

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

31<sup>st</sup> March 2023  
Our Ref: 20923

Dear Sirs/Madams,

**SUBJECT: VALUATION ADDENDUM LETTER TO VALUATION REPORT DATED 1<sup>st</sup> DECEMBER 2022**

**PROPERTY: 177 LEA BRIDGE ROAD, LONDON E10 7PN**

This letter should be read in conjunction with our valuation report dated 1<sup>st</sup> December 2022 as referenced below:

## **1.0 INTRODUCTION**

### **1.2 Valuation Date**

The date of valuation is 31<sup>st</sup> March 2023.

### **1.3 Basis of Value**

We will specifically provide our opinion of the following:

- a. The **Market Value** of the freehold interest in the subject property on the **special assumption** of the proposed tenancy being in-situ as detailed in the report.

## **2.0 INSPECTION**

An inspection of the property was undertaken on 1<sup>st</sup> December 2022 by Sotiris Charalambous MSc MRICS; weather conditions were clear. According to your instructions we will not be reinspecting the property and this valuation is carried out on a desktop basis.

## **4.0 DESCRIPTION**

### **4.4 Condition**

We are informed the property is presented in the same state, repair and condition as described in the original report dated 1<sup>st</sup> December 2022. This valuation is based on this assumption.



## 11.0 COMPARABLE EVIDENCE

Comparable evidence is sourced through local estate agents, surveyors, land registry data, specialist online databases and our in-house database. The information sourced is believed to be correct but has not been confirmed by reference to contracts of sale or other documentation.

### 11.1 Investment sales

Property	Sale Price	Date
<b>708 &amp; 708a Lea Bridge, London E10 6AW</b>	<b>£495,000*</b>	<b>Under Offer</b>
This mixed-use investment comprising a similar two storey terrace building is currently under offer for marginally below £450,000. We are informed the property was initially offered for £535,000 and reduced to £495,000 recently. The property is arranged over a ground floor shop with a rear scullery and a two bedroom flat above. The front shop has a NIA of approximately 395 sq. ft whilst the rear storeroom extends to approximately 269 sq. ft. The flat measures approximately 678 sq. ft and is accessed from the rear. We are informed both the ground and first floors are presented in reasonable condition and specification. We are informed the property is to be sold with vacant possession.	*Asking	
<b>228 High Road, London E10 5PS</b>	<b>£735,000</b>	<b>30 Mar 2023</b>
This is a freehold mixed-use investment comprising a terraced building arranged over a ground floor and basement shop and two residential flats above. We understand that the shop is let on a full repairing and insuring lease on one year term from May 2022 at the passing rent of £14,000 per annum. We understand the lease excludes the provisions of security of tenure under the LTA 1954. We are informed that part of the ground floor shop is separately let on a similar lease with one year term at the passing rent of £7,200 per annum. The two upper flats produce a combined rental income of £33,000 per annum. The sale reflects a Gross Initial Yield (GIY) of 7.43%.		
<b>Flat 2 &amp; Flat 3, 325 Lea Bridge Road, London E10 7LA</b>	<b>£440,000</b>	<b>Jul 2022</b>
These are two self-contained residential units situated with a similar mixed-use building along the subject road. The units were listed separately at auction and jointly sold prior for £440,000. We are informed by the auctioneers the units were let for the combined passing rent of £27,000 per annum. We understand the first floor unit is a two bedroom flat of approximately 530 sq. ft and includes a private rear patio. The second floor flat is a one bedroom unit measuring approximately 363 sq. ft. Internally the units were presented in average condition and finished to basic letting standard. The sale reflects a GIY of 6.14%		
<b>442 Hoe Street, Walthamstow, London E17 9AH</b>	<b>£235,000</b>	<b>26 May 2022</b>
This is a freehold mid-terraced two storey commercial building situated within the main trading location in the vicinity. The		



Property	Sale Price	Date
property extends to of approximately 397 sq. ft (based on VOA measurements) and has narrow floorplates. We understand the property sold vacant reflecting £592 psf.		
<b>123 Stoke Newington High Street, London N16 0PH</b>	<b>£282,000</b>	<b>26 May 2022</b>
This leasehold ground floor shop situated along a more desirable commercial high street sold at auction in May 2022 for £282,000. We understand the unit sold with a virtual freehold of approximately 960 years unexpired. The unit is let to Shaw Trust Limited, a charity shop with strong covenant strength, on an FRI lease at the passing rent of £18,000 per annum. The remaining terms are undisclosed. The sale reflects a GIY of 6.38%.		

## 11.2 Commercial lettings

Property	Rent p.a	Date
<b>353 Lea Bridge Road, London E10 7LA</b>	<b>£20,000</b>	<b>Available</b>
We are informed this ground floor Class E shop along the subject road had offer accepted for £22,000 per annum. The unit extends to approximately 724 sq. ft. We are further informed the offer has been withdrawn and the unit is available on the market for £20,000 per annum. The offer reflects £30.39 psf overall whilst the asking price devalues to £27.62 psf overall.		
<b>642 Lea Bridge Road, London E10 6AP</b>	<b>£22,500</b>	<b>Aug 2022</b>
This is a newly refurbished ground floor Class E shop along the subject road but situated along the main trading hub of the locality. We understand the unit let to an independent local tenant at the passing rent of £22,500 per annum. We have not been informed as to lease terms achieved. The unit incorporates an internal floor area of approximately 682 sq. ft and based VOA measurements the area ITZA is circa 476 sq. ft. The letting reflects £33.00 psf overall and £47.27 psf ITZA.		
<b>336 Lea Bridge Road, London E10 7LD</b>	<b>£18,000</b>	<b>Aug 2021</b>
This corner ground floor Class E unit situated within a new-build development let in August 2021 for £18,000 per annum. The property is situated along the subject road approximately 0.3 miles to the east within a slightly superior trading location. The incoming tenant secured a 10 year lease subject a rent review on the fifth anniversary. We are informed a three month rent free period was agreed. The unit measures approximately 538 sq. ft reflecting circa 413 sq. ft ITZA. The shop was presented in shell condition. We note this unit benefits from a return frontage. The letting reflects a rent of £33.46 psf overall and £43.59 psf ITZA.		



Property	Rent p.a	Date
<b>339 Lea Bridge Road, London E10 7LA</b>	<b>£16,825</b>	<b>May 2021</b>
This basement and ground floor Class E unit situated along the subject road let in May 2021 for £16,825 per annum. The unit is situated within a similar three storey building along a slightly superior trading location. We understand the unit measures a total of 1,100 sq. ft and of an area ITZA of circa 425 sq. ft. The relevant lease provides a ten year term subject to a break option and a rent review on the fifth anniversary. Taking into account a half rate for the basement the letting reflects £19.50 psf on a weighted overall basis and £39.59 psf ITZA.		
<b>607 Lea Bridge Road, London E10 6AJ</b>	<b>£14,000</b>	<b>Nov 2019</b>
This ground floor Class E unit situated along the prime trading location of Lea Bridge Road let in November 2019 for £14,000 per annum. The unit let on an FRI lease for a term of 10 years subject to a rent review on the fifth anniversary of the term. A six-month rent-free period was agreed. The shop measures approximately 575 sq. ft and of an area ITZA circa 473 sq. ft. The letting reflects £24.35 psf overall and £29.60 psf ITZA.		
<b>599 Lea Bridge Road, London E10 6AJ</b>	<b>£18,700*</b>	<b>Jul 2019</b>
This ground floor Class E unit along the prime trading pitch of Lea Bridge Road let in July 2019 for £18,000 per annum. The unit measures approximately 761 sq. ft and has an area ITZA of approximately 482 sq. ft. A new lease was agreed for a 10-year term subject to a rent review on the fifth anniversary. The initial rent of £18,000 per annum was subject to fixed increases, rising to £18,500 in year 2 and £19,000 per annum the following year, up to the rent review date. The average rent of £18,700 per annum reflects £24.57 psf overall and £38.80 psf ITZA.		

### 11.3 Residential lettings

Property	Rent p.a	Date
<b>333A Lea Bridge Road, London E10 7LA</b>	<b>£15,000</b>	<b>Jul 2022</b>
This first floor one bedroom flat similarly situated above commercial premises let in July 2022 for £1,250 per calendar month. We have not been provided with a floorplan but are informed it measures approximately 538 sq. ft. Internally, the unit was presented in average condition and finished to a basic letting standard.		
<b>333B Lea Bridge Road, London E10 7LA</b>	<b>£13,800</b>	<b>Jul 2022</b>
This second floor one bedroom flat similarly situated above commercial premises let in July 2022 for £1,150 per calendar month. We have not been provided with a floorplan of the unit but understand this is a smaller sized unit than the subject residential flat.		



Property	Rent p.a	Date
Internally, the unit was presented in average condition and finished to a basic letting standard.		
<b>413A Lea Bridge Road, London E10 7EA</b>	<b>£14,400</b>	<b>Apr 2022</b>
This first floor one bedroom flat situated above commercial premises along the subject road let in April 2022 for £1,200 per calendar month. We understand the unit is of a similar size and internally was presented in good condition and finished to a basic standard.		

## 13.0 VALUATION METHODOLOGY

### 13.1 Key Considerations

The subject property is situated along a main arterial route of East London along a mixed used road. The property forms part of a retail parade of nine units within a secondary trading location. Lea Bridge railway station is situated in close proximity to the west and the area has an average PTAL of 3. Footfall is considered to be at modest levels along the subject pitch.

The property itself, is a two storey period building arranged to provide a ground floor Class E unit and a self-contained one bedroom flat on the first floor.

The rear of the ground floor has been recently extended by way of a single storey extension and measures approximately 633 sq. ft of NIA and 421 sq. ft ITZA. The unit falls under Class E use and is entirely let to 'Coversure Insurance' on an FRI lease with the term expiring in June 2029. The tenant is of a modest covenant strength. The passing rent of £7,750 per annum has been in effect since the commencement of the lease in June 2014 with the rent review in 2019 remaining outstanding. We are of the opinion the property is substantially under rented and an uplift in rent could be sought.

Furthermore, the upper parts which are included in the prescribed lease were previously used as ancillary accommodation to the ground floor unit with internal access. The first floor flat has been recently converted into residential following the approved planning application in February 2022 and a front private entrance has been created to provide access from street level. The flat measures approximately 500 sq. ft and arranged to provide a reception, kitchen, bedroom and bath/WC. The relevant lease restricts any assignment or subletting of part of the property and as such our valuation considers the unit is for the sole use of the current tenant. As such we have made an adjustment to our opinion of the Market Rent to reflect the upper residential flat cannot be let in the open market.

We are informed that the current lease is intended to be surrendered by mutual consent and further informed the same tenant will be granted a new occupational lease in respect of the ground floor unit only, for a term of 8 years subject to an initial rent of £16,000 per annum and subject to a rent review on the fourth anniversary of the term. The lease will not be subject to any break options and will be drafted outside the provisions of security of tenure under the Landlord and Tenant 1954 Act (LTA 1954). We understand the proposed lease and the deed of surrender have not yet been formally documented and signed, as such our valuation is subject to the current tenancy.



The property is presented in good condition and finished to a good standard, being recently refurbished. Both the ground floor and the upper parts include valid EPCs.

We note the flat does not include the required selective licence. Our valuation takes into consideration that the flat is unlicensed, the cost to bring the properties to a licensed standard as well as the risk of financial penalties.

We are informed the property is held on a freehold title.

We are of the opinion that the subject property would predominately appeal to investors and owner occupies to a lesser extent. Should the freehold interest be required to be disposed of in its current layout and condition, at the valuation date, we would anticipate a transaction would have been completed within a period of 6-9 months, at figures similar to our opinion of the Market Value reported. This is on the basis that the property is openly marketed by suitable local agents at the correct levels.

Rental demand for commercial property in the area is at modest to restrained levels. If the property were to be let on an occupational lease agreement based on market standards and following completion, we consider a marketing period of 6-9 months to be adequate to secure a tenant.

In terms of residential property, rental demand in the area remains strong. Should the units be required to be let on Assured Shorthold Tenancy agreements following completion on standard 6 to 12 month terms, we consider a marketing period of between 2-5 weeks to be adequate to achieve a letting in this regard.

### **13.2 Valuation Approach**

We have used the income approach of valuation to value the property. We have obtained suitable comparable evidence within the local area and have analysed this according to many factors, most particularly, the location, specification, tenure, size, age, unexpired term and re-letting opportunities. We have therefore made adjustments when comparison is made with the subject property and have combined this with our knowledge and expertise to result in our opinion of the Market Value of the property detailed further in this report.

The property is held on a single lease at the passing rent of £7,750 per annum which has been in effect since the commencement of the lease in June 2014. The rent review in 2019 remains outstanding. We are of the opinion the property is substantially under rented and an uplift in rent could be sought.

Due to the distinct lack of direct and recent retail letting transactions we have used more historic transactions and relied on our experience in valuing similar units in the specific location to form our opinion of the Market Rent.

The most recent transaction occurred at 642 Lea Bridge Road, a Class E unit situated within a superior commercial location in the wider area. The unit is set over the ground floor, is of a similar size and similarly newly refurbished. The agreed rent of £22,500 per annum reflects a rate of £33.00 psf overall and £47.27 psf ITZA.



The transaction at 336 Lea Bridge Road which was agreed in August 2021 at a rent of £18,000 per annum, reflects £33.46 per sq. ft overall and £43.59 per sq. ft ITZA. We have made adjustments to reflect this a new build unit with return frontage. We have made further adjustments to reflect the unit was offered in shell condition. More historic evidence demonstrates a consistent range of rents between £19.50 psf and £24.57 psf overall, while in terms of Zone A, rents range between £29.60 psf and £39.59 psf.

Our opinion of Market Rent for the ground floor unit is in the region of £14,000 per annum.

In relation to the rental value of the residential flat, we are of the opinion this would achieve a rent in the open market, the region of £1,250 per calendar month / £15,000 per annum.

To value the property, on the special assumption with the new proposed lease is in situ, we have employed the straight capitalisation method. We consider the proposed new rent of £16,000 per annum to be marginally above our opinion of Market Rent and as such we have applied an All Risks Yield (ARY) of 7.50 % to result in a capital value of £215,000.

We have similarly used the investment method of valuation to value the residential flat above. Given the comparable evidence above and considering the condition of the unit we are of the opinion that an ARY of 5.75% is appropriate. This results to a capital value of circa £260,000.

#### **14.0 LOAN SECURITY**

In setting the loan facility, the Bank must consider the factors noted within this report and that the valuation is carried out as at the valuation date. The Bank must also be aware that values can fall, as well as rise, over time and can change rapidly in periods of economic decline and uncertainty.

We recommend your solicitors confirm the assumptions marked within this report, prior to the release of funds.

We do believe that the property would offer adequate security for the loan, assuming that in accordance with best commercial practice, such loan is for a sensible portion of the Market Value reflecting the risks noted above.

#### **15.0 VALUATION**

The following opinions of value are as at **31<sup>st</sup> March 2023**:

- a. The **Market Value** of the freehold interest in the subject property on the **special assumption** of the proposed tenancy being in-situ as detailed in the report is **£475,000 (Four Hundred and Seventy Five Thousand Pounds)**.

## 15.1 Valuation Definitions

Our valuation has been carried out in accordance with the **RICS Valuation Global Standards**, effective from 31 January 2022, incorporating the IVSC International Valuation Standards produced by The Royal Institution of Chartered Surveyors.

**IVS104** defines **Market Value** as; the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

**IVS104** defines the **Market Rent** as the estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction after proper marketing, and where the parties had each acted knowledgeably, prudently, and without compulsion.

## 17.0 SIGNATURES

Sotiris Charalambous MSc MRICS inspected the property. The valuation has been undertaken by Sotiris Charalambous MSc MRICS and Achilleas Pilides MSc MRICS. We confirm that the above-named and Quest Property Consultants, the firm, are independent valuers as defined by PS 2 of the, "The RICS Red Book Global". Sotiris Charalambous MSc MRICS and Achilleas Pilides MSc MRICS have the relevant experience in valuing the type of property concerned in the particular location and are RICS Registered Valuers.

We confirm that we do not have a conflict of interest in carrying out this instruction. Our Valuations and Reports are confidential to the party to whom they are addressed and for the specific purpose to which they refer, and no responsibility whatsoever is accepted to any third parties.

Neither the whole, nor any part, nor reference thereto, may be published in any document, statement or circular, nor in any communication with third parties, without our prior written approval of the form and context in which it will appear.



**Sotiris Charalambous MSc MRICS**  
Director  
For and on behalf of  
Quest Property Consultants Ltd  
31<sup>st</sup> March 2023  
Ref: 20923



**Achilleas Pilides MSc MRICS**  
Director  
For and on behalf of  
Quest Property Consultants Ltd



## APPENDIX 1 – TERMS OF ENGAGEMENT



### TERMS OF ENGAGEMENT

<b>Identification and status of the valuer</b>	<p><b>Name:</b> Achilleas Pilides &amp; Sotiris Charalambous</p> <p><b>Qualifications:</b> MSc, MRICS</p> <p><b>Registered valuer status:</b> RICS Registered Valuers</p> <p><b>Experience and expertise:</b> Achilleas Pilides MSc MRICS has 13 years' experience in valuing the type of properties concerned in the specific locations. Sotiris Charalambous MSc MRICS has 5 years' experience in valuing the type of properties concerned in the specific locations.</p> <p><b>Previous involvement with the property or parties to the case:</b> We confirm that our firm has previously valued this property for loan security purposes on behalf of a lender. Our only involvement is in the valuation of this property subject to this and previous instruction.</p> <p><b>Conflict of interest:</b> We confirm that we do not have a conflict of interest in carrying out this instruction.</p> <p><b>Confidentiality:</b> Confidential Information, as defined by the RICS PS - Conflicts of Interest 2017, are maintained confidential unless disclosure is required or permitted by law, or with prior written consent by the instructing party.</p> <p><b>Declaration of independence and objectivity:</b> We confirm that both the above-named and Quest Property Consultants, the firm, are independent valuers as defined by PS 2 of the RICS Valuation - Global Standards.</p>
<b>Client</b>	Proplend Security Limited 20-22 Wenlock Road London N1 7GU
<b>Purpose of valuation</b>	Loan Security

QUEST Property Consultants Ltd  
30 Bloomsbury Street, London WC1B 3QJ, United Kingdom  
T +44 (0) 20 7813 9155 E enquires@questpc.co.uk

Quest Property Consultants Ltd Incorporated in England & Wales Number 09601872  
Registered office: 30 Bloomsbury Street, London WC1B 3QJ





Properties to be valued	<p>Address: 177 Lea Bridge Road, London E10 7PN</p> <p>Interests to be valued: Freehold</p> <p>Tenancies: Subject to residential and commercial tenancies</p> <p>Type and use: Class E (Commercial, business and Service), C3 (Residential)</p>
Basis of value	<p>The following definitions of Basis of Value will be used. They are derived from the RICS Valuation - Global Standards, effective from 31 January 2022, incorporating the IVSC International Valuation Standards and (where applicable) the relevant RICS national or jurisdictional supplement.</p> <p>VPS4 of the standards applies the definitions outlined in the IVS 104 Bases of Value and specifies additional mandatory requirements for RICS members.</p> <p>VPS4 of the standards defines Market Value as; the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.</p> <p>IVS104 defines the Market Rent as the estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction after proper marketing, and where the parties had each acted knowledgeably, prudently, and without compulsion.</p>
Valuation date	As of the date of the report
Special assumptions	a) Subject to a proposed tenancy
Assumptions and extent of investigations	<p>Inspection: We will not be inspecting the subject property as access is not possible and as such our valuation will be carried out on a desktop basis.</p> <p>We note that this valuation is based on the assumption that the property is presented in the same current state, repair and condition as at 1<sup>st</sup> December 2022.</p> <p>Condition of buildings: We have not been instructed to carry out a structural survey and have not inspected woodwork or other parts of the property that are covered, unexposed or inaccessible and such parts will be assumed to be in good repair and condition. We do not test the services and we therefore do not give any assurance that any property is free from defect. We seek to reflect in our valuations any readily apparent defects or items of disrepair, which we note during our inspection, or costs of repair which are brought to our attention. Unless stated otherwise in our reports we assume any tenants are fully responsible for the repair of their demise either directly or through a service charge.</p>



	<p>This valuation does not purport to express an opinion about or to advise upon the condition of un-inspected parts and should not be taken as making any implied representation or statement about such parts.</p> <p><b>Site Conditions:</b> We do not normally carry out investigations on site in order to determine the suitability of ground conditions and services for the purposes for which they are, or are intended to be, put; nor do we undertake archaeological, ecological or environmental surveys. Unless we are otherwise informed, our valuations are on the basis that these aspects are satisfactory and that, where development is contemplated, no extraordinary expenses, delays or restrictions will be incurred during the construction period due to these matters. However, should our site inspection and further reasonable enquiries during the preparation of the valuation lead us to believe that the land is likely to be contaminated we will discuss our concerns with you.</p> <p><b>Services:</b> We assume that mains services are connected to the subject property and that all services are adequate and fully operational.</p> <p><b>Planning:</b> Where we are unable to make verbal enquires, online enquiries of the Local Authority will be undertaken to confirm town planning matters, which may affect our valuation. We believe that the information that we obtain is correct, but we cannot accept liability for either incorrect or for material omissions in the information gleaned, including statutory notices or contraventions of statutory requirements.</p> <p><b>Highways:</b> We assume that the street the property is situated on is an adopted road, as there are no indications to suggest otherwise. Your solicitor's searches should be able to confirm this assumption and recommend we are notified if the road is not adopted. We assume any rights of way in relation to the secure service road have been adequately granted.</p> <p><b>Title:</b> Where we are not provided with a Report on Title and we will assume that the property is not subject to any defect in title, any adverse covenant, or subject to any unusual or other onerous restrictions, rights or outgoing, and that good title can be shown.</p> <p>For the purposes of this valuation report, it is assumed that there are no outstanding disputes with the neighbouring occupiers. Moreover, it is also assumed that there are no wayleaves or easements granted in favour of the subject property, or, indeed, any neighbouring property or properties.</p> <p><b>Contamination:</b> We will not carry out any investigation into past or present uses, either of the property or of any neighbouring land, to establish whether there is any potential for contamination to the property. In the absence of an environmental audit or other environmental investigation or soil survey, we will assume that no contamination, or the possibility of contamination, exists.</p>
--	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------



	<p>Should it be established that contamination exists at the property or on any neighbouring land, or that the premises have been or are being put to a contaminative use, then this might adversely impact on our opinions of value and we would need to review the valuation advice contained within the report.</p> <p><b>Hazardous or deleterious materials:</b> We do not normally carry out investigations on site to ascertain whether any building was constructed or altered using deleterious materials or techniques (including, by way of example high alumina cement concrete, woodwool as permanent shuttering, calcium chloride or asbestos). Unless we are otherwise informed, our valuations are on the basis that no such materials or techniques have been used.</p> <p>Where the property is of an age where it could contain deleterious materials such as asbestos, we assume that if any works are proposed to be undertaken within the property an appropriate survey, carried out by a suitably qualified person, will be undertaken to reveal the nature and location of such materials which can be disposed of safely in accordance with current guidelines.</p> <p><b>Radon gas:</b> Where our enquiries appear to confirm that the property is not within an area significantly affected by Radon Gas, we will assume that protection measures are not required.</p> <p><b>Flooding:</b> We will raise online enquiries through the Environment Agency website, to determine whether the property is within an area prone to flooding. Any risk of flooding will be reflected within our opinion of value.</p> <p><b>Sustainability:</b> The Energy Act 2011 and subsequently the Minimum Energy Efficiency Standards (MEEES) stipulates that since April 2018, a property with an Energy Efficiency Rating below the prescribed level, being Band E, will not be able to be let until improvements have been carried out to improve the Energy Efficiency Rating at or above Band E.</p> <p>Where our search of the EPC Register does not reveal an EPC for the property, we will state in our report whether our visual inspection suggests that the assessed rating would fall below Band E and the impact upon the valuation.</p> <p><b>Fire Regulations:</b> <i>(Occupied business property of 5 people+)</i> Where we are not provided with a copy of a Fire Risk Assessment, we will assume that all relevant legislation has been complied with.</p> <p><b>External Cladding:</b> We do not carry out investigations on site to ascertain whether any building was constructed or altered using combustible materials and unless we are otherwise informed, our valuations are on the basis that no such materials or techniques have been used. Based on guidelines introduced by the RICS, the Building Societies Association and UK Finance, where the property has been constructed with external panelling and forming part of a building that exceeds 18-meters or six storeys in height we are required to request a signed EWS1</p>
--	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------



	form, following investigations by a qualified professional conducting a fire risk assessment.
Source of information	Comparable evidence is sourced through local estate agents, surveyors, land registry data, specialist online databases and our in-house database. The information sourced is believed to be correct, but not confirmed by reference to contracts of sale or other documentation.
Restrictions on publication	Neither the whole, nor any part, nor reference thereto, may be published in any document, statement or circular, nor in any communication with third parties, without our prior written approval of the form and context in which it will appear.
Third party liability	Our Valuations and Reports are confidential to the party to whom they are addressed and for the specific purpose to which they refer, and no responsibility whatsoever is accepted to any third parties.
RICS Valuation Standards (and departures from it)	The Valuation and Report will be prepared in accordance with the RICS Valuation Global Standards, effective from 31 January 2022, incorporating the IVS (International Valuation Standards) and (where applicable) the relevant RICS national or jurisdictional supplement.
Descriptions of report	The report(s) will be prepared in accordance with the minimum reporting contents of VPS 3. The report will be made available in pdf form, unless otherwise requested.
Fee	£500.00 + VAT
Complaints	The firm operates a Complaints Handling Procedure in accordance with RICS guidelines. A copy is available upon request.
RICS monitoring	The firm and valuer are registered with RICS Valuer Registration. Please note that our files may be subject to monitoring under the institution's conduct and disciplinary regulations.
Terms of business	Quest Property Consultants Ltd requires fees are payable upon completion of the instruction but prior to the release of any reports.

We accept these terms of engagement as an accurate summary of the instructions to provide a valuation.

Signed   
 For and on behalf of  
 Quest Property Consultants Ltd  
 Dated: 30<sup>th</sup> March 2023

Signed   
 Client Name: Proplend Security Limited  
 Dated 31 March 2023