

## VALUATION AND REPORT

|                                 |   |
|---------------------------------|---|
| <b>ON THE PROPERTY KNOWN AS</b> | <b>567/569 BEARWOOD ROAD<br/>SMETHWICK<br/>BIRMINGHAM<br/>B66 4BH</b>   |
|                                 | <b>577 BEARWOOD ROAD<br/>SMETHWICK<br/>BIRMINGHAM<br/>B66 4BH</b>   |
| <b>PREPARED FOR</b>             | <b>BRIAN BARTABY<br/>PROPLEND SECURITY LIMITED<br/>15 LITTLE GREEN<br/>RICHMOND<br/>TW9 1QH</b>                             |
| <b>APPLICANT</b>                | <b>MR SALAM RAHIM<br/>ASR PREMIER PROPERTIES</b>  |
| <b>INSTRUCTION FROM</b>         | <b>METHOD</b>   |
| <b>INSTRUCTION REF</b>          | <b>21154</b>  |
| <b>DATE OF INSPECTION</b>       | <b>TUESDAY 28<sup>th</sup> JUNE 2022</b>  |
| <b>REPORT PREPARED BY</b>       | <b>M R EDWARDS MRICS FNAEA FCIQB</b>  |
|                                 | <b>For and on behalf of McCartneys LLP<br/>Chartered Surveyors<br/>54 High Street<br/>Kington<br/>Herefordshire HR5 3BJ</b> |

[mccartneys.co.uk](http://mccartneys.co.uk)

McCartneys LLP  
Registered in England & Wales: No. OC310186. VAT Reg No. GB 134 6840 67  
Registered Office: The Ox Pasture, Overton Road, Ludlow, Shropshire SY8 4AA

## **ADDRESSEE**

Mr Brian Bartaby, Proplend Security Ltd., 15 Little Green, Richmond TW9 1QH.

## **SPECIAL INSTRUCTIONS & ASSUMPTIONS**

This Valuation is prepared in accordance with written instructions from Method and the RICS Valuation - Global Standards effective from 31<sup>st</sup> January 2022 incorporating the International Valuation Standards and the RICS Valuation – Global Standards UK National Supplement 2018 (RICS Red Book Global), for the purpose of establishing the **Bricks & Mortar Market Value; Market Value subject to special assumptions; Market Rental Value & Reinstatement Cost** of the property. (Appendix 1 - Copy instruction letter/McCartneys LLP terms)

## **PURPOSE OF VALUATION**

This valuation is carried out in order to establish the value of the property for secured lending.

## **CONFLICT OF INTEREST**

The valuer named in this report confirms that he has no conflict of interest and gives an impartial opinion on the value of the property named in this report and further confirms that he has relevant local experience to comment on the class of property detailed in this report. The valuer named in this report has had no previous material involvement with this property.

The Valuer and this report also conforms to the RICS Valuation - Global Standards (As defined by the RICS Red Book Global). Details of this guidance is available on request.

## **BASIS OF VALUATION AND DEFINITION (MARKET VALUE)**

“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 arms-length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion (As defined by the RICS Red Book Global).

## **SOURCES, EXTENTS AND NON-DISCLOSURE OF INFORMATION**

The valuation has been carried out with reference to information provided to me by the applicant, together with details of sales of comparable properties.

## **DATE AND EXTENT OF VALUATION**

Tuesday 28<sup>th</sup> June 2022. An internal and external inspection was made of the property, together with a visual inspection of the land and boundaries. No structural survey was undertaken.

## **VALUER’S NAME & QUALIFICATIONS**

Mr. Michael Rupert Edwards MRICS FNAEA FCIQB  
Consultant of McCartneys LLP, Chartered Surveyors, 54 High Street, Kington, Herefordshire HR5 3BJ

I, Mr. Michael Rupert Edwards, am a Member of the Royal Institution of Chartered Surveyors (RICS) Building Surveyors Division; Member of Barclays Commercial Valuation Panel; Fellow of the National Association of Estate Agents; Fellow of the Chartered Institute of Building; Member of the RICS Valuer Registration Scheme – no. 0095839.

I have the relevant experience and knowledge of valuing the type of property concerned and I am an “external valuer” (As defined by the RICS Red Book Global).

### **VALUATION BY AN EXTERNAL VALUER**

This report and valuation has been made in accordance with the RICS Valuation - Global Standards (As defined by the RICS Red Book Global). The valuation has been carried out by a valuer who conforms to these requirements.

The freehold property was valued on 28<sup>th</sup> June 2022 by an external valuer, Mr. M. R. Edwards (RICS Registered Valuer 95839) of McCartneys LLP, Chartered Surveyors. This valuation has been carried out in accordance with the requirements detailed in the RICS Valuation - Global Standards (As defined by the RICS Red Book Global). The valuation of the property was on the basis of market value, subject to the following assumptions:

- 1) That the property would be sold freehold, subject to tenancy, in its existing condition.

The valuer’s opinion of market value was primarily derived using comparable recent market transactions on arm’s length terms.

### **BY WHOM INSPECTED**

M R Edwards (RICS Registered Valuer – 95839)  
MRICS FNAEA FCIOB

# VALUATION REPORT

## DATE INSPECTED

Tuesday 28<sup>th</sup> June 2022.

## BRIEF DESCRIPTION & LOCATION

567/569 and 577 Bearwood Road, are retail premises in a prominent location in the town centre of Smethwick, which is in the north western suburbs of Birmingham, approximately three miles from the city centre. Bearwood Road is the prominent retail street.

The M5 and M6 motorways are conveniently located, being approx. three miles.

The two properties are self-contained retail premises, which form part of the purpose built Smethwick shopping centre, considered to have been constructed in about 1955.

567/569 Bearwood Road is occupied by Poundland Ltd., and 577 Bearwood Road is occupied by Card Factory.

## CONSTRUCTION

The properties are of conventional construction. The buildings are two storey and have external cavity walls, with a brickwork finish. Where inspection was possible, the roof had a felt covering.

The ground floors are of solid construction, and first floors are suspended concrete construction.

## PLANS, PHOTOGRAPHS, TITLES & GRID REFERENCE

The plans in the appendices of this report are for identification purposes only. Photographs are included. (Appendix 2)

I confirm that Title nos. MM9440 (567/569 Bearwood Rd – same Title no.) and WM927134 (577 Bearwood Road) are in accordance with the properties valued in this report.

The Grid reference is SP022863.

## ACCOMMODATION

The accommodation briefly comprises: (all sizes are approximate)

|                      |               |  |
|----------------------|---------------|--|
| 567/569 Bearwood Rd: | Ground floor: | Retail premises  |
|                      | First floor:  | Landing/stores; storeroom; kitchen/staff room; office; ladies' WC and gents' WC. |
|                      |               | The Net Internal Area (NIA) extends to 535 sq m (5,756 sq ft)                    |
| 577 Bearwood Rd:     | Ground floor: | Retail premises  |
|                      | First floor:  | Landing; storage; ladies' WC and gents' WC.                                      |
|                      |               | The NIA extends to 139.6 sq m (1,502 sq ft)                                      |

## CONDITION

A Building Survey has not been undertaken, as this is outside the scope of this report. No major structural defects were identified. The general condition of the premises, taking into account general wear and tear, is considered to be in reasonable order.

## SERVICES

Mains water, electricity and drainage are connected.

567/569 Bearwood Road has air conditioning to the ground floor retail premises.

577 Bearwood Road has an electric convection heater over the entrance door.

## OUTSIDE

The properties have no specific outside amenity space or parking included within the curtilage, but there is a public car park at the rear of the shopping centre, which is conveniently located, with access through Bearwood Road, adjacent to 567/569 Bearwood Road.

## TENANCY & TENURE

The tenure of the property is believed to be freehold. The properties are currently let on commercial leases, a summary of which is set out below.

### 567/569 Bearwood Road:

|                 |   |
|-----------------|---|
| Tenant          | Poundland Ltd   |
| Lease commenced | 22.08.2012  |
| Term            | 10 year lease   |
| Rent            | £100,000 per annum  |
| Rent review     | 22.08.2017  |
| Repairs         | Full repairing and insuring lease, with decoration every five years |

The applicant advised me that the current Landlords are in the process of negotiating a new lease with the existing tenant, Poundland Ltd. These negotiations are ongoing. At the date of this report, I have been advised that the maximum offer for the new rent from the tenant is £40,000 pa. Therefore, the Market Value in this report, is now based upon this figure.

### 577 Bearwood Road:

|                 |  |
|-----------------|--|
| Tenant          | Sports Swift Ltd T/A Card Factory                                      |
| Lease commenced | 30.08.2017   |
| Term            | Five year lease from 08.11.2018  |
| Rent            | £28,500 per annum  |
| Expiring on     | 07.11.2022   |
| Repairs         | Full repairing and insuring lease, with decoration every five years. + |

This lease is nearing the end of its term, expiring on 08.11.2022. I draw to your attention the comments made above.

## **USE & PLANNING CONSENTS**

The use classification is Class E retail. There are no current Local Authority planning enforcement notices affecting the property.

## **RATEABLE VALUE**

### **567/569 Bearwood Road**

569 Bearwood Road was removed from the Rating List on 10.10.2012. There is currently no registration on the Government website for this property.

### **577 Bearwood Road**

The Rateable Value is £24,750.

## **ENERGY PERFORMANCE CERTIFICATE**

567/569 Bearwood Road is EPC Rating C. Certificate dated 02.04.2015.

577 Bearwood Road is EPC Rating C. Certificate dated 02.04.2015.

## **ENVIRONMENTAL CONSIDERATIONS/CONTAMINATED LAND**

Initial and cursory investigations indicate that no contaminated land or contaminated material is present either on or in the property.

From the Environment Agency Flood Mapping System, the premises are not shown to be in a flood zone area.

There was no evidence of any Japanese Knotweed or other invasive species found within the curtilage of the site during the site inspection.

## **RADON GAS**

The area is considered to be a low Radon gas area, where less than 1% of properties are affected.

## **HAZARDOUS & DELETERIOUS MATERIALS**

From my site inspection, there was no evidence of hazardous or deleterious materials having been used in the structure of the premises.

## **EQUALITIES ACT 2010**

The premises are considered to comply with this legislation.

## **FIRE SAFETY**

Hard wired fire precaution fittings were noted during my inspection.

## **REGISTRATION/LICENCES**

No registration/licences are required for the current use of the building.

## HIGH VOLTAGE ELECTRICAL APPARATUS

There is no high voltage overhead electrical apparatus in close proximity to the property, or telecommunications base station masts.

## ARCHAEOLOGICAL REMAINS

I have not consulted the Historic Environmental Records (HER) relating to the subject property and in preparing this valuation I have assumed there are no archaeological remains on, under or near the land which could adversely affect the values reported. If the Client requires more information, it should appoint a suitably qualified party to investigate and report.

## MINERAL WORKINGS

The property is not located in a coal mining area. There are no open quarrying operations in close proximity to the site.

## VOID RUNNING COSTS

The owner is responsible for the void running costs of the building, including payment of business rates, building insurance, standing charges for services, etc. The owner is also responsible for general property maintenance.

## METHODOLOGY

I have used the investment method to derive what I believe to be a fair and reasonable market value.

I have researched and analysed the following recent sales of retail premises in the area.

### **571 Bearwood Road, Smethwick B66 4BH**

1554 sq ft of retail premises. Let to Lloyds Pharmacy. Built 1955.

Sold 18.03.22 for £380,000 (£244.53 per sq ft) NIY 7.22%

### **608 Bearwood Road, Smethwick B66 4BW**

972 sq ft of retail premises. Built 1922. 8.34%

Sold 08.12.21 for £162,000 (£166.67 per sq ft) Auction sale.

### **602 Bearwood Road, Smethwick B66 4BW**

1895 sq ft of retail premises. Built 1960. NIY 9%

Sold 08.12.21 for £153,000 (£80.74 per sq ft) Auction sale.

### **606 Bearwood Road, Smethwick B66 4BW**

795 sq ft of retail premises. Built 1929.

Sold 08.12.21 for £146,000 (£183.65 per sq ft) NIY 8% Auction sale

In analysing the above, and based upon the current position regarding existing leasehold interests, as set out in this report, and also based upon my knowledge and experience, I believe that the following assessment of the values of each property to be fair and reasonable.

567/569 Bearwood Rd: NIY 11% = multiplier 13.33 x £40,000 = £533,200 (say £530,000)

577 Bearwood Rd: NIY 9.5% = multiplier 10.52 x £28,500 = £299,820 (Say £300,000)

Please note that this is what I believe to be fair and reasonable current market values, taking into account the current passing rents and terms of the leases. As previously stated, I believe that, upon completion of the lease renewal negotiations, that this matter should be referred back to me for re-consideration, as the market values may have to be reconsidered, depending upon the lease terms agreed.

In relation to a market value with vacant possession, I would consider that this is likely to be 10%/15% lower, taking into account the time to attract a tenant.

### **Market Rental Value**

I have researched and studied the following recent lettings of retail premises in the area.

#### **578 Bearwood Rd, Smethwick B66 4BW**

839 sq ft of retail premises.

Let on new one year lease in January 2022 for £15,000 per annum (£25.95 per sq ft)

#### **596 Bearwood Rd, Smethwick B66 4BW**

1013 sq ft of retail premises.

Let on new 10 year lease in November 2021 for £15,000 per annum (£14.80 per sq ft)

#### **624 Bearwood Rd, Smethwick B66 4BW**

764 sq ft of retail premises.

Let on new one year lease in November 2021 for £18,000 per annum (£23.56 per sq ft)

In analysing the above, it is important to note that the length of leases have had a significant impact on the market rental value.

In relation to the subject properties, based upon the current passing rents, these equate to:

567/569 Bearwood Rd = £17.37 per sq ft

577 Bearwood Rd = £18.97 per sq ft

Taking into consideration the size of the units, the current passing rent for 577 Bearwood Road is in line with the current passing rents from the comparable evidence.

Considering the size of 567/569 Bearwood Road, and having analysed the comparables above, this rental figure is considered to be higher than current rental values in the area.

### **SWOT ANALYSIS**

- |                       |   |
|-----------------------|---|
| <b>Strengths:</b>     | Prominent high street location, with National retail tenants.   |
| <b>Weaknesses:</b>    | None specific, other than a downturn in the property market.  |
| <b>Opportunities:</b> | The existing use of the property as retail premises is considered to be the most beneficial to maximise market sales and market rental values.  |
| <b>Threats:</b>       | The ongoing negotiations with Poundland Ltd., regarding renegotiation of the lease may result in a reduction in market value, dependent upon the terms agreed for the new lease, if a rent reduction is agreed. |

## **SECURITY**

I am of the opinion that the subject properties provide suitable security and that the buildings have an economic life of at least 25 years, providing that regular, planned maintenance is undertaken.

## **SALEABILITY/LETTABILITY**

I would consider a five month period to complete a sale.

Due to the sizes of the units and more restricted market for operators seeking larger units, I would advise lettability as follows:

567/569 Bearwood Road: Six months

577 Bearwood Road: Three months.

## **MARKETABILITY**

The market demand for premises in this area for investment purposes or letting is considered to be fair. This demand is likely to remain static in the near future.

## **HOPE, MARRIAGE OR SPECIAL PURCHASER VALUES**

No Hope, Marriage or Special Purchaser Value has been taken into consideration when calculating the value of the property concerned.

## VALUATION

This Valuation is provided for the stated purpose of the sole use of my client. This Report is confidential to my client and I accept no responsibility whatsoever to any other party. Neither the whole nor part of this Valuation may be included in any published document, circular or statement nor published in any way without my written approval of the form and context in which it may appear.

This Valuation is not suitable for property sales subject to a limited marketing period or other such restrictions or other uses nor should it be used by third parties without the consent of this office.

Any matters arising, which contradict this report and these assumptions or are otherwise likely to affect the value, should be referred back for reconsideration.

### Market Values

After giving due consideration to this matter, based upon the present condition of the properties and current market trends, I am of the opinion that reasonable **Market Values**, freehold and subject to tenancy, would be:

**567/569 Bearwood Road:**

**Market Value: £530,000 (five hundred & thirty thousand pounds)**

**Market Value with special assumption of 180 day restricted marketing period:  
£530,000 (five hundred & thirty thousand pounds)**

**Market Value with special assumption of 90 day restricted marketing period:  
£480,000 (four hundred & eighty thousand pounds)**

**577 Bearwood Road:**

**Market Value: £300,000 (three hundred thousand pounds)**

**Market Value with special assumption of 180 day restricted marketing period:  
£300,000 (three hundred thousand pounds)**

**Market Value with special assumption of 90 day restricted marketing period:  
£270,000 (two hundred & seventy thousand pounds)**

### Current Market Rental Values (passing rents):

**567/569 Bearwood Road:**

**£100,000 (one hundred thousand pounds) per annum**

**577 Bearwood Road:**

**£28,500 (twenty eight thousand, five pounds) per annum**

### Building Insurance Valuations

I would recommend Building Insurance Valuations of the subject properties, to include demolition, site clearance, rebuilding costs and professional fees, in the sums of:

**567/569 Bearwood Road:**

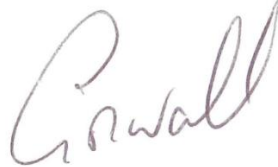
**£850,000 (eight hundred & fifty thousand pounds)**

**577 Bearwood Road:  
£270,000 (two hundred & seventy thousand pounds)**

**Signed**



**M R Edwards MRICS FNAEA FCIOB  
For and on behalf of McCartneys LLP**



**Signed**

**G R Wall Dip AFM Dip Surv MRICS MBIAC MNAVA FAAV FLAAV  
For and on behalf of McCartneys LLP**

**DATED THIS 1<sup>st</sup> DAY OF SEPTEMBER 2022**

#### **APPENDICES**

- |            |  |
|------------|--|
| Appendix 1 | Copy of instructions/terms                             |
| Appendix 2 | Plans for identification purposes only and photographs |
| Appendix 3 | General remarks/reservations                           |
| Appendix 4 | Valuation definitions                                  |

## APPENDIX 1 : Copy of instructions & McCartneys LLP terms letter

# Proplend Security Limited Letter of Instruction

Method xi System Ref: 21154  
Our Ref: Not Provided

Jun 16, 2022

McCartneys LLP - Kidderminster Office  
31 Worcester Street,  
Kidderminster,  
Worcestershire,  
DY10 1EQ

Dear Sirs

**Instruction: 21154**

**Property Address: 569 and also 577 Bearwood Road, Smethwick, Birmingham, West Midlands, B66 4BH**  
**Applicant: Salman Rahim (Mr)**

Further to recent communications, we write to instruct with regard to the Property/Business/Development on the terms set out below.

### 1. Property/Business/Development

|  |  |
|--|--|
| Property/Business/Development Address: | 569 and also 577 Bearwood Road, Smethwick,<br>Birmingham, West Midlands, B66 4BH.          |
| Type of Property/Business/Development: | Retail.  |
| Brief Description:                     | Two separate freehold titles being carve out of current<br>title no. WM6843 by the vendor. |
| Estimated Value:                       | £1,230,000.00.   |
| Estimated GDV (if applicable):         | N/A.   |
| Interest:                              | TBC.   |

### 2. Client Details

Your report should be addressed to: Client Name: Brian Bartaby, Proplend Security Limited,  
15 Little Green, Richmond, TW9 1QH

Client Address: 15 Little Green, Richmond, TW9 1QH.

Please note that we are your client in this matter and not the applicant or their finance broker, even where they are paying for the report.

### 3. Basis of Instructions

Purpose of Instruction: Secured Lending.

Professional Indemnity Cover duration:

During the continuance in force of these terms and conditions and for six years after termination maintain professional indemnity insurance. If you cease trading prior to six years after termination of the Method's Approved Terms and Conditions for the supply/receipt of instructions by Customers/Panel Members between Customers and Panel Members, you shall ensure adequate run-off cover to fulfil your PII obligations.

Other:

Market Value to be less than PII limit.

Surveyor Qualifications:

Signatories RICS Registered Valuer with at least 3 years Post Qualification Experience.

Counter Signatories RICS Registered Valuer with at least 5 years Post Qualification Experience.

If you do not meet this minimum criteria do not accept this instruction.

#### 5. Other

Distance of Valuer to Property/Business/Development: 13.2 miles.

## 6. Please Note

If we have any Guidance Notes these will be available through the Valuer Portal of the Method xi system. In the event of a conflict between the contents of our Guidance Notes and our standard instruction letter, please note that our standard instruction prevails. It is your responsibility to make sure you understand our requirements.

Method's Approved Terms and Conditions and the Lender's Guidance Notes are hereby incorporated into this letter of Instruction which is submitted on the basis that:

1. Method's Approved Terms and Conditions prevail in respect of the Customer's obligations;
2. Method's Approved Terms and Conditions prevail in respect of the Panel Member's obligations and
3. In respect of the instructions the terms and conditions contained within the Letter of Instruction will prevail.

Do not accept this instruction unless you are happy with the instruction being on this basis.

By undertaking this instruction you agree that you will be deemed to unequivocally accept this condition.

Any variations to these terms, you seek to impose by issuing your own terms of business shall be of no effect whatsoever, even if mistakenly signed on our behalf.

Given the framework in place between us as the lender, the panel manager and yourselves, we do not require you to issue Terms of Business. You may provide a copy of you Acceptance of Instruction letter/ Terms of Engagement, but these are not to include any variations to the established terms of business.

We trust that these instructions are clear; however, should you wish to discuss the contents of this instruction letter please contact Method (admin@method-vm.co.uk).

Yours faithfully  
Proplend Security Limited

## 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 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/or 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](mailto: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, 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.

54 High Street  
Kington  
Herefordshire  
HR5 3BJ  
Tel: 01544 230316 Fax: 01544 230860  
E mail: [avril@mccartneys.co.uk](mailto:avril@mccartneys.co.uk)

Proplend Security Ltd  
15 Little Green  
Richmond  
TW9 1QH

Our ref : MRE/RAL/20  
16<sup>th</sup> June 2022

Dear Sirs

**Re: Terms of Engagement - 21154**  
**567/569 Bearwood Road & 577 Bearwood Road, Smethwick B66 4BH**  
**Applicant: Mr Salam Rahim, ASR Premier Properties**

Thank you for your instructions to provide a written Report and Valuation for the above properties. I confirm Terms of Engagement as follows:

**1 Identification of the client**

I confirm that the Report and Valuation will be produced for the benefit of the client.

**2 The purpose of the valuation**

This Valuation is carried out in order to establish the value of the property for secured lending.

**3 The subject of the valuation**

I have been instructed to undertake a valuation of the above property.

**4 The interest to be valued**

I have been instructed to value the above property freehold and subject to tenancy.

**5 The type of property**

I have been instructed to value the above property, which is retail.

**6 The basis of value**

**(Market Value)**

I have been instructed to ascertain the market value of the above property, as defined by The RICS Valuation - Global Standards effective from 31<sup>st</sup> January 2022 incorporating the International Valuation Standards and the RICS Valuation – Global Standards UK National Supplement 2018 (RICS Red Book Global).

“The estimated amount for which an asset or liability 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” (As defined by RICS Red Book Global Standards).

**(Market Rent)**

“The estimated amount for which a property, or a 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”, as defined by the RICS Valuation (As defined by RICS Red Book Global Standards).

**7 Date of valuation**

I confirm that the date of valuation will be 28<sup>th</sup> June 2022.

**8 Disclosure of material involvement**

The valuer named in this report confirms that he has relevant local experience to comment on the class of property detailed in this report.

**9 Status of the Valuer**

M R Edwards MRICS FNAEA FCIQB  
McCartneys LLP, 54 High Street, Kington, Herefordshire. HR5 3BJ.  
Telephone number: 01544 230316

M. R. Edwards is a member of McCartneys Limited Liability Partnership and has over 30 years’ experience in valuing agricultural, residential and commercial property within Wales and the West Midlands

M. R. Edwards was appointed a RICS Registered Valuer in July 2011– Membership No: 95839.

The freehold property was valued on 28<sup>th</sup> June 2022, by an external valuer, M. R. Edwards, of McCartneys LLP, Chartered Surveyors. The valuation has been carried out in accordance with the requirements of the RICS Valuation (As defined by RICS Red Book Global Standards). The valuation of the property was on the basis of Market Value, subject to the following assumptions:

- a. That the property would be sold with vacant possession in its existing condition.

The opinion of the valuer of market value was derived using comparable recent market research.

**10 Currency to be adopted**

I confirm the valuation of the above property will be in pounds sterling.

## **11 Special instructions and assumptions**

This valuation is carried out in accordance with written instructions from the above, a copy of which is attached, and the RICS Valuation (As defined by RICS Red Book Global Standards).  
The special instructions and assumptions are as per your standard instructions.

### **Assumptions and caveats**

- a. The Title Deeds have not been inspected. It is assumed that the property, and its value, is unaffected by any matters which will be revealed by local searches and replies to the usual enquiries, or by any statutory notice, and neither the property nor its condition, its use or its intended use is or will be unlawful.
- b. A structural survey of the buildings or residential property has not been carried out nor has any woodwork or other parts of the property which are covered, unexposed or inaccessible been inspected and such parts will be assumed to be in good repair and condition in keeping with the rest of the property. The report does not purport to express an opinion about or to advise upon the condition of the un-inspected parts and should not be taken as making any implied representation or statement about such parts.
- b. We have not investigated the presence of contamination.
- d. Reports should be considered in their entirety and should only be used within the context of the instructions under which they are prepared.

Any matters arising, which contradict this report and these assumptions, or are otherwise likely to affect the value, should be referred for reconsideration.

## **12 The extent of the valuer's inspection and investigations**

An internal inspection will be made of the property, together with a visual inspection of the grounds and boundaries. No structural survey will be undertaken.

Limited visual inspection will be made of environmental issues.

The valuer will inspect leases, management agreements, entitlement statements and any other documentation that is provided to him for his inspection of the property.

## **13 The nature and source of the information to be relied upon**

The valuer will rely on the information provided to him by Barclays Bank Plc and the owner of the property, together with sales and details of comparable properties.

Title deeds etc will not be inspected unless specifically requested to do so.

The valuer reserves the right to alter and amend the valuation report, should the client provide further information after the report has been published.

## **14 Consent on restriction and publication of report and exclusion of liability**

This valuation is carried out for the sole purposes of the addressee. It may not be used for any other purposes, nor is any responsibility accepted to any third party.

No part of this valuation may be used or published without the written consent of the under named valuer.

**15 Confirmation of valuation to be undertaken in accordance with RICS Standards**

The valuer confirms that this report and valuation will comply with the RICS Valuation (As defined by RICS Red Book Global Standards).

**16 Professional Indemnity Insurance**

I confirm that McCartneys has PI of £6,500,000 million for each and every claim

**17 Fee**

The valuer confirms that the fee will be charged as agreed with Method.

**18 Complaints Procedure/Compliance**

The RICS Code of Conduct, (or firm), requires that members have a procedure for handling complaints. McCartneys LLP has a written complaints procedure and any complaints against a partner or members of staff should be directed to the appointed person, who is Mrs. Dawn Hlland, Company Secretary, The Ox Pasture, Overton Road, Ludlow, Shropshire. SY8 4AA Tel: 01584 872251.

This report complies with the RICS Valuation (As defined by RICS Red Book Global Standards).and this report may be subject to monitoring under the Royal Institution of Chartered Surveyors conduct and disciplinary regulations.

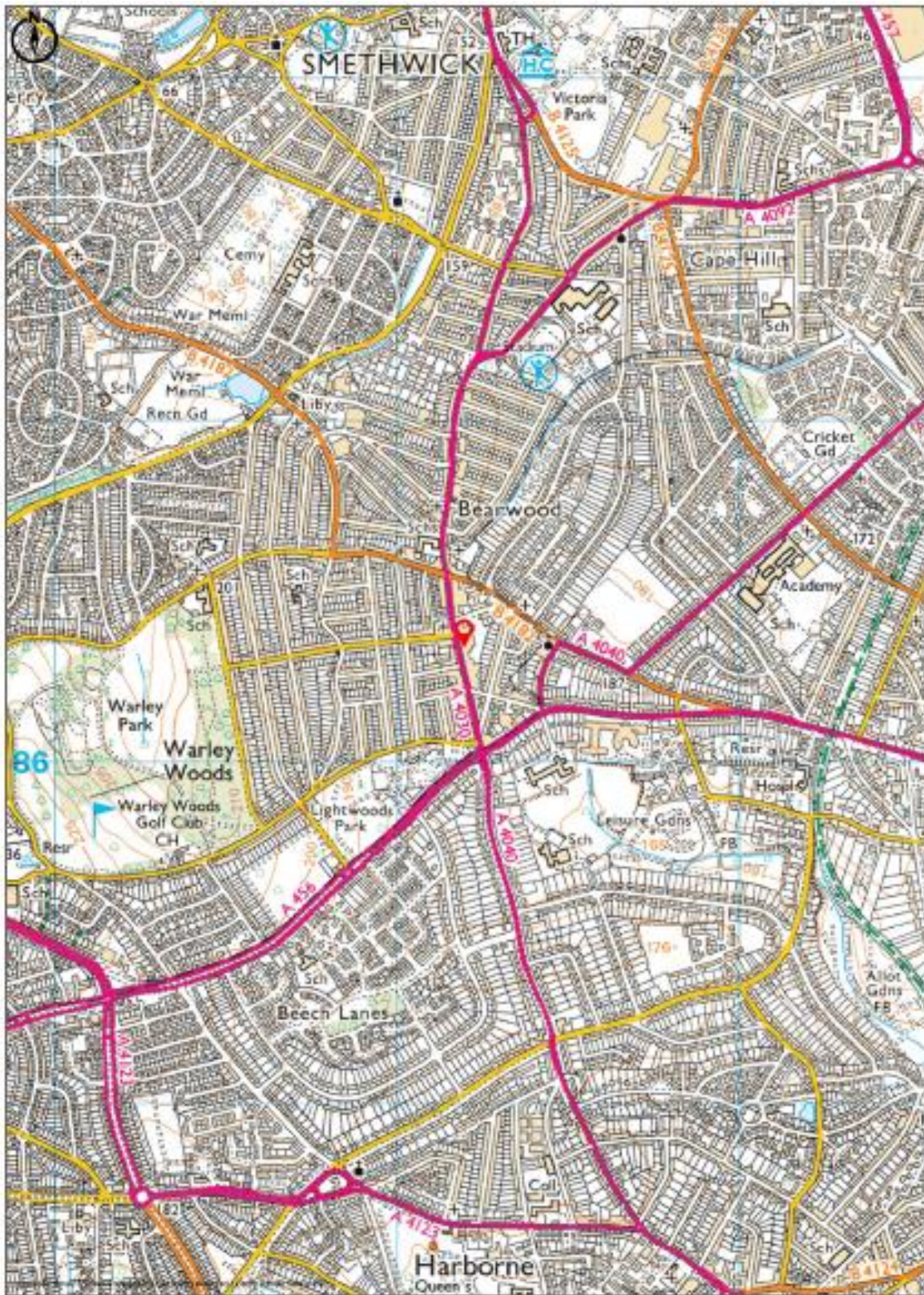
Please inform the valuer immediately if any of the above Terms of Engagement are incorrect.

Yours faithfully



M R EDWARDS MRICS  
For and on behalf of McCartneys LLP

**APPENDIX 2 : Plans for identification purposes only & photographs**















## APPENDIX 3 : General Remarks / Reservations

### 1 COMPLIANCE WITH VALUATION GUIDELINES:

Valuations are prepared in accordance the RICS Valuation - Global Standards effective from 31<sup>st</sup> January 2022 incorporating the International Valuation Standards and the RICS Valuation – Global Standards UK National Supplement 2018 (RICS Red Book Global).

### 2 INFORMATION:

All information supplied by the Client, the Client’s staff and professional advisers, local authorities, other bodies, is accepted as being correct.

### 3 TENURE:

Title Deeds are not inspected (unless specifically stated) and, unless we are informed to the contrary, it is assumed that a property is free of any onerous covenants, easements, other restrictions or liabilities, including mortgages, grants and capital allowances which may affect the value.

### 4 LEASES:

i. Leases are inspected, where available, in order to ascertain the effect on the valuation of the various lease covenants. The Valuer does not comment on the legal implications of the lease. The Client should consult their legal advisers with regard to such matters.

ii. Tenants' status is investigated only where considered necessary and so stated in the lease.

### 5 PLANS:

Any plans supplied are for identification purposes only, unless otherwise stated. The reproduction of Ordnance Survey sheets has been sanctioned by the Controller of Her Majesty’s Stationery Office, Crown Copyright reserved.

### 6 SITE AREAS:

Site areas are calculated from the Ordnance Survey and not from a physical site survey and are approximate.

### 7 FLOOR AREA & DIMENSIONS:

Floor areas are approximate. Areas quoted are calculated in accordance with the Code of Measuring Practice, sixth edition, produced by The Royal Institution of Chartered Surveyors. The core definitions being:

**Gross External Area (GEA)** This is the area of a building measured externally at each floor level. It includes perimeter wall thickness and external projections, areas occupied by internal walls and partitions, columns, piers, chimney breasts, stairwells, lift wells and internal balconies. It excludes open balconies, open fire escapes, open sided covered ways and minor canopies and open vehicle parking areas.

**Gross Internal Area (GIA)** This is the area of a building measured to the internal face of the perimeter walls at each floor level. It includes areas occupied by internal walls and partitions, columns, piers, chimney breasts, stairwells, lift wells and pavement vaults. It excludes perimeter wall thickness and external projections, external opening sided balconies, covered ways, fire escapes and minor canopies.

**Net Internal Area (NIA)** This is the usable area within a building, measured to the internal face of the perimeter walls at each floor level. It includes face of the perimeter walls at each floor level. It includes entrance halls, kitchen and cleaners' cupboards, accessed from usable areas. It excludes toilets, toilet lobbies, bathrooms, lift rooms, plant rooms, tank rooms, stairwells, lift wells and corridors and other circulation areas where they are used in common with other occupiers.

Copies of the exact definitions can be supplied to Clients if requested.

**8 GROUND CONDITION:**

i. Soil stability, mining and geological reports are not undertaken by us or inspected.

ii. Unless we are instructed to the contrary, we assume that the ground and any adjoining or nearby areas are not contaminated, that there are no dangerous materials in the vicinity and that it is capable of development without the need for abnormal costs on foundations and services.

**9 CONDITION OF BUILDINGS:**

The Valuer will have regard to the apparent state of repair and condition of the property but will not carry out a building survey nor inspect those parts of the property which are covered, unexposed or in accessible. Such parts will be assumed to be in good repair and condition. The Valuer will not be under a duty to arrange for the testing of electrical, heating plant or other services.

We do not arrange for any investigation to be carried out to determine whether or not high alumina cement concrete, calcium chloride additive or any other deleterious material has been used in the construction.

**10 ENQUIRIES:** Enquiries of local authorities and statutory undertakers are made verbally. Local searches are not undertaken. No responsibility is accepted for any inaccurate information provided.

**11 PLANNING & BUILDING REGULATIONS**

i. It is assumed that the subject properties are in accordance with valid Planning Consents and Building Regulation Approvals.

ii. It is also assumed that, unless stated otherwise, Planning Consents do not contain restrictions that would adversely affect the value.

iii. It is further assumed, unless otherwise stated, that there are no statutory or other notices in connection with the property and its uses.

**12 HIGHWAYS:** It is assumed, unless otherwise stated, that the subject property has direct access from a publicly maintained highway.

**13 PLANT, MACHINERY, FIXTURES & FITTINGS:**

Unless otherwise specified, all items normally associated with the valuation of land and buildings are included in our valuations and reinstatement costs. A list of those items included and excluded can be made available on request.

Unless otherwise stated, no allowance is made for the cost of remedying any damage caused by the removal from the premises of items of plant, machinery, fixtures and fittings.

**14 REINSTATEMENT COST FOR INSURANCE:** As defined in the report.

**15 VAT, TAXATION & COSTS OF ACQUISITION & REALISATION:**  
No allowance has been made for liability for taxation upon disposal, nor costs of realisation.

**16 DEFECTIVE PREMISES ACT 1972:**  
Obligations or liabilities or any rights thereunder are not reflected in valuations unless actually stated.

**17 ENVIRONMENTAL ISSUES:**  
I have not arranged for any investigation to be carried out to determine whether or not any deleterious or hazardous material has been used in the construction of this property or has since been incorporated and I am therefore unable to report that the property is free from risk in this respect.

For the purpose of this Valuation I have assumed that such an investigation would not disclose the presence of any such material in any adverse condition.

No evidence suggests that there is any contaminated land or contaminated material present either on or in the property, and as such, the property is assumed to be free from any such contaminants.

The National Radiological Protection Board has identified the area in which the property is situated as one in which, in more than one percent of the dwellings, the level of Radon gas entering the property is such that remedial action is recommended. The owners are advised to seek further advice on this from their Local Authority.

I have not carried out or commissioned a site investigation or geographical or geophysical survey and can therefore give no assurances, opinion or guarantee that the ground has sufficient load bearing strength to support the existing structures or any other structure or structures which may be erected upon it. I can also give no assurance, opinion or guarantees that there are no underground mineral or other workings within the site or its vicinity, nor that there is any fault or disability underground.

**Asbestos** - This report excludes detailed inspection and assessment of materials that may contain asbestos. Although a general reference to this material may have been referred to, we cannot confirm whether or not this building is constructed of other asbestos based materials, which may be visible, inaccessible or concealed. You are advised to obtain a specialist report, giving details of asbestos based products, which may be present in the building.

Asbestos is considered to be a hazardous material that should only be removed and disposed of by an approved contractor.

Full details of regulations regarding asbestos and asbestos based products can be obtained from the Environmental Health Department of the Local Authority.

**Electro Magnetic Radiation** - There is current concern regarding the carcinogenic affects of electro magnetic radiation from power lines, sub stations and electricity meters (where the latter are in close contact with living or sleeping areas). The Surveyor has no specific knowledge regarding these concerns and cannot comment on them in detail but the occupiers of the dwelling should be aware of the possibilities in the event that it may influence prospective purchasers in their purchase of the property.

**Stachybotrys Chartarum** - Stachybotrys Chartarum is a mould that grows on various building materials. This can cause health problems for humans and major structural decay in buildings, if left untreated. No detailed investigations or tests have been made for this mould, as this is outside the scope of this report and we are unable to confirm whether or not this is present in the subject property. If you require any further information, you are advised to contact the Environmental Health Office.

**Disability Discrimination Act 2004** – The scope of the report provided excludes any reference to the above Act. You are advised to make enquiries with the Local Authority regarding any works which may be required to comply with this legislation.

**Insulation/roof ventilation** – If additional insulation is provided, it is essential that adequate ventilation of the roof void is maintained. Ventilation should be provided at eaves level, together with high level ventilation. A build up of stagnant air can lead to atmospheric conditions, suitable for dry rot to germinate. You are therefore recommended to obtain a costing from a competent building contractor for providing adequate ventilation.

**18 TOTAL VALUATION:**

Where this is provided it is the aggregate of the value of each individual property and it assumes that each property is marketed singly over an appropriate marketing period.

However, if the properties were to be sold as a single lot, then it is likely that the realisation price would be less than the total valuation.

This reservation does not apply to valuations made for taxation purposes.

**19 MARKET CONDITIONS:**

Valuations may be relied upon for the stated purpose as at the given valuation date.

However, the property market is constantly changing and values can fall as well as rise. Reasonably, therefore, the valuation should only be considered valid for a period of two months after the date of valuation.

**20 VALUATION & REPORTS:**

This Valuation is provided for the stated purpose and for the sole use of the Client. This Report is confidential to the client and McCartneys LLP accept no responsibility whatsoever to any other party. Neither the whole nor part of this Valuation may be included in any Published Document, Circular or Statement nor published in any way without my written approval of the form and context in which it may appear.

This Valuation is not suitable for Forced Sale or other uses nor should it be used by third parties without consent of this office.

Reports should be considered in their entirety and should only be used within the context of the instructions under which they are prepared.

Any matters arising, which contradict this Report and these assumptions or are otherwise likely to affect the value, should be referred back for reconsideration.

**21 COMPLAINTS PROCEDURE:**

The RICS Code of Conduct, Regulation 2.4, requires that members have a procedure for handling complaints. McCartneys LLP have a written complaints procedure and any complaints against a Partner or member of staff should be directed to the appointed person, The Company Secretary, The Ox Pasture, Overton Road, Ludlow, Shropshire - Tel: 01584 872251.

**22 JURISDICTION:**

In the event of any dispute arising in connection with a Valuation, unless agreed otherwise in writing, McCartneys LLP, the Client and any third party using this Valuation, will submit to the jurisdiction of the British Courts only. This will apply wherever the property or the client is located, or the advice is provided.

**23 LIMITATION OF LIABILITY**

- i Subject as provided below so far as permissible by law our aggregate liability to you for any loss or damage caused by our negligence or breach of contract shall be as stated in McCartneys LLP PI Insurance Certificate.
- ii We shall not accept any indirect or consequential loss such as damages, compensation, costs, expenses, losses, loss of profits or any other liabilities of a similar nature.
- iii No liability shall be excluded in respect of death or personal injury.
- iv If any provision relating to limitation of liability is declared void, voidable, illegal or otherwise unenforceable, the remaining provisions shall remain in full force and effect.

**24 INDEMNITY INSURANCE:**

We hereby confirm that McCartneys LLP hold a Professional Indemnity Insurance to the amount of £6,500,000 (six million and five hundred thousand pounds) in each event.

**25 VALUATION UNCERTAINTY:**

This valuation has been prepared in a period of market uncertainty. The RICS Valuation Standards (GN5) requires that, where valuation uncertainty could have a material effect on the valuation, the Valuer must draw this to the client's attention.

The current turmoil and uncertainty in the world's financial markets has resulted in commercial and residential properties selling in much reduced quantities with virtually no market activity in some areas. Many vendors are choosing not to go to the market until conditions improve. Many purchasers are choosing not to buy now in the expectation that market conditions will continue to deteriorate and they will be able to purchase more favourably in the future. Other transactions are failing due to the current difficulty in funding acquisitions.

In view of this lack of market activity and resulting lack of market evidence, the client should note that it is not possible to value properties with as high a degree of certainty as would be the case in a more stable market, with a good level of market evidence and, thus, the valuation figures provided must be read with this in mind.

## **APPENDIX 4 : Valuation Definitions**

### **MARKET VALUE (MV)**

The estimated amount for which an asset or liability 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. (As defined by the RICS Red Book Global)

### **MARKET RENT (MR)**

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. As defined in RICS Valuation - Global Standards effective from 31<sup>st</sup> January 2022 (As defined by the RICS Red Book Global).

### **REBUILDING/REINSTATEMENT COSTS**

The house rebuilding/reinstatement cost as outlined in this report refers to the cost of demolishing and clearing away the existing structure and rebuilding it to its existing design in modern materials, using modern techniques, to a standard equal to the existing property and in accordance with current building regulations and other statutory requirements.

Allowance has been made for replacing foundations and for temporarily making safe the damaged structure. In the case of attached houses allowance has been made for half the cost of replacing party walls and for the cost of protecting adjoining structures.

Allowance has been made of professional fees payable in connection with the rebuilding of the property.

No allowance has been made for credits for salvaged materials.

No allowance has been made for inflation during the currency of the policy or in any subsequent period before rebuilding is completed.

No allowance has been made for water and sewerage infrastructure charges that are not applicable to one-for-one rebuilding as envisaged.

### **VALUE ADDED TAX**

The basis of reinstatement cost assessment is the cost of totally rebuilding the insured property. The current VAT regulations state that the construction of new buildings, or complete rebuilding using part or all of the foundations of an existing building, is zero rated. VAT is not therefore applicable to total rebuilding of dwellings and is not included in the house reinstatement cost assessment.

As VAT has to be paid on professional fees this element has been included.

Regard should be had to the ABI/BCIS House Rebuilding Cost Index.