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VALUATION REPORT



FS 79502



Valuation Report

515 Fulham Road, London, SW6 1HD

Prepared on behalf of Proplend Security Limited

17 March 2022

Contact details

Lender: Proplend Security Limited, 15 Little Green, Richmond TW9 1QH
Method Ltd | T: | E: admin@method-vm.co.uk | Ref: 20013

Valuer: Belleveue Mortlakes, 17 Hanover Square, Mayfair, London, W1S 1BN
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Inspection & Valuation Date: 08/03/2022

Executive Summary



Front Elevation

The executive summary below is to be used in conjunction with the valuation report to which it forms part and is subject to the assumptions, exclusions and bases of valuation stated herein and should not be read in isolation.

Address	515 Fulham Road, London, SW6 1HD
Property Type	Public House
Passing Rent	£150,000 pa
Market Rent	£125,000 pa
Market Value	£3,000,000 (Three Million Pounds)
Market Value (Restricted – 180 Days)	£2,850,000 (Two Million, Eight Hundred & Fifty Thousand Pounds)
Market Value (Restricted – 90 Days)	£2,700,000 (Two Million, Seven Hundred Thousand Pounds)
Market Value (Vacant Possession)	£2,800,000 (Two Million, Eight Hundred Thousand Pounds)

Market Value (Vacant Possession – Restricted – 180 Days)	£2,650,000 (Two Million, Six Hundred & Fifty Thousand Pounds)
Market Value (Vacant Possession – Restricted – 90 Days)	£2,550,000 (Two Million, Five Hundred & Fifty Thousand Pounds)
Building Reinstatement	£1,600,000 (One Million, Six Hundred Thousand Pounds)
Liquidity	<p>Lettings: 9-12 months <i>(assuming the property is competitively priced)</i> Sales: 6-12 months <i>(assuming the property is competitively priced)</i></p> <p>Whilst marketing periods have been somewhat protracted, since pre-COVID-19, it is not only supply/demand which is the principal driving factor causing delayed timescales. It should be noted that the efficiency and expediency of the various professions connected to a transaction has been impeded, which is also compounded by changes surround lending criteria and access to finance. Therefore, the traditional analysis of advising on marketing periods is still subject to numerous variables.</p>

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Appendices

- Appendix 1 - Instruction Documentation / General Terms of Business
- Appendix 2 - Standard Limitations & Assumptions
- Appendix 3 - Market Commentary & Economic Overview
- Appendix 4 - EPC

1. Instructions

Instructions	1.1	We refer to your instruction letter received 03/03/2022 and to our subsequent acceptance thereof, to provide a valuation report on 515 Fulham Road, London, SW6 1HD ("the property"). Copies of these documents are attached at Appendix 1 .
	1.2	This valuation has been carried out in accordance with your instruction letter, the 'model conditions of engagement between the lender and valuer' as set out in the RICS Valuation – Professional Standards incorporating the International Valuations Standards January 2020 Global Edition ('The Red Book') and our General Terms of Business for Valuations ("General Terms of Business").
Client	1.3	Our client for this instruction is Proplend Security Limited ("the Client").
Your Customer	1.4	We understand that your customer is David Pearce ("the Customer").
Valuation Standards	1.5	The Valuation has been undertaken in accordance with the RICS Valuation – Professional Standards incorporating the International Valuations Standards January 2020 Global Edition ('The Red Book').
Purpose of Valuation	1.6	Secured lending purposes.
Conflicts of Interest	1.7	In preparing this report, we confirm that we are acting as External Valuers and we are not aware of any conflict of interest in this respect.
Professional Indemnity	1.8	We confirm that we hold adequate Professional Indemnity Insurance cover in order to provide this valuation. We further confirm that Bellevue Mortgages have had no historic claims.
Third Party Reliance	1.9	This report has been prepared on behalf of our Client and no responsibility is accepted to any third party.
Disclosure & Publication	1.10	Neither the whole nor any part of this valuation report, nor any reference thereto may be included in a published document, circular or statement, nor published in any way without the prior written approval of Bellevue Mortgages of the form or context in which it may appear.
	1.11	This Report is for the use of the party to whom it is addressed and should only be used within the context of the instructions under which it is prepared and these assumptions. It may be disclosed to other professional advisers assisting in respect of that purpose. No responsibility is accepted to any third party for the whole or any part of its contents.
Valuation Date	1.12	An inspection of the property was undertaken on 08/03/2022, hereon referred to as the date of valuation.

Expertise	1.13	This report has been prepared Samir Faiad BSc (Hons) MRICS who is an RICS Registered Valuer. We also confirm that the individual carrying out this valuation has the appropriate knowledge, skills and experience to undertake the valuation competently.
Mandating	1.14	The report and valuation has been mandated by Shaf Ali BSc (Hons) MRICS as part of Belleveue Mortlakes quality assurance procedures.
Valuation Bases	1.15	The RICS definitions of Market Value and Market Rent are contained within our General Terms of Business. In accordance with your instructions, we have provided opinions of the value on the following bases:-
Market Value (MV)	1.16	The Market Value in its current condition, with the existing tenancy.
Special Assumption (1)	1.17	The Market Value in its current condition, with the existing tenancy, assuming a marketing period restricted to 180 days.
Special Assumption (2)	1.18	The Market Value in its current condition, with the existing tenancy, assuming a marketing period restricted to 90 days.
Special Assumption (3)	1.19	The Market Value in its current condition, with vacant possession.
Special Assumption (4)	1.20	The Market Value in its current condition, with vacant possession, assuming a marketing period restricted to 180 days.
Special Assumption (5)	1.21	The Market Value in its current condition, with vacant possession, assuming a marketing period restricted to 90 days.
Market Rent (MR)	1.22	The Market Rent of the property. Our letting assumptions are set out in the Valuation Section of this report.
Readers Guidance Notes	1.23	Clients should note that this valuation report should not be relied upon in isolation and should be read in conjunction with our Standard Limitations & Assumptions, copies of which are attached at Appendix 2 .
	1.24	Factual information contained within this report has been summarised, the context of each element will not be fully understood, unless it is read in conjunction with our Standard Limitations & Assumptions, which provides detailed commentary and explanation of each element of this report.
	1.25	The Standard Limitations & Assumptions set out our assumptions, restrictions, limitations and exclusions.

2. The Property

Situation / Location	2.1	The subject property is located along Fulham Road (A304), at its junction with Britannia Road, within Fulham (London Borough of Hammersmith and Fulham); a typically densely populated South-West London district, situated approximately four miles south-west of Central London and within close proximity to the River Thames. The property is situated directly opposite the Chelsea Football Ground.
	2.2	Fulham is a typically densely populated Greater South-West London district, which benefits from good demand at both the rental and vacant possession sectors, due to its close proximity to local employment markets and good infrastructure links.
	2.3	The immediate surrounding locality is a predominantly 'medium to higher value' residential and commercial area, principally comprising mixed residential and commercial buildings of varying eras from Victorian to the present day targeted at the middle to higher income groups.
	2.4	Fulham Broadway (District Line) London Underground Station is situated nearby, offering a frequent commuter service into Central London and numerous bus routes also serve the surrounding area.
	2.5	A location map can also be found within Section 8 .
Description	2.6	The subject property comprises the freehold interest in a three storey (plus basement), end-terraced building, arranged as a ground floor public house with ancillary basement space, together with staff accommodation to the upper parts, judged to have been constructed circa 1900s.
	2.7	As at the date of inspection the property was tenanted and in use as a Public House.
Construction Details	2.8	The main walls of the subject property are of solid brickwork construction, beneath a pflat roof. There were no views of the roofs owing to the height and configuration of the building.
	2.9	Floors throughout the building are of a mixture of solid concrete and suspended timber construction.
	2.10	Natural lighting and ventilation is provided by a timber framed plate glass shop frontage with single glazed timber framed windows.

General Repair & Condition	2.11	Internally, the property is in reasonably good order throughout. Externally, items of disrepair were noted; however these defects are consistent for a property of this age and type and should prove capable of remedy by routine maintenance.	
General Remarks	2.12	We note that we may have not accessed all areas of the basement, as the sections referenced in the floor plan did not appear to be apparent, albeit, we consider this to be nominal in respect of our value.	
EWS1 & External Cladding	2.13	At the time of our inspection, based on the information provided and a ground floor visual inspection of the property, we did not note any external cladding and therefore we do not consider any external remediation works are required.	
	2.14	Illustrative photographs can be found within Section 9 .	
Significant Issues	2.15	Overall, for loan security purpose, no significant defects or items requiring urgent attention were noted which would be likely to require a retention or be the subject of a condition of the mortgage advance.	
Economic Life	2.16	Subject to regular maintenance and decoration it is anticipated that the building will retain a useful economic life of at least twenty-five years.	
Services	2.17	It would appear from our inspection that mains supplies of electricity and water are provided to the property. Soil drainage is believed to be discharged to the public sewer.	
Accommodation	2.18	Basement	Storage/beer/alcohol cellar. Basement specification – no natural light, relatively dry, concrete floor, mains supply of electricity.
		Gross Internal Area	89.00 sq m (958 sq ft)
		Ground Floor	Open plan seating areas with bar/counter serving, kitchen/preparation area and separate male/female W.Cs.
		Gross Internal Area	236.50 sq m (2,546 sq ft)
		First Floor	Landing, office (with an en-suite shower/W.C), bedroom with lounge area and storage.
		Gross Internal Area	118.50 sq m (1,276 sq ft)
		Second Floor	Landing, five bedrooms (one with an en-suite shower/W.C), kitchen, utility area and a shower/W.C.
		Gross Internal Area	115.50 sq m (1,189 sq ft)
		Total Gross Internal Area	559.50 sq m (6,022 sq ft)
		External	Outside seating area to the side of the property.

3. Tenure & Tenancy

Tenure	3.1	The Office Copy provides the following information:	
	3.2	Title No.	NGL477727.
	3.3	Tenure	Freehold.
	3.4	Proprietor	Seeger Limited.
	3.5	Price / Date	£3,500,000 (7 th March 2017).
	3.6	Lenders Security/Demise	A Land Registry title plan can be found within Section 10 .

Tenancy	3.7	We have been provided with a copy of the lease, stating the property is let to 'Enterprise Inns PLC (since been changed to EI Group PLC)', by way of a thirty-five year lease from 22 nd April 2010, subject to five yearly rent reviews and a tenant break option in year twenty-five, at a passing rent of £150,000 per annum.
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4. Statutory & Legal Matters

Planning Enquiries	4.1	We have made informal enquiries with the Local Planning Authority responsible for this area, via their website.									
Use Class	4.2	Sui Generis – Public House.									
Planning History	4.3	<table border="1"> <thead> <tr> <th>Ref. No.</th> <th>Description</th> <th>Decision & Date</th> </tr> </thead> <tbody> <tr> <td>2002/00621/ADV</td> <td>Retention of 2no. internally illuminated fascia signs, 1no. externally illuminated projecting sign, and installation of eight downward facing spotlights at fascia level.</td> <td>Granted 09.05.02</td> </tr> <tr> <td>1999/01796/ADV</td> <td>Continued display of two externally illuminated fascia signs, one externally illuminated projecting sign, and three non-illuminated 'amenity boards'.</td> <td>Granted 12.01.01</td> </tr> </tbody> </table>	Ref. No.	Description	Decision & Date	2002/00621/ADV	Retention of 2no. internally illuminated fascia signs, 1no. externally illuminated projecting sign, and installation of eight downward facing spotlights at fascia level.	Granted 09.05.02	1999/01796/ADV	Continued display of two externally illuminated fascia signs, one externally illuminated projecting sign, and three non-illuminated 'amenity boards'.	Granted 12.01.01
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1999/01796/ADV	Continued display of two externally illuminated fascia signs, one externally illuminated projecting sign, and three non-illuminated 'amenity boards'.	Granted 12.01.01									
Significant Matters	4.4	For the purpose of our valuation, we presume the property benefits from planning consent for its current configuration and mode of use, however, do advise solicitors to confirm and reserve the right to amend our Valuation, accordingly.									
Planning Restrictions	4.5	The property is not listed as a building of historical or architectural importance, however, does appear to be situated within a conservation area. Therefore, special planning controls may apply.									
Highways	4.6	Adopted.									
Service Roads / Communal Areas	4.7	No.									
Rateable Value	4.8	£38,000 – Public House & Premises.									
Council Tax Band	4.9	E.									
EPC Rating	4.10	E.									

5. Environmental Considerations

Flooding Risks	5.1	Risk of Flooding From Rivers & Sea	Very Low
		Risk of Flooding From Reservoirs	Very Low Risk From Reservoirs; Brent (aka Welsh Harp Reservoir), Pen Pond Lower Lake & Pen Pond Upper Lake (Richmond), Queen Elizabeth II, Queen Mother, Serpentine, Staines North, Staines South, Wimbledon Park Lake and Wraysbury
		Risk of Flooding From Surface Water	Very Low
Contamination	5.2	From our basic enquiries and from our inspection of the property and its surroundings, we have no reason to believe that contamination is present.	
Fire Risk Assessment & Asbestos	5.3	We have not seen a fire risk assessment nor have we seen an asbestos register relating to the subject property. Please see sections 4.17 – 4.20 and 4.27 – 4.29 on appendix two of our report for further information on this matter.	
Plant Life	5.4	At the time of inspection no obvious evidence of any harmful vegetation was found on the site.	
Radon	5.5	The property is in a part of the country where there is a very low likelihood of radon posing a potential risk to health.	

6. Comparable Evidence & Market Analysis

Lettings Evidence

Address	Description	Letting Terms	Tenant	Rent Per Annum	Rent £ per sq ft	Date of Transaction	Comments
139 Philip Street, SW8 3SS	Sui Generis Public House retail unit – 2,383 sq ft	Twenty year lease, subject to five yearly rent reviews.	Queens Arms	£60,000	£25.18	April 2020	Situated in a tertiary location, although forming part of the busy locality of Battersea.
94a Crawford Street, W1H 2HQ	Sui Generis Public House retail unit – 3,452 sq ft	Twenty year lease, subject to five yearly rent reviews.	Duke of Wellington	£150,000	£43.45	January 2020	Situated within the busy and affluent locality of Marylebone.
57 St John's Street, EC1M 4AN	Sui Generis Public House retail unit – 3,174 sq ft	Twenty year lease, subject to five yearly rent reviews.	White Bear	£91,000	£28.67	July 2019	Situated along a superior trading location, although, we find the rent to be lower than usual market levels, for the location.
2 Elystan Street, SW3 3NS	Sui Generis Public House retail unit – 3,810 sq ft	Twenty year lease, subject to five yearly rent reviews.	Wild Tavern	£150,000	£39.37	January 2020	Situated within the busy and affluent locality of Chelsea.
222 Durnsford Road, SW19 8DR	Sui Generis Public House retail unit – 4,564 sq ft	Fifteen year lease, subject to five yearly rent reviews.	The Woodman	£90,000	£19.72	January 2019	Situated within the neighbouring South-West London locality of Summerstown; Wimbledon.

Sales Evidence

Address	Description	Sold price	£ Per Sq Ft	Date of Transaction	Comments
118 Finborough Road, SW10 9ED	A freehold interest in a three storey, end-terraced building, comprising of a ground floor Public House/Wine Bar, first floor theatre/music venue and second floor self-contained flat, measuring approximately 4,413 sq ft.	£2,100,000	£476	January 2021	A more recent transaction, situated in a far superior location, within the affluent area of Chelsea, albeit, on a tertiary location.
128 Clapham Manor Street, SW4 6ED	A freehold interest in a two storey, end-terraced building, comprising of a ground floor public house, with a non-self-contained residential/ancillary accommodation to the first floor, measuring approximately 2,252 sq ft, sold as investment.	£1,780,000	£790	May 2021	A more recent transaction, situated within a busy location in Clapham. We understand the property was let on favourable terms to Ei Group (Stonegate Pub Company) on a long lease expiring 2051 and therefore likely reflective of a premium.
85 Strand On The Green, W4 3PU	A freehold interest in a four storey (plus basement), end-terraced building, comprising of a ground and basement public house, with ancillary restaurant accommodation at first floor and non-self-contained residential accommodation to the second and third floors, measuring approximately 5,670 sq ft.	£2,860,000	£504	December 2020	A more recent transaction, forming part of a favourable riverside locality within the Kew Bridge area of Chiswick.
The Sydney Arms, 70 Sydney Street, SW3 6NJ	A freehold interest in a three storey (plus basement), end-terraced building, comprising of a ground and basement public house, with a non-self-contained residential/ancillary accommodation to the first and second floors, measuring approximately 3,000 sq ft.	£2,730,000	£910	February 2020	A more recent transaction, situated within the affluent area of Chelsea.

Sales Evidence

Address	Description	Sold price	£ Per Sq Ft	Date of Transaction	Comments
Eel Pie, 9-11 Church Street, TW1 3NJ	A freehold interest in a three storey, end-terraced building, comprising of a ground public house, with a non-self-contained residential/ancillary accommodation to the first and second floors, measuring approximately 6,792 sq ft.	£4,120,167	£607	February 2020	Forming part of a busy riverside area, within the favourable 'Strawberry Hill' area of Twickenham.
The Bellevue, 136 Battersea High Street, SW11 3JR	A freehold interest in a three storey (plus basement), end-terraced building, comprising of a ground and basement public house, with a non-self-contained residential/ancillary accommodation to the first and second floors, measuring approximately 2,773 sq ft.	£1,540,000	£563	September 2019	Situated in a busy location, within Battersea.

Pandemic Implications

6.1 Since Coronavirus (COVID-19) was declared by the World Health Organisation as a “Global Pandemic” on 11th March 2020, travel and social interaction restrictions remain for many countries. Presently, it is too early to determine what the long term effects of COVID-19 epidemic will have on both the national economy and property market. There is still some uncertainty with regards to the impact on the UK residential and commercial property markets and has resulted in a degree of caution by investors, financial institutions, and the public. The markets will need to be monitored over several years to determine fully the impact of the epidemic on the UK.

The pandemic remains at the forefront of most news headlines, with continual economic updates and commentaries, many of which appear at times to be unclear and contradictory. Some of the principal interventions introduced by HM Treasury in an ongoing attempt to reduce the adverse economic impact of national lockdown measures that have been imposed, in various intervals, include:

- Furlough Scheme, due to end in September 2021.
- Bounce Back Loan Scheme
- Coronavirus Business Interruption Loan Schemes
- Business Rates Relief for retail, hospitality, and leisure sector.
- Value Added Tax (VAT) deferral.
- Moratorium of Statutory Demands & Possession Proceedings

The temporary interventions may have eased the potential immediate catastrophic economic impacts, but questions to a degree remain unanswerable regarding the reliance of the UK economy after these short-term solutions are phased away. In addition, the implications of BREXIT may exacerbate the current economic uncertainty.

Chancellor Rishi Sunak warns that the pandemic could deal lasting damage to growth and jobs. Official forecasts now predict the biggest economic decline in 300 years. The UK economy is not expected to not return to its pre-crisis size until the end of 2022. Government borrowing will rise to its highest outside of wartime to deal with the economic impact.

The Government reports in July 2021 that since the first introduction of the various measures aimed at supporting businesses through the adverse impact of the Coronavirus Lockdown restrictions; 1.67 million loans worth around £80 billion have been provided.

Vaccine Breakthroughs

6.2 It has become evident that increases in social interaction, and hence economic recovery, is only likely to commence upon the circulation and administration of a successful vaccine. The NHS report that by July 2021, some 53 million vaccine doses have been delivered, including the successfully tested BioNTech Pfizer and Oxford University, AstraZeneca types. The majority of the UK adult population have now received the two required doses.

The post COVID implications for society and, therefore, property remain varied. Government intervention and changing patterns of behaviour are likely to impact building use and design considerations, as well as construction operations and timescales.

Transactional Evidence, Market Commentary & Economic Overview

6.3 | In arriving at our Market Value we have, where possible, analysed the latest transactional evidence available. When considering our reported values, we have also exercised a greater degree of judgement, than would be applied under normal market conditions. An excerpt from a recent RICS Property Market Survey is included at **Appendix 3**.

The Pandemic resulted in an evolution of marketing UK real estate. At its inception on 23rd March 2020, private treaty estate agents and auctioneers, were forced to 'shut shop' momentarily. In response, many auctioneers, during the lockdown hosted virtual auctions, albeit they were unable to undertake property viewings. The very few estate agents, who operated during lockdown adjusted by offering virtual tours. As lockdown eased, it was announced on 12th May 2020 that estate agencies were permitted to re-open, following safety guidelines.

We consider, therefore, that we should attach less weight to market evidence (under-offer, exchanged or completed transactions) for comparison purposes, that were produced during this period of restricted market activity, in order to base our opinions of value. It should also be noted that within certain localised/macro markets, there may have been a lack of transactions which have occurred since 23rd March 2020 and the date of this report. In these circumstances, we will be assessing values with a greater degree of judgement having regard to market sentiment, than would be applied under more certain market conditions, where there would ordinarily have been more comparable evidence to take into consideration. For ease of reference the RICS Valuation – Global Standards 2020 defines Market Value as:

'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.'

Subsequently, there may be circumstances, surrounding a transaction/evidence which contradict the term 'proper marketing' and 'without compulsion' as defined RICS Valuation – Global Standards 2017. It should also be noted, during 23rd March 2020 and 12th May 2020 access to finance, was also relatively sparse, thus many of the transactions which occurred during this period would have been acquired by 'cash purchasers' and purchasers who may have agreed finances / mortgage offers pre-COVID-19, or purchasers who may have secured financing amongst the secondary / short-term lending arena.

Demand

6.4 | If priced correctly the property would be popular with a range of investors / developers.

Liquidity

6.5 The commercial property arena (as a whole) has seen significant shifts during the start of the Pandemic, largely influenced by the UK public adapting (to what is now considered the 'new norm'), lifestyle changes and employers / commercial premises occupiers being forced to evolve in order to continue with their respective trades. It is without doubt, that the worst affected industries include pubs, restaurants, hotel, leisure amongst other non-essential businesses.

The retail and office sectors are envisaged to experience the brunt of potential adverse implications which are yet to ensue. Of late, notable retailers, which have experienced administration action include Peacocks, Jaeger, Benson Beds, Harveys Furniture, T M Lewin, Intu Properties, Go Outdoors, Poundstretcher Properties, Oak Furnitureland, Monsoon Accessorize, Victoria's Secret, Antler, L K Bennet, Oasis, Warehouse, Debenhams, Laura Ashley, Bonmarché, Oddbins and Caffè Nero. Furthermore, restaurants which have not been able to sustain the Pandemic effects include, Carluccio's, Chiquito, Pizza Express and ASK; this is not to even mention the many independent restaurants or even pub chains which will face financial difficulty.

The Pandemic has resulted in occupiers / employers having to adapt, with more investment in IT and retailers now heavily focusing on online stores/sales. It is further considered with occupiers reconsidering their business models / requirements (i.e. online retail and employees working from home) there is likely to be a higher than previously experienced supply of retail and office accommodation. The hospitality industry thus far, remains relatively inconspicuous but it is suspected that the industry (as a whole) will take a protracted time to recovery.

Online retailers and giants such as Amazon, Uber Eats, Just Eat etc appear to be changing the way people purchase goods and indulge. We consider other retailers, if they haven't already, will follow suit, which will leave a lasting effect on high street retail/shopping centres.

The sentiment amongst local established agents, respected peers within the property market and in our own professional judgement; is in order to transact a commercial premise in the current economic climate, the property must be competitively priced to attract / appease the interest of purchasers / occupiers who are themselves approaching transactions with low levels of confidence and caution.

Assuming the property is competitively priced, it should sell/let within timescales mentioned below at our opinion of Market Value/Market Rent assuming current market conditions and in the condition and standard of presentation as at the valuation date.

Lettings:	9-12 months
Sales:	6-12 months

We would recommend that the property, during the current climate, is sold via private treaty as being the most effective method of disposal.

A rent incentive of up to 6 months may be required in order to secure a commercial tenant, thus the total rental diminution for this element may be between 15 – 18 months. We also advise more 'tenant' friendly lease terms may also need to be catered for (i.e. inclusion of more frequent tenant only break options and lockdown clauses).

Since the onset of COVID-19, it is not only traditional supply and demand factors which is the principle driving factor causing delayed timescales. It should be noted that the efficiency and expediency of the various professions connected to a transaction has been impeded, which is also compounded by changes surround lending criteria and access to finance. Therefore, the traditional analysis of matters affecting marketing periods is still subject to numerous variables.

7. Valuation

Methodology	7.1	Comparable.
Rental Values	7.2	The general consensus of professional opinion is that similar retail units will achieve rents in the region of £20.00 - £25.00 per sq ft (FRI lease terms) depending upon size, layout, specification and permitted use.
	7.3	The current passing rent of £150,000 per annum, devalues to £28.30 per sq ft (with an allowance made for the basement) and is therefore above usual market levels.
	7.4	We are of the opinion, that the Market Rent, noting the current lease terms, is fairly reflected in the sum of £125,000, which devalues to £23.58 per sq ft.
Capital Values	7.5	The general consensus of professional opinion is that similar properties will achieve values on a capital value per sq ft basis ranging from £500.00 - £600.00 per sq ft depending upon layout, specification and permitted use.
Capital Value Calculation	7.6	For ease of reference the gross internal area of the property is 559.50 sq m (6,022 sq ft). We have, therefore, adopted a rate of circa £565 per sq ft (with an allowance made for the basement), to arrive at a Market Value of, say, £3,000,000.
Market Value	7.7	We are of the opinion that the Market Value of the freehold interest in the property, with the existing tenancy in the condition found at the time of our inspection as at the assumed date of valuation, is fairly reflected in the sum of: £3,000,000 (Three Million Pounds).
Market Value (Restricted – 180 Days)	7.8	We are of the opinion that the Market Value of the freehold interest in the property, with the existing tenancy, assuming a marketing period restricted to 180 days, in the condition found at the time of our inspection as at the assumed date of valuation, is fairly reflected in the sum of: £2,850,000 (Two Million, Eight Hundred & Fifty Thousand Pounds).
Market Value (Restricted – 90 Days)	7.9	We are of the opinion that the Market Value of the freehold interest in the property, with the existing tenancy, assuming a marketing period restricted to 90 days, in the condition found at the time of our inspection as at the assumed date of valuation, is fairly reflected in the sum of: £2,700,000 (Two Million, Seven Hundred Thousand Pounds).
Market Value (Vacant Possession)	7.10	We are of the opinion that the Market Value of the freehold interest in the property, with vacant possession, in the condition found at the time of our inspection as at the assumed date of valuation, is fairly reflected in the sum of: £2,800,000 (Two Million, Eight Hundred Thousand Pounds).

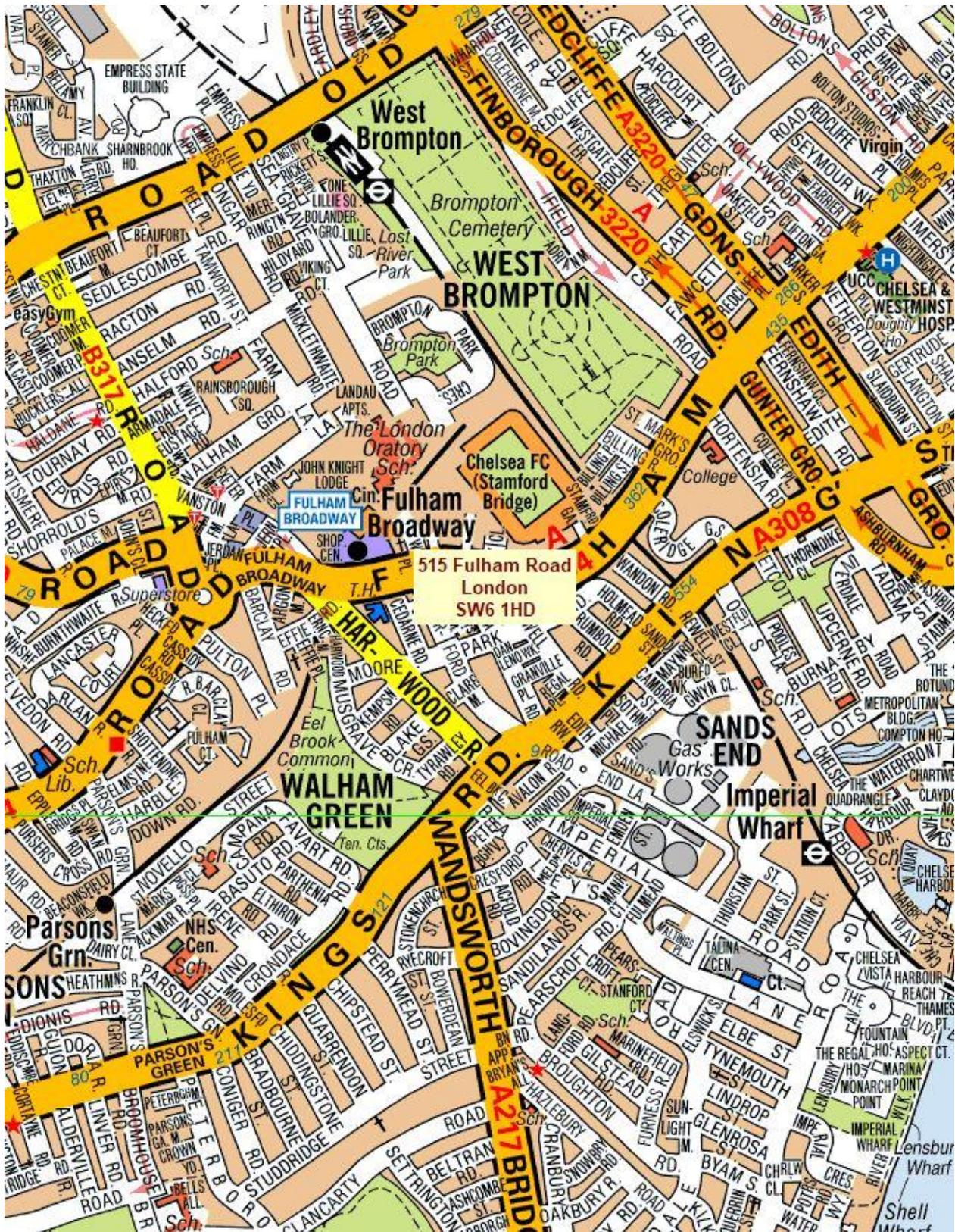
Market Value (Vacant Possession - Restricted – 180 Days)	7.11	<p>We are of the opinion that the Market Value of the freehold interest in the property, with vacant possession, assuming a marketing period restricted to 180 days, in the condition found at the time of our inspection as at the assumed date of valuation, is fairly reflected in the sum of:</p> <p>£2,650,000 (Two Million, Six Hundred & Fifty Thousand Pounds).</p>
Market Value (Vacant Possession - Restricted – 90 Days)	7.12	<p>We are of the opinion that the Market Value of the freehold interest in the property, with vacant possession, assuming a marketing period restricted to 90 days, in the condition found at the time of our inspection as at the assumed date of valuation, is fairly reflected in the sum of:</p> <p>£2,550,000 (Two Million, Five Hundred & Fifty Thousand Pounds).</p>
Market Rent	7.13	<p>We are of the opinion that the Market Rent for the property, noting the current lease terms, as at the date of valuation is:</p> <p>£150,000 per annum</p>
Material Valuation Uncertainty	7.14	<p>In respect of pubs, restaurants, gyms, hotels, leisure related trades, as at the valuation date we continue to be faced with an unprecedented set of circumstances caused by COVID-19 and an absence of relevant/sufficient market evidence on which to base our judgements. Our valuation of pubs, restaurants, gyms, hotels, leisure related trades are therefore reported as being subject to 'material valuation uncertainty' as set out in VPS 3 and VPGA 10 of the RICS Valuation – Global Standards. Consequently, in respect of these valuations less certainty and a higher degree of caution should be attached to our valuation than would normally be the case.</p> <p>This declaration does not mean that the valuation cannot be relied upon. It has been included to ensure transparency and to provide further insight as to the market context under which the valuation opinion was prepared. In recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of COVID-19 we highlight the importance of the valuation date.</p>
Building Reinstatement	7.15	<p>We would recommend that the property be insured for a minimum sum of:</p> <p>£1,600,000 (One Million, Six Hundred Thousand Pounds).</p>
Suitability for Lending	7.16	<p>Subject to the comments in this report we consider the property offers good security for loan purposes.</p>

**Lenders
Action Points**

7.17

- We are not legal advisors and as with all legal documentation the lenders legal advisors should confirm that our understanding of the tenure and tenancies is correct.
- The lenders legal advisors should confirm the valuation has been prepared in accordance with the statutorily permitted use and that acceptable consent from all parties concerned is in place.
- Local authority enquiries have been made, however these are limited and your legal advisors may discover adverse information within their searches which should be brought to our attention.
- The lenders legal advisors should confirm that the interest under consideration has a good and marketable title.
- Aside from the advice provided within our valuation, we further recommend that you keep the valuation of this property under frequent review, by amending lending covenants to include 'valuations can be called upon by the lender on an as and when basis'.
- Contrary to our caveat/clause, within our Appendix, we hereby confirm that we grant permission for our Valuation Report to be published on the Lender's respective platform, in line with instructions provided to us.

8. Location Map



9. Property Photographs



Street Scene



Street Scene



Open Plan Seating Area



Open Plan Seating Area



Bar/Counter Serving Area



Kitchen/Preparation Area



Storage (Basement)



Beer/Alcohol Cellar (Basement)



Typical WCs



Typical WCs



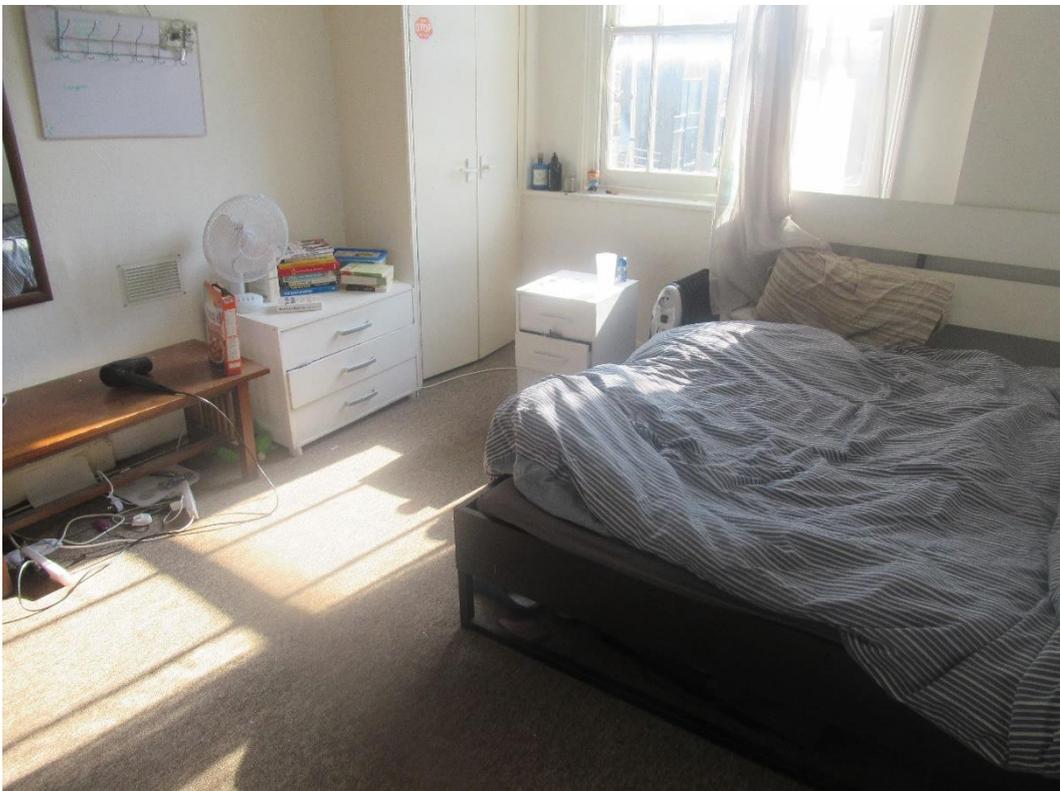
Office (First Floor)



Kitchen (Second Floor)



Typical Bedroom



Typical Bedroom



Typical Shower/WC Facilities

10. Land Registry - Title Plan

Lenders Security

The area edged in red on the title plan reflects the demise of the subject property and lenders security.

We have not been provided with a Report on Title, however, if one is produced we will be pleased to review and pass comment.



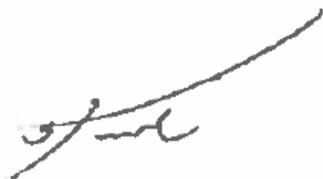
This is a print of the view of the title plan obtained from HM Land Registry showing the state of the title plan on 17 March 2022 at 09:58:08. This title plan shows the general position, not the exact line, of the boundaries. It may be subject to distortions in scale. Measurements scaled from this plan may not match measurements between the same points on the ground.

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

We trust that this report is satisfactory for your current requirements, but, if we can be of further assistance, please do not hesitate to contact us.

Yours faithfully

Prepared and Signed by:



Samir Faiad MRICS
RICS Registered Valuer (Membership No. 5719794)
Associate

For and on behalf of Belleveue Mortlakes

Countersigned by:



Shaf Ali MRICS
RICS Registered Valuer (Membership No. 0847332)
Partner

For and on behalf of Belleveue Mortlakes

APPENDIX 1



Summary of Requirements

Background

You are instructed to provide a report and valuation of the Property for secured loan purposes in accordance with the RICS Valuation - Global Standards 2020 'the Red Book'.

The report is to be addressed to Proplend Security Limited (the "Security Trustee") in accordance with the terms set out in this instruction letter who will rely on the Valuation as Security Trustee.

The Professional Indemnity Insurance Policy must be in your own name effected and maintained with an insurer approved by the Royal Institution of Chartered Surveyors providing you with full cover against your potential liabilities under your report and valuation including without limitation claims for breach of instructions and claims for professional negligence.

You will not do anything which might invalidate any Professional Indemnity Insurance Policy or to prejudice our entitlement thereunder. You will on request provide us with evidence of the existence and renewal of the Professional Indemnity Insurance Policy, the name of the insurer and proof of payment of the premium.

We never lend on security of property where we are aware that the borrower or any related or connected person uses or intends to use the property as a dwelling. Please report to us who is in occupation of the property and let us know immediately if you believe or suspect that that the borrower or any related or connected person uses or intends to use the property as a dwelling.

Instruction

The report containing your valuation (Valuation Report) should be addressed to Proplend Security Limited which must clearly state that it can be relied upon for the purposes described in this instruction letter by the parties named herein. Please ensure that the Valuation Report accords with the current RICS Appraisal and Valuation Manual.

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

The report and valuation must be undertaken and signed by a qualified valuer with a minimum 2 years PQE. A qualified valuer must be both a member of the Royal Institution of Chartered Surveyors, MRICS/FRICS and an RICS registered valuer. The Lender requires all residential and commercial valuation reports (excluding short form residential templates) are to be countersigned by a Chartered Surveyor, MRICS/FRICS and an RICS registered valuer with a minimum of 5 years PQE.

Content of Valuation and Report

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

- Market Value in its current condition subject to, and with the benefit of, any existing leases or tenancies;
- Market Value in its current condition subject to, and with the benefit of, any existing leases or tenancies assuming a sale to be completed within 90 days;
- Market Value of the Property assuming Vacant Possession;
- Estimated rental value for the subject Property(s).
- Estimated Reinstatement Cost for fire insurance purposes, including site clearance costs and professional fees;
- Executive Summary;
- Provide commentary on whether the Property is suitable for loan security purposes;
- Details of tenant(s), including passing rent, lease start/expiry/break dates and any non-recoverable costs etc. For commercial tenancies provide strength of covenant, service charge issues etc;
- Tenure and principle terms of lease for leasehold properties;
- Provide comparable sales and rental evidence to support your assumptions on values;
- Provide commentary on continued likely market demand for properties of this size and nature, in this location, for sale and to let;
- Provide a full description of the Property to include its accommodation, its size, its construction, location and general state of repair. These details should be supported with photos of the Properties. Whilst you are not instructed to carry out a structural survey on each Property, please comment of any noticeable defects that might warrant further investigation and which might affect the marketability of the Property
- Valuation methodology including justification of value, calculations and residual appraisals on land with planning valuations;
- If the property is a development, we require information on build costs, comparison to BCIS indices and full commentary to support the build costs adopted within your valuation.
- Provide copies of relevant planning consents and documentation including approved drawings, Section 106 agreements etc and commentary thereon.
- Copy of the most recent Energy Performance Certificate
- Specific commentary concerning access right to the different areas of the Property.

- Purchase history of the Property during the last 10 years. If the Property is on the market, please confirm the selling agent and include a copy of the sales particulars in the report.
- Lending risks both short and medium term
- Residential element as a percentage of the land area.
- For new builds / conversions (last 10 years), please comment on the completion date, whether NHBC or similar certification would be required, the number of properties in the development and any recent sales
- Commentary on any invasive vegetation, contamination, and/or hazardous substances identified upon inspection
- Any additional reports required on the Property i.e. Ground Investigation Structural Survey, Asbestos Report etc
- Council tax band / Rateable Value
- Disability Discrimination Act issues.

Please provide as appendices:

- Sufficient colour photographs of the street scene, exterior (front and rear) and interior of the Property.
- A general location map and a more detailed plan showing boundaries you have assumed for the Property.
- Land registry extract.

Report on Title

The Security Trustee requires that its acting Solicitors arrange to send you a copy of their Report on Title in respect of the Property and obtain your written confirmation that nothing in the report on title has any effect on the valuation report you have provided to the Security Trustee. Please respond to any such request by the acting Solicitors timely and without delay.

Method's Approved Terms and Conditions for the supply/receipt of instructions by Customers/Panel Members, between Customers and Panel Members (the Method Approved Terms and Conditions)

The following terms and conditions apply to the provision and receipt of valuation and/or IMS survey reporting services (and any related work) to the Customer by the Panel Member. These terms and conditions are issued to you to confirm the basis of your Instruction for the supply and receipt of these Services.

These terms and conditions are in addition to the framework agreement between (1) Method and (2) the Customer (herein referred to as the Panel Management Agreement) and the framework agreement between (1) Method and (2) the Panel Members (herein referred to as the Panel Services Agreement).

Agreed Terms

1 Interpretation

The following definitions and rules of interpretation apply.

1.1 Definitions

Agreed Fee: means the agreed fee as referred to within the Letter of Instruction.

Applicable Laws: means the laws of England and Wales and any other laws or regulations, regulatory policies, guidelines or industry codes which apply to the activities of the parties under these terms and conditions including those issued by relevant regulatory bodies in the property sector.

Applicant: means any person to whom the Customer is considering making a Mortgage Advance based on the security of the Property Asset and/or Business to be valued.

Charges: means the agreed fee referred to within the Letter of Instruction.

Customer Group: means any holding company or companies of a Customer and any subsidiary or subsidiaries of that Customer or any such holding company, from time to time. Holding company and subsidiary shall be defined according to Section 1159 of the Companies Act 2006.

Customer Materials: all documents, information, items and materials in any form, whether owned by the Customer or a third party, which are provided by the Customer to the Panel Member in connection with the Services.

Customer: means any company that receives Services pursuant to the Letter of Instruction and has entered into a Panel Management Agreement with Method in respect of the Services.

Deliverables: means the reports which are prepared by the Panel Member for the Customer and any documents, products and materials provided by the Panel Member to Method and the Customer.

Instruction: means any communication by the Customer whether through Method or otherwise to prepare a report or perform Services as more specifically detailed in the letter of Instruction (the Letter of Instruction) from the Customer to the Panel Member.

Method: means Method Valuation UK Limited (CRN: 08894835).

Method Approved Terms and Conditions: means these terms and conditions as may vary from time to time.

Mortgage Advance: means any advance made or proposed to be made by the Customer to an Applicant secured or to be secured over the Property Asset and/or Business to be valued.

Panel Management Agreement: means the framework agreement between Method and the Customer in relation to the procurement of software and supporting services provided by Method to the Customer.

Panel Member Materials: means any Panel Member confidential information, processes, methodologies, procedures, technologies, techniques, know-how, tools, templates, materials, software, including, without limitation, supplier licensed software and any third-party software, information, data and trade secrets developed or acquired by the Panel Member, or licensed to the Panel Member by a third party.

Panel Member: means any company that supplies Services pursuant to a Letter of Instruction and has entered into a Panel Services Agreement with Method in respect of the Services.

Panel Member's Deliverables: means the valuation reports or IMS reports which are prepared by the Panel Member for the Customer and any documents, products and materials provided by the Panel Member to the Customer in accordance with the Letter of Instruction and these Method Approved Terms and Conditions.

Panel Services Agreement: means the framework agreement between Method and the Panel Member in relation to the procurement of the Services to the Customer.

Personal Data: has the meaning given in applicable Data Protection Legislation from time to time.

Property Asset and/ or Business: means the assets to be secured by the Mortgage Advance.

Services: means the provision of valuation and/or IMS services by the Panel Member of the Property Assets and/or Businesses pursuant to the Letter of Instruction.

1.2 A person includes a natural person, corporate or unincorporated body (whether or not having separate legal personality).

1.3 The Schedules form part of this Agreement and the content of the Schedule or the documents referred to in the Schedule shall have effect as if set out in full in the body of this Agreement. Any reference to this Agreement includes the Schedule.

- 1.4 A reference to a company shall include any company, corporation or other body corporate, wherever and however incorporated or established.
- 1.5 Unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular and a reference to one gender shall include a reference to the other genders.
- 1.6 This Agreement shall be binding on, and enure to the benefit of, the parties to this Agreement and their respective personal representatives, successors and permitted assigns, and references to any party shall include that party's personal representatives, successors and permitted assigns.
- 1.7 A reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time and shall include all subordinate legislation made from time to time under that statute or statutory provision.
- 1.8 A reference to writing or written includes email
- 1.9 Any obligation on a party not to do something includes an obligation not to allow that thing to be done.
- 1.10 Any words following the terms including, include, in particular, for example or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.

2 Commencement and duration

The set terms and conditions shall commence on the issue of the Instruction Letter and shall continue in force until or unless terminated in accordance with clause 9 below, or on the satisfactory completion of the instruction. These terms shall be deemed to be agreed on your submission of a report in response to this instruction.

3 Customer's obligations

- 3.1 The Customer shall:
- 3.1.1 co-operate with the Panel Member and Method as applicable in all matters relating to the Services;
 - 3.1.2 appoint a manager for the Services, who has the authority to contractually bind the Customer on matters relating to the Services.
 - 3.1.3 provide to the Panel Member in a timely manner all documents, information, items and materials in any form (whether owned by the Customer or third party) required under these terms and conditions or otherwise reasonably required by the Panel Member in connection with the Services and ensure that they are accurate and complete in all material respects; and
 - 3.1.4 obtain and maintain all necessary licences and consents and comply with all relevant legislation as required to enable the Panel Member to provide the Services, including the use of all Customer Materials insofar as such licences, consents and legislation relate to the Customer's business, premises, staff and equipment, in all cases before the date on which the Services are to start.
- 3.2 If the Panel Member's performance of its obligations under these terms and conditions is prevented or delayed by any act or omission of the Customer, its agents, sub contractors, consultants or employees, then, without prejudice to any other right or remedy it may have, the Panel Member shall be allowed an extension of time to perform its obligations equal to the delay caused by the Customer.

4 Panel Member's responsibilities

- 4.1 The Panel Member shall provide the Services and deliver the Deliverables as instructed in accordance with these terms and conditions and:
- 4.1.1 The Letter of Instruction and Panel Services Agreement;
 - 4.1.2 Good Industry Practice;
 - 4.1.3 Applicable Law;
 - 4.1.4 the rules, regulations and guidance of RICS and/or other Appropriate Professional Body applicable from time to time; and
 - 4.1.5 such policies and procedures of the Customer as notified in writing by Method and/or the Customer as applicable from time to time.
- 4.2 The Panel Member shall be given Instructions pursuant to the Letter of Instruction and shall submit reports via and in accordance with the electronic system as Method may specify from time to time. The Panel Member shall ensure that at all times it has the capability to receive and process Instructions and reports using such system specified by Method.
- 4.3 The Panel Member shall:
- 4.3.1 co-operate with the Customer where required and act reasonably and in good faith in carrying out Instructions and performing its obligations under the terms and conditions always in accordance with clause 4.1;
 - 4.3.2 ensure that it provides and maintains at all times all equipment, systems and materials necessary for the proper performance of the Services, appropriately licensed for the purposes for which it is to be used and at all times in conformance with Applicable Law;
 - 4.3.3 deliver the Services in compliance with these terms and conditions;
 - 4.3.4 provide such advice and assistance as may be reasonably requested to enable the Customer to take the full benefit of the reports and Services. The Panel Member confirms that any such work is included in the Charges for the report and does not constitute additional work for which an additional fee would be chargeable;
 - 4.3.5 supply an electronic copy of each report in the first instance, supplemented by additional hardcopies as required by Method and/or Customers as applicable; such additional hardcopies of such reports being supplied without any additional charge or fee; and
 - 4.3.6 provide such assistance, support and information as reasonably requested by Method and/or the Customer as applicable, in relation to any investigations, questions or complaints arising from the provision of services (or any report) provided by the Panel Member, at no additional cost to the Customer.

5 Warranty and Representation

- 5.1 The Customer warrants and represents that it has full legal capacity and authority to enter into these terms and conditions and the Letter of Instruction to procure the Services and perform its obligations under and in accordance with these terms and conditions.
- 5.2 The Panel Member warrants and represents that:
- 5.2.1 it has full legal capacity and authority to enter into and to provide the Services in accordance with these terms and conditions and the Letter of Instruction;
 - 5.2.2 it has and will maintain throughout the period of these terms and conditions remains in force all Licences, permissions, registrations and other rights, including those required under Applicable Law, necessary to enable it lawfully to provide the Services and to perform its obligations under and in accordance with these terms and conditions; and
 - 5.2.3 the Services shall be performed with all reasonable skill and care by appropriately qualified, experienced and trained personnel devoting sufficient time to the proper performance of the Services and always in accordance with clause 4.

5.3 All conditions, warranties and other terms implied by statute, common law, course of dealing or otherwise are excluded to the fullest extent permitted by law.

5.4 The Panel Member shall indemnify and hold the Customer harmless from all claims and all direct, indirect or consequential liabilities (including loss of profits, loss of business, depletion of goodwill and similar losses), costs, proceedings, damages and expenses (including legal and other professional fees and expenses) awarded against, or incurred or paid by, the Customer as a result of or in connection with any claim made against the Customer in respect of any liability, loss, damage, injury, cost or expense sustained by the Customer, Customer Group, Applicant or third party to the extent that such liability, loss, damage, injury, cost or expense was caused by, relating to or arising from the provision of the Services as a consequence of a breach or negligent performance or failure or delay in performance of these terms and conditions by the Panel Member.

6 Charges and payment

- 6.1 In consideration of the provision of the Services by the Panel Member, Method on behalf of the Customer shall pay the Charges to the Panel Member in accordance with this Clause 6.
- 6.2 The Panel Member acknowledges that Method can receive the Charges from either the Applicant or the Customer. The Panel Member further acknowledges that Method is under no obligation to pay the Charges to the Panel Member until Method has received the Charges from the Applicant and/or the Customer.
- 6.3 Payment of the Charges due to the Panel Member shall be made by Method using Method's online system provided for such purposes within 30 Business Days of receipt of the Panel Member's invoice which shall be issued to Method upon completion of the Instruction using Method's online system provided for such purposes.

6.4 The Panel Member shall notify Method in writing of the details of its bank account for payment of the Charges and any changes to the same shall be notified to Method in writing at least 30 days prior to such change becoming effective.

7 Intellectual property rights

7.1 Any information (including but not limited to valuation estimates and valuation reports provided as part of the Services) and any Intellectual Property Rights created by the Panel Member as a result of the provision of the Services shall vest in and are hereby assigned to the Customer. Notwithstanding any other provision of these terms and conditions it is acknowledged that the Panel Member shall be entitled to retain on an anonymised and aggregated basis the valuation estimates set out in the valuation reports for the purposes of maintaining a database of local property valuations for the purposes of providing the Services.

8 Data protection

8.1 The Customer and the Panel Member will comply with all applicable requirements of the Data Protection Legislation. This clause 8 is in addition to, and does not relieve, remove or replace, a party's obligations or rights under the Data Protection Legislation.

8.2 The Customer and the Panel Member warrant that each shall in connection with these terms and conditions:

8.1.1 comply with the Data Protection Act 2018 ("Act"), the UK GDPR and all applicable privacy laws and regulations in any relevant jurisdiction including (to the extent applicable) the General Data Protection Regulations (EU) 2016/679 ("GDPR"); and

8.1.2 not, by act or omission, put any other party in breach of the Act or any other applicable privacy laws and regulations in any relevant jurisdiction.

8.3 The Customer and the Panel Member acknowledge and agree that each of them and Method are Data Processors with respect to all Personal Data processed pursuant to these terms and conditions, the Letter of Instruction, the Panel Management Agreement and the Panel Services Agreement (in all cases capitalised terms used in this clause if not otherwise defined are as defined in the Act). Where Method provides Instructions, the Customer and Panel Member acknowledge that Method is doing so as a Data Processor acting under the Customer's instructions, as Data Controller, and an Instruction provided by Method in accordance with these terms and conditions shall constitute prior written approval from the Customer to the Panel Member to process Personal Data necessary to carry out such Instruction.

8.4 Without prejudice to clause 8.3 to the extent that the Customer and Panel Member are required to process Personal Data on behalf of each other under these terms and conditions, they will:

8.4.1 process such Personal Data only to the extent strictly necessary for the purposes of performing these terms and conditions, and otherwise in accordance with the Instructions, and for the avoidance of doubt it will not disclose any such Personal Data to any third party, except on Method's express written instructions;

8.4.2 acquire no rights in Personal Data and on demand by Method will either return to Method or destroy and/or permanently delete in so far as practicable, from its information technology systems (at the option of Method) all copies of any such Personal Data in its possession and provide to Method a certificate signed by one of its authorised signatories confirming that it has done so;

8.4.3 put and at all times maintain in place appropriate technical and organisational measures against unauthorised or unlawful processing of Personal Data and, having regard to the nature and content of the Personal Data and the damage that may be caused by such unauthorised and unlawful processing, against accidental loss or destruction of or damage to such Personal Data, to ensure compliance by Method and the Panel Member with the seventh data protection principle set out in the Act;

8.4.4 promptly provide Method with such evidence as Method reasonably requests of the technical and organisational measures in place from time to time under Clause 8.4.3;

8.4.5 not transfer any Personal Data outside the UK, except with the prior written consent of Method and in accordance with any additional terms which Method imposes on such transfer, including a requirement to enter into the EU standard contractual clauses (SCCs) (where relevant) or the UK ICO's approved equivalent to the SCCs with the transferee. Where transfer is between UK and EEA, such transfer may be made in reliance upon mutual adequacy decisions for so long as they remain approved and in force;

8.4.6 immediately notify Method of any complaint, notice or communication which it receives, and which relates directly or indirectly to the processing of any Personal Data or to either party's compliance with the Act, and provide Method with full co-operation and assistance in relation to any such complaint, notice or communication;

8.4.7 assist Method in responding to any request from a data subject and in ensuring compliance with its obligations under the Data Protection Legislation with respect to security, breach notifications, impact assessments and consultations with supervisory authorities or regulators;

8.4.8 ensure that all personnel who have access to and/or process Personal Data are obligated to keep the Personal Data confidential; and

8.4.9 notify Method without undue delay on becoming aware of a Personal Data breach and provide Method with all requested assistance in respect of the same.

8.5 The Customer and the Panel Member will not use any Personal Data which either may obtain from Method under these terms and conditions (whether Personal Data to which Clause 8.4.3 applies or Personal Data in respect of which the Panel Member acts as Data Controller, as defined in the Act) for any purpose other than the provision of the Services unless and to the extent otherwise agreed in writing in advance by Method. For the avoidance of doubt, this restriction on use of Personal Data includes sending marketing materials or any other marketing communications of any sort and by any means to any member of Method's staff or to any other Data Subject of that Personal Data and the Customer and Panel Member will under no circumstances transfer any such Personal Data to any third party for use for marketing purposes. This Clause is without prejudice to the generality of Clause 8.3

8.6 The Customer and the Panel Member warrant that each has, and undertakes that it will continue to maintain, a valid, complete and up to date registration or notification to the Office of the Information Commissioner (or any successor) under the Act to process Personal Data under these terms and conditions.

8.7 Nothing in these terms and conditions shall limit any parties' liability for any breach of its obligations under clause 8 of these terms and conditions.

9 Confidentiality

9.1 In respect of information passing between the Customer and the Panel Member in relation to the performance and subject matter of these terms and conditions, the Panel Member and Customer will, in respect of any details of these terms and conditions, or any technical or commercial or valuation information related to the provision of the Services including all Personal Data, details of any Applicant or any Mortgage Advance or Development Loan, details that it receives or creates (the Recipient) from or on behalf of the other Party (the Discloser) or in the performance of or arising under these terms and conditions (Confidential Information):

9.1.1 use that Confidential Information only if and to the extent necessary for the purposes of performing its obligations and/or exercising its rights under these terms and conditions;

9.1.2 not disclose that Confidential Information to any person other than any person employed or engaged by it, its auditors and other professional advisers, or any person having a statutory or other legal right (other than a contractual right) to request and receive that information, including any court of competent jurisdiction or Regulator, provided that the Recipient informs the Discloser prior to such disclosure that it has been required to disclose it (if and to the extent that the Recipient is legally permitted to so inform the Discloser); and

9.1.3 Otherwise protect and maintain the confidentiality of that Confidential Information.

9.2 Clause 9.1 will not apply to any information which:

9.2.1 is or becomes public knowledge other than as a result of a breach of this clause 9;

9.2.2 was rightfully in the Recipient's possession before its disclosure to the Recipient under or in connection with these terms and conditions;

9.2.3 following its disclosure to the Recipient under or in connection with these terms and conditions, is received by the Recipient from a third party who is not under an obligation of confidentiality in relation to that information;

9.2.4 is developed independently without access to, or use or knowledge of, the Confidential Information; or

9.2.5 is trivial or obvious.

9.3 Provided that clause 9.2 is not intended to exclude from the application of clause 9.1 any information generated by or on behalf of the Customer for the Panel Member under these terms and conditions (which for the avoidance of doubt will be kept confidential by the Customer in accordance with clause 9.1).

9.4 The Customer and Panel Member agree that damages may not be an adequate remedy for any breach of clause 8.1 and that the Discloser will be entitled to a court order to enforce compliance with this clause or to stop any breach of it, actual or threatened.

9.5 Notwithstanding clause 9.3 nothing in these terms and conditions shall limit the Customer's and Panel Member's liability for any breach of clause 8 of these terms and conditions.

10 Limitation of liability

10.1 Nothing in these terms and conditions limits any liability which cannot legally be limited, including liability for:

10.1.1 death or personal injury caused by negligence;

10.1.2 fraud or fraudulent misrepresentation; and

10.1.3 Breach of the terms implied by section 2 of the Supply of Goods and Services Act 1982 (title and quiet possession).

10.2 Subject to clauses 5.4, 8.7, 9.4, and 10.1:

10.2.1 the Customer and the Panel Member shall not be liable to each other whether in contract, tort, or for breach of statutory duty for any indirect or consequential loss arising under or in connection with these terms and conditions;

10.2.2 the Customer's total aggregate liability to the Panel Member in accordance with these terms and conditions and the Panel, whether in contract, tort (including negligence), breach of statutory duty, or otherwise, arising under or in connection with these terms and conditions shall be limited to the total aggregate Charges paid by the Customer under these terms and conditions.

10.2.3 the Panel Member's total aggregate liability to the Customer, whether in contract, tort (including negligence), breach of statutory duty, or otherwise, arising under or in connection with these terms and conditions shall be limited to the aggregate market value and gross development value of all the Property Assets and/or Businesses that are reported by the Panel Member in its provision of the Services to the Customer and the Panel Member's total aggregate liability to the Customer, whether in contract, tort (including negligence), breach of statutory duty, or otherwise, arising under or in connection with each report provided as part of the Services shall be limited to the market value or gross development value as applicable of the Property Asset and/or Business that is the subject of such report as reported by the Panel Member.

10.3 The Customer and Panel Member further acknowledge that all potential liability with respect to any reports and the Services provided lies solely with the Panel Member who ultimately provides a report and the Services for the benefit of the Customer and both parties acknowledge and agree that Method is not a party to and has no liability to either party under or in connection with these terms and conditions.

11 Termination

11.1 Subject to clause 11.2 below, the supply and receipt of the Services shall expire upon payment of the Charges.

11.2 Without affecting any other right or remedy available to it, the Customer and the Panel Member may terminate these terms and conditions during the supply/receipt of the Services with immediate effect by giving written notice to each other if:

11.2.1 the other commits a material breach of any term of these terms and conditions (which shall include any failure to pay any of the Charges on the date when they are due) which breach is irremediable or (if such breach is remediable) fails to remedy that breach within a period of 30 days after being notified in writing to do so;

11.2.2 the other repeatedly breaches any of these terms and conditions in such a manner as to reasonably justify the opinion that its conduct is inconsistent with it having the intention or ability to give effect to these terms and conditions;

11.2.3 the other suspends, or threatens to suspend, payment of its debts or is unable to pay its debts as they fall due or admits inability to pay its debts or is deemed unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986 as if the words "it is proved to the satisfaction of the court" did not appear in sections 123(1)(e) or 123(2) of the Insolvency Act 1986;

11.2.4 the other commences negotiations with all or any class of its creditors with a view to rescheduling any of its debts, or makes a proposal for or enters into any compromise or arrangement with any of its creditors;

11.2.5 any event occurs, or proceeding is taken, with respect to the other party in any jurisdiction to which it is subject that has an effect equivalent or similar to any of the events mentioned in clause 11.2.3 to clause 11.2.4 (inclusive);

11.2.6 the other suspends or ceases, or threatens to suspend or cease, carrying on all or a substantial part of its business; or

11.2.7 The Panel Management Agreement or Panel Services Agreement is terminated for whatever reason.

12 Consequences of termination

12.1 On termination or expiry of these terms and conditions:

12.1.1 The Customer shall on request return any of the Panel Member Materials received in the provision of the Services;

12.1.2 the Panel Member shall on request return any of Customer Materials not used up in the provision of the Services; and

12.1.3 the following clauses shall continue in force: clause 1 (Interpretation), clause 7 (Intellectual property rights), clause 9 (Confidentiality), clause 10 (Limitation of liability), clause 12 (Consequences of termination), clause 16 (Waiver), clause 8 (Severance), clause 20 (Conflict), clause 25 (Governing law) and clause 26 (Jurisdiction).

12.2 Termination or expiry of these terms and conditions shall not affect any rights, remedies, obligations or liabilities of the Customer that have accrued up to the date of termination or expiry, including the right to claim damages in respect of any breach of these terms and conditions which existed at or before the date of termination or expiry.

13 Force majeure

13.1 Force Majeure Event means any circumstance not within a party's reasonable control including, without limitation:

13.1.1 acts of God, flood, drought, earthquake or other natural disaster;

13.1.2 epidemic or pandemic;

13.1.3 terrorist attack, civil war, civil commotion or riots, war, threat of or preparation for war, armed conflict, imposition of sanctions, embargo, or breaking off of diplomatic relations;

13.1.4 nuclear, chemical or biological contamination or sonic boom;

13.1.5 any law or any action taken by a government or public authority, including imposing an export or import restriction, quota or prohibition, or failing to grant a necessary licence or consent;

13.1.6 collapse of buildings, fire, explosion or accident;

13.1.7 non-performance by suppliers or subcontractors (other than by companies in the same group as the party seeking to rely on this clause); and

13.1.8 Interruption or failure of utility service.

13.2 Provided it has complied with clause 13.4, if the Customer and/or Panel Member is prevented, hindered or delayed in or from performing any of its obligations under these terms and conditions by a Force Majeure Event (Affected Party), the Affected Party shall not be in breach of these terms and conditions or otherwise liable for any such failure or delay in the performance of such obligations. The time for performance of such obligations shall be extended accordingly.

13.3 The corresponding obligations of the Customer and/or Panel Member will be suspended, and its time for performance of such obligations extended, to the same extent as those of the Affected Party.

13.4 The Affected Party shall:

13.4.1 as soon as reasonably practicable after the start of the Force Majeure Event but no later than five days from its start, notify the other party in writing of the Force Majeure Event, the date on which it started, its likely or potential duration, and the effect of the Force Majeure Event on its ability to perform any of its obligations under these terms and conditions; and

13.4.2 use all reasonable endeavours to mitigate the effect of the Force Majeure Event on the performance of its obligations.

13.5 If the Force Majeure Event prevents, hinders or delays the Affected Party's performance of its obligations for a continuous period of more than four weeks, the party not affected by the Force Majeure Event may terminate this Agreement by giving two weeks' written notice to the Affected Party.

14 Assignment and other dealings

14.1 The Customer and Panel Member shall not assign, transfer, mortgage, charge, subcontract, delegate, declare a trust over or deal in any other manner with any of its rights and obligations under these terms and conditions without the prior written consent of Method and/or the Customer or Panel Member.

15 Variation

15.1 These terms and conditions may be varied from time to time and it is the Customer's and Panel Member's obligation to ensure that they regularly check Method's website to ensure that they are aware of the most up to date version of these terms and conditions.

16 Waiver

16.1 A waiver of any right or remedy under these terms and conditions or by law is only effective if given in writing and shall not be deemed a waiver of any subsequent right or remedy.

16.2 A failure or delay by a party to exercise any right or remedy provided under these terms and conditions or by law shall not constitute a waiver of that or any other right or remedy, nor shall it prevent or restrict any further exercise of that or any other right or remedy. No single or partial exercise of any right or remedy provided under these terms and conditions or by law shall prevent or restrict the further exercise of that or any other right or remedy.

16.3 A waiver of a right or remedy provided under these terms and conditions or by law in relation to one party, or takes or fails to take any action against that party, does not affect its rights in relation to any other party.

17 Rights and remedies

The rights and remedies provided under these terms and conditions are in addition to, and not exclusive of, any rights or remedies provided by law.

18 Severance

18.1 If any provision or part-provision of these terms and conditions is or becomes invalid, illegal or unenforceable, it shall be deemed deleted, but that shall not affect the validity and enforceability of the rest of these terms and conditions.

18.2 If any provision or part-provision of these terms and conditions is deemed deleted under clause 18.1 the parties shall negotiate in good faith to agree a replacement provision that, to the greatest extent possible, achieves the intended commercial result of the original provision.

19 Entire Agreement

19.1 These terms and conditions and the documents referred to in it constitute the entire agreement between the parties and supersedes and extinguishes all previous agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to its subject matter.

20 Conflict

20.1 If there is any conflict between these terms and conditions and the Letter of Instruction then the terms and conditions contained in the Letter of Instruction shall prevail so far as they relate to the Customer's Instruction and these Methods Approved Terms and Conditions shall prevail so far as they relate to the obligations of each of the Customer and the Panel Member.

21 No partnership or agency

21.1 Nothing in these terms and conditions are intended to, or shall be deemed to, establish any partnership or joint venture between any of the parties, constitute any party the agent of another party, or authorise any party to make or enter into any commitments for or on behalf of any other party.

21.2 The Customer and the Panel Member each confirm it is acting on its own behalf and not for the benefit of any other person.

22 Third party rights

22.1 Except as expressly provided in these terms and conditions, a person who is not a party to it shall have no rights under the Contracts (Rights of Third Parties) Act 1999 or otherwise rely upon or enforce any term within these terms and conditions save that:

22.1.1 Method shall be entitled to rely upon and enforce these terms and conditions or any provision which is expressed to be for the benefit of Method as if it were a Party to these terms and conditions but for the avoidance of doubt shall have no obligation to do so and Method shall have no obligations itself under these terms and conditions capable of being enforced by either the Customer, the Panel Member or any third party;

22.1.2 any Regulators of the Customer may enforce any audit rights expressed to be for their benefit; and

22.1.3 all obligations owed by the Customer to the Panel Member under these terms and conditions shall also be owed to and enforceable by any member of the Customer's Group and for those purposes references to the Customer shall be deemed to include any company in the Customer's Group.

22.2 Notwithstanding that these terms and conditions may be enforceable by a person who is not a party to it, these terms and conditions may be varied, modified or amended or terminated by agreement in writing between the parties without the consent of any such third party.

23 General

23.1 The relationship of the Panel Member to the Customer will be that of independent contractor and nothing in these terms and conditions shall render the Panel Member an employee, worker, agent or partner of the Customer and the Panel Member shall not hold itself out as such.

23.2 The Customer and the Panel Member acknowledge and agree that in entering into these terms and conditions it does not rely on any undertaking, promise, assurance, statement, representation, warranty or understanding (whether negligently or innocently made and whether in writing or not) of any person relating to the subject matter of these terms and conditions. The Customer and the Panel Member irrevocably and unconditionally waive all claims, rights and remedies which but for this clause it might otherwise have had in relation to any of the foregoing.

24 Notices

24.1 Any notice given to the Customer and/or Panel Member under or in connection with these terms and conditions shall be in writing and shall be:

24.1.1 delivered by hand or by pre-paid first-class post or other next working day delivery service at its registered office (if a company) or its principal place of business (in any other case); or

24.1.2 sent by email to the Email address: admin@method-vm.co.uk

24.2 Any notice shall be deemed to have been received:

24.2.1 if delivered by hand, on signature of a delivery receipt;

24.2.2 if sent by pre-paid first-class post or other next working day delivery service, at 9.00 am on the second Business Day after posting; and

24.2.3 if sent by email, at the time of transmission, or, if this time falls outside business hours in the place of receipt, when business hours resume. In this clause 24.2.3, business hours means 9.00 am to 5.00 pm Monday to Friday on a day that is not a public holiday in the place of receipt.

24.3 This clause does not apply to the service of any proceedings or any documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.

25 Governing law

25.1 These terms and conditions and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the law of England and Wales.

26 Jurisdiction

26.1 The Customer irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with these terms and conditions or its subject matter or formation.

Verna Webster

From: Nuria Farthing
Sent: 03 March 2022 12:02
To: 'Admin Method Valuation'
Subject: #20013 - Valuation Accepted

Good morning,

Thank you for your formal instructions, received 3rd March 2022.

As per your instruction, I confirm the following:

- On behalf of Bellevue Mortlakes Chartered Surveyors we accept your formal instructions and confirm that there are no conflicts of interest;
- Our practice has had no affiliation/connection to either the subject property or the applicant within the previous 12 months;
- We have sufficient Professional Indemnity Insurance cover to undertake this instruction (currently £15,000,000 per claim);

I trust the above is satisfactory for your purposes however, in the meantime, please revert back if you have any queries relating to this instruction.

Kind regards,

Nuria

Nuria Farthing

Survey and Logistics Coordinator

t 020 8367 9555 | e nfarthing@bmortlakes.com | w <http://www.bmortlakes.com>

Head Office 4 Crossfield Chambers | Gladbeck Way | Enfield | EN2 7HT

Central London Office | Mayfair



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Please note that, as part of our compliance with the General Data Protection Regulation, we have a new Privacy Statement. A copy of our Privacy Statement is available on request.

Consider the environment. Please do not print this e-mail unless you really need to.

General Terms of Business for Valuations

These General Terms of Business comprise a part of our Terms of Engagement. The following General Terms of Business apply to all valuations and appraisals undertaken by Bellevue Mortlakes unless specifically agreed otherwise in confirming instructions and so stated within the main body of the valuation report.

1. Bellevue Mortlakes

Bellevue Mortlakes is a Private Limited Company with registered number 3352742. This is a corporate body which has "Directors" and not "Partners".

Any representative of Bellevue Mortlakes described as "Partner" is either a Director or an Employee of Bellevue Mortlakes and is not a Partner in a Partnership. The term "Partner" has been retained because it is an accepted way of referring to senior professionals.

Our VAT registration number is 798 840 460. The details of our professional indemnity insurance specified in the Provision of Services Regulations 2009 will be provided to you on request by Michael Yianni (Senior Partner).

2. Jurisdiction

English law shall apply in every respect in relation to the valuation and the agreement with the client which shall be deemed to have been made in England. In the event of a dispute arising in connection with a valuation, unless expressly agreed otherwise in writing by Bellevue Mortlakes, the client, and any third party using the valuation, will submit to the jurisdiction of the English Courts only. This will apply wherever the property or the client is located or the advice is provided.

3. Limitations on Liability

3.1 Our valuation is confidential to the party to whom it is addressed for the stated purpose and no liability is accepted to any third party for the whole or any part of its contents. Liability will not subsequently be extended to any other party save on the basis of written and agreed instructions; this may incur an additional fee. Except as set out in 3.2 below the terms of the agreement between Bellevue Mortlakes and the client are not enforceable by any third party under the Contracts (Rights of Third Parties) Act 1999.

3.2 No claim arising out of or in connection with this agreement against any member, employee, partner or consultant of Bellevue Mortlakes (each called a "Bellevue Mortlakes Person"). Those individuals will not have a personal duty of care to the client or any other party and any such claim for losses must be brought against Bellevue Mortlakes. Any Bellevue Mortlakes Person may enforce this clause under the Contracts (Rights of Third Parties) Act 1999 but the terms of our agreement may be varied by agreement between the client and Bellevue Mortlakes at any time without the need for any Bellevue Mortlakes Person to consent.

3.3 Our maximum total liability for any direct loss or damage whether caused by our negligence or breach of contract or otherwise is limited to £15,000,000.

3.4 We do not accept liability for any indirect or consequential loss (such as loss of profits). Nothing in these Terms of Business (or in our letter of engagement) shall exclude or limit our liability in respect of fraud or for death or personal injury caused by our negligence or for any other liability to the extent that such liability may not be excluded or limited as a matter of law.

4. Disclosure and Publication

If our opinion of value is disclosed to persons other than the addressee of our report, the basis of valuation should be stated. Neither the whole nor any part of the valuation report nor any reference thereto may be included in any published document, circular or statement nor published in any way whatsoever whether in hard copy or electronically (including on any web-site) without our prior written approval of the form and context in which it may appear.

5. Complaints Procedure

If you have any concerns about our service, please raise them in the first instance with valuer concerned. If this does not result in a satisfactory resolution, please contact our Senior Partner, Michael Yianni, as required by RICS, we will send you a copy of our Complaints Procedure on request.

6. Our Fees

6.1 If any invoice remains unpaid after the date on which it is due to be paid, we reserve the right to charge interest, calculated daily, from the date when the payment was due until payment is made at 4% above the then prevailing bank base rate of National Westminster Bank PLC or (if higher) at the rate provided for under the Late Payment of Commercial Debts (Interest) Act 1998 and its regulations (if applicable). If we should find it necessary to use legal representatives or collection agents to recover monies due, you will be required to pay all costs and disbursements so incurred.

6.2 If before the valuation is concluded:

- you end this instruction, we will charge abortive fees; or
- you delay the instruction by more than 1 month or materially alter the instruction so the additional work is required at any stage we will charge additional fees,

And in each case such fees will be calculated on the basis of reasonable time and expenses incurred.

6.3 Where the valuation is for loan security purposes, and we agree to accept payment of our fee from the borrower, the fee remains due from yourselves until the payment is received by us. Additionally, payment of our fee is not conditional upon the loan being drawn down or any conditions of the loan being met.

7. Disclosable Interests

We may offer the following services to prospective purchasers and similarly the services may be offered to them by another organisation in circumstances where we may benefit financially: financial services, property letting and management services, building construction, refurbishment and maintenance services and the sale of the prospective purchasers property.

8. RICS Valuation Standards – "The Red Book"

Valuations and appraisals will be carried out in accordance with the RICS Valuation Professional Standards (9th Edition) ("The Red Book"), any valuers who conform to its requirements and with regard to relevant statutes and regulations. Compliance with the Red Book is mandatory for Chartered Surveyors in the interest of maintaining high standards of service and for the protection of clients.

9. Regulation and Monitoring

Bellevue Mortlakes is registered for the regulation in the UK by RICS. The valuation may be subject to monitoring under the RICS conduct and disciplinary regulations. The report and valuation may be subject to RIC audit for compliance purposes.

10. Valuation Basis

Valuations and appraisals are carried out on basis appropriate to the purpose for which they are intended and in accordance with the relevant definitions, commentary and assumptions contained in The Red Book. The basis of valuation will be agreed with you in the letter covering the specific terms for the instruction.

11. Portfolios

Where requested to value a portfolio, unless specifically agreed with you otherwise, we will value the individual properties separately, upon the assumption that the properties have been marketed in an orderly manner.

12. Sources of Information

We rely upon information provided to us, by the sources mentioned within our valuation report, as to details of tenure and tenancies, planning consents and other relevant matters, as summarised in our report. We assume that this information is complete and correct.

13. Identity of Property to be Valued

We will exercise reasonable care and skill (but will not have an absolute obligation to you) to ensure that the property, identified by the property address in your instructions, is the property inspected by us and contained within our valuation report. If there is ambiguity as to the property address, or the extent of the property to be valued, this should be drawn to our attention in your instructions or immediately upon receipt of our report.

14. Confidentiality

The report will be provided for the stated purpose and for the sole use of the named client. We accept responsibility to the client alone that the report will be prepared with the skill, care and diligent responsibility to be expected of a reasonably competent valuer and accept no responsibility whatsoever to any parties other than the client. Any third parties rely upon the report at their own risk. Neither the whole or any part of the report nor any reference to it may be included in any published document, circular or statement nor published in any way without the prior written consent of Bellevue Mortlakes as to the form and context in which it may appear.

15. Data Security

During the valuation process we will have access to, or may be provided with personal, confidential and/or commercially sensitive information. Bellevue Mortlakes will maintain this information in accordance with the Data Protection Act 1988 and the company's data security policy. Any such information will be held securely with authorised access only; it will be verified where appropriate, and only used for the purposes of providing our valuation service.

Valuation Bases:

1. Market Value (MV):

Valuations based on Market Value shall adopt the definition, and the conceptual framework, settled by the International Valuation Standards Committee.

Market Value is defined as:

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

2. Existing Use Value (EUV):

Existing Use Value is the basis suitable for financial reporting purposes under UK accounting standards only and is defined as:

The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in arm's – length transaction, after proper marketing wherein the parties had acted knowledgeably, prudently and without compulsion, assuming that the buyer is granted vacant possession of all parts of the property required by the business and disregarding potential alternative uses and any other characteristics of the property that would cause its Market Value to differ from that needed to replace the remaining service potential at least cost.

(Cont..)

General Terms of Business for Valuations

3. **Market Rent (MR):**
Market Rent is defined as:
The estimated amount for which a property, or space within a property, should lease (let) on the date of valuation between a willing lessor and a willing lessee on appropriate lease terms in an arm's – length transaction after proper marketing wherein the parties had acted knowledgeably, prudently and without compulsion.
4. **Projected Market Value (PMV) of a Residential Property only:**
Projected Market Value is designed to provide residential mortgage lenders with a simple numeric indication of the valuer's opinion of short- term market trends and is defined as:

The estimated amount for which a property is expected to exchange at a date, after the date of valuation and specified by the valuer, between a willing buyer and a willing seller, in an arm's – length, after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.
5. **Market Value, Subject to Special Assumptions:**
Where an assumption is made that assumes facts that differ from those existing at the *date of valuation*, it becomes a *special assumption* (see *VPS 4 Paragraph 3 Special Assumptions and IVS 101 Scope of Works*). *Special assumptions must be agreed in writing with the Client*. Special assumptions are often used to illustrate the effect of possible changes on the value of an asset. They are designated as "special" so as to highlight to a valuation user that the valuation conclusion is contingent upon a change in the current circumstances or that it reflects a view that would not be taken by market participants generally on the *valuation date*. Assumptions and *special assumptions* must be reasonable and relevant having regard to the purpose for which the valuation is required.

In certain circumstances we may be asked to provide a Market Value subject to special assumptions which have previously been agreed between us and the client. Where such interpretations are required the additional special assumptions will be included within the valuation section of the report.

Regulated Purpose Valuations (RPV):

RICS has established particular requirements in circumstances where a valuation although provided for a client may also be of use to third parties, for instance, the shareholders in a company, defined by the RICS as "Regulated Purpose Valuations". Where a valuation is for a regulated Purpose, in accordance with RICS requirements, Bellevue Mortlakes shall state the following in its report:

- (a) The length of time the valuer has continuously been the signatory to valuations provided to the client for the same purpose as the Report, together with the length of time Bellevue Mortlakes has continuously been carrying out the valuation instruction for the client.
- (b) The extent and duration of the relationship of Bellevue Mortlakes with the client.
- (c) In relation to Bellevue Mortlakes's preceding financial year the proportion of the total fees, if any, payable by the client to the total fee income of Bellevue Mortlakes is expressed as one of the following:
 - Less than 5%; or
 - If more than 5% an indication of the proportion within a range of 5 percentage points.
- (d) Where, since the end of the last financial year, it is anticipated that there will be a material increase in the proportion of the fees payable, or likely to be payable, then we shall include a further statement to that effect in addition to (c) above.

When instructed in a continuing role as a Valuer it is Bellevue Mortlakes's policy to rotate persons responsible for valuations and the signatory to the report, on a seven yearly basis, unless specifically agreed otherwise.

APPENDIX 2



Standard Limitations & Assumptions

1. Security Analysis

General Commentary

- 1.1 We have been requested to comment on the suitability of the property for loan security purposes.
- 1.2 Within our valuation report we have commented on any inherent property related risks which we have identified as part of our due diligence and which we consider should be drawn to your attention. Determination of the degree and adequacy of capital and income cover for loans is the responsibility of the lender having regard to the terms of the loan.

Loan/Borrower

- 1.3 We have not been provided with accounts or other financial information on your Customer, and are unable to comment on their financial strength. We would recommend that you satisfy yourselves that your Customer has the necessary capability to meet the intended repayments.
- 1.4 We have not been provided with the terms of the loan being offered to your Customer. We assume that the loan to value ratio, interest cover ratio and loan term length are within typical market parameters. Our assessment is made upon the property itself (in isolation) and no recommendation is given by Belleveue Mortlakes in respect of the length of term considered appropriate or sum to be advanced and any decision in this respect should be subject to the usual lending criteria of the Bank.

Verification

- 1.5 The report has been based, to some extent, on information provided verbally which should be checked by your solicitors. In particular, this may apply to tenure and planning. Their searches may also reveal whether any historical use of the property is likely to have resulted in contamination.
- 1.6 We reserve the right to amend our valuation following any searches which provide information that differs from that previously assumed.

Specialist & Suggested Reports

- 1.7 Where appropriate we may highlight in some instances specialist reports which may be required.
- 1.8 Suggestion – (not essential, unless specifically drawn to your attention) - the lender may wish to commission an EnviroScreen or GroundSure report which will provide commentary on risk of contamination/flooding. This type of survey report can usually be requested as an additional search via your legal advisors.

Recoveries

- 1.9 We are not privy to the full extent of how this loan is structured and can therefore only comment on the recovery of a loan advanced against this security, in isolation.
- 1.10 The report has been reviewed by our LPA Receivers, who confirm that there are no major areas of concern which will adversely affect enforcement of this security. We recommend that this is also confirmed by your legal advisors.

Scope of Enquiries

- 1.11 The extent of enquiries made are set out in our General Terms of Business and within this Standard Limitations & Assumptions. In carrying out this instruction we have undertaken verbal / web based enquiries referred to in the relevant section of the report. We have relied upon this information as being accurate and complete.
- 1.12 Some information within the valuation report has been provided "the Client", "the Customer", its advisers and other third parties. We have relied upon information as being materially correct in all respects.
- 1.13 In the absence of any other documents or information provided, we have had to rely solely upon our own enquiries as outlined in the valuation report. Any assumptions resulting from the lack of information are also set out in the relevant sections of the valuation report and within this Standard Limitations & Assumptions document.

2. The Property

Description

- 2.1 Where the age of the building is estimated, this is for guidance only.

Construction

- 2.2 Unless otherwise stated within the report, the property is of a traditional or system built (applicable to Local Authority blocks) construction.
- 2.3 We do not normally carry out investigations on site to ascertain whether any building was constructed or altered using deleterious materials or techniques (including, by way of example, high alumina cement concrete, woodwool as permanent shuttering, calcium chloride or asbestos).
- 2.4 For the purposes of this valuation we have assumed that such investigations would not disclose the presence of any such material in any adverse conditions.

General Repair & Condition

- 2.5 We have undertaken a visual inspection of the exterior and interior of the property, to the extent which is accessible with safety and without undue difficulty, as can be seen whilst standing at ground level and within the boundaries of the site, and adjacent public/communal areas, and whilst standing at the various floor levels which we consider reasonable in order to provide the service having regard to its purpose. We have not carried out a building or structural survey or inspect those parts of the property which were covered, unexposed or inaccessible nor raised floor boards, moved any fixed apparatus or arranged for a test of the electrical, heating or other services.
- 2.6 With regard to flats, our inspection was limited to the subject flat(s) and immediately adjacent common areas only. It is not possible to comment on the condition of other parts of the building or on any potential liability for defects in such parts.
- 2.7 In preparing the report, unless otherwise stated, the following assumptions have been made which we are under no duty to verify:
- A. That no deleterious or hazardous materials or techniques were used in the construction of the property nor have since been incorporated.
 - B. That inspections of those parts which have not been inspected would neither reveal material defects nor cause the valuer to alter the valuation materially.

Condition

- 2.8 An overview of the condition of the property is described within the report.

General Remarks

- 2.9 For loan security purpose, within each report, significant defects or items requiring urgent attention will be brought to your attention. We will also advise if a retention is required or a condition of the mortgage advance is recommended.

Significant Issues

- 2.10 We would refer you to the main body of the report for details of repair liabilities. Where appropriate, we have highlighted significant issues which require immediate attention or issues which will have an adverse affect on value. Should this be the case, we have factored these considerations into our reported Market Values.

- 2.11 Properties built prior to the 1960s in particular are susceptible to dampness, timber decay and attack by wood boring beetle infestation. We have reported only on any obvious serious problems that might affect value. Otherwise we recommend that the property is regularly inspected and maintained to ensure that it is kept from these defects, and this is a matter that should be addressed under the general maintenance and management of the building.
- 2.12 We may report that the building has areas of flat roof. Flat roofs, particularly those with a felt covering, have a limited life and are prone to failing suddenly and therefore require regular inspection, maintenance and cyclical renewal.

Structural Condition

- 2.13 Building, structural and ground condition surveys are detailed investigations of the building, the structure, technical services and ground and soil conditions undertaken by specialist building surveyors or engineers and fall outside the normal remit of a valuation. Since we will not have carried out any of these investigations, except where separately instructed to do so, we are unable to report that the property is free of any structural fault, rot, infestation or defects of any other nature, including inherent weaknesses due to the use in construction of deleterious materials. We do reflect the contents of any building survey report referred to us or any defects or items of disrepair of which we are advised or which we note during the course of our valuation inspections but otherwise assume properties to be free from defects.
- 2.14 We have reported on any obvious structural movement that may be significant, progressive or require further investigation.

Ground Conditions

- 2.15 We assume there to be no unidentified adverse ground or soil conditions and that the load bearing qualities of the sites of each property are sufficient to support the building constructed or to be constructed thereon.

Services

- 2.16 We have not tested any of the services within the property but made a visual inspection of those which are connected.
- 2.17 Specific details relating to the mains services of the property have been described within the valuation report.
- 2.18 We assume that all service installations are tested including by approved NICEIC and Gas Safe Registered contractors and that all recommendations and statutory requirements are fully implemented.
- 2.19 We emphasise that we have not undertaken a building survey of the property and should you require a more detailed report upon the mechanical and electrical equipment, a further inspection and report will be necessary. Our valuation assumes that all electronically operated or electronically controlled equipment at the property is not or will not be adversely affected by any computer virus or date related programming problems.
- 2.20 With respect to properties which have comfort cooling/air-conditioning, regulations for the installation, maintenance and re-filling of air conditioning plants have become more complex and restrictive in recent years. We have not inspected or tested the plant to confirm whether it works satisfactorily or whether it complies with all current legislation.

Accommodation

- Measurement**
- 2.21 All areas are approximate only and unless indicated otherwise have been measured in accordance with RICS Property Measurement, First Edition, on a Gross Internal Area (GIA), Net Internal Area (NIA) or Gross External Area (GEA) basis.
 - 2.22 We have measured the property using a Disto electronic measuring device, accurate to +/- 5mm up to 60m.
 - 2.23 The accommodation description is summarised within the report.
 - 2.24 The valuation given does not include any chattels or contents within the property.

3. Tenure & Tenancies

Legal Title

- 3.1 We have assumed a good and marketable title and that all documentation is satisfactorily drawn. We further assume that there are no unusual outgoings, planning proposals, onerous restrictions or local authority intentions which affect the property, nor any material litigation pending.
- 3.2 We recommend that our understanding of all legal title issues is referred to your legal advisers for their confirmation that our understanding is correct.
- 3.3 If any matters come to light as a result of your legal adviser's review of these issues, we request that these matters are referred back to us as this information may have an important bearing upon the values reported.
- 3.4 We have not been provided with a Report on Title (ROT) and have, therefore, made various assumptions for the purposes of the valuation reported herein. If a ROT is produced we will be pleased to review and advise accordingly.
- 3.5 We emphasise that we are not Solicitors, and our observations are subject to verification by the Bank's appointed legal advisers in their formal Report on Title.

Tenure

- 3.6 We will usually inspect Office Copy entries relating to the property. Instances of uncertainty or anomalies will be raised within the report.

Freehold

- 3.7 Where the property has been identified as freehold, we have assumed that the freehold interest is free from any encumbrances, unduly onerous or unusual easements, rights of way, rights of light, restrictions, outgoings or conditions which would have an adverse effect upon the value of the property.

Leasehold

- 3.8 In the absence of a copy lease, we have assumed that normal covenants and liabilities devolve upon the lessee.
- 3.9 We are not aware of the current passing ground rents or service charges but have assumed they are commensurate for the respective property type and location.
- 3.10 Where it is identified as being leasehold, we have assumed that the leasehold interest is free from any encumbrances, unduly onerous or unusual easements, rights of way, rights of light, restrictions, outgoings or conditions which would have an adverse effect upon the value of the property.

Short Leasehold

- 3.11 Leasehold interests approaching or below 80 years are considered short and these properties will continue to be a depreciating asset until such time as the lease is extended. Legal advisers should ensure that the lease can be extended subject to the Commonhold and Leasehold Reform Act 2002.
- 3.12 Where this is the case the valuation takes into account the effect of the diminution in value as a result of the term unexpired and how these would be treated by lenders, for loan security purposes.
- 3.13 Our assumptions relating to tenure should be verified by your legal advisers. If they prove incorrect any variation may have a material impact on value and should be referred back to us for further comment.

Tenancies

Inspection of Tenancy Agreements

- 3.14 The report will confirm if an Assured Shorthold Tenancy 'AST', occupational agreement, commercial lease or other form of tenancy agreement has been provided.

Provided

- 3.15 Where documentation is provided, the Assured Shorthold Tenancy 'AST' / Commercial Lease / Occupational Agreement or tenancy agreement's salient terms will be summarised.
- 3.16 Adverse or onerous terms, conditions, or covenants which would affect value will be highlighted and commented upon. We emphasise that we are not Solicitors, and our observations in this regard are subject to verification by your legal advisers.

Not Provided

- 3.17 In the absence of tenancy documentation, we have relied upon information provided to us by your Customer.
- 3.18 In this instance, we assume that the AST/Commercial Lease or other form of tenancy agreement is in usual form, with no onerous terms, conditions, covenants which would affect value.
- 3.19 We advise that all information and assumptions relating to the tenancies are verified by your legal advisors. If they prove incorrect any variation may have a material impact on value and should be referred back to us for further comment.

Covenant Strength

- 3.20 We reflect our general appreciation of potential investors' likely perceptions of the financial status of tenants. We do not, however, carry out detailed investigations as to the financial standing of tenants, except where specifically instructed, and assume, unless informed otherwise, that in all cases there are not significant arrears of payment and that tenants are capable of meeting their obligations under the terms of leases and agreements.
- 3.21 It is beyond the scope of our expertise to give any guarantees in respect of the financial credibility and grading of the commercial tenant. We recommend that the lender, purchaser or investor undertakes its own due diligence and satisfies themselves in this regard.

4. Statutory & Legal Matters

Planning Enquiries

- 4.1 Enquiries of the relevant Planning and Highways Authorities in respect of matters affecting the property, where considered appropriate, are normally only obtained verbally or from a Local Authority website. Written enquiries can take several weeks for response and incur charges. Where reassurance is required on planning matters, we recommend that formal written enquiries should be undertaken by the client's solicitors.
- 4.2 These enquiries should not be taken as comprehensive searches and information on the relevant website is assumed to be both accurate and up to date. We recommend that a formal planning enquiry should be made via your legal advisors.
- 4.3 Unless specifically highlighted within the valuation report, for the purpose of our valuation, we have assumed that the property benefits from planning permission and building regulations for its current layout, configuration, conversion, extension and use. We further assume that the premises comply with all relevant statutory requirements including fire and building regulations
- 4.4 In the case of properties built within the last ten years, we have assumed that the customary 10 years NHBC, Zurich or identical cover is in place and that all necessary statutory consents have been obtained and complied with for the development.

Planning History

- 4.5 Where available, planning history relating to the property will be provided within the valuation report.

Alterations

- 4.6 Internal alterations, extensions or conversions will be described within the individual valuation reports.

Significant Matters

- 4.7 Where suspected, instances of uncertainty or anomalies relating to planning or statutory regulations will be highlighted. This section of the valuation report will highlight any adverse planning related matters which may affect our reported values, for example this may include instances where there may be a suspected breach of planning permission.

Enforcement

- 4.8 For the purposes of our valuation, we assume that there are no outstanding statutory enforcement notices. Your legal advisors should confirm should also confirm the same.

Planning Restrictions

- 4.9 Unless specifically mentioned within the valuation report, it is assumed that the property is not listed as a building of historical or architectural importance. We further assume that it is not situated within a conservation area.

Highways & Access

- Highways** 4.10 Unless stated otherwise, we understand from enquiries of the Highways Authority that the property is situated on a made up road, which is adopted and maintainable at public expense.
- Access** 4.11 We assume the property benefits from good access. We further assume that the property is not affected by any encumbrances relating to rights of way.
- Shared Drives / Services Roads/ Communal Areas** 4.12 Where a shared drive is brought to attention, a service road exists or communal areas are highlighted, solicitors may wish to investigate its ownership, rights of way and joint liabilities with respect to maintenance.
- Residential Blocks** 4.13 We assume appropriate rights of way exist over communal access areas and maintenance is covered by way of a service charge.

Rating Assessment

- 4.14 Information relating to Council Tax bands or Rateable Values has been obtained via The Valuation Office Agency, and is presented within the valuation report.

Registration & Licences

- 4.15 Unless specifically highlighted within our valuation report, we understand that no licences are required from the Local Authority for the current occupations.

- HMO Specific Legislation** 4.16 Information relating to HMO licensing will be provided, if applicable, within the valuation report.

Fire Safety Legislation

- 4.17 The Fire Regulatory Reform (Fire Safety) Order 2005 came into effect on 1st October 2006 and replaces most fire safety legislation.
- 4.18 The FSO applies to all non-domestic premises in England and Wales, including the common parts of blocks of flats and houses in multiple occupation (HMOs).
- 4.19 Under this legislation, a "responsible person" must now carry out a "Fire Risk Assessment" (or otherwise ensure one is carried out by a suitably qualified person).
- 4.20 We are not aware if a Risk Assessment has been undertaken. We recommend that the need to commission such an assessment and the implementation of its recommendations should be drawn to the attention of the customer.

Equality Act (Commercially Used Premises Only)

- 4.21 The Equality Act 2010 came into effect on 1st October 2010 and replaces previous legislation concerning discrimination, much of which was contained within the Disability Discrimination Act 1995.
- 4.22 A service provider or property owner is required to take reasonable steps to remove or alter any feature of a property that makes it impossible, or unreasonably difficult, for a disabled person to make use of the services of the property.
- 4.23 The definition of disability is wide ranging and the assessment of a building for this purpose is beyond the scope of this report.
- 4.24 This matter should be brought to the customers' attention as non-compliance could result in civil proceedings.
- 4.25 In order to properly assess what steps if any need to be taken to ensure that the property is compliant with the Act, we advise that an Access Audit is undertaken so that any deficiencies are correctly identified. We would be happy to comment on the contents of the report and likely effect, if any, on the property's value.
- 4.26 We have not carried out or commissioned any investigations to determine whether or not the property complies with the above requirements nor have we made any allowance for the cost of compliance works.

Asbestos at Work Regulation (Commercially Used Premises Only)

- 4.27 Obligations within the Control of Asbestos Regulations 2012 require every "dutyholder" of non-domestic premises to assess whether asbestos is, or is liable to be, present; to prepare and implement a plan for managing any risks arising; and to review and revise the plan as necessary. A "dutyholder" is any person with any extent of responsibility for the maintenance or control of the whole or part of the premises.
- 4.28 The legal requirement to commission such a report in accordance with the Regulations from a suitable qualified and insured professional, individual or company and the need to implement its recommendations, should be drawn to the attention of the customer.
- 4.29 We have not been informed of whether or not a full survey or register has been prepared and would recommend that the Client's solicitor clarifies this.

Asbestos (Residential Premises)

- 4.30 Properties built after the 1940s and prior to the late 1980s in particular often contain asbestos based materials within their construction and the material might be found in such items as textured wall or ceiling finishes, floor tiles, wall, duct or door panels, electric heaters, some water tanks, lagging, and bath panels etc. Unfortunately, it is not always possible to identify asbestos based materials on a purely visual inspection. Further advice on asbestos may be obtained from the local environmental health officer.

Health & Safety

- Residential Premises**
- 4.31 The letting of residential property requires compliance with strict health and safety standards by both owners and managers. The failure to comply can lead to civil and even criminal prosecutions. The requirements placed on the owners of let residential property include, but are not limited to:-
- 4.32
- Furniture & Furnishings (Fire) (Safety) Regulations 1988
 - Gas Safety (Installation and Use) Regulations 1998
 - Electrical Equipment (Safety) Regulations 1994
 - Housing Fitness Standards
 - Housing Health & Safety Rating System under the Housing Act 2004
- Commercial Premises**
- 4.33 All occupiers should be aware that Health and Safety requirements differ greatly according to how the premises are used. We have not made enquiries to ascertain the appropriateness of the premises for their current/proposed use or to confirm compliance with regulations.
- 4.34 We have assumed for the purposes of our report that there are no outstanding improvement notices served under appropriate legislation.
- 4.35 We have assumed in our valuation that all regulations have and will be complied with.
- The Smoke and Carbon Monoxide Alarm (England) Regulations 2015**
- 4.36 At the time of our inspection, we did not test any alarms or installations as this is beyond the scope of our instructions. We recommend that the Bank's legal advisers obtain confirmation from the customer that if the property is to be let, that it is fully compliant that the customer will ensure that these obligations on the landlord continue to be met.
- In arriving at our opinion of value we have assumed continuing compliance with the legislation.

Energy Act 2011

- EPC Ratings**
- 4.37 The EPC ratings provided within our valuation report have been sourced from data published by Department of Communities and Local Government, on www.ndepcregister.com (commercial premises) and www.epcregister.com (residential premises). We will indicated within our report if we have been unable to obtain an EPC Certificate/rating.
- 4.38 Since 1st October 2008, all owners of residential and commercial property are required to produce an Energy Performance Certificate (EPC) when the property is either sold or let.
- 4.39 EPCs give information on a buildings energy efficiency on a sliding scale from 'A' (very efficient) to 'G' (least efficient), as well as providing recommendations as to how to improve these ratings.
- 4.40 The Energy Act 2011 includes provisions that will outlaw the letting of residential and commercial properties with 'F' and 'G' EPC ratings by no later than 1 April 2018. This is unlikely to affect our opinion of value at the current time.
- 4.41 For properties which have 'F' or 'G' ratings it is likely that capital expenditure will be required to maintain their marketability under the Act. We have not made an allowance in our valuation for this potential capital expenditure.

5. Environmental Considerations

Flooding

- 5.1 We have undertaken online research via the Environmental Agency website and summarise our findings within the report.
- 5.2 We have made an assumption that building insurance is available on "normal" terms.

Contamination

- 5.3 Investigations into environmental matters would usually be commissioned from suitably qualified environmental specialists.
- 5.4 Unless any concerns are specifically raised within our valuation report, from our basic enquiries and from our inspection of the property and the respective surroundings, we have no reason to believe that contamination is present. Our views as to value therefore assume that the property is unaffected. However, should it be established subsequently that contamination exists at the property, or on any neighbouring land, or that the premises have been put to any contaminative use, this might reduce the value now reported.
- 5.5 We are not environmental specialists and therefore we do not carry out any scientific, investigations of sites or buildings to establish the existence or otherwise of any environmental contamination, nor do we undertake searches of public archives to seek evidence of past activities which might identify potential for contamination. Where contamination is suspected or confirmed, but adequate investigation has not been carried out and made available to us, then the valuation will be qualified by reference to appropriate sections of The Red Book.
- 5.6 With regard to new properties or those built within the last 30 years, we have assumed that any necessary remedial land decontamination works were properly completed prior to the development commencing.

Plant Life

- 5.7 Unless specifically stated, at the time of inspection no obvious evidence of any harmful vegetation was found at any of the property.
- 5.8 We recommend regular inspection and maintenance of plant life, to prevent any potential harm to the stability of the building.
- 5.9 However, the presence of knotweed can be temporarily disguised by cutting it back to ground level and we cannot warrant that it is not present. On large sites or sites with inaccessible areas, again we cannot warrant that no invasive plants are present.
- 5.10 Trees may be present close to the building. The effect of trees on the structure or services of the building will depend on their size, proximity, species, maturity, weather conditions and whether the subsoil is of a shrinkable nature. We have only specifically reported where we believe the tree(s) to be a significant hazard. We recommend generally that trees are regularly pruned and pollarded to prevent them from increasing in size.

Radon

- 5.11 The property is in a part of the country where there is a low to medium likelihood of radon posing a potential risk to health. A specific test is advised if certainty is required in this regard.

6. Comparable Evidence & Market Analysis

Comparable Evidence

- 6.1 Where comparable evidence information is included in our report, this information is often based upon oral enquiries and its accuracy cannot always be assured, or may be subject to undertakings as to confidentiality. However, such information will only be referred to where we have reason to believe its general accuracy or where it is in accordance with expectation. In addition, we have not inspected comparable properties.
- 6.2 We have carried out our usual research and enquiries and had discussions with leading local agents and analysed the existing market commentaries and data in determining our opinion as to the applicable Market Value 'MV' & Market Rent 'MR' of the subject properties. Information has also been sourced from our own internal records.
- 6.3 Secondary evidence has been drawn from properties which are on the market and have not yet legally exchanged contracts.
- 6.4 In arriving at our opinion of Market Rent & Market Value we have had reference to the comparable evidence summarised within the valuation report. We have taken into account the location, size, specification and condition of the property and have had to make adjustments to account for fluctuations within the market and other material factors. We should point out that rental levels achieved may vary depending on the term of letting, covenant strength and any services provided.
- 6.5 In the case of the leasehold interests, where the leases have less than 80 years remaining, we have attempted to access evidence of similar units with short term leases. As we have found no such transaction evidence, we have relied on our own experience of leasehold enfranchisement.

Market Commentary & Economic Overview

- 6.6 An excerpt from a recent RICS Property Market Survey is appended to our valuation report.
- 6.7 It should be noted that this supplement is included for 'general' information only and is aimed to provide the lender a glance of the overall notable market overview, comments within the report should not form the basis of any formal decision. Being a general report, the material does not necessarily represent the view of Belleveue Mortlakes in relation to specific properties or projects and no responsibility can be accepted by Belleveue Mortlakes resulting from the contents of the document.
- 6.8 Our market analysis has been undertaken using market knowledge within Belleveue Mortlakes, enquiries of other agents/property professionals, searches of property databases, the RICS, Council of Mortgage Lenders, IPD as well as other published sources/research.

7. Valuation

Methodology

- 7.1 Our valuation has been undertaken using appropriate valuation methodology and our professional judgement.

Comparative Method

- 7.2 Where indicated within our report, in determining our opinion of Market Value & Market Rent of the property, we have made our assessment on the basis of a collation and analysis of appropriate comparables. With the benefit of such transactions we have then applied these to the property, taking into account size, location, aspect and other material factors.

Residential Blocks

- 7.3 Where a house has been converted into self-contained flats, in line with its permitted planning permission for the conversion, or we are providing a valuation of a purpose built block of flats, our aggregate Market Value of the individual flats is based on the assumption that each flat can be sold off separately subject to a long leasehold interest (125 years) at nominal ground rent with appropriate service charge provision.

Short Leasehold Interests (<80 years Unexpired)

- 7.4 A leasehold term approaching or below 80 years unexpired is considered short and the property will continue to be a depreciating asset until such time as the lease is extended.
- 7.5 We will attempt to access evidence of similar flats with short term leases, however this may not be readily available. Where there is a lack of direct comparables of this nature we will assess the Market Value of the property assuming it were to be sold with a long leasehold interest and make appropriate adjustments via published relativity graphs.

Investment Method

- 7.6 Where indicated within our report, we have valued the property by way of an Investment Approach as this is the basis upon which such properties are bought and sold. In arriving at our valuation we have had regard to the rental value of the property. We have taken into consideration investment returns determined by direct comparison with yields obtained on comparable property transactions as well as other forms of investment.
- 7.7 We have also had regard to the Direct Capital Comparison method of valuation with regard to assessing any residential accommodation, which may form part of a mixed use property.

Residual Method

- 7.8 Where indicated within our report, in determining our opinion of the Market Value (MV) of the property we have adopted the residual method of valuation taking into account the benefit of the planning permission, carrying out a valuation of the completed building and then making an allowance for the cost of construction together with fees and the cost of finance plus an allowance for developers profit. To assist with our valuation, we have utilised an industry recognised residual development valuation package which enables a full sensitivity analysis to be carried out.
- 7.9 Where our instruction requires us to have regard to build cost information, for example in the valuation of properties with development potential, we strongly recommend that you supply us with build cost and other relevant information prepared by a suitably qualified construction cost professional, such as a quantity surveyor. We do not hold ourselves out to have expertise in assessing build costs and any property valuation advice provided by us will be stated to have been arrived at in reliance upon the build cost information supplied to us by our client or their customer. In the absence of any build cost information supplied to us, we may have regard to published build cost information. There are severe limitations on the accuracy of build costs applied by this approach and professional advice on the build costs should be sought by you. The reliance which can be placed upon our advice in these circumstances is severely restricted. If you subsequently obtain specialist build cost advice, it is recommended that we are instructed to review the advice.

Planning Irregularities

- 7.10 In instances where we have highlighted that the building does not benefit from planning permission and usual statutory regulations for its existing configuration or use, our valuation will be based on the permitted use, after making appropriate allowances/deductions for costs associated with re-instatement works.

Valuation Bases & Definitions

Market Value 7.11 Market Value is defined within RICS Valuation Standards as:

“The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.”

Market Rent 7.12 The basis of valuation for our opinion of rental value is Market Rent. This is defined in RICS Valuation Standards as:

- 7.13 “The estimated amount for which a property, or space within a property, should lease (let) on the date of valuation between a willing lessor and a willing lessee on appropriate lease terms in an arm’s-length transaction after proper marketing wherein the parties had acted knowledgeably, prudently and without compulsion.”

Disposal Costs and Liabilities

- 7.14 No allowance is made in our valuation for expenses of realisation or for taxation which may arise in the event of a disposal and our valuation is expressed as exclusive of any VAT that may become chargeable. Properties are valued disregarding any mortgages or other charges.

Building Reinstatement

- 7.15 We are not aware of the current level of building reinstatement insurance cover and therefore cannot comment upon the adequacy of same, however we would recommend that the property be insured for a minimum sum, as reported.
- 7.16 This sum allows for full reinstatement, professional fees and VAT but excludes any allowance for inflation, and should accordingly be updated on an annual basis to keep pace with rising costs.
- 7.17 Where the properties form part of a larger structure (i.e. block), the building insurance figure provided is for the subject property only and given solely as a guide as it is assumed that the building as a whole is insured under a single policy.
- 7.18 We would emphasise that the figures detailed in our report is our estimate of the cost of rebuilding the premises and bears no direct relationship to current market value. The figure given is for guidance only and does not comprise a formal fire insurance valuation of this property.
- 7.19 Our reinstatement assessment should be compared with the owner's and if there is a material difference, then a full reinstatement valuation should be considered.

Building Insurance

- 7.20 Our valuation assumes that the property would, in all respects, be insurable against all usual risks including terrorism, flooding and rising water table at normal, commercially acceptable premiums.

APPENDIX 3



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



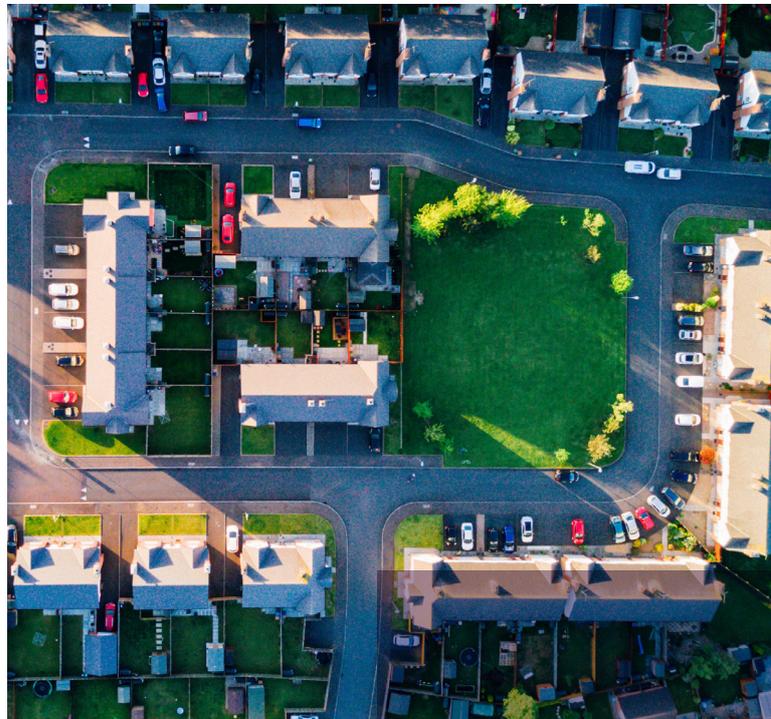
of +16% last time).

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.





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 head, 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 pick-up 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.

APPENDIX 4



Energy performance certificate (EPC)

Kona Kai 515 Fulham Road LONDON SW6 1HD	Energy rating E	Valid until: 17 January 2028
		Certificate number: 9220-7985-0343-3930-0074

Property type

A3/A4/A5 Restaurant and Cafes/Drinking Establishments and Hot Food takeaways

Total floor area

439 square metres

Rules on letting this property

Properties can be let if they have an energy rating from A+ to E.

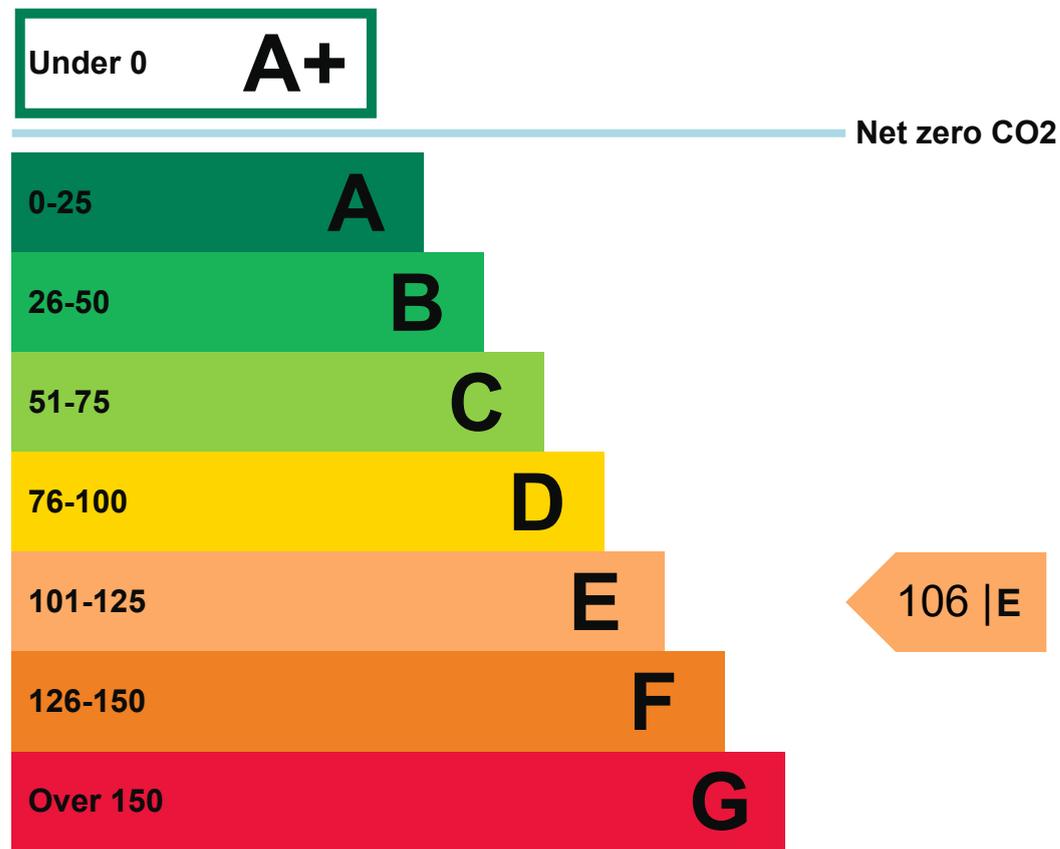
If a property has an energy rating of F or G, the landlord cannot grant a tenancy to new or existing tenants, unless an exemption has been registered.

From 1 April 2023, landlords will not be allowed to continue letting a non-domestic property on an existing lease if that property has an energy rating of F or G.

You can read [guidance for landlords on the regulations and exemptions](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/824018/Non-Dom_Private_Rented_Property_Minimum_Standard_-_Landlord_Guidance.pdf) (https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/824018/Non-Dom_Private_Rented_Property_Minimum_Standard_-_Landlord_Guidance.pdf).

Energy efficiency rating for this property

This property's current energy rating is E.



Properties are given a rating from A+ (most efficient) to G (least efficient).

Properties are also given a score. The larger the number, the more carbon dioxide (CO2) your property is likely to emit.

How this property compares to others

Properties similar to this one could have ratings:

If newly built

35 | B

If typical of the existing stock

102 | E

Breakdown of this property's energy performance

Main heating fuel

Grid Supplied Electricity

Building environment

Heating and Natural Ventilation

Assessment level

3

Building emission rate (kgCO₂/m² per year)

160.41

Primary energy use (kWh/m² per year)

949

▶ [What is primary energy use?](#)

Recommendation report

Guidance on improving the energy performance of this property can be found in the [recommendation report \(/energy-certificate/9737-4032-0834-0090-9525\)](/energy-certificate/9737-4032-0834-0090-9525).

Contacting the assessor and accreditation scheme

This EPC was created by a qualified energy assessor.

If you are unhappy about your property's energy assessment or certificate, you can complain to the assessor directly.

If you are still unhappy after contacting the assessor, you should contact the assessor's accreditation scheme.

Accreditation schemes are appointed by the government to ensure that assessors are qualified to carry out EPC assessments.

Assessor contact details

Assessor's name

Katie Price

Telephone

01924669940

Email

epc@compliance365.co.uk

Accreditation scheme contact details

Accreditation scheme

Quidos Limited

Assessor ID

QUID202388

Telephone

01225 667 570

Email

info@quidos.co.uk

Assessment details

Employer

Compliance365

Employer address

6 Mariner Court

Assessor's declaration

The assessor is not related to the owner of the property.

Date of assessment

21 December 2017

Date of certificate

18 January 2018

Other certificates for this property

If you are aware of previous certificates for this property and they are not listed here, please contact us at mhclg.digital-services@communities.gov.uk or call our helpdesk on 020 3829 0748.

There are no related certificates for this property.

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