

VALUATION REPORT ON:

**16 Shirley High Street
Southampton
SO15 3NH**



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Name of client:

Proplend Security Limited
As Trustee on behalf of
The lenders
20-22 Wenlock Road
London
N1 7GU

Name of customer:

Prime Property Investors Limited

Date of inspection:

17th February 2022

Weather conditions:

Overcast

Our Reference:

TS/SNA/16 Shirley High Street/Vals
2022

Name of surveyor:

Tom Shrives BA (Hons) MRICS
RICS Registered Valuer

Valuation report summary



Property:	16 Shirley High Street Southampton SO15 3NH
Location:	Town centre.
Description:	The property comprises a mid-terraced mixed-use freehold that is arranged to provide a ground floor retail unit currently trading as a Barber shop and there is a self-contained first floor flat above with separate access at the rear.
Planning use:	Use Class E and Use Class C3.
Tenure:	Freehold

Valuation date:	24 th February 2022
Valuation basis:	Market Value (MV)
Purchase price:	Not applicable as owned by the applicant
Market Value (MV) on an investment basis:	£335,000 (Three Hundred and Thirty Five Thousand Pounds)
Market Value (MV) on an investment basis and assuming a limited 90 day marketing period:	£320,000 (Three Hundred and Twenty Thousand Pounds)
Market Value (MV) assuming vacant possession:	£310,000 (Three Hundred and Ten Thousand Pounds)
Market Rent (MR):	£22,500 per annum
Reinstatement valuation:	£280,000 (Two Hundred and Eighty Thousand Pounds)
Suitable for loan security purposes:	YES – at the level of our valuations.
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 Where you have explained to us that the valuation is required for your use in a particular secured lending transaction, we consent to its use solely for that purpose.
- 1.3 Where you have not instructed us as to the purpose for which the valuation is required, we consent to its use only in a single secured lending decision.
- 1.4 The Market Value (MV) indicated within this report is dated 24th February 2022.
- 1.5 There is no conflict of interest in terms of the property or the applicant.
- 1.6 This Valuation Report has been prepared in accordance with your letter of instruction and with our Standard Conditions of Engagement – Commercial Valuations and in accordance with the RICS Valuation Global Standards (incorporating the IVS) and UK National Supplement.
- 1.7 Within our report we have provided the following:
 - 1.7.1 A Market Value (MV) of the property on an investment basis and also on the assumption of a limited 90 day marketing period.
 - 1.7.2 A Market Rent (MR) of the property.
 - 1.7.3 A Market Value (MV) of the property on the assumption of vacant possession.
 - 1.7.4 An estimated fire reinstatement value of the property.
- 1.8 The assumptions relating to this valuation are:
 - 1.8.1 We have not been provided with tenancy details pertaining to the residential part, however understand it is let on an Assured Shorthold Tenancy agreement. Our valuation on an investment basis is provided on the assumption that a letting is in place on standard AST terms.
- 1.9 There are no further assumptions and/or special assumptions that would affect our valuation.

2 Date and extent of inspection

- 2.1 Our inspection of the above property was made on 17th February 2022 when the weather was overcast.
- 2.2 The property was inspected by Tom Shrives BA (Hons) 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 separately tenanted.
- 2.5 We were met by the applicant who, in conjunction with the tenants, provided access and accompanied us on our inspection at approximately midday.

3 Situation, communications and amenities

- 3.1 The property is situated along a mixed-use parade forming a part of Shirley town centre. The parade fronts the main High Street and is predominantly arranged to comprise ground floor retail units with either ancillary commercial space, or in many instances, self-contained residential accommodation above.
- 3.2 Shirley High Street provides a wide range of both independent traders as well as national retailers.
- 3.3 There is also the benefit of the larger commercial centre of Southampton which is approximately 2 miles distant to the south-east.
- 3.4 For rail connections Millbrook railway station lies approximately 1 mile distant to the south of the subject property and provides links along the Southwestern railway line.
- 3.5 In addition, Southampton Central railway station is a popular hub connecting services operating on a number of lines including fast links into central London.
- 3.6 For road connections, the A3057 leads towards nearby Southampton City centre as well as providing links onto the A33 and furthermore, the M27 is approximately 3 miles distant and provides onward links out onto the wider UK road network, including connections onto the M3 in the north.

4 Description of property

- 4.1 The property comprises a mid-terraced mixed-use freehold that is arranged to provide a ground floor retail unit currently arranged to suit its existing use as a Barber shop with front retail area and rear staff kitchenette, WC and storage.
- 4.2 Accessed at the rear are stairs up to the first floor living space, there is then a 2 bed flat predominantly arranged on the first floor.
- 4.3 The property is believed to have been constructed in the mid-20th Century. We estimate the property has an economic life in excess of 25 years, provided regular maintenance and repairs are carried out.
- 4.4 The property is as shown on HMLR Title Plan ref HP227345, a copy of which is appended to this report.
- 4.5 The property sits on Shirley High Street which we believe to be an adopted highway.
- 4.6 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.
- 5.3 The property is of traditional design and construction set beneath a pitched and tiled roof.

- 5.4 There is also a basic outbuilding to the rear of the residential part, however this was in a poor condition and we understand it is the applicant's intention to utilise this only as basic storage space, with a potential view to demolishing this in order to create additional outside space at the rear, albeit at the time of inspection the basic outbuilding structure was in place.
- 5.5 The ground floor is of suspended concrete construction and the first floor is of timber construction.
- 5.6 The ground floor retail unit is finished with a plate glass frontage and roller shutter, while internally heating is provided via electric heaters.
- 5.7 The first floor flat has wall-mounted electric heaters and uPVC double glazed window units.
- 5.8 All mains services, apart from gas, are provided to the property.

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 was in a good condition with no major items of disrepair noted.
- 6.3 Subject to regular maintenance and decoration the property has a useful life expectancy in excess of 25 years.

7 Accommodation

- 7.1 In accordance with the Royal Institution of Chartered Surveyors Code of Measuring Practice and Property Measurement 2nd edition all areas quoted herein have been calculated using a Net Internal Area (NIA) basis for the commercial areas and IPMS 2 – Residential basis for the residential parts.
- 7.2 Measurements were taken on our site inspection.

- 7.3 The size of the ground floor retail part is approximately 51.30 sq. m (552 sq. ft) and 385 sq. ft. ITZA.
- 7.4 The size of the 2-bed flat is approximately 68.00 sq. m. (732 sq. ft.)
- 7.5 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 and for the purposes of this valuation we have assumed that full vacant possession will be available.
- 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 Tenancies

- 9.1 We have been provided with a copy of the commercial lease agreement from the applicant and we outline the pertinent terms as follows:
- 9.2 The lease is dated 15th January 2019 and is granted in respect of the ground floor retail shop with previous A1 use permitted.
- 9.3 It is let on a 5 year lease at a commencing rent of £12,000 per annum increasing to £13,000 per annum in year 3 and £14,000 per annum in year 5. The passing rent stands at £13,000 per annum, with the rent due to be reviewed in January 2024.
- 9.4 The lease is granted for a total period of 7 years and thus, expiring in January 2026 and with no break options included.
- 9.5 We have also been provided with a license to assign the ground floor retail part and this reflects an assignment of the existing lease dated January 2019 and is on the same terms.
- 9.6 We have not been provided with any AST copies, however, understand from the applicant that the flat is presently let on an AST at a rent of £800 pcm.

10 Environmental factors

- 10.1 We are unaware of any 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.

11 Radon Gas

- 11.1 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.

12 Flooding

- 12.1 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, as required.

13 Invasive Species

- 13.1 During our inspection for valuation purposes, we identified no obvious signs of Japanese Knotweed at the property.

14 Contamination

- 14.1 Our enquiries have not revealed any contamination affecting the property or neighbouring property which would affect our valuation. However, should it be established subsequently that contamination exists at the property or on any neighbouring land or that the premises have been or are being put to any contaminative use, this might reduce the values now reported.
- 14.2 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 Energy Performance Certificates (EPCs)

- 15.1 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. EPCs are valid for ten years.
- 15.2 No EPC Certificate was made available during our inspection and we have not conducted a calculation to assess the EPC rating.
- 15.3 We have consulted the EPC Domestic and Non-Domestic online Registers and have identified EPC relating to the residential and retail parts.
- 15.4 The retail element is held on a certificate expiring in February 2032 and is assessed to be within Band C.
- 15.5 The residential part is held on an EPC valid until March 2030 and is assessed within Band E.
- 15.6 The Energy Act 2011, which has received Royal Assent, made it unlawful to let buildings with F and G rated Energy Performance Certificates after April 2018. This means investors could face significant improvement costs to mitigate the potentially disastrous falls in the value of older buildings. 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. Furthermore, our valuation as at the Valuation Date above has assumed a rating of E or better for valuation purposes.

16 Other statutory matters

- 16.1 We have assumed 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.

17 Fire safety law

- 17.1 From 1 October 2006, The Regulatory Reform (Fire Safety) Order 2005 (SI 2005 No. 1541) introduced a requirement for the 'responsible person' to make a suitable and sufficient assessment of the risks and to identify the fire precautions required to comply with the Order. The Order applies to all non-domestic property. Such fire precautions may include adaptation of the building and installation of fire safety equipment, but must in all cases include: signage, fire safety action plans, staff training, identifying duty holders and routine maintenance/monitoring via signed and dated checklists. Detailed information on the Regulations and fire safety in general is available from www.fire.gov.uk.
- 17.2 We did not note the presence of a working fire alarm system in operation at the time of our inspection, however did note the presence of some fire safety provisions.

18 Planning and use – planning consents and permitted use

- 18.1 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.

19 Business Rates

- 19.1 Our internet-based enquiry of the Valuation Office Agency website shows that the ground floor retail part is assessed as Shop and Premises and has a Rateable Value of £12,000.

20 Council tax

- 20.1 Our internet enquiry of the Valuation Office and DirectGov websites we have not been able to ascertain the current Council Tax banding, however we would expect there to be an individual assessment for the first floor flat at the subject property.

21 Market conditions and trends

Q4 2021: UK Commercial Property Market Survey

Twelve-month expectations hit fresh highs for the industrial sector

- Outlook for values remains upbeat for industrials, data centres, multifamily and aged care facilities
- Covid developments stifle the recovery in tenant demand across the office sector during Q4
- But 66% of survey participants still feel office space is essential for a company to operate successfully

The Q4 2021 RICS UK Commercial Property Survey suggest conditions remain polarised across different portions of the real estate market. While already strong twelve-month projections were further upgraded in the industrial sector, offices and retail continue to struggle, with the situation not helped by the surge in Covid cases seen during the latest survey period.

During Q4, the headline net balance for occupier demand came in at +16%, similar to the reading of +18% returned previously. That said, across the three traditional sectors, only industrials posted a positive reading for tenant demand, with the net balance standing at +61%. Meanwhile, the comparable readings were -3% for offices and -21% for retail. With respect to offices, this latest figure marks a slight setback from a modestly positive trend cited in Q3 (+7%), with respondents pointing to the rapid spread of the omicron variant as a negative influence this quarter.

Looking at the longer term, some additional questions were included to further examine structural changes sweeping the office sector as a result of the pandemic. Importantly, when asked if office space is still essential for a company to operate successfully, 66% of respondents replied 'yes', while 29% felt otherwise (the remaining 5% did not have an opinion). Alongside this, 76% of contributors report that they are seeing a relative increase in demand for flexible and more local workspaces compared to only 13% who replied negatively. When asked if space allocation per desk had increased in the wake of the pandemic, 69% reported that more space has been allotted to individual desks. Notwithstanding the general perception that offices are still essential for businesses, 87% of respondents also report seeing re-purposing of office space for other uses, with 15% highlighting that this is occurring in significant volumes.

Turning to the rental outlook, respondents foresee a modest pick-up in prime office rents over the coming twelve months (+1%), while rents for secondary office space are anticipated to fall by around 3% (both similar reading to the Q3 results). Across the other market sectors, industrial rents are projected to rise by around +7% over the year ahead, the strongest expectations returned since this series was formed in 2014. On the same basis, secondary industrial rents are seen rising by 4%.

Expectations remain negative for retail, with prime rents envisaged falling by 3% while secondary rents expected to see a near 6% decline. From a broad regional perspective, the only noticeable differences from the national averages are seen in the office sector. Indeed, prime office rents in London and the south are expected to edge higher over the year to come, while the Midlands and the North exhibit flat projections.

In the investment market, a headline net balance of +19% of respondents cited an increase in buyer enquiries during Q4, albeit this was mainly driven by the industrial sector (net balance +58%). Even so, there was a marginal pickup reported for offices (net balance +5%) meaning this indicator has been out of negative territory in each of the last two reports. The headline overseas enquiries metric was also in positive territory, albeit only modestly, for the third consecutive quarter.

Twelve-month capital value expectations continued to strengthen across both prime and secondary portions of the industrial sector. At the same time, prime office values are expected to see a small uplift although a negative trend is still anticipated for secondary. At the weaker end of the spectrum, retail capital value expectations remain negative across the board.

For the alternative sectors covered by the survey, data centres, multifamily residential and aged care facilities all continue to return firmly positive capital value expectations, with a net balance of more than 50% of respondents projecting an uplift in each instance. For hotels, the reimposition of stricter travel restrictions internationally during the period in question took its toll on sentiment with capital value expectations for the year ahead slipping back from a positive reading of +14% in Q3 to stand at -2% in Q4.

Lastly, views on the current stage of the property cycle were similar to last quarter, albeit there was a marginal deterioration on account of the renewed uncertainty brought on by the pandemic. The largest share of respondents (39%) still sense the market is in the early phase of an upturn, slightly down on 46% taking this stance previously.

January 2022: UK Residential Market Survey

Pick-up in new buyer enquiries supporting near-term sales expectations

- New buyer demand rises over the month
- Sales steady in January but are expected to pick-up over the coming three months
- Stock remains tight, continuing to underpin house price growth across the country

The January 2022 RICS UK Residential Survey results point to new buyer enquiries gaining momentum slightly to start the year, albeit this feedback was largely gathered prior to the Bank of England's decision to further increase interest rates at their February meeting. Nevertheless, as it stands, respondents continue to expect widespread growth in both sales activity and house prices over the year to come.

With respect to new buyer demand, a headline net balance of +16% of respondents cited an increase in enquiries during January. This is up from a reading of +9% in December and, although only modestly positive, represents the strongest figure since May 2021.

At the same time, the survey's indicator capturing new instructions remained in negative territory, although, at -8%, the latest net balance is the least negative since April 2021. Moreover, the net balance for market appraisals (which gauges the trend in relation to the comparable period twelve months ago) came in at +3%, the first time this series has been above zero since June 2021.

Meanwhile, sales volumes were more or less steady during January, having weakened to some degree throughout much of the second half of 2021. It is also worth noting that the average time to finalise a sale (from initial listing to completion) has steadily fallen over recent months, from an average of 17 weeks in the September survey to 16 weeks in January 2022. Looking ahead, near-term sales expectations improved to a ten month high, with the latest net balance rising to +22% from +16% in both of the two previous reports. In terms of the twelve month outlook, a headline net balance of +24% of survey participants envisage sales volume rising over the year to come (an increase on a reading of +16% last time).

Looking at house prices, there seems to be no sign of the recent strong pace of growth losing much momentum, with a national net balance of +74% of survey participants seeing an increase during January. As such, this measure has remained in a tight range of between +69% and +74% over the each of the past six months. When disaggregated, respondents across all parts of the UK continue to report a further uplift in prices, with the North West and South East of England now seeing especially sharp rates of growth (in net balance terms).

Going forward, both three and twelve month price expectations series remain firm, returning respective net balances of +36% and +76% (both of which are slightly stronger than the December 2021 returns). Furthermore, all UK regions/countries are anticipated to see a further pick-up in house prices over the year ahead.

In the rental market, tenant demand continues to rise sharply, evidenced by a net balance of +64% of contributors noting an increase (part of the seasonally adjusted quarterly lettings dataset). In fact, this represents the strongest reading on record, with this particular indicator dating back to 1999. That said, landlord instructions remain very much in decline (net balance -13% vs -29% last quarter).

Driven by the ongoing mismatch between demand and supply across the lettings market, expectations for rental growth over the near term rose from an already elevated reading previously. Indeed, a net balance of +59% of respondents now foresee rents picking up over the coming three months, an increase on +54% taking this view beforehand. Over the course of 2022, contributors envisage rental prices rising by around 4% on average across the UK.

22 Summary of local market

- 22.1 Local retail rental growth has slowed and there is caution at present across the wider retail sector owing to the recent Covid-19 pandemic and increased economic uncertainty.
- 22.2 We understand current demand for smaller lock-up shop units remains steady, with interest largely from occupiers looking to serve the local market, however larger units and those situated along less prominent pitches/parades are seeing more limited occupier demand in the current market.
- 22.3 We would anticipate good levels of interest in the subject retail unit from independent traders looking to serve the local market.
- 22.4 The freehold market remains relatively robust with cash-rich local occupiers often seeking to buy instead of rent.
- 22.5 We would anticipate reasonable levels of interest from purchasers on both an owner-occupier basis and investment basis, with the property benefitting from a town centre location, mixed-use composition and a reasonable pitch.
- 22.6 Assuming marketing at a realistic level we would anticipate a sale of the freehold within 6 months.
- 22.7 We would anticipate voids period in the region of 6 months in order to achieve a letting of the retail unit and 3 months to achieve a letting of the flat.

23 Market evidence

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

Rent comparables

Address	Comments
14 Shirley High Street, Southampton SO15 3NH	This is the adjacent ground floor retail unit. It has been recently refurbished and is arranged to provide a total of approximately 630 sq. ft. incorporating front retail sales area with rear ancillary staff and storage areas.

	<p>The unit was let on a new 3 year lease in October 2021 at a rent of £15,000 per annum.</p> <p>The rent equates to a Zone A rate of approximately £31.00 psf.</p>
<p>6A Shirley High Street, Southampton SO15 3LR</p>	<p>This is a nearby ground floor corner retail unit of approximately 715 sq. ft with rear ancillary storage space providing a further 225 sq. ft to give a total of approximately 940 sq. ft.</p> <p>The unit is under offer at an agreed rent of £18,000 per annum for a new 10-year lease with fifth year break option and 3 months' rent-free.</p> <p>We understand from the marketing agent that they are currently seeing interest and lettings along Shirley High Street agreed at Zone A rates in the region of £30.00 – £35.00 psf.</p>
<p>421 Shirley Road Southampton SO15 3JF</p>	<p>This is another ground floor retail lock-up shop situated along a secondary mixed-use parade on the fringes of Shirley town centre.</p> <p>It is arranged to provide a total of approximately 635 sq. ft.</p> <p>The unit was let on a new 3 year lease in July 2021 at a rent of £14,000 per annum.</p> <p>The freehold was also available for sale at an asking price of £200,000 which, based upon the rent achieved, would reflect a notional gross initial yield of 7.00%.</p> <p>The unit is arranged to provide retail sales area with staff kitchenette and WC facilities along with rear stores and a small yard area with additional storage shed to the rear.</p> <p>The rent equates to a Zone A rate of approximately £34.80 psf.</p>

<p>51 Shirley High Street, Southampton SO15 3NN</p>	<p>This is a 710 sq. ft. ground floor mid-terraced retail unit situated along the High Street within close proximity to the subject property. It has the added benefit of a first floor storeroom and separate WCs providing a further 540 sq. ft.</p> <p>A letting has been agreed for a new 10 year lease with a tenant break option at the end of the 5th year at a stepped rent of £18,000 pa rising by £500 pa yearly, to £20,000 pa in year 5, with an average rent of £19,000 pa across the term. There is then a rent review at the end of the 5th year. The incentive granted is a standard 3 months' initial rent free period towards fitting out.</p> <p>The letting equates to a Zone A rate of £35.00 psf.</p>
<p>12 Shirley High Street, Southampton SO15 3NH</p>	<p>This is a nearby ground floor retail unit situated within metres of the subject property.</p> <p>It is smaller than average measuring approximately 280 sq. ft. and is presently let on a 5 year lease from November 2021 at a rent of £11,960 per annum.</p> <p>Owing to the smaller than average size, we have not considered the rent on a Zone A basis.</p>
<p>43 Shirley High Street, Southampton SO15 3NN</p>	<p>This is an 810 sq. ft. ground floor retail unit situated along the High Street and within close proximity to the subject property.</p> <p>It is arranged to provide a front retail sales area of approximately 500 sq. ft. with rear staff storage, kitchen and WC facilities. The unit benefits from 2 parking spaces at the rear as well as rear loading access from Cannon Street.</p> <p>It was let on a new lease in March 2021 with the asking rent being £16,000 per annum, however, we have been unable to confirm the rent and terms agreed.</p> <p>Based upon the asking rent, we assess the reflective Zone A rate to be in the region of £38.00 psf.</p>

<p>73 Shirley High Street, Southampton SO15 3NP</p>	<p>This is a smaller than average ground floor retail unit providing approximately 203 sq. ft.</p> <p>It is presently on the market and available for let by way of assignment of an existing lease expiring in February 2030 at a passing rent of £8,280 per annum.</p> <p>The unit is smaller than average and unlikely to have been let with regards to Zone A, however the reflective rate of the passing rent is approximately £40.00 psf Zone A.</p>
<p>337 Shirley Road Southampton SO15 3JD</p>	<p>This is a ground floor retail unit situated along a secondary mixed-use parade on the fringes of Shirley town centre.</p> <p>It provides approximately 690 sq. ft. with rear store, staff WC and kitchenette facilities as well as rear loading access.</p> <p>The unit was let on a new 10 year lease in April 2021 at a rent of £12,140 per annum.</p>
<p>Flat 1 46 Shirley High Street, Southampton SO15 3NF</p>	<p>This is a modern newly refurbished 2 bed first floor flat situated above a ground floor retail unit and within close proximity to the subject property.</p> <p>The flat has the benefit of a duplex layout and is presented in a good condition and modern specification.</p> <p>It was let in January 2022 at £775 pcm.</p>
<p>Flat 62 Shirley High Street, Southampton SO15 3NF</p>	<p>This is nearby 2 bed maisonette situated above a ground floor retail unit along the same street.</p> <p>Internally it is presented to a reasonable condition throughout.</p> <p>It was let in December 2021 at £750 pcm.</p>

359 Winchester Road Shirley Southampton SO16 7DJ	<p>This is a 2 bed first floor flat situated along a local mixed use secondary parade and above a ground floor retail unit trading as a takeaway.</p> <p>The flat is presented in a reasonable condition throughout.</p> <p>It was let on an AST in October 2021 at a rent of £800 pcm.</p>
Flat 2 391 Shirley Road Southampton SO15 3JD	<p>This is a 2 bed second floor flat situated along a mixed-use local parade and above a ground floor retail unit.</p> <p>The flat is presented to a reasonable condition throughout.</p> <p>It was let in December 2021 on an AST at £675 pcm.</p>
Flat 8 2-6 Romsey Road Southampton SO16 4BZ	<p>This is a 2 bed modern conversion apartment above a ground floor commercial premises forming part of a redevelopment scheme.</p> <p>Internally, it is presented to a good condition throughout.</p> <p>The second floor flat was let on an AST in July 2021 at £800 pcm.</p>

Sales comparables

Address	Comments
12 Shirley High Street, Southampton SO15 3NH	<p>This is a mid-terraced, mixed-use freehold providing a ground floor retail unit and 3 self-contained flats that are individually let on ASTs. The commercial space is approximately 280 sq. ft. and thus is a smaller than average lock-up shop style unit and it is let on a new 5 year lease from November 2021 at a rent of £11,960 per annum. The flats are each let on individual ASTs at rents ranging from £550 to £590 pcm.</p> <p>The total rental income is £32,540 per annum.</p>

	<p>The freehold is available for sale at an asking price of £450,000.</p> <p>A sale at the asking price would reflect a gross initial yield of approximately 7.25%.</p>
<p>419 Shirley Road Southampton SO15 3JF</p>	<p>This is a ground floor retail unit along a secondary mixed use parade close to Shirley High Street.</p> <p>It comprises a ground floor retail unit of approximately 1,323 sq. ft. that is let on a 10 year lease from May 2018 at a passing rent of £16,000 per annum subject to a fifth year rent review and tenant break option.</p> <p>The freehold was sold as an investment at auction in December 2019 for £218,000.</p> <p>The sale price achieved reflects a gross initial yield of approximately 7.30%.</p>
<p>447 Millbrook Road West Southampton SO15 0HX</p>	<p>This is a mid-terraced, mixed-use freehold presently arranged to provide a ground floor retail unit with ancillary space on first and second floors that was being used as staff storage and accommodation.</p> <p>The property was let as a whole on a lease expiring in 2024 at a rent of £14,000 per annum, thus with the potential for redevelopment/reconfiguration and a potential rental uplift.</p> <p>The freehold was sold as an investment at auction in March 2021 at £197,000.</p> <p>The sale price achieved reflects a gross initial yield of approximately 7.10%.</p>

<p>359 Winchester Road Southampton SO16 7DJ</p>	<p>This is a mid-terraced, mixed-use freehold arranged to provide a ground floor takeaway with a self-contained 2 bed flat above.</p> <p>The takeaway is approximately 925 sq. ft. and is let on a 15 year lease from August 2019 at a rent of £11,000 per annum subject to a fifth year rent review.</p> <p>The flat is let at £800 pcm with the total income from the freehold being £20,600 per annum.</p> <p>The freehold was sold as an investment at auction in December 2021 for £290,000.</p> <p>The sale price achieved reflects a gross initial yield of approximately 7.30%.</p>
<p>189 Shirley Road Southampton SO15 3FG</p>	<p>This is a mid-terraced, mixed-use freehold arranged to provide a ground floor retail unit of approximately 505 sq. ft. that is let at a rent of £9,000 per annum.</p> <p>Meanwhile, above there is an HMO providing a total income of £10,200 per annum to give an overall annual income of £19,200 for the freehold.</p> <p>It is currently on the market and available for sale at an asking price of £295,000.</p> <p>A sale at the asking price would reflect a gross initial yield of approximately 6.50%.</p>

24 Valuation summary and analysis of the comparables

- 24.1 The evidence outlined above demonstrates that comparable retail space of a similar style, size and type are currently achieving rents in the order of £10,000 - £20,000 per annum.
- 24.2 Whilst we have been able to establish that Zone A rates typically range from £30.00 - £35.00 psf in this locality, we understand the majority of similar style lock-up shop style units are more commonly let on an overall rent and affordability basis, with consideration often given to the overall monthly/annual outgoing.
- 24.3 In arriving at our opinion of Market Rent, we have paid particular attention to the following attributes:
- 24.4 Reasonable overall condition of the residential part and good condition of the ground floor commercial part.
- 24.5 A lack of loading access to the retail unit.
- 24.6 Lock-up shop style unit.
- 24.7 Flat is situated along a mixed-use parade and above a retail unit.
- 24.8 Reasonably prominent retail pitch within the town centre.
- 24.9 Within easy reach of nearby public transport links and road connections.
- 24.10 In light of the above factors the comparable evidence above and from our discussions with local agents, we consider the Market Rent for the retail unit to be £13,500 per annum (reflecting approximately £35.00 psf Zone A or £1,125 pcm).
- 24.11 Residential lettings currently demonstrate rents commonly ranging between £675 and £800 pcm.
- 24.12 We consider the Market Rent for the flat to be £750 pcm (£9,000 pa).
- 24.13 This provides a total Market Rent of £22,500 per annum.
- 24.14 In arriving at our opinion of Market Value, we have considered sales of comparable investments. These demonstrate a range of gross initial yields in the region of approximately 6.50% to 7.50%, dependent upon the covenant strength, period of secure income, age, precise location as well as layout and overall composition.
- 24.15 In arriving at our opinion of Market Value on an investment basis, we have adopted a capitalisation rate of approximately 6.75% to the Market Rent.

24.16 We have then applied a slightly weaker rate of 7.25% assuming full vacant possession, reflecting the greater element of risk if vacant, including potential void periods and limited rental growth prospects.

25 Valuation commentary

25.1 When valuing this property, we have utilised the Investment and Comparison Methods of Valuation and have utilised our knowledge of transactions within the local area.

25.2 In preparing our valuation here we have obtained what we consider to be adequate comparable valuation evidence to support the values provided.

26 Basis of valuation

26.1 This Valuation Report is prepared in accordance with the RICS Valuation Global Standards (incorporating the IVS) and UK National Supplement.

26.2 Your letter of instruction includes a requirement that the Basis of Valuation provided must be:

27 Market Value (MV)

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

27.2 Definition

27.2.1 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.

28 Market Rent (MR)

28.1 Valuations based on Market Rent (MR) shall adopt the definition settled by the International Valuation Standards Committee.

28.2 Definition

28.2.1 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.

Purchase price: Not applicable as owned by the applicant

Market Value (MV) on an investment basis: £335,000 (Three Hundred and Thirty Five Thousand Pounds)

Market Value (MV) on an investment basis and assuming a limited 90 day marketing period: £320,000 (Three Hundred and Twenty Thousand Pounds)

Market Value (MV) assuming vacant possession: £310,000 (Three Hundred and Ten Thousand Pounds)

Market Rent (MR): £22,500 per annum

Reinstatement valuation: £280,000 (Two Hundred and Eighty Thousand Pounds)

29 Suitability for lending security purposes

29.1 We consider this property suitable for loan security purposes at the level of our valuations.

30 Legal enquiries

30.1 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.

30.2 Confirmation that the property will enjoy free and uninterrupted rights of vehicular and pedestrian access from Shirley High Street.

- 30.3 Local Searches should assess and verify the risk of flooding, contaminated land, radon and environmental concerns relating to the site.
- 30.4 Rights and obligations in respect of the boundary ownership and liabilities.
- 30.5 Legal enquiries must confirm that the loft conversion has been completed in accordance with the planning consents and that building control approval has been obtained and the property complies with all the necessary building regulations.
- 30.6 We are unaware of any 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.
- 30.7 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 outgoing.
- 30.8 Legal enquiries should confirm the property is held freehold. If long leasehold it should be confirmed the length of lease, service charges and ground rents and that there is nothing within the lease that would affect our valuation.

31 Third party reference

- 31.1 This report is provided for the Client's benefit alone and solely for the purposes of the instruction to which it relates. It is confidential to the Client and the Client's professional advisers. Our report, or any part of its contents, may not, without our written consent, be used or relied upon by any third party even if that third party meets the whole or any part of the costs of this instruction, or is permitted to see a copy of our report. If we do provide written consent to a third party relying on our valuation any such third party is deemed to have accepted the terms of our engagement.
- 31.2 Neither the whole, nor any part of our report, nor any reference thereto may be included in any published document, circular or statement, or published in any way, with the valuer's written consent. Such consent is required whether or not Kempton Carr Croft is referred to by name and whether or not the contents of our report are combined with others. Such publication of, or reference to, the report may not be made unless it contains a sufficient contemporaneous reference to any Special Assumptions set out therein of departures from the RICS Valuation – Global Standards.

32 Status of the valuer

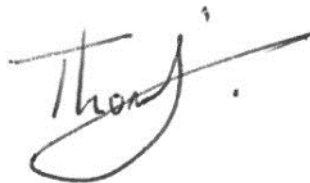
- 32.1 The valuer preparing this valuation is an External Valuer who has no current or presently foreseeable potential fee earning relationship concerning the subject property/properties apart from the valuation fee and who has disclosed in writing to you, the client, any present relationship, or a relationship 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.
- 32.2 The valuer preparing this report has the knowledge, skills and understanding of the property and market in order to undertake the valuation competently.

33 Limitations on liability (Appendix D –terms of engagement)

- 33.1 Liability Cap: The Royal Institution of Chartered Surveyors (RICS) recommends the use of liability caps to members as a way in which to manage the risk in survey and valuation work. Our aggregate liability arising out of, or in connection with this valuation, whether arising from negligence, breach of contract, or any other cause whatsoever, shall in no event exceed £1,000,000 (One Million Pounds). This clause shall not exclude or limit our liability for actual fraud and shall not limit our liability for death or personal injury caused by our negligence.
- 33.2 Contracting entity: for the avoidance of doubt, this report is provided by us as a corporate entity and accordingly no director, member, employee or consultant of Kempton Carr Croft assumes any personal responsibility for it, nor shall owe a duty of care in respect of it. You agree that you will not bring any claim against any such individuals personally on connection with our services.
- 33.3 Proportionate liability: if you suffer a loss as a result of our breach of contract or negligence, our liability shall be limited to a just and equitable proportion of your loss having regard to the extent of responsibility of any other party, whether that shortfall arises from an agreement between you and them, your difficulty in enforcement, or any other cause.
- 33.4 Governing law and jurisdiction: our contract with you for the provision of this valuation is subject to English Law. Any dispute in relation to this contract, or any aspect of the valuation, shall be subject to the exclusive jurisdiction of the Courts of England and Wales, and shall be determined by the application of English Law, regardless of who initiates proceedings in relation to the valuation.

34 Certification

34.1 The valuation has been prepared in accordance with the RICS Valuation Global Standards (incorporating the IVS) 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 Terms and Conditions of Engagement and these assumptions form an integral part of this report.



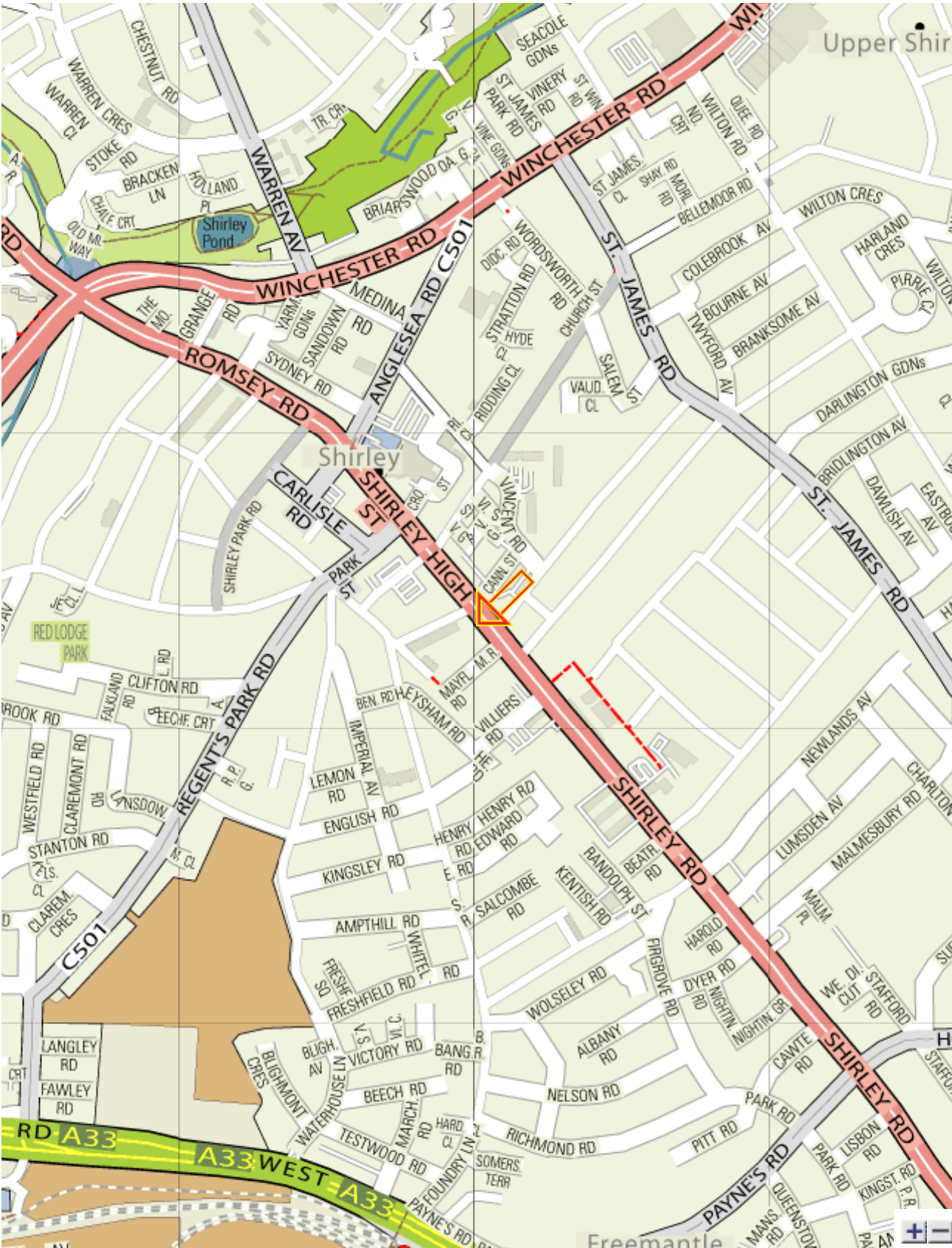
Tom Shrives BA (Hons) MRICS
RICS Registered Valuer
For Kempton Carr Croft
24 February 2022



Simon Mills BSc (Hons) MRICS
RICS Registered Valuer
For Kempton Carr Croft
24 February 2022

Appendix A

Appendix B



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Landscape

Print

Appendix C

RETAIL











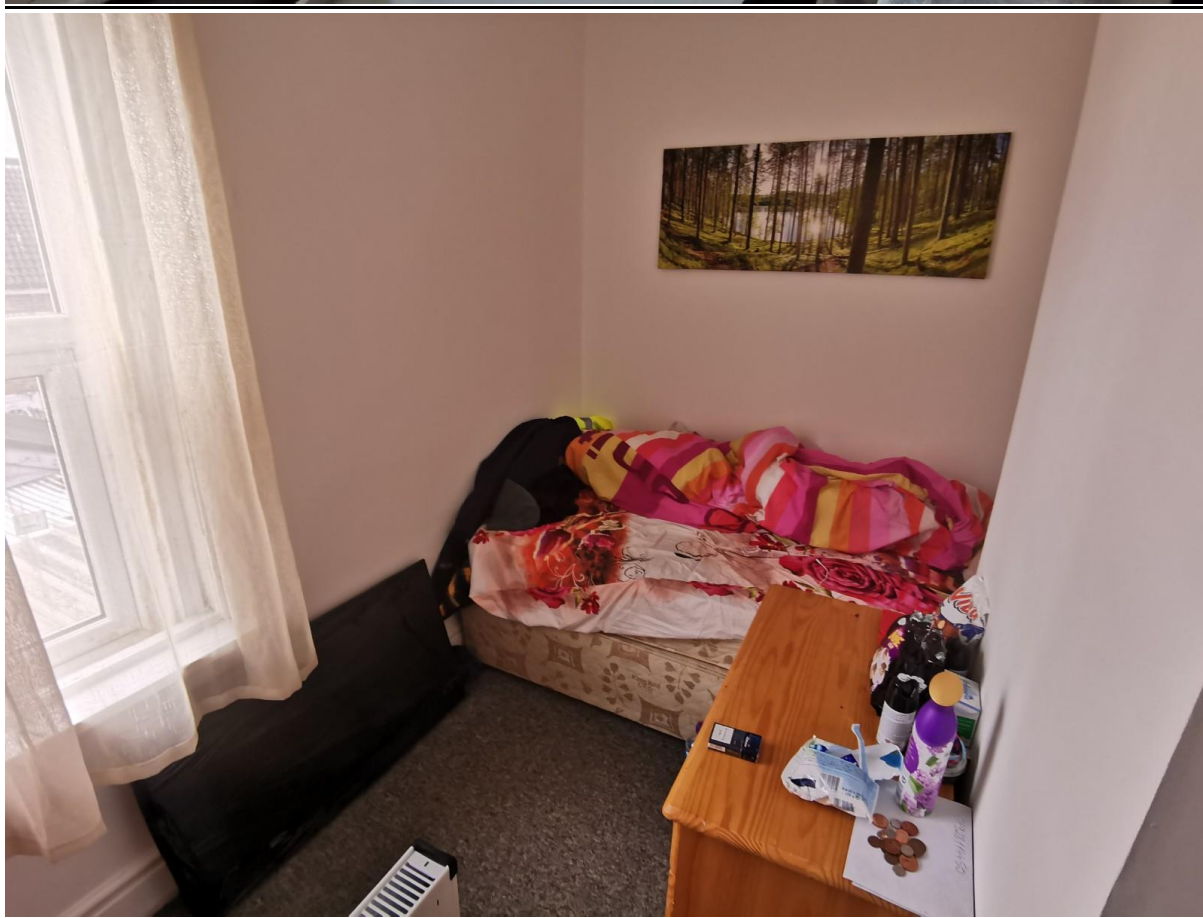
RESIDENTIAL









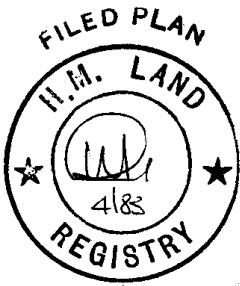






H.M. LAND REGISTRY			TITLE NUMBER
			HP227345
ORDNANCE SURVEY PLAN REFERENCE	SU 3913	SECTION W	Scale 1/1250
COUNTY HAMPSHIRE	DISTRICT SOUTHAMPTON		© Crown copyright 1980

ADMINISTRATIVE AREA : SOUTHAMPTON



This is a print of the view of the title plan obtained from HM Land Registry showing the state of the title plan on 09 February 2022 at 12:20:56. 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, Weymouth Office.

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Appendix D

Our Ref: LSV Lender PU 00016951

Your Ref: Valuations of 9-11 Shirley High Street, Shirley, Southampton, Hampshire, SO15 3NJ and 16 Shirley High Street, Shirley, Southampton, Hampshire, SO15 3NH

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

08 February 2022

Dear Sirs

I have pleasure in setting out below the terms of our engagement for the provision of a Report and Valuation in respect of the above property.

Client: Proplend Security Limited

Valuer: Kempton Carr (Maidenhead) Limited trading as Kempton Carr Croft

Purpose of Valuation

The valuation is for secured lending purposes. Where you have explained to us that the valuation is required for your use in a particular secured lending transaction, we consent to its use solely for that purpose. Where you have not instructed us as to the purpose for which the valuation is required, we consent to its use only in a single secured lending decision.

Valuation Standards

This valuation will be prepared in accordance with the most recent RICS - Global Standards (The Red Book Global Standards), 31st January 2020.

Basis of Valuation

The Market Value (MV) will be the Basis of Valuation in accordance with the RICS Valuation Standards.

Valuation Date

The Valuation date will be the date of inspection.

Conflict of Interest

We are not aware that any conflict of interest exists, however if such a conflict does exist or is found to exist we will advise you immediately.

Valuer

The surveyor is competent to undertake the valuation and is in a position to provide an objective and unbiased valuation having no material connection or involvement with the subject property of the assignment or the party commissioning the assignment.

Extent of Investigations

Any limitations or restrictions on the inspection, enquiry or analysis for the purposes of the valuation assignment shall be set out in our report but otherwise we will, where possible, undertake an internal and external inspection of the property. Inspections will neither include areas which are locked or inaccessible for whatever reason, nor area or features which are covered or unexposed. External inspections will be from ground level only and will again be limited to those areas which can reasonably be accessed without recourse to ladders or other aids.

We will not provide a building survey, any environmental audits or investigations, any planning searches (although we will undertake informal planning enquiries), an EPC assessment (although we will have regard to an existing EPC ratings assessment if available), an asbestos survey or register, an assessment under the Equality Act or a formal reinstatement valuation.

Information to be provided by you

You are obliged to assist us in carrying out the services set out in this agreement especially by supplying the required information and documentation on time. We will rely upon this information supplied and unless otherwise agreed we will assume that such information is accurate and can be verified.

Property Measurement Standards

The property will be measured in accordance with the RICS Property Measurement Standards (IPMS) as the primary method of measurement.

Scope of Report

We confirm that the valuation will be undertaken in accordance with the IVS, the scope of which will conform to VPS3 of The Red Book.

Fee

Our fee is £1,800.00 exclusive of VAT and inclusive of disbursements. As agreed, our fee will be payable by the applicant prior to undertaking the inspection.

Cancellation fees

All cancellation requests should be made in writing. We reserve the right to charge a fee in the event of a cancellation for whatever reason which will vary according to the notice given as follows:

More than 48 hours before the time of the property inspection: no cancellation fee is payable.

Less than 48 hours but more than 24 hours before the time of the property inspection: a cancellation fee of 50% of the agreed fee for the Report and Valuation is payable and a new fee will be required to secure a replacement booking.

Less than 24 hours before the time of the property inspection: a cancellation fee of 100% of the agreed fee for the Report and Valuation is payable and a new fee will be required to secure a replacement booking.

Changes to Contract

All changes and extensions to this contract must be concluded in writing.

Professional Indemnity Insurance

We confirm that Kempton Carr Croft holds sufficient Professional Indemnity Insurance in respect of this Valuation (a copy of our PII Certificate is available upon request).

Limitation of Liability

The RICS recommends the use of liability caps to members as a way to manage the risk in valuation work. Our aggregate liability arising out of, or in connection with, this agreement and/or our valuation report produced under the terms of this agreement, whether arising from negligence, breach of contract or any other cause whatsoever, shall in no event exceed . This clause shall not exclude or limit our liability for actual fraud, and shall not limit our liability for death or personal injury caused by our negligence.

Contracting Entity

For the avoidance of doubt, any report produced under this agreement is provided by us as a corporate entity and accordingly no director, member, employee or consultant of Kempton Carr Croft assumes any personal responsibility for it, nor shall owe a duty of care in respect of it. You agree that you will not bring any claim against any such individuals personally in connection with our services.

Proportionate Liability

If you suffer loss as a result of our breach of contract or negligence, our liability shall be limited to a just and equitable proportion of your loss having regard to the extent of responsibility of any other party. Our liability shall not increase by reason of a shortfall in recovery from any other party, whether that shortfall arises from an agreement between you and them, your difficulty in enforcement, or any other cause.

Third Party Reliance

Any report that we provide to you under this agreement is provided for your benefit alone and solely for the purposes of the instruction to which it relates. It will be confidential to you and your professional advisers. Our report or any part of its contents may not, without our written consent, be used or relied upon by any third party even if that third party meets the whole or any part of the costs of this instruction, or is permitted to see a copy of our report.

Should we be asked to extend the reliance on our Valuation to another party/parties we will give consideration into doing so to named parties (but shall have no obligation to do so), subject to the agreement of our additional fees and the main party/parties signing a letter of reliance issued by us. Any such third party is deemed to have accepted the terms of our engagement.

Publication

Neither the whole, nor any part of our Report and Valuation, nor any reference thereto may be included in any published document, circular or statement, or published in any way, without the Valuer's written approval of the form and context in which it may appear. Such consent is required whether or not Kempton Carr Croft is referred to by name and whether or not the contents of our Report and valuation are combined with others.

Such publication of, or reference to, the Report and Valuation may not be made unless it contains a sufficient contemporaneous reference to any Special Assumptions set out therein or Departures from the RICS Valuation – Global Standards.

Governing Law and Jurisdiction

Our contract with you for the provision of this valuation is subject to English law. Any dispute in relation to this contract, or any aspect of the valuation, shall be subject to the exclusive jurisdiction of the Courts of England and Wales, and shall be determined by the application of English law, regardless of who initiates proceedings in relation to the valuation.

Standard Terms and Conditions

Our Standard Terms and Conditions are appended to this letter and shall apply to our agreement, but the terms of this letter shall prevail where there is any inconsistency.

Complaints Procedure

We are required to notify you that we have a Complaints Procedure and a copy is available upon request.

RICS Review

We are required to draw to your attention the fact that the Royal Institution of Chartered Surveyors may review all documentation relating to our valuation to ensure compliance with their standards.

If, after having read the aforementioned, you are in agreement with the terms stated herein, please sign this letter and appendix.

We are happy to answer any questions that you may have regarding the aforementioned and look forward to receiving a signed returned copy.

Yours faithfully

Kempton Carr Croft

ACCEPTANCE OF TERMS

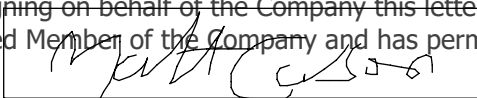
I/We confirm our instructions to Kempton Carr Croft to proceed to act for the lender in line with the terms outlined above

Signed:

A handwritten signature in black ink, appearing to be 'M. A. Croft', enclosed within a rectangular box.

~~When signing on behalf of the Company this letter is addressed to above, the signatory confirms he/she is an authorised Member of the Company and has permission to sign on its behalf.~~

Signed:

A handwritten signature in black ink, appearing to be 'M. A. Croft', enclosed within a rectangular box.

Standard Terms and Conditions of Engagement for Valuation Services

1) INTERPRETATION

i) In these Terms:

- a) "Agreement" means the agreement between the Client and KCC for carrying out the Service, incorporating the Terms and the Engagement Letter. "Valuation Standards" means the RICS Valuation Guidance as set out within the RICS Red Book - Global.
- b) "Client" means the person to whom KCC is to provide services in accordance with the Terms and includes the person to whom the Engagement Letter is addressed.
- c) "Director" means any person whose title includes the word 'director' whether or not a statutory director.
- d) "Engagement Letter" means the letter or proposal document sent out by KCC to the Client setting out the basis on which it will carry out the Service.
- e) "Force Majeure" means any circumstances beyond the reasonable control of KCC including, without limitation, war or threat of war, actual or threatened terrorist activity, any form of industrial action, disaster, adverse weather, act of God or act of governmental or other regulatory bodies.
- f) "KCC" means Kempton Carr (Maidenhead) Limited trading as Kempton Carr Croft whose registered office is at Chatsworth house, 29 Broadway, Maidenhead, Berks, SL6 1LY.
- g) "KCC Report" means the written advice and report(s) provided to the Client by KCC under this Agreement.
- h) "Property" means the property identified in the Engagement Letter and any agreed variation to the Engagement Letter.
- i) "RICS" means the Royal Institution of Chartered Surveyors.
- j) "Service" means the service to be performed or procured by KCC under the Agreement.
- k) "Terms" means the terms and conditions set out in this document and includes any other terms and conditions set out in the Engagement Letter or any other letter or document from KCC accompanying, supplementing or varying the Terms.

ii) In these Terms:

- a) A reference to "writing" includes electronic mail;
- b) A reference to any provision of a statute or regulation shall be construed as a reference to that provision as it is in force at the relevant time taking account of any amendment, re-enactment, extension or repeal.
- c) Except where the context otherwise requires, words denoting the singular include the plural and vice versa, words denoting any gender include all genders and any reference to a "person" includes an individual, firm, corporation and/or other legal entity.
- d) References to a numbered condition are to that condition in these Terms.
- e) The headings are for convenience only and shall not affect the interpretation of these Terms.

2) GENERAL

- i) The Agreement shall be made when the Client receives a copy of the Terms or gives instructions to KCC, whichever shall be the later,

and shall be subject to the Terms, which shall also apply to all or any part of the Service carried out prior to such date.

- ii) KCC shall perform all Services on the basis of the Terms only, which shall apply to the exclusion of any other terms and conditions which the Client may seek to impose.
- iii) No variation of the Terms or the Engagement Letter shall be binding unless previously agreed in writing by a Director of KCC and in entering into the Agreement the Client acknowledges that it has not relied on any statement, promise or representation which has not been confirmed in writing by a Director of KCC.
- iv) In the event of any ambiguity or conflict between any of the documents comprising the Agreement, the Engagement Letter shall take precedence over any of the other Terms.
- v) Nothing in the Agreement shall confer or purport to confer on any third party any benefit or right to enforce any terms of the Agreement. No term of the Agreement shall be enforceable under the Contracts (Rights of Third Parties) Act 1999 by a person who is not a party to the Agreement, although this shall not affect any right or remedy of any third party which exists or is available other than under such Act.
- vi) KCC's duties under the Agreement shall be limited to those set out in the Terms.
- vii) KCC shall be entitled to accept and act on any instruction given to KCC by any person who is an employee of, or advisor, to the Client.
- viii) If any provision of the Terms shall become or be declared illegal, invalid or unenforceable for any reason such provision shall be divisible, and shall be deemed to be deleted, from the Terms.
- ix) Nothing in this condition 2 shall exclude or limit KCC's liability for fraud or fraudulent misrepresentation.
- x) The Client shall provide its authority, instructions or information required to KCC promptly.
- xi) It is a condition of the Client's agreement with KCC that (save where KCC instructs independent experts, consultants or other third parties on the Client's behalf) the duties and responsibilities owed to the Client are solely and exclusively those of KCC and that no employee of KCC shall owe the Client any personal duty of care or be liable to the Client for any loss or damage howsoever arising as a consequence of the acts or omissions of such employee (including negligent acts or omissions) save and to the extent that such loss or damage is caused by the fraud, dishonesty, wilful misconduct or unauthorised conduct on the part of such employee.

3) SERVICE

KCC shall seek to provide a service in a proper professional manner and shall perform the Service with reasonable care and skill. The Service shall, however, be provided on the basis that:

- i) KCC reserves the right to carry out instructions in accordance with such procedures, principles or methodologies as KCC deems to be appropriate. Where appropriate, KCC shall comply with the relevant Practice Statements and Guidance Notes published by the RICS and measurements shall be undertaken in accordance with the relevant Code of Measuring Practice published by the RICS.
- ii) Estimates of times for performance of all or any part of the Service have been made upon the basis of information available to KCC at the time and are approximate only so that KCC shall not be bound by any such estimate.
- iii) KCC may, if it considers it appropriate, secure performance of any or all Services by instructing one or more other persons (whether as sub-contractor or in any other capacity) upon such terms as KCC considers appropriate. In circumstances where KCC secures the performance of another person, no additional fee shall be payable by the Client in the absence of prior agreement to such additional

fee but the Client shall be liable to pay all fees and other sums payable to KCC as if all Services had been performed by KCC.

- iv) The Client shall provide KCC (or ensure that KCC is provided) with details of any other consultants or contractors appointed or to be appointed by the Client relevant to the Service.
- v) If KCC is instructed to act as an Independent Valuer then the meaning and understanding of the term Independent Valuer shall be that KCC will exercise independence, integrity and objectivity when undertaking the Service in accordance with the Valuation Standards but KCC shall not be under any obligation to conform to any statutory or regulatory description given to the term Independent Valuer or the Client's definition or understanding of Independent Valuer unless KCC agrees with the client in writing prior to the instruction that any such other meaning shall apply.

4) THE PROPERTY

i) Information

The Client warrants, represents and undertakes to KCC that (save as specifically notified to KCC by the Client in writing):

a) KCC shall be entitled to rely upon information and documents provided by or on behalf of the Client including those relating to matters such as Health & Safety, the Asbestos Register and details of tenure, tenancies, use, contamination, building costs, costs of development, town planning consents and building regulation consents, historic or projected future trading accounts and the like as being, to the best of the Client's knowledge, information and belief, accurate and not misleading (either on their face or by inference or omission) and the Client shall advise KCC and shall instruct any advisor to inform KCC in the event that the Client and/or any advisor receives notice or becomes in any other way aware that any information given to KCC is or may be misleading or inaccurate.

b) It shall provide legible true copies of any relevant documents reasonably required by KCC.

c) It shall make arrangements for the inspection of or attendance at the Property by KCC on reasonable notice in order to carry out the Service.

d) If the Client instructs KCC to re-value the Property without inspection KCC will assume that no material changes to the physical attributes of the Property and the area in which it is situated have occurred and the Client has provided information of changes in rental income from investment properties and any other material changes to the non- physical attributes of each property such as lease terms, planning consents, statutory notices etc.

e) If the Client instructs KCC to undertake a critical review of a valuation prepared by another valuer and if KCC agrees in writing to do so then the Client shall undertake to provide KCC with full details of the first valuer's instructions so that KCC is in possession of all of the facts and information including the terms of instruction, circumstances and reasons for the first instruction so that KCC are able to undertake a critical review and the Client shall not publicise, discuss with third parties or refer to any critical review carried out by KCC in any documents or circular or otherwise without the express authority from KCC in writing.

ii) Assumptions

Except where disclosed to KCC in writing, KCC shall be entitled to assume the following as appropriate:

a) Opinions of value shall be provided on the basis of "Market Value" or "Market Rent" as defined in the Practice Statements and Guidance Notes published by the RICS and in accordance with the Valuation Standards unless otherwise agreed in writing between KCC and the Client and, unless specifically notified by the Client to KCC and agreed in writing by KCC, KCC shall not be under any obligation to identify or take into account any marketing constraint

such as if the Property cannot be freely or adequately exposed to the market or if the Property is subject to an inherent defect or constraint whether or not such circumstance or constraint is actual, anticipated or hypothetical and KCC shall not be required to take into account any time limit for disposal without adequate explanation from the client of the reasons for such a constraint.

b) There are no tenant's improvements which would materially affect KCC's opinion of the value of the Property unless otherwise advised. KCC shall not take account of any item in the nature of the tenant's fixtures and fittings, improvements, plant equipment, and machinery and KCC may (without any obligation to do so) make any reasonable assumptions to identify if any fixtures and fittings are part of the Property and which would pass, with the Property, on reversion, back to the landlord or on any sale and that all such tenant's improvements or fixtures and fittings have all necessary consents and are not subject to any onerous conditions.

c) There are no restrictive covenants or encumbrances or unduly onerous or unusual easements, covenants, restrictions, outgoing or conditions attaching to the Property or unusual terms in any relevant documentation or notices or procedures (including compulsory purchase orders) served, issued or threatened or any other matters whatsoever full information about which have not been supplied and brought to KCC's attention in writing and which would materially affect KCC's opinion of the value of the Property and that the Property has good marketable title.

d) The Property has the benefit of full planning consent or established use rights and building regulations approval.

e) The Property is not contaminated or potentially contaminated and, unless specifically instructed, KCC shall not undertake any investigation into the past or present uses of either the Property or any adjoining or nearby land, to establish whether there is any potential for contamination from these uses and shall assume that none exists.

f) KCC may rely on all data provided to it, or stated on any publicly available websites, in respect of any EPC affecting the property. KCC shall be under no obligation to establish if any EPC is accurate or current. In the event that no EPC is available KCC shall assume that the Property meets the minimum requirements of the legislation and that there will be no adverse impact on value and marketability.

g) The Property (including, without limitation, all means of access and egress, which shall be assumed to be freely available, to and from the same and all plant and/or machinery or substances located in or at the Property and provided for the use of any person) has been properly maintained and is in good repair and condition and that any obligation concerning repair, maintenance, decoration or reinstatement have been complied with in accordance with all and any necessary statutory or other regulations and requirements and, without prejudice to the generality of the foregoing, is safe and without risks to health. KCC may at its discretion reflect any readily apparent defects or items of disrepair noted during its inspection in valuations but the Client shall not rely on this to assume either that the Property is free from defect or that KCC have in any way quantified the extent of any repair;

h) The Property complies with all relevant statutory requirements including Fire Regulations.

i) KCC's valuations shall reflect the state reached in construction and the company's costs at the date of valuation, having regard to the obligations of parties involved in the development only to the extent that any costs or estimates which have been prepared by the Client's

j) professional advisors are made available to KCC and KCC shall not be liable for any error or inaccuracy arising directly or indirectly from such information and shall not be under any duty to advise concerning the accuracy or relevance of such information:

(1) Except where specifically stated otherwise, KCC shall assume that the Property is subject to normal outgoing and that where

relevant any tenant(s) are responsible for repairs, the cost of insurance and payment of rates and other usual outgoings, either directly or by means of service charge provisions.

(2) Unless specifically requested, KCC shall not make enquiries as to the financial standing of actual or prospective tenants although KCC shall reflect the general market's perception of a tenant's status in its valuation. KCC shall assume, unless advised in writing, that tenants are capable of meeting their financial obligations under the lease terms and that there are no arrears of rent, service charge or other relevant payments or undisclosed breaches of covenants.

(3) In the valuation of portfolios KCC shall value each Property separately and not as part of the portfolio. Accordingly, KCC shall make no allowance, either positive or negative, in the aggregate value reported to reflect the possibility of the whole of the portfolio being put on the market at any one time.

(4) KCC shall be entitled to make such special assumptions ("Special Assumptions") as are necessary to provide the Client with the opinions of value requested by the Client. Any Special Assumptions made shall be agreed with the Client and set out in the Engagement Letter and shall be stated in the valuation report prepared by KCC.

iii) Other matters

Unless otherwise stated in the Engagement Letter:

a) KCC shall not be responsible for making any local search or other enquiries of local or any other authorities, including town planning enquiries or investigation of title regarding the Property, which shall be the Client's sole responsibility, and KCC may rely on any such information provided by the Client or the Client's advisors without further enquiry. If KCC shall make oral or other enquiries regarding the Property to third parties, the results of such enquiries shall not be relied on by the Client.

b) Subject to agreement of the terms of any subsequent instruction, KCC shall not be responsible for making any structural or site survey or audit of the Property such as may be required under the Equality Act 2010 or Control of Asbestos Regulations 2012 or for testing any services to or on the Property, including the availability of broadband or other communications or information technology infrastructures.

c) Any advice, approval or representation made by KCC or any person on behalf of KCC regarding the legal meaning or effect of any lease or contract shall not be relied on by the Client and such advice shall be limited to matters upon which it is suitable for a Chartered Surveyor to advise and shall not constitute advice regarding legal interpretation or drafting issues. Unless otherwise agreed in writing between the Client and KCC, KCC shall not be obliged to advise upon the interpretation or drafting of any draft agreements, leases or other legal or technical documents.

d) KCC shall not be responsible for advising in respect of, or effecting the service of, any notice required to be given under statute or under the provisions of any contract or lease or otherwise and shall not be liable for advice, interpretation or compliance with any time periods or other provisions under statute, regulation (including the Civil Procedure Rules for the time being) or provided for in any contract or lease including any notice of appeal or for making payments or carrying out any other actions in accordance with such time periods.

e) There are no facts known to the Client which ought to be brought to the attention of KCC to enable it to ensure that access to the Property by any person is safe and without risks to health.

f) KCC shall exclude and shall not be required to take into account any work in progress stock in trade and shall not be required to take into account or be responsible for the interpretation of accounts, turnover figures or other financial or information relating to trade.

g) No allowance shall be made for any liability for payment of Corporation Tax, Capital Gains Tax, Stamp Duty Land Tax or any

other property related tax whether existing or which may arise on development or disposal, deemed or otherwise. Valuations shall be deemed to be exclusive of Value Added Tax.

h) KCC shall not be under any duty to carry out conflict checks in relation to any third party (such as related companies) other than the Client or any other relevant party notified in writing by the Client to KCC.

i) Valuations shall not reflect any element of marriage value or special purchaser value which could possibly be realised by a merger of interests or by sale to an owner or occupier of an adjoining property, other than in so far as this would be reflected in offers made in the open market by prospective purchasers other than the purchaser with a special interest unless KCC shall make a Special Assumption in this regard.

j) All valuations are given without adjustment for capital based government grants received, or potentially receivable, at the date of valuation or at some future date.

k) Unless the Client shall specifically commission a formal survey with relevant obligations and KCC accept such instruction on terms to be agreed, KCC shall not be under any obligation to take into account any aspect arising from the condition of the Property including any benefit or liability in respect of dilapidations and no advice or representation concerning the condition of the Property shall be relied on by the Client or any third party.

l) whilst KCC shall endeavour to treat all information which is relevant to the Client's instruction as confidential, KCC may at its sole discretion provide any information to other professionals or third parties as is usual practice and, in any event, KCC may be required to provide such information to a court or tribunal or to the other party in any proceedings.

m) Unless the Client shall specifically commission a formal management arrangement with relevant obligations and KCC accept such instruction on terms to be agreed, the Client shall remain responsible for the insurance of the Property and for notifying its insurers should the Property become vacant. KCC shall not be responsible for the management, security or deterioration of the Property or, except in respect of death or personal injury caused by the negligence of KCC or its employees or agents, for any other like matter or loss however caused. If the keys for the Property are held by KCC then the Client shall be deemed to have given authority to KCC to supply keys to any persons who wish to inspect the Property or carry out works or inspections at the Property and KCC shall accept no responsibility for the action of such persons. The Client shall effect and maintain full insurance cover against any claim that may be made by KCC or any representative or employee of KCC or by any third party in respect of any loss, damage or injury however caused arising directly or indirectly under or in respect of the Agreement.

n) KCC shall not be under any obligation to arrange for any investigations to be carried out to determine whether or not any deleterious or hazardous materials have been used in construction of the buildings or have since been incorporated and KCC shall not therefore, be in a position to report that the Property is free from risk in this respect. Unless KCC are advised by the Client in writing, and subject to KCC's sole discretion, KCC's valuations shall be made on the assumption that such investigations would not disclose the presence of any such materials to any significant extent but this shall not be relied on by the Client as any indication that the Property is free from risk.

o) KCC shall not be under any obligation to carry out or commission a site investigation or geographical or geophysical survey in order to determine the suitability of ground conditions and services, nor shall KCC undertake archaeological, ecological or environmental surveys. Unless otherwise advised KCC assume, but can give no assurances, that the ground has sufficient load bearing strength for the existing structures or any structures proposed or considered. Where development is contemplated, KCC assume that no extraordinary expenses or delays will be incurred during the

construction period, due to any adverse ground conditions or archaeological matters.

5) TERMS OF PAYMENT

- i) Unless otherwise stated in the Engagement Letter the Client shall be liable to pay KCC its remuneration or a due proportion of its remuneration at intervals to be determined by KCC or in the absence of such determination or on completion of the Service at KCC's discretion. Payments are due on issue of the invoice and the final dates for payment by the Client shall be 14 days from the date of issue of the invoice.
- ii) KCC shall be entitled to submit accounts for expenses at the time when incurred or ordered by KCC and such accounts shall be payable by the Client whether or not the Client withdraws its instructions. Accounts for expenses are due for settlement on presentation. Alternatively KCC may arrange for the suppliers to invoice the Client directly for services supplied.
- iii) VAT will be payable where applicable at the prevailing rate on all fees and expenses.
- iv) KCC reserves the right to charge the Client interest (both before and after any judgement) on any unpaid invoice at the rate of 8% per annum above the base lending rate of the Bank of England calculated on a daily basis from 14 days after the date of its invoice up to and including the date of settlement in full.
- v) If any sum due to KCC from the Client remains unpaid for more than 30 days after the date of the invoice KCC shall be entitled to suspend all further work for the Client until the outstanding sum is paid to KCC in full. In these circumstances KCC shall not be liable for any delays, losses or expenses resulting from such suspension.
- vi) The Client shall not withhold any payment after the final date for payment of any sum due unless notice is provided to KCC in writing by the Client not less than seven days before the final date specifying the amounts to be withheld and the reasonable grounds for withholding payment or if there is more than one ground, each ground and the amount attributable to it.
- vii) Where there are two or more clients in the case of a joint or multiple instruction by multiple parties invoices for an appropriate share of any fees or expenses as determined in KCC's sole discretion shall be issued to all or any client simultaneously or otherwise and each client shall be jointly and severally liable for the full amount of KCC's fees or expenses in the event that payment is not received from one or more clients.

6) FEES AND EXPENSES

- i) Fees shall be charged at the rate set out in the Engagement Letter or as otherwise agreed in writing between KCC and the Client. In the event of a change in the scope of the Service or KCC being required to carry out additional Services, KCC reserves the right to charge an additional fee.
- ii) In addition to the fees referred to in Condition 6)i) the Client shall be responsible for all fees and expenses incurred or ordered in respect of the Property, which may include without limitation advertising, brochure production, printing of particulars, photography, mailing, digital marketing expenses, administration, Anti-Money Laundering checks, on site representation, sign boards, travelling, mileage, messenger delivery and copying of documents and plans. Expenses shall be passed on to the Client at gross cost unless otherwise stated in the Engagement Letter. KCC shall be entitled to retain any discounts or commissions which are available or paid to KCC in order to offset administrative expenses.
- iii) If, in connection with the service, the resolution of a dispute with a third party is referred to an adjudicator, arbitrator, expert, mediator, court or tribunal, all costs in connection with such referral shall be the sole liability of the Client and shall either be paid directly by the Client or be recharged to the Client as an expense and the Client shall indemnify KCC in respect of any liability or loss in such matters.

7) INTELLECTUAL PROPERTY

- i) Ownership in any information, documents or other material provided by the Client to KCC in relation to the Property or Services shall remain the property of the Client ('Client Material') and KCC is granted a perpetual royalty free licence to use, copy, adapt and modify such Client Material for the purposes of performing the Services and for the purposes of advertising or promoting KCC and its business.
- ii) Ownership of all materials, know-how, developments, reports, forecasts, drawings, accounts and other documents originated by KCC in relation to or arising out of the Service shall belong to KCC.
- iii) KCC shall grant the Client a perpetual royalty free licence to use the KCC Report. The Client may not use the whole, or any part of the KCC Report, or any reference to it in any published document, circular or statement, without KCC's written approval of the form and context in which it shall appear. Such approval is required whether or not KCC is referred to by name and whether or not the reports are combined with others.
- iv) If at any time the Client is in default of payment of fees or other amounts properly due under this Agreement, KCC may suspend the Client's licence to the KCC Report. At KCC's discretion, the licence may be resumed on receipt of all outstanding amounts.

8) INDEMNITY

- i) The Client shall indemnify and keep indemnified KCC from and against all and any liability, losses, damages, penalties, fines, costs and expenses (including legal costs and expenses) suffered or incurred by KCC arising out of or by virtue of:
- ii) The breach by the Client of any of its obligations under the Terms, or;
- iii) The Client's instructions to KCC other than any losses, damages, costs and expenses arising by virtue of the wilful default of KCC or its employees or agents.

9) LIMITATION AND LIABILITY

- i) Except where KCC has entered into a specific agreement with a third party, the KCC Report is provided solely for the purpose of the Service and to the Client. Should the Client disclose any part of the KCC Report to any third party the Client shall notify such third party in advance of the disclosure and in writing that KCC does not owe a duty of care to such third party. The Client shall indemnify KCC and hold KCC harmless against all liabilities, costs, expenses, damages and losses suffered or incurred by KCC arising out of or in connection with such disclosure by the Client.
- ii) In the event of a proposal to place any loan secured over the Property in a syndicate, the Client must (i) notify KCC of such proposal, ii) disclose the identity of the parties participating in the syndicate to KCC, and iii) obtain KCC's written consent (which may be subject to the inclusion of alternative or additional terms) for such parties to rely on any of KCC's valuations, reports and any other advice or information resulting from the Client's instruction.
- iii) Nothing in this Agreement shall limit KCC's liability for death and/or personal injury caused by KCC.
- iv) Subject to clause 9)iii) above, the aggregate liability of KCC to the Client whether arising from negligence, tort, breach of contract or other obligation or duty or otherwise shall be limited to one million pounds sterling (£1,000,000).
- v) Subject to clause 9)iii) above, KCC shall not be liable for any claim to the extent that such claim is or can be characterised as a claim for (or arising from):
 - a) Loss of revenue or profits;
 - b) Loss of business opportunity or loss of contracts;
 - c) Loss of goodwill or injury to reputation;

- d) Indirect, consequential or special loss or damage; or
- e) Anticipated savings.

- vi) All risks and/or liabilities in relation to toxic mould, deleterious materials, contamination, radon gas, HAC or calcium chloride shall remain with the Client and the Client shall take such steps as it deems necessary to insure against or otherwise address such risks and liabilities.
- vii) KCC is not qualified to and will not provide any advice or services in connection with asbestos. The Client acknowledges that all risks relating to asbestos howsoever arising remain with the Client who shall take such steps as it deems necessary to address such risks. If appropriate the Client will arrange for the appointment by the Client of specialist asbestos consultants.
- viii) In the event of the Client engaging KCC together with other advisers, service providers and/or suppliers engaged by the Client or any other third party in relation to the Property, KCC's liability shall, in addition to the limitations contained in this clause 9) above, be limited to that proportion of any loss or damage suffered by the Client as it would be just and equitable for KCC to bear having regard to KCC's responsibility for it and on the basis that all other advisers, service providers and/or suppliers shall be deemed to have paid such proportion of the relevant loss or damage suffered by the Client which is just and equitable for them to have paid having regard to the extent of their respective responsibilities.
- ix) KCC will not advise on capital allowances in performance of the Services and will not be liable for any liability, losses, damages, penalties, fines, costs and expenses suffered or incurred by the Client or any other Third Party in respect of capital allowances. Insofar as KCC are liable for any capital allowances incurred as a result of the performance of the Services the indemnity set out in clause 8) shall apply.

10) REINSTATEMENT COST ESTIMATES

In the event that the Client requires an estimate of the cost of reinstating any building or structure, for insurance purposes the following terms shall apply:

- i) The Reinstatement Cost assessment is an estimate provided on an informal basis only and should not be relied upon for the purposes of placing insurance cover on the property. Should a Reinstatement Cost Assessment be required to enable an insurance policy to be placed, KCC Building Consultancy Division must be separately instructed to undertake such an assessment.
- ii) The Reinstatement Cost assessed for insurance purposes shall be a "Day One" valuation and shall not include an allowance for inflation and or design/procurement periods etc.
- iii) KCC shall assume that the policy is on an indemnity basis with a fully operative reinstatement clause, no special conditions, an instantaneous basis of value and shall have no regard to any variation in building costs subsequent to the date of KCC's informal assessment. KCC's assessment will be based on the assumption that the reconstruction of any premises, to provide similar or new accommodation, will be permitted by the appropriate authorities with no undue restrictions.
- iv) KCC will exclude tenant fit-out and or fixtures and fittings, Value Added Tax, loss of rent, extra costs of working or other consequential losses, local authority requirements and party wall works. Further, KCC's assessment shall exclude any land remediation and special contaminated waste costs. However, the figure will be inclusive of professional fees, demolition and site clearance.
- v) KCC shall assume that VAT is chargeable on professional fees and building works to new and existing premises.
- vi) KCC will not carry out a structural survey and KCC's assessment will be prepared on the assumption that ground conditions will not give rise to the need for any specialist or unduly expensive constructional

techniques (specialist foundations etc) unless KCC is otherwise advised by the Client. In addition, the removal of hazardous materials, if any, shall be excluded from the informal assessment.

11) TERMINATION OF INSTRUCTIONS

- i) The instruction from the Client to KCC may be terminated by the Client by giving not less than 30 days' notice to KCC in writing to KCC whereupon KCC shall be entitled to charge (at KCC's option):
 - a) A fair and reasonable proportion of the full fee which would have been payable if the work had been carried through to a conclusion and as if KCC had become entitled to payment in accordance with conditions 5) and 6) above, or
 - b) A reasonable sum for all the work undertaken up to and including the date of termination based on quantum meruit; or
 - c) The fee as KCC are entitled to under conditions 5) and 6) together in each case with any expenses already incurred.
- ii) The instruction from the Client to KCC may be terminated by KCC on the following terms by giving not less than 30 days' notice in writing:
 - a) If, as a result of circumstances outside the control of both parties, it becomes impossible to perform the Services within a reasonable period. In these circumstances the Client shall pay to KCC a fee for all work which has been done up to and including the date of termination on a quantum meruit basis; or
 - b) If the Client has made it impossible to complete the instruction within a reasonable period or has not made payment by the due date of any sum payable by the Client to KCC. In these circumstances the Client shall pay to KCC the full fee which would have been charged as if the work had been carried through to a conclusion (plus any expenses already incurred); or
 - c) The fee as KCC are entitled to under conditions 5) and 6) together in each case with any expenses already incurred.
- iii) Any outstanding fees and expenses due to KCC shall be paid in full by the Client on or before the expiry of the notice period for termination of instructions. For the avoidance of doubt in the event of termination of instructions, whether by KCC or by the Client, KCC shall not be liable to repay the Client any fees and expenses previously paid by the Client to KCC.
- iv) Where any fees are to be charged on a quantum meruit basis such fees shall be calculated by reference to KCC's hourly charges from time to time, details of which are available from KCC on request.
- v) Notwithstanding the provisions of clauses i) and ii) above KCC shall be entitled to terminate an instruction from a client without notice if required to do so for statutory or regulatory reasons.

12) COMPLAINTS

- i) KCC aims to carry out any instructions received from the Client in an efficient and professional manner. KCC, therefore, hopes that the Client will not find cause for complaint but recognises that in an isolated circumstance there may be complaints. These should be addressed initially to the Head of KCC office dealing with the instruction.
- ii) KCC adopts the complaints handling procedures that are required by the RICS, a copy of which is available from KCC on request.

13) ASSIGNMENT

- i) KCC may assign the Agreement without the consent of the Client.
- ii) The Agreement is not assignable by the Client without the prior written consent of KCC.

14) DATA PROTECTION

- i) We collect and process your personal information. All information will be processed in accordance with the applicable data protection laws in the United Kingdom including the laws and regulations of the European Union such as the General Data Protection Regulation (GDPR), the European Economic Area and their member states, applicable to the processing of Personal Data and the interception of communications in place from time to time (Data Protection Laws).
- ii) Full details of how we process your information can be found on our website <https://www.kemptoncarr.co.uk/privacy-notice/>. Printed copies of our privacy notice are available on request.
- iii) Where we receive personal data from any prospective purchaser or tenant of the Property, we shall only use that data for the purposes of your instructions and shall comply with Data Protection Laws.

15) MONEY LAUNDERING REGULATIONS

- i) Client identification

As with other professional service firms, KCC is under stringent requirements to identify its clients for the purposes of the anti-money laundering legislation. KCC is likely to request from you, and retain, some information and documentation for these purposes and/or to make searches of appropriate databases. If satisfactory evidence of your identity is not provided within a reasonable time, there may be circumstances in which KCC is not able to proceed with the required services.

- ii) Money laundering reporting

a) Some of KCC's work falls into the regulated sector under the Proceeds of Crime Act 2002 and, as such, we are required to report all knowledge or suspicion (or reasonable grounds for knowledge or suspicion) that a criminal offence giving rise to any direct or indirect benefit from criminal conduct has been committed. Failure to report such knowledge or suspicion would be a criminal offence. This duty to report exists regardless of whether the suspected offence has been, or is about to be, committed by a client or by a third party.

b) If as part of our normal work KCC obtain knowledge or suspicion (or reasonable grounds for knowledge or suspicion) that such offences have been committed we are required to make a report to the National Crime Agency. It is not our practice to discuss the existence or otherwise of any reports with you or with anyone else, because of the restrictions imposed on us by the tipping off provisions of the anti- money laundering legislation.

c) KCC shall not be liable for any liabilities of the Client or third parties arising out of its regulatory obligations to report.

16) BRIBERY ACT 2010

We undertake that we will not engage in any activity, practice or conduct which would constitute an offence under the Bribery Act 2010, and that we have, and will maintain in place, adequate procedures designed to prevent any Associated Person (as defined in the Bribery Act 2010) from undertaking any conduct that would give rise to an offence under the Bribery Act 2010.

17) GOVERNING LAW AND JURISDICTION

The Terms, and the Agreement of which they form part, shall be governed by and construed in all respects in accordance with English Law and the parties irrevocably and unconditionally submit to the exclusive jurisdiction of the English Courts in relation to any dispute or proceedings arising out of, or in connection with, the Terms or any such Agreement but without prejudice to KCC's right to take proceedings in any other jurisdiction in order to enforce payment of any sums owed to KCC.

Our ref: Business TPVP 00016951

Your ref: Valuations of 9-11 Shirley High Street, Shirley, Southampton, Hampshire, SO15 3NJ and 16 Shirley High Street, Shirley, Southampton, Hampshire, SO15 3NH

Prime Property Investors Limited

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Dear Shaz Miah

We have been instructed by your bank or financial institution to provide a property valuation. This letter sets out Kempton Carr (Maidenhead) Limited's third party valuation payment terms and conditions, describes the scope of and limitations to the service (s) requested and sets out the cost to you.

1. Who is our client and what is our responsibility to you?

Where we are instructed to provide a valuation by a bank or other financial institution (hereinafter referred to as the "Lender") following an application by you (the "Borrower") to the Lender for a loan, finance or any other of the Lender's products or services which require us to prepare a valuation and/or valuation report you acknowledge and agree that:

- 1.1 You are not our client;
- 1.2 You are not entitled to a copy of the valuation report (without the Lender's written consent);
- 1.3 The valuation report is confidential to the Lender and its professional advisers;
- 1.4 The valuation report is provided to the Lender for the purposes of carrying out their instructions only;
- 1.5 Neither you nor any other third parties are entitled to rely upon its contents;
- 1.6 Clauses 1.3 and 1.4 apply whether or not the valuation report is disclosed to you by us or by the Lender;
- 1.7 Where you act as a consumer you agree that because you are not our client; we shall under no circumstances whatsoever be liable to you, whether in contract, tort (including negligence), breach of statutory duty, or otherwise, for any losses (including loss of profit, or any indirect or other loss) suffered by you in connection with or as a consequence of our valuation or valuation report in so far as the said losses exceed the amount you have paid to us in accordance with clause 2 of this agreement;
- 1.8 Where you act as a property investor, buy to let landlord or not as a consumer; we shall under no circumstances whatsoever be liable to you, whether in contract, tort (including negligence), breach of statutory duty, or otherwise, for any losses (including loss of profit, or any indirect or other loss) suffered by you in connection with or as a consequence of our valuation or valuation report;
- 1.9 Nothing in these terms and conditions shall limit or exclude our liability for death or personal injury caused by negligence, or the negligence of our employees, agents or subcontractors;

2. Payment and inspection

Although you are not our client you are responsible for the payment of our fees, which will have already been confirmed to you by us or the Lender.

The agreed fee for this instruction is £1,800.00 + VAT at the standard rate.

The agreed fee is due for payment immediately on receipt of invoice; upon acceptance of the terms in this letter we will forward you an invoice by email. This invoice can be paid online with the link to our secure payment portal included in the invoice email.

Please note we will not commence work until our fees are paid in full.

3. Cancellation Fees

If the Lender withdraws its instructions for us to prepare the report for any reason whatsoever at any time following payment but not less than 24 hours before a booked appointment for us to attend the site/inspect the property; we will refund the entirety of our fee to you less:

- i) £100 plus VAT at the standard rate which represents a predetermination of the amount of time spent at our hourly rate of £200 plus VAT at the standard rate, which will have been wasted or lost as a result of the cancellation; and
- ii) any and all bank charges or other expenses incurred by us as a result of having to return your money to you;

or

If the Lender withdraws its instructions for us to prepare the report for any reason whatsoever at any time following payment but less than 24 hours before a booked appointment for us to attend the site/inspect the property prior to you paying our fees we will refund the entirety of our fee to you less:

- i) an abortive fee of £200 plus VAT at the standard rate which represents a predetermination of the amount of time spent at our hourly rate of £200 plus VAT at the standard rate, which will have been wasted or lost as a result of the cancellation; and
- ii) any and all bank charges or other expenses incurred by having to return your money to you.

4. Other terms and conditions

These terms and conditions apply only in so far as they are not specifically overruled by something in any other terms and conditions that we have sent to you.

5. Severance

If any court or competent authority finds that any provision of this agreement (or part of any provision) is invalid, unenforceable or illegal, that provision or part-provision shall, to the extent required, be deemed to be deleted, and the validity and enforceability of the other provisions of this agreement shall not be affected.

If any invalid, unenforceable or illegal provision would be valid, enforceable and legal if some part of it were deleted, the provision shall apply with the minimum modification necessary to make it legal, valid and enforceable and, to the greatest extent possible, to give effect to the intention of the parties.

6. Summary of action by you

In order for us to begin work on fulfilling the valuation instruction from your bank or lender please complete the following steps:

- Sign the confirmation of instruction section at the end of the terms and conditions and return the document to us. This will confirm your acceptance of our terms.
- Pay the initial fee confirmed to you as described in paragraph 2 above. An invoice will be forwarded to you upon you accepting and returning this letter of confirmation. Your payment of the invoice will allow us to proceed with the delivery of services required.

We look forward to working with you.

Yours sincerely

Kempton Carr Croft

ACCEPTANCE OF TERMS

I/We confirm our instructions to Kempton Carr Croft to proceed to act for the lender in line with the terms outlined above

Signed:



When signing on behalf of the Company this letter is addressed to above, the signatory confirms he/she is an authorised Member of the Company and has permission to sign on its behalf.

Signed:

