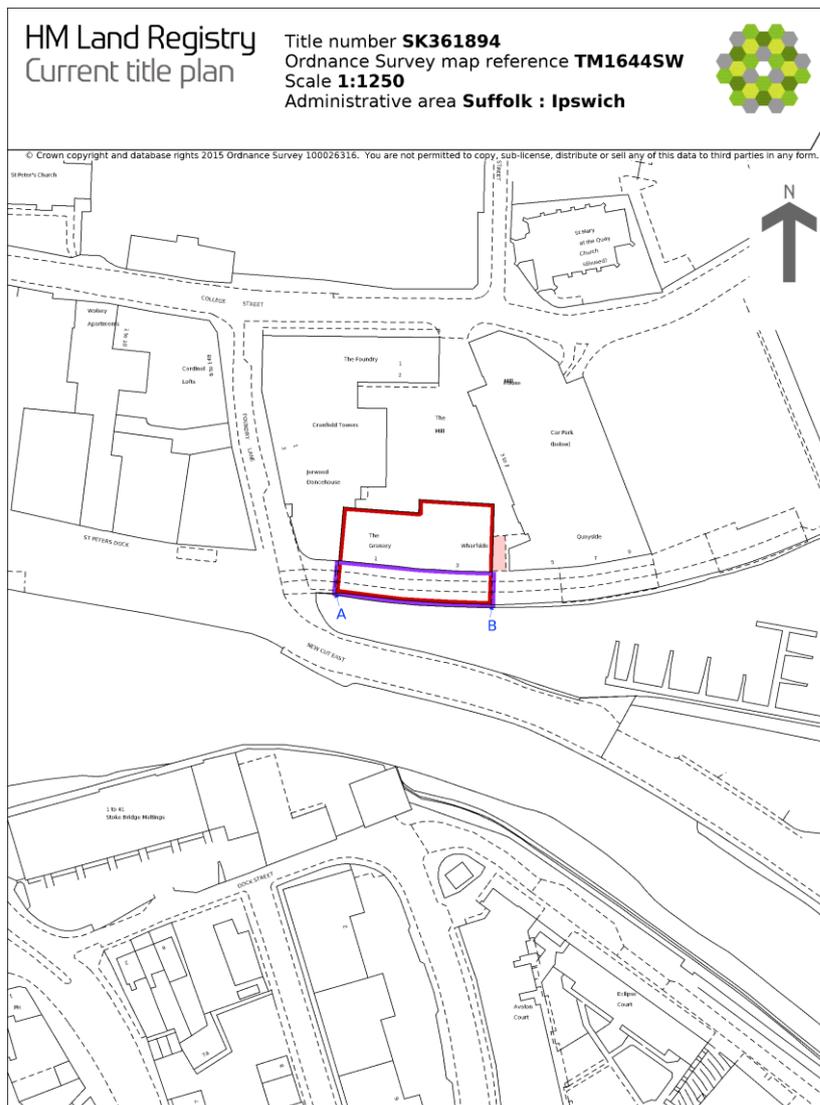
Property Address: Blocks B & C Cranfields Mill, College Street, Ipswich, IP4 1FW
Client Reference: AK
Report Reference: BX034132

Appendix B - Location/Street/Title plans

Property Address: Blocks B & C Cranfields Mill, College Street, Ipswich, IP4 1FW
Client Reference: AK
Report Reference: BX034132



Property Address: Blocks B & C Cranfields Mill, College Street, Ipswich, IP4 1FW
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Property Address: Blocks B & C Cranfields Mill, College Street, Ipswich, IP4 1FW
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Appendix C - Photographs

Property Address: Blocks B & C Cranfields Mill, College Street, Ipswich, IP4 1FW
Client Reference: AK
Report Reference: BX034132



Block B & C Front



Front

Property Address: Blocks B & C Cranfields Mill, College Street, Ipswich, IP4 1FW
Client Reference: AK
Report Reference: BX034132



Proximity to Marina



Walkway to Rear

Property Address: Blocks B & C Cranfields Mill, College Street, Ipswich, IP4 1FW
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Rear



Rear Message

Property Address: Blocks B & C Cranfields Mill, College Street, Ipswich, IP4 1FW
Client Reference: AK
Report Reference: BX034132



Street Scene



Street Scene



Property Address: Ground Floor, Block A4, College Street, Ipswich, IP4 1DJ
Client Reference: Loan id 6669
Report Reference: BX030302

Appendix D - Planning Permission

Property Address: Ground Floor, Block D2 & E3, College Street, Ipswich, IP4 1FW
Client Reference: IBFG-P-9718-College Rd
Report Reference: BX031316

Delegated Item: 0

**TOWN AND COUNTRY PLANNING ACT 1990
TOWN AND COUNTRY PLANNING
(DEVELOPMENT MANAGEMENT PROCEDURE)
(ENGLAND) ORDER 2015**



To: The JTS Partnership LLP
FAO: Mr Nick Davey
Number One
The Drive
Brentwood
CM13 3DJ

Agent for:
Cardinal Lofts (Residential) Ltd

Application Reference: IP/18/00696/VC

VARIATION OF CONDITIONS ATTACHED TO PLANNING PERMISSION

Ipswich Borough Council, as local planning authority, hereby **GRANT** approval for:

Variation to conditions 1 and 7 of planning permission refer IP/17/00437/VC to form 14 self-contained flats and reconfigured commercial floorspace within ground and mezzanine levels of approved blocks A4, D2 and D3, with associated external alteration.

at: Mill House The Mill College Street Ipswich Suffolk

in accordance with your application reference: IP/18/00696/VC received 06.08.2018.

By virtue of Section 91 of the Town and Country Planning Act, 1990 this permission is granted subject to the condition that the development to which it relates must be begun not later than the expiration of three years beginning with the date of this notice.

This permission is also subject to the following condition(s): -

A) Conditions (1)-(12) only apply to the Cranfield Mills Site (as identified on drawing no. 292-AD (P) 00SS).

1. The hereby-approved development shall be carried out in accordance with the details shown on the following approved drawings:-
Drawing no's AD(P)00G-ALL, AD(P)00SS, AD(P)00S, AD(P)E01 REV B, AD(P)E01-S, AD(P)E02 REV B, AD(P)E03 REV B, AD(P)E04 REV A, AD(P)E05 REV A, AD(P)E06 REV A, AD(P)E07 REV B, AD(P)E08 REV B, AD(P)TA, AE(00)L_000 REV D, AE(00)L_001 REV C, AE(00)L_002 REV C, AE(00)L_003 REV C, AE(00)L_004 REV C, AE(00)L_005 REV D, AE(00)L_00 REV D, AE(00)L_007 REV D, AE(00)L_008 REV O, AE(00)L_009 REV D, AE(00)L_010 REV D, AE(00)L_011 REV C, AE(00)L_012 REV C, AE(00)L_013 REV B, AE(00)L_014 REV B, AE(00)L_015 REV B, AE(00)L_016 REV B, AE(00)L_017 REV B, AE(00)L_018 REV B, AE(00)L_019 REV B, AE(00)L_020 REV B, AE(00)L_021 REV B, AE(00)L_22 REV B, AD(E)P23, AD(P)E12 REV A, AD(P)00B REV A, AD(P)00L, AD(P)000. Drawing No's 1826 DE10-04 Rev A 'Ground Floor Car and Bicycle Park Option', 1826 DE10-04 Rev C 'Sixth Floor Car and Bicycle Park Layout', 1826 DE20-02 Rev G; 1826 DE30-02 Rev J, 1826 DE40-01 Rev B. Drawing no's 1935 DE20-

Property Address: Ground Floor, Block D2 & E3, College Street, Ipswich, IP4 1FW
 Client Reference: IBFG-P-9718-College Rd
 Report Reference: BX031316

02 Rev B, 1935 DE30-02 Rev B, 1935 DE40-01 Rev A, 1936 DE20-02 Rev A, 1936 DE30-010 Rev A, 1936 DE40-01 Rev A, 1938 DE20-02 Rev C, 1938 DE20-03 Rev C, 1938 DE30-02 Rev B and 1938 DE40-01 Rev A.

2. None of the hereby-approved dwellings at first floor level within Block D1 or at mezzanine level within Blocks D2, D3 or A4 shall be first occupied until the following details have been submitted to and agreed in writing by the Local Planning Authority. Unless in accordance with timescales otherwise agreed, all agreed works shall be carried out in their entirety on first occupation of the dwellings and retained as such thereafter:-
 - i. Noise mitigation for residential units including mechanical ventilation.
 - ii. Resident management plan.

None of the approved dwellings within Blocks B, C, E1, E2 and E3 shall be first occupied until the following details have been submitted to and agreed in writing by the Local Planning Authority. Unless in accordance with timescales otherwise agreed, all agreed works shall be carried out in their entirety on first occupation of the approved dwellings within Blocks B, C, E1, E2 and E3 and retained as such thereafter:-

 - iii. Art work and public realm works within central piazza area.
 - iv. Display units for Maritime Trust.
 - v. Decorative door case.
3. The following details previously agreed pursuant to condition 2 of planning permission IP/04/00313/FUL in relation Blocks B, C and E1 shall be carried out in their entirety on first occupation of any part of those blocks and retained as such thereafter unless otherwise agreed in writing with the Local Planning Authority:-
 - i. Soffit details and colonnades.
 - ii. External facing materials.
 - iii. Refuse and cycle storage.
 - iv. Sitting out areas in relation to restaurant units.
 - v. Flood precautions including:-
 - a) an evacuation plan for use by the residents to allow rapid egress from the property. The plan shall be included in title deeds of each property.
 - b) non-return valves to be installed on the surface and foul water sewers to prevent flooding to the development, in the event of the sewers backing up.
 - c) a scheme for provision and implementation of flood proofing measures to be incorporated in the development to at least 4.95 m AOD.
4. None of the hereby-approved flats within the mezzanine levels of Blocks A4, D2 or D3 shall be first occupied until the cycle parking and bin storage for the relevant block, as shown on drawing no's 1938 DE20-02 Rev C, 1935 DE20-02 Rev A and 1936 DE20-02 Rev A, have been provided in their entirety and made available to residents. The cycle parking shall also be made available to residents of the wider Cranfield Mill redevelopment in addition to the cycle parking agreed pursuant to condition 4 of planning permission IP/16/00092/VC (condition application IP/17/00380/CON). The cycle and bin storage shall be retained as approved thereafter.
5. Before external works relating to the ground floor or mezzanine units within Blocks A4, D2 or D3 are commenced, details of external facing materials shall be submitted to and agreed in writing by the Local Planning Authority. Thereafter the development shall only be carried out in accordance with the agreed details.
6. The development relating to Block D1 shall only be carried out in accordance with the external facing materials, window openings and parapet detailing agreed pursuant to

Property Address: Ground Floor, Block D2 & E3, College Street, Ipswich, IP4 1FW
 Client Reference: IBFG-P-9718-College Rd
 Report Reference: BX031316

condition 5 of planning permission IP/16/00092/VC (condition application IP/17/00380/CON) and any agreed works shall be carried out in their entirety on first occupation of any approved flat within Block D1.

7. The non-residential areas of the development shall be put to the uses as specified in the application IP/04/00313/FUL except that (unless otherwise agreed in writing by the Local Planning Authority) (i) none of the areas shall be used for purposes with Class D2 (except for the avoidance of doubt - any use within this Use Class relating to the usage of the dance studio and associated spaces); (ii) the units fronting the quayside, to the west of the walkway connecting to the central piazza area, shall not be used for purposes within Use Classes A2 or B1(a) ; and (iii) none of the units shall be used for the sale of hot food for consumption off the premises (except as may be incidental to a restaurant/cafe use within Use Class A3).
 8. The ground floor of blocks A4 and D2 shall be used for purposes within Use Classes A1, A2, A3 or B1.
 9. There shall be no storage of refuse, refuse containers or other means of enclosure within the quayside area of the site to Albion Wharf.
 10. The route through the site between the quayside at Albion Wharf and College Street shall be maintained as a publicly accessible route between the hours of 8am to 10pm each day. A pedestrian walkway shall be maintained along the Albion Wharf quayside at all times throughout the construction period.
 11. The site investigation previously approved pursuant to condition 8 of planning permission IP/04/00313/FUL shall be completed prior to first occupation of any of the approved dwellings within Blocks B, C, E1, E2 or E3, or in such other phased arrangement, as agreed and approved in writing by the Local Planning Authority.
 12. Before any works on the hereby-approved mezzanine units commence, details of construction management for the development, including measures to prevent unacceptable noise and disturbance to existing residents, storage details for waste, materials and equipment and delivery details, shall be submitted to and approved in writing by the Local Planning Authority. Thereafter the development shall only be carried out in accordance with the approved details.
- (B) Conditions (13)-(21) only apply to the Former Cranfield Garage ("Triangle Site 1 (Western) as identified on drawing no. 292-AD (P) 00SS).**
13. The hereby-approved development shall be carried out in accordance with the details shown on the following approved drawings:- AD(P)00G-ALL,AD(P)00SS, AD(P)00S, AD(P)TWE1 REV D, AD(P)TWE2 REV D, AD(P)TWE3 REV C, AD(P)TWE4 REV C, AD(P)TWE5 REV C, AD(P)TWE6 REV B, AD(P)TWE1 REV C, AD(P)TWOBG REV A, AD(P)TWOG REV B, AD(P)TW01 REV B, AD(P)TW02 REV B, AD(P) TW03 REV B, AD(P)TW04 REV B, AD(P)TW05 REV B, AD(P)TW06 REV B.
 14. No part of the development on the Former Cranfield Garage site shall be first occupied until the following details have been submitted to and agreed in writing with the Local Planning Authority and the agreed works shall be carried out in their entirety on first occupation of the relevant part of the development and retained as such thereafter:-
 - i. Refuse storage proposals.
 - ii. Cycle parking.
 - iii. Details of layout/equipment in relation to Local Area for Play.
 - iv. Details of maintenance in relation to Local Area for Play.
 - v. Foul and surface water drainage.
 - vi. Details of a scheme of flood precautions to include:-

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- a) an evacuation plan for use by the residents to allow rapid egress from the property. The plan shall be included in title deeds of each property.
 - b) non-return valves to be installed on the surface and foul water sewers to prevent flooding to the development, in the event of the sewers backing up.
 - c) a scheme for provision and implementation of flood proofing measures to be incorporated in the development to at least 4.95 m AOD.
14. No works in relation to the external facing elevations of approved buildings on the Former Cranfield Garage site shall be commenced until details of external facing materials have been submitted to and agreed in writing by the Local Planning Authority. The development shall only be carried out in accordance with the agreed details.
 16. The ground-floor units on the Former Cranfield Garage site shall be used as artists/craftsperson's studios and workshops only. For the avoidance of doubt, such use may include such retail sales as may be ancillary to the approved use as studios/workshops and workshop use shall be limited to activity falling within Use Class B1 of the Town and Country Planning (Use Classes) Order 1987 (as amended).
 17. No development on the Former Cranfield Garage site shall take place until the applicant or their agents or successors in title has secured the implementation of a programme of archaeological work in accordance with a written scheme of investigation which has been submitted by the applicant and approved in writing by the Local Planning Authority. The site investigation shall be completed prior to development, or in such other phased arrangement, as agreed and approved in writing by the Local Planning Authority.
 18. Before construction of the new buildings on the Former Cranfield Garage site commences, details of a scheme of decontamination measures (to include remediation methodology, timescale and validation arrangements) shall be submitted for prior written approval of the Local Planning Authority and such measures shall be carried out as approved before first occupation of the relevant part of the development.
 19. All planting, seeding or turfing comprised in the approved details of landscaping on the Former Cranfield Garage site shall be carried out in the first planting and seeding seasons following the occupation of the buildings or the substantial completion of the development, whichever is the sooner, and any trees or plants which within a period of 5 years from the completion of the development die, are removed or become seriously damaged or diseased shall be replaced in the next planting season with others of similar size and species, unless the Local Planning Authority gives written consent to any variation.
 20. Before construction of the new buildings on the Former Cranfield Garage site commences, further details of the highway improvement works identified on drawing no. C/E 5937 shall be submitted for the approval in writing by the Local Planning Authority, approval obtained, and the works shall be implemented as approved in accordance with details of timing/phasing to be agreed by the Local Planning Authority.
 21. Before first occupation of any part of the Former Cranfield Garage site, the east-west route through the site shall be laid out as a fully-accessible pedestrian route and shall be maintained as a publicly accessible route at all times.

The reasons for the above condition(s) are as follows: -

1. To identify the approved drawings and the extent of the permission for the avoidance of doubt.
2. To ensure a high standard of development and amenity.

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3. To ensure a high standard of development and amenity, to encourage modes of sustainable travel and the provision of accessible and practical cycle parking and to safeguard against flood risk and residual flood risk.
4. To encourage modes of sustainable travel and the provision of accessible and practical cycle parking. To ensure a good standard of amenity and to protect highway safety.
5. & 6. To ensure a high standard of development and to safeguard heritage assets within this part of the Wet Dock Conservation Area.
7. & 8. To ensure a suitable mix of uses in the Wet Dock area.
9. In the interests of public health and amenity.
10. To provide for improved pedestrian accessibility.
11. The site is of major archaeological significance and should be properly recorded.
12. To identify the approved drawings and the extent of the permission for the avoidance of doubt.
13. To identify the approved drawings and the extent of the permission for the avoidance of doubt.
14. To ensure a high standard of development.
15. To ensure a high standard of development and amenity, to encourage modes of sustainable travel and the provision of accessible and practical cycle parking and to safeguard against flood risk and residual flood risk.
16. To ensure a suitable mix of uses in the Wet Dock area and to ensure that uses remain compatible with surrounding uses in the interests of amenity.
17. The site is of major archaeological significance and should be properly recorded. These details are necessary prior to commencement to safeguard and record heritage assets.
18. To safeguard against the risk of contamination. These details are necessary prior to commencement due to risk to workers and visitors to the site.
19. To ensure a high standard of development.
20. To ensure a high standard of development within the context of the public highway. These details are necessary before commencement as they are a fundamental element of the development.
21. To provide for improved pedestrian accessibility.

INFORMATIVES

1. The Council recommends the installation of an appropriate sprinkler system within the development.
2. You are reminded that the carrying out of building works requires approval under the Building Regulations in many cases as well as a grant of planning permission. If you are in doubt as to whether or not the work, the subject of this planning permission, requires such approval, then you are invited to contact the Building Control section at Ipswich Borough Council on

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email: building.control@ipswich.gov.uk or on telephone number: 01473 432951.

3. The Local Planning Authority has acted positively and proactively in determining this application by identifying matters of concern within the application (as originally submitted) and negotiating, with the Applicant, acceptable amendments to the proposal to address those concerns. As a result, the Local Planning Authority has been able to grant planning permission for an acceptable proposal, in accordance with the presumption in favour of sustainable development, as set out within the National Planning Policy Framework.
4. There is now a planning fee payable for applications in writing to discharge planning permission conditions.

Summary of Development Plan policies and proposals relevant to this decision: -

1. Core Strategy and Policies DPD (2017)
Policies CS12 (Affordable Housing); CS17 (Delivering Infrastructure), DM3 (Provision of Private Outdoor Amenity Space in New and Existing Developments); DM4 (Development and Flood Risk); DM5 (Design and Character); DM17 (Transport and Access in New Developments); DM18 (Car & Cycle Parking); DM26 (Protection of Amenity); DM29 (Provision of New Open Space) and DM31 (The Natural Environment).
2. Site Allocations and Policies DPD (2017)
Policy SP3 (Land with planning permission or awaiting a Section 106)

Dated: 8th February 2019

Signed:



Martyn Fulcher BSc (Hons) PGDip MRTPI
Head of Development
Grafton House
15 - 17 Russell Road
Ipswich IP1 2DE

SEE NOTES BELOW/OVERLEAF

N.B. This is not an approval under the Building Regulations; Approval under those regulations may also be required.

NOTES

1. If you are aggrieved by the decision of your Local Planning Authority to refuse permission or approval for the proposed development, or to grant it subject to conditions, then you can appeal to the Secretary of State under Section 78 of the Town and Country Planning Act 1990.
2. If this is a decision on a planning application relating to the same or substantially the same land and development as is already the subject of an Enforcement Notice, if you want to appeal against your Local Planning Authority's decision on your application, then you must do so within 28 days of the date of this notice.
3. If an enforcement notice is served relating to the same or substantially the same land and development as in your application and if you want to appeal against your Local Planning Authority's decision on your application, then you must do so within, 28 days of the date of service of the enforcement notice, or within 6 months (12 weeks in

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the case of a householder appeal) of the date of this notice, whichever period expires earlier.

4. If this is a decision to refuse planning permission for a householder application, if you want to appeal against your Local Planning Authority's decision then you must do so within 12 weeks of the date of this notice.
5. If you want to appeal against your Local Planning Authority's decision then you must do so within 6 months of the date of this notice.
6. Appeals must be made using a form which you can get from Secretary of State, Temple Quay House, 2 The Square, Temple Quay, Bristol BS1 6PN (Tel: 0303 444 5000) or online at www.planningportal.gov.uk/pcs
7. The Secretary of State can allow a longer period for the giving of a notice of appeal, but he will not normally be prepared to exercise this power unless there are special circumstances, which excuse the delay in giving notice of appeal.
8. The Secretary of State need not consider an appeal if it seems to the Secretary of State that the Local Planning Authority could not have granted planning permission for the proposed development or could not have granted it without the conditions they imposed, having regard to the statutory requirements, to the provisions of any development order and to any directions given under a development order.
9. In practice, the Secretary of State does not refuse to consider appeals solely because the Local Planning Authority based their decision on a direction given by the Secretary of State.
10. If either the Local Planning Authority or the Secretary of State refuses permission to develop land or grants it subject to conditions, the owner may claim that the owner can neither put the land to a reasonable beneficial use in its existing state nor render the land capable of a reasonably beneficial use by the carrying out of any development which has been or would be permitted.
11. In these circumstances, the owner may serve a purchase notice on the Council (that is, where the land is situated in a National Park, the National Park Authority for that Park, or in any other case the District Council (or County Council which is exercising the function of a District Council in relation to an area for which there is no District Council), London Borough Council or Common Council of the City of London in whose area the land is situated). This notice will require the Council to purchase the owner's interest in the land in accordance with the provisions of Chapter I of Part VI of the Town and Country Planning Act 1990.

In making this decision the Council has positively addressed the National Planning Policy Framework 2018



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Appendix E-Residual Calculation

Property Address: Ground Floor, Block D2 & E3, College Street, Ipswich, IP4 1FW
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Blocks B & C College Rd Ipswich - September 2019 residual			
Inputs			
Gross internal area (GIA)	32417 sq ft	Construction Costs	£78.66 psf
GDV	£7,775,000	Professional Fees	7.0%
Developers Profit	20.0%	Legal Fees	0.25%
Marketing	0.5%	Interest	9.0%
Agents fee	0.5%	Development Period	15 months
Construction period	12 months	Acquisition Costs	Owned
Construction cost	£2,500,000	Contingency	10.0%
Gross Development Value		£7,775,000	
Gross Development Value (GDV)			£7,775,000
Construction Costs			
demo ,set up,ground works		£38,000	
Construction costs		£2,500,000	
Contingency	10.0%	£253,800	
Total Construction Costs			£2,791,800
Professional fees			
Professional Fees inc defect insu	7.0%	£195,426	
Mayor of London CIL		£0	
Affordable housing/S106/CIL		£0	
Professional Fees			£195,426
Disposal Costs			
Agents fees	0.5%	£38,875	
Legal fees	0.25%	£19,438	
Total Disposal Costs			£58,313
Finance Costs			
Finance on construction	9.0%	£157,039	
Finance on professional fees	9.0%	£13,191	
Total Finance Costs			£170,230
Developers profit on GDV	20.0%		£1,555,000
Total Development Costs			£4,770,769
Residual			£3,004,231
Less site finance PV @ £1	9.0%	0.8979	
Gross Site Value			£2,697,431
Residual site value			£2,700,000



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Appendix F- Conditions of Engagement

**CONDITIONS OF ENGAGEMENT
FOR
THE VALUATION AND APPRAISAL
OF
LAND AND BUILDINGS
FOR
COMMERCIAL SECURED LENDING PURPOSES**

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1.0 The Service

1.1 Our Valuer will provide directly to the Client Lender a Report based on an inspection as described below. In respect of the subject property, our Valuer will be an Independent Valuer, who is a Corporate Member of the Royal Institution of Chartered Surveyors, and:-

- (a) in respect of the particular type of property, has sufficient current local, national and international (as appropriate) knowledge of the particular market and the skills and understanding necessary to undertake the valuation competently;
- (b) each valuation will be prepared by, or under the supervision of, an appropriately qualified Member who accepts responsibility for it.
- (c) has, and whose partners, co-directors and employees, have, no other recent or foreseeable potential fee-earning relationship concerning the subject property, apart from the fee for the service and who has disclosed any past or present relationship with any of the interested parties or any previous involvement with the subject property as required by the Royal Institution of Chartered Surveyors, and no significant financial interest or management involvement in the borrower's concern.

1.1.1 Our valuer will act with independence, integrity and objectivity in undertaking the valuation.

1.1.2 In the event that the instruction is issued by you as a prospective borrower, or a broker you should be aware that the Report may not be acceptable to a lender.

1.2 The Report will provide the following points:-

1.2.1 A full description of the property, its location, apparent state of repair and other relevant information such as the site area and floor space;

1.2.2 Our Valuer's valuation (s):-

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- (a) on whichever of the bases (see paragraph 4 below) have been agreed between our Valuer and the Client Lender and/or such other basis as they may have agreed;
- (b) if our Valuer believes there is a special prospective purchaser, on the above basis(es) but reflecting the bid of that special prospective purchaser:-
 - (i) where the valuation(s) reported pursuant to (a) above, has/have been affected by the existence of an unimplemented planning consent for change of use or other development or by the prospect of such consent(s) being available, our Valuer will so report and advise as to the amount(s) of the increase reported in consequence.

1.2.3 In the case of property to be held as an investment:-

- (a) a projection, at rental levels current at the reporting date, of the rental income to which the owner will be entitled from the property if it remains fully occupied;
- (b) an opinion upon the effects on value of the quality and terms of the lease(s) and relevant implications upon the valuation in respect of privity of contract (if any); and
- (c) our Valuer's view of the market's opinion of tenant covenants for the class of the subject property in the subject locality.

1.2.4 Advice, if our Valuer considers it relevant, that there is a significant prospect of or potential for change of use or other development of the subject property, or those in the vicinity, which would materially affect the value of the subject property.

1.2.5 Advice on any other factors, which our Valuer considers, is likely materially to affect the status of the property as security.

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- 1.2.6 Comment upon the proposed purchase price if this has been notified to our Valuer.
- 1.2.7 A statement as to any special assumptions which our Valuer has made.
- 1.2.8 Our Valuer's opinion of the property as a lending security in terms of present saleability, suitability, expected obsolescence and potential, bearing in mind the length (which will be stated) of the term of the loan contemplated by the Client Lender and assuming that the borrower will maintain the property in a reasonable state of repair.
- 1.2.9 An opinion (without liability on the part of the Valuer) of current market conditions and current and expected trends in respect of the type of property in the area.
- 1.2.10 A statement as to the valuation method adopted, and an indication as to the extent to which our Valuer has been able to have regard to comparable market transactions:-
 - (a) in the case of property valued for the existing use as an operational entity having regard to trading potential, the opinion which our Valuer has formed as to the future trading potential, including the gross income and profitability likely to be achieved; and
 - (b) in the case of property valued on a residual basis, the significant material figures and assumptions made and the consequences of changes thereto.
- 1.2.11 If requested by the Client Lender, an indication for insurance purposes (which is given solely as a guide, as a formal estimate for insurance purposes can be given only by a quantity surveyor or other person with sufficient current experience of replacement costs) of the current reinstatement cost of:-
 - (a) the buildings in their present form (unless otherwise stated); or
 - (b) buildings being constructed as proposed to be completed; each including the costs of clearance and professional fees but excluding:-

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- (i) VAT (except on fees);
- (ii) loss of rent; and/or
- (iii) cost of alternative accommodation for the reinstatement period.

1.2.12 Any other aspects, other than the usual legal investigations, which our Valuer considers require further consideration or investigations by or on behalf of the Client Lender.

- 1.3 Following provision of the Report, our Valuer will be prepared to discuss its contents with the Client Lender's representative.
- 1.4 Our Valuer shall, unless otherwise expressly agreed, rely upon information provided by the Client Lender and/or the Client's legal or other professional advisers relating to tenure, leases and all other relevant matters. No responsibility or liability will be accepted for the true interpretation of the legal position of the client or other parties.
- 1.5 Subject to paragraph 2.1 below, our Valuer shall carry out such inspections and investigations as are, in his or her professional judgement, appropriate and possible in the particular circumstances. These will include oral town planning enquiries.
- 1.6 If our Valuer's inspection suggests that there may be material hidden defects our Valuer will so advise and may exceptionally defer submitting a final Report until the results of further investigations are available.
- 1.7 The report will not identify the existence of contamination unless, by agreement with the Client Lender, reports thereon from others have been obtained and made available to our Valuer, who will have no liability in respect thereof. If, however, our Valuer in the course of his/her inspection concludes that there may be material contamination, our Valuer will report this to the Client Lender with a view to a decision being taken as to whether the instructions are to be amended.
- 1.8 In preparing the report, unless otherwise stated by our valuer, the following assumptions will be made which our Valuer shall be under no duty to verify:-

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- (a) that no deleterious or hazardous materials or techniques were used in the construction of the property or have since been incorporated;
 - (b) that good title can be shown and that the property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoings;
 - (c) that the property and its value are unaffected by any matters which would be revealed by a local search and replies to the usual enquiries, or by any statutory notice, and that neither the property, nor its condition, or its use, or its intended use, is or will be unlawful;
 - (d) that inspection of those parts that have not been inspected would neither reveal material defects nor cause our Valuer to alter the valuation(s) materially; and
 - (e) unless otherwise stated, that no contaminative or potentially contaminative uses have ever been carried out on the property and that there is no potential for contamination of the subject property from past or present uses of the property or from any neighbouring property.
 - (f) that no alterations are required under the Equality Act 2010.
 - (g) that, regarding asbestos, there are no onerous liabilities resulting from a survey, risk assessment, or asbestos register.
- 1.9 In providing the Service our Valuer will have regard to relevant contents of the *RICS Valuations - Global Standards 2017 (The Red Book)*.
- 1.10 The report will be provided for the stated purpose and for the sole use of the named Client Lender. We accept responsibility to the Client Lender alone that the report will be prepared with the skill, care and diligence reasonably to be expected of a competent Valuer, and accept no responsibility whatsoever to any parties other than the Client Lender. Any such parties rely upon the Report at their own risk. Neither the whole nor any part of the Report, nor any reference to it, may be included in any published document, circular or statement, or published in any way, without our Valuer's written approval of the form and context in which it may appear.

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1.11 In the event of a proposal to place the loan on the subject property in a syndicate, the client must notify the valuer with a view to agreeing responsibility to the further, named parties.

2.0 The Inspection

2.1 Our Valuer will undertake a visual inspection of so much of the exterior and interior of the property as is accessible with safety and without undue difficulty as can be seen whilst standing at ground level within the boundaries of the site and adjacent public/communal areas and whilst standing at the various floor levels, which our Valuer considers reasonably necessary to provide the Service, having regard to its purpose. Our Valuer is under no duty to carry out a building survey or to inspect those parts of the property which are covered, unexposed or inaccessible, including the roof space or to raise boards, move anything, use a moisture detecting meter, or to arrange for the testing or electrical, heating or other services. An assumption will be made that the subject property is in good repair, except for any defects specifically noted. Also, an assumption will be made that the services, and any controls or software, are in working order and free from defect.

3.0 The Report

3.1 If it is not reasonably possible to carry out a substantial part of the Inspection (see paragraph 2 above) this will be stated.

3.2 Where our Valuer relies on information provided, this will be indicated in the Report, with the source of the information.

3.3 The Report will state the existence of any apparently recent significant alterations and extensions to as to alert the Client Lender's legal advisers.

4.0 Valuation

4.1 The valuation(s) provided will be on the aforementioned assumptions in respect of individual subject properties otherwise agreed) as inspected, on whichever of the following or other bases as have been agreed between our Valuer and the Client Lender, such bases where applicable to be as defined or referred to in the RICS Professional Standards January 2014 of The Royal Institution of Chartered Surveyors.

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- 4.1.1 Market Value with interpretative commentary.
- 4.1.2 A further valuation subject to a defined marketing constraint.
- 4.1.3 Market Value as a full operational entity valued having regard to trading potential.
- 4.2 The valuation(s) will exclude any additional value attributable to personal goodwill, or the value of any fixtures and fittings which are only of value in situ to the present or proposed occupier, except in the case of property which is fully equipped and valued as an operational entity, where only personal goodwill is excluded.
- 4.3 Market rent with interpretative commentary.
- 5.0 Instructions and Charges**
 - 5.1 All instructions of the Client Lender will be made directly by the Client Lender and confirmed in writing.
 - 5.2 The Client Lender will pay to our Valuer the fee initially agreed between them, or any amendment thereto to be agreed if the instructions are subsequently modified. In addition, the Client Lender will reimburse the cost of all reasonable out of pocket expenses (unless it is prior agreed that these will not be charged) which may be incurred and pay the amount of any Value Added Tax on the fee and expenses.
 - 5.3 The Valuation Report will be released on payment of our Valuer's fees.
- 6.0 Complaints Procedure**
 - 6.1 Any complaints and / or disputes regarding work carried out by Robert Sterling Surveyors LLP are taken very seriously and managed in an understanding manner with conciliation designed to generate resolution. A copy of our Complaints Procedure is available on request.