

# Eightfold property

# VALUATION REPORT



**120 SHEPHERD'S BUSH ROAD**

**LONDON**

**W6 7PD**

for

**PROLEND SECURITY LIMITED ( THE SECURITY  
TRUSTEE)**

## Contents

1. EXECUTIVE SUMMARY .....	4
2. TERMS OF REFERENCE .....	7
3. LOCATION AND SITUATION .....	10
4. PROPERTY DESCRIPTION .....	12
5. STATUTORY MATTERS .....	17
6. LEGAL.....	20
7. MARKET COMMENTARY.....	22
8. VALUATION COMMENTARY .....	28
9. VALUATION .....	38
APPENDICES.....	

### **Appendix A - Instructions**

### **Appendix B - Valuation Printouts**

### **Appendix C - Terms and Conditions**

# 1. EXECUTIVE SUMMARY



Front Elevation



Street Plan

## Valuer

Alistair McGill MRICS

## Valuation Date

20<sup>th</sup> February 2023

## Location/Situation:

Shepherd's Bush is a district of West London, England, within the London Borough of Hammersmith and Fulham 4.9 miles (7.9 km) west of Charing Cross and identified as a major metropolitan centre in the London Plan. The property is located on the western side of Shepherds Bush Road between its junctions of Lena Gardens and Batoum Gardens and almost opposite its junction with Dewhurst Road. The Property is located between Shepherds Bush and Brook Green on the A219 Shepherds Bush Road.

## Description

The property comprises a Victorian mid terraced house, converted to a hotel, constructed over lower ground, raised ground and three upper storeys. The building is constructed of painted brick elevations inset with timber sliding double glazed UPVC fenestration.

## Floor Area

Floor	Occupier/Tenant	Use	Sq. Feet	Sq. Metres
Lgnd		Hotel	575	53.42
Gnd		Hotel	575	53.42
½ landing		Hotel	84	7.80
1 <sup>st</sup>		Hotel	575	53.42
½ landing		Hotel	84	7.80
2 <sup>nd</sup>		Hotel	575	53.42
3 <sup>rd</sup>		Hotel	570	52.95
<b>Total:</b>			<b>3,122</b>	<b>290.04</b>

The property comprises 17 rooms

### Tenure

Freehold

### Tenancies

The property run as a hotel by the freeholder.

### Rental Profile

Passing Rent: £89,000 p.a

Market Rent: £89,000 p.a

### SWOT

Good location close to retail facilities  
Close proximity to Central London  
Alternative use as residential

Strong leisure demand generated by its location in west London.

Potential for High profit margin potential due to limited potential services that can be offer due to nature of the hotel

Lower running costs due to limited services offered by the nature of the hotel

Economic uncertainty

Cost of living crisis

Outgoing costs likely to rise with increasing energy costs

Potential rental and capital value volatility

Lack of guest services (such as restaurant, leisure, etc) may deter some potential guests

The local area is considered a secondary hotel location and is more characterised by independent operators rather than large international chains.

### Valuation

Market Value SA subject to proposed tenancy:	£2,230,000
Market Value SA subject to proposed tenancy and 90 days marketing :	£1,675,000
Market Value as a fully equipped operational entity having regard to trading potential: Accounts or records of trade would not be available to a prospective purchaser; The business is closed,	£2,500,000
Market Value as a fully equipped operational entity having regard to trading potential 90 days: Accounts or records of trade would not be available to a prospective purchaser; The business is closed,	£1,875,000.

### Loan Security Suitability

Yes, subject to the comments in this report.

### Lender's Action Points

The lender should confirm the title and tenancy.

Ensure all copy licences/registrations are presented where necessary.

Obtain Fire Risk Assessment Report



## 2. TERMS OF REFERENCE

Eightfold Professional Limited  
Second Floor Studio  
28 Poland Street  
London  
W1F 8QP

### The Directors

Proplend Security Limited(the "Security Trustee" )  
20-22 Wenlock Road  
London  
N1 7GU  
For the attention of: Brian Bartaby

27<sup>th</sup> February 2023

Your Reference: SB/ Taimoor & Sadaf Sadiq

Dear Sir/Madam

**Property Address:** 120 Shepherds Bush Road, London, W6 7PD

**Your Applicant:** Taimoor & Sadaf Sadiq

**Appointment:** We refer to your instruction letter/email dated: 3<sup>rd</sup> February 2023 and accepted on 3<sup>rd</sup> February 2023 to provide you with a Valuation Report of the freehold in the above hotel for loan security.

This report and valuation has been prepared in accordance with the RICS Red Book Global Standards. In undertaking this valuation Eightfold Professional acts in the capacity of External Valuer. The basis upon which we usually prepare our valuations and reports is set out in the terms of engagement attached hereto. Unless and except where here specifically stated otherwise, this report has been prepared in accordance with these terms of engagement.

**Reliance:** In accordance with our normal practice, we confirm that the report is confidential to the parties to whom it is addressed for the specific purpose to which it refers. We accept no responsibility to any third party and stress that neither the whole of the report, nor any part nor any references thereto may be published in any document, statement or circular nor in any communication with third parties without our prior written approval of Eightfold Professional Limited of the form and context in which it will appear.

Our advanced written consent is required if, at any time, it is intended to include the valuation or report, or any reference thereto, in any Prospectus or Circular to shareholders or similar public document.

**Liability:** The Valuer shall under no circumstances, whatsoever, be liable, whether in contract, tort (including negligence), breach of statutory duty, or otherwise, for any loss of profit, loss of revenue or loss of anticipated savings, or for any indirect, special or consequential loss arising out of or in connection with the Agreement and/or the Services.

**PII Cap:** We confirm that Eightfold Professional Limited hold appropriate indemnity insurance for the valuation instruction. Eightfold Professional Limited's total liability in respect of all losses arising out of or in connection with the Agreement and/or the Services, whether in

contract, tort (including negligence), breach of statutory duty, or otherwise, shall not exceed £5,000,000. This amount shall be an aggregate cap on Eightfold Professional Limited's liability to all Beneficiaries together.

**Full Terms of Engagement:** The report is subject to, and should be read in conjunction, with our Terms of Engagement attached at Appendix B hereto.

**Valuation Date:** 20<sup>th</sup> February 2023

**Inspection Date:** The site was inspected previously for another lender by Alistair McGill on 15<sup>th</sup> September 2023 and externally reinspected on 20<sup>th</sup> February 2023 specifically for the purpose of this valuation.

**Basis of Valuation:**

**Market Value (MV):** We have prepared our valuation on the basis of Market Value (MV) which is defined in accordance with the RICS Red Book Global Standards

"The estimated amount for which an asset or liability should exchange on the Valuation Date between a willing buyer and a willing seller in an arm's-length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

**Market Rent:** We have prepared an additional valuation on the basis of Market Rent (MR which is defined in accordance with the RICS Red Book Global Standards).

"The estimated amount for which an interest in real property should be leased on the Valuation Date between a willing lessor and willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

**Personnel:** the valuation has been prepared by Alistair McGill MRICS being a member of the RICS Valuer Registration Scheme. The herein named valuer has acted with independence, integrity and objectivity and has the requisite skills and knowledge of the particular market and property type pertaining to the subject property.

**Status:** In preparing this valuation we have acted as External Valuers, subject to any disclosures made to you.

**Disclosure:** We have previously confirmed that we have no conflict of interest in providing advice to you on this property.

**Assumptions:**

- 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.

- Estimated Reinstatement Cost for fire insurance purposes, including site clearance costs and professional fees;

**Sources of Information:** We have inspected the site and carried out all the necessary enquiries with regard to rental and capital value, statutory issues, including Rateable Value and planning issues and legal matters. We have not carried out an environmental risk assessment.

We have not been supplied with or relied upon, a draft Certificate of Title.

**Purchaser's Costs:** Our valuation is provided net of purchaser's costs.

We have allowed for Stamp Duty Land Tax.

We have also allowed for agents and legal fees plus VAT at standard market rates which amounts to circa 1.80%.

**VAT:** Our valuation is exclusive of VAT unless specifically stated otherwise

**Confidentiality and Publication:** Finally, and in accordance with our normal practice we confirm that the Report is confidential to the party to whom it is addressed for the specific purpose to which it refers. No responsibility whatsoever is accepted to any third party and neither the whole of the Report, nor any part, nor references 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.

Yours faithfully,

Valuation undertaken by



**Alistair McGill MRICS, Registered Valuer  
Director**  
For and on behalf of **Eightfold Property**

and checked by

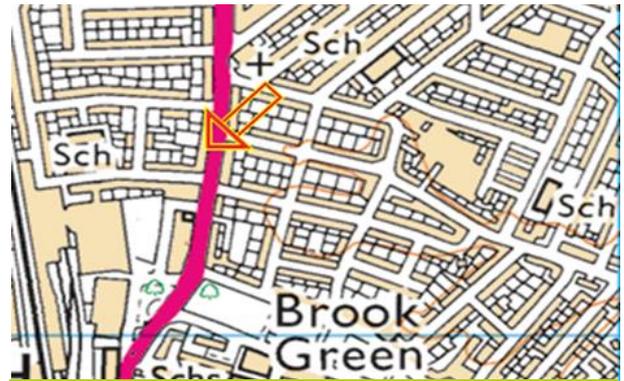


**Simon Jones MRICS, Registered Valuer  
Director**  
For and on behalf of **Eightfold Property**

### 3. LOCATION AND SITUATION



Street Plan



Location Plan

#### Macro Location

Shepherd's Bush is a district of West London, England, within the London Borough of Hammersmith and Fulham 4.9 miles (7.9 km) west of Charing Cross and identified as a major metropolitan centre in the London Plan. The property lies close to Westfield London Shopping and Entertainment complex.

#### Demographic

Shepherd's Bush is a high diverse cultural suburb which has a rich culture of attracting residents from throughout the world, particularly by virtue of its proximity to central London. Significant communities from Australia and New Zealand exist in Shepherd's Bush. Street names in the area suggest links to South Africa, but these were inspired by places and personalities from the Boer War or by their proximity to the former position of the South Africa Pavilion in the White City exhibition area. There is a Polish community, with a community centre in nearby Hammersmith. There are also Afro-Caribbean, Somali, Ethiopian, Eritrean, Syrian, Lebanese, Iranian, Irish, Algerian, Moroccan and Afghan communities that exist in Shepherd's Bush. In 2011, the population of the area was 39,724.

#### Communications

The property lies equidistant between Shepherd's Bush Underground Station (Central Line) and Hammersmith Underground Station (Piccadilly, District, Circle and Hammersmith & City lines) Shepherd's Bush Road forms part of the A219 and links to the south to Hammersmith Broadway and the M4 motorway which in turn provides a route westward towards Heathrow Airport and the M25. It provides a route eastward as the A4 into central London. Shepherd's Bush Road provides a link northward to Shepherd's Bush Green and Westfields Shopping and Entertainment complex. In addition, the A40, at this point, provides a route eastward to Holland Park, Notting Hill Gate and central London.

#### Micro Location

The property is located on the western side of Shepherd's Bush Road between its junctions of Lena Gardens and Batoum Gardens and almost opposite its junction with Dewhurst Road. The Property is located between Shepherd's Bush and Brook Green on the A219 Shepherd's Bush Road. Shepherd's Bush Road is a busy thoroughfare lined by terraced Victorian housing stock.

Approximately 15 of these properties have been converted to budget hotels which provide the main competition for the hotel. The remainder of the street and surrounding area is broadly residential. The property is conveniently located for travel to central London and is close to numerous attractions including the Westfield shopping centre, Earls Court exhibition centre, Wembley Stadium and central London.

## 4. PROPERTY DESCRIPTION



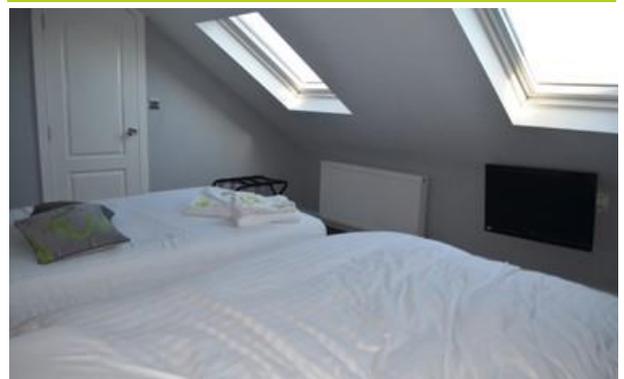
Front Elevation



Rear garden



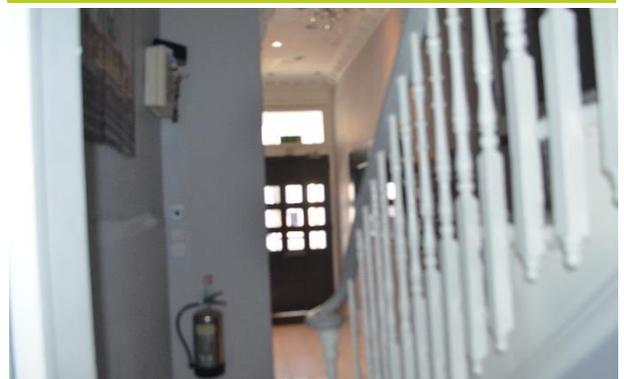
Top floor room



Top floor room



Kitchen



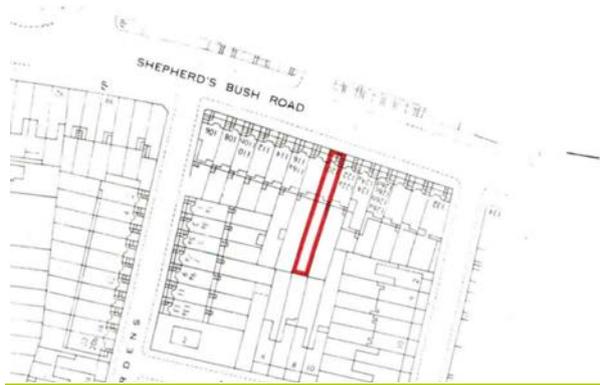
Ground floor entrance



Ensuite



Lower ground bedroom



Title Plan



Street Scene

## Site Details

Your solicitors should verify that we have correctly identified the extent of the site.

**Site Area:** 0.06 acres

**Site Shape and Topography:** The site is regular in shape and largely level

**Site Access:** From Shepherds Bush Road

**Car Parking:** None. Metered car parking is available on surrounding streets.

**Suitability of site for use and scope for expansion:** The property is suitable for its current use and there appears to be no major scope for expansion. The property could be converted back to residential use subject to planning.

**Services:** The property is connected to mains drainage, water supply and electricity and gas supplies. We understand there is free Wi-Fi available throughout the hotel. There is no air conditioning which is typical for a hotel in this location.

### Construction:

**Age of Building/Year of Construction:** 1870s

**Year of Refurbishment:** 2011

**Structure and Elevations** The property comprises a Victorian mid terraced house, converted to a hotel, constructed over lower ground, raised ground and three upper storeys. The building is constructed of painted brick elevations inset with timber framed sliding double glazed UPVC fenestration. There is a stone bay window to lower ground, ground and first floors. The roof is pitch slate tile type.

**Suitability for Current Use:** The property is suitable for its current guest house use with the ability to be readily converted to an HMO, flats, or a single dwelling house.

### Specification:

Inside the property is arranged with the letting rooms each having an ensuite shower room. The letting rooms all have a locking door and comprise single, double, or quadruple rooms. The rooms have a combination of either laminate or tiled flooring together with painted plastered walls. There is a kitchen located on the ground floor integrate with a dining area/reception. The property is basically appointed, commensurate with its market

positioning as a budget bed & breakfast hotel. There are a mix of single, double, twin and family rooms, each of which has an en-suite with shower, WC and wash hand basin.

The upper floors are accessed by a single central stairwell. The Property does not contain a lift. A separate external stairway provides a fire escape from lower ground floor only. There are no public areas, save for the breakfast room.

#### **Lower Ground Floor**

Room 1: Double room

Room 2: Double room

Room3: Double room

Room 4: Double Room

#### **Ground Floor**

Room 5: Double room

Room 6: Double room

#### **Half Landing**

Room 7: Single room

#### **First Floor**

Room8: Quad room

Room 9: Quad room

Room 10: Double room

#### **Half Landing**

Room 11: Singe room

#### **Second Floor**

Room 12: Quad room

Room 13: Quad room

Room 14: Double room

#### **Half Landing**

Room 15: Singe room

#### **Third Floor**

Room 16: Quad room

Room 17: Double room

**Total rooms; 3 Singles, 9 Doubles and 5 Quads**

**External Areas:** The property has the benefit of a small, paved area to the front of the property with a low wall fronting the pavement. This area is used to store the bins. The to rear is a large garden.

## Accommodation

The property has been measured in accordance with the RICS guidance on property measurement. The RICS Professional Statement – RICS Property Measurement, 2nd Edition, January 2018 sets out the preferred basis of measurement as being to IPMS, however this has yet to be widely adopted by the market and does not yet form an industry-wide basis of measurement. The majority of agents continue to market/let property on the basis of its Net or Gross Internal Area, calculated in accordance with the former reference for measurement, The Code of Measuring Practice (6th Edition, May 2015). Consequently, it is notable that comparable transactions are generally analysed on a Gross or Net Internal floor area basis making it appropriate to employ the same in respect of the subject.

For the purpose of this Valuation, we have assumed that the measurements provided by the Applicant have been calculated in accordance with the RICS Code of Measuring Practice. If the measurements provided are incorrect, we reserve the right to amend our Valuation. From measurements taken on site, we calculate that the Property provides the following approximate accommodation:

From floor plans provided together with check measurements taken on site at a previous inspection, we calculate that the subject property provides the following approximate accommodation:

### Gross Internal Area:

Floor	Occupier/Tenant	Use	Sq. Feet	Sq. Metres
Lower Ground		Hotel	575	53.42
Ground		Hotel	575	53.42
½ Landing		Hotel	84	7.80
1 <sup>st</sup>		Hotel	575	53.42
½ Landing		Hotel	84	7.80
2 <sup>nd</sup>		Hotel	575	53.42
3 <sup>rd</sup>		Hotel	570	52.95
<b>Total:</b>			<b>3,122</b>	<b>290.04</b>

## State of Repair

### External

Externally the property appeared to be in good condition commensurate with its age and use. There was no access to the rear of the property at the time of the inspection.

### Internal

Internally the property appeared to be in good condition commensurate with its age and use.

### Deleterious Materials

For the purposes of our valuation, we have assumed that there are no deleterious materials used in the construction of the subject property or any proposed development.



We have not been advised of any Asbestos Survey Report being carried out or the outcome of any such report.

We have not inspected woodwork or other parts of the structure which are covered, unexposed or inaccessible and we are therefore unable to report that any such part of the property is free from defect.

#### Invasive Species

We did not identify any invasive plant species within the boundaries or within 3 metres of the subject property, although it should be noted that no access was available to the rear garden at the property at the time of the inspection and we therefore can confirm the presence or otherwise of an invasive species within this area.

#### **Remaining Economic Life**

Assuming normal routine maintenance and repair, as well as reasonable and prudent management of the property, we consider the life expectancy is in the order of 25 years.

## 5. STATUTORY MATTERS

### Contamination and Environmental Considerations

Contamination verifications	
At the time of inspection were any contaminated uses on the subject property?	<b>No</b>
At the time of inspection were any surrounding sites/ properties put to a use likely to cause contamination?	<b>No</b>
Is the age of the subject property likely to be where asbestos or other deleterious materials may be within the structure?	<b>No</b>
Is an environmental audit recommended?	<b>No</b>
Percentage of properties in the area above action level for radon gas.	<b>LESS THAN 1.0%</b>

### Flood Risk

Flood risk ratings	
Rivers or the Sea Rating	<b>VERY LOW</b>
Surface Water Rating	<b>HIGH</b>

Very low risk means that this area has a chance of flooding of less than 0.1% **each year**.

High risk means that this area has a chance of flooding of greater than 3.3% **each year**.

### Ground Conditions

We have made the assumption that ground conditions are suitable for the current buildings and structures or any re-development.

Since our normal enquiries and inspections did not suggest that there are likely to be archaeological remains present in or on the property, we have assumed that no abnormal constraints or costs would be imposed on any future development at the property by the need to investigate or preserve historic features.

### Planning

Planning use class, conservation, listing & consents.	
Current planning use class	<b>C1</b>
Is the subject property within a Conservation Area?	<b>Yes</b>

Is the subject property Grade 1 or 2 listed?	<b>No</b>
Are there any outstanding planning consents not actioned?	<b>No</b>
Any outstanding enforcement actions?	<b>No</b>

All online planning is historic and dates back from 1973. There are therefore no notes on whether the permission was granted etc. Your legal advisors should confirm the position.

There has been no planning history since our last report.

### **Regulatory Reform (Fire Safety) Order 2005**

We have not been provided with a copy of the Fire Risk Assessment for the property.

We would comment that we have not undertaken a fire safety audit or assessment of the subject property.

Your legal advisor should ensure that, where necessary, a suitable Fire Risk Assessment is in place as, otherwise, this may have an adverse effect on the advice and valuation contained within this report.

### **The Smoke and Carbon Monoxide Alarm (England) Regulations 2015**

The borrower should have reference to these regulations and ensure that the subject property is fully compliant.

### **Energy Performance Certificate**

The applicant should have regard to the regulations and ensure that the subject property is fully compliant. An EPC has a recommendation report that lists cost effective and other measures to improve the energy rating. A rating is also given showing what could be achieved if all the recommendations were implemented.

We have made enquiries of the EPC register and list the certificate for the property below;

120, Shepherds Bush Road LONDON W6 7PD		Energy rating <b>B</b>
Valid until <b>11 April 2030</b>	Certificate number <b>0880-0430-8752-7104-8002</b>	

## Rating Assessments

Hotel	£32,500
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## Regulated Mortgages

Is 40% or more of the total land to be used in connection with a dwelling?	No
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## 6. LEGAL

### Title Review

#### Tenure

We have not been provided with a Report on Title but understand that the site is held freehold title.

We have assumed that there are no encumbrances or unduly onerous or unusual easements, restrictions, outgoing or conditions, likely to have an adverse effect upon the value of the subject property, and we have assumed that a good and marketable title is held.

We would recommend that the information regarding tenure is verified by your legal advisors and, furthermore, we would stress that the above assumptions regarding tenure should not be relied upon until they have been confirmed as being accurate by your legal advisors. We would be pleased to re consider our valuation upon provision of your solicitor's report on title.

#### Tenancies

We understand a new FRI lease is to be put in place between Taimoor & Sadaf Sadiq, and Comfotel Hotels LLP for a minimum term of 5 years assumed from the date of valuation , with no breaks, for a rental of £89k p.a with no reviews and is assumed to be outside the security of tenure provisions of the Act. We would recommend that we have sight of this report prior to you completing lending.

#### Service Charge

The property is run as a hotel by the freeholder. The costs and responsibilities for the ongoing maintenance and repair currently fall to the freeholder. Subject to the letting we have assumed it is on a FRI terms and ongoing maintenance will be the responsibility of the tenant.

#### Covenant Status

We have undertaken Endole Financial checks on Comfotel Hotels LLP who has a credit score of 44 normal with the previous score being 38 caution. For the year ending November 2021 with total assets of £2.02m and total liabilities of £883.98k.

Although we reflect our general understanding of the status of the tenants, we are not qualified to advise you on the financial standing of the tenants. Based on the information available to us, we have formed the view that the market would consider the covenant strength of the tenants to be good.

#### Income Analysis

		£ per annum
<b>Current Gross Rental Income £</b>		£89,000
<i>Less</i>	Ground Rent	£-
<b>Landlord Liabilities</b>	Management Costs	£-
	Ongoing Repairs	£-

	Insurance	£-
	<b>Net Income</b>	£-

## 7. MARKET COMMENTARY

### Property Market Overview

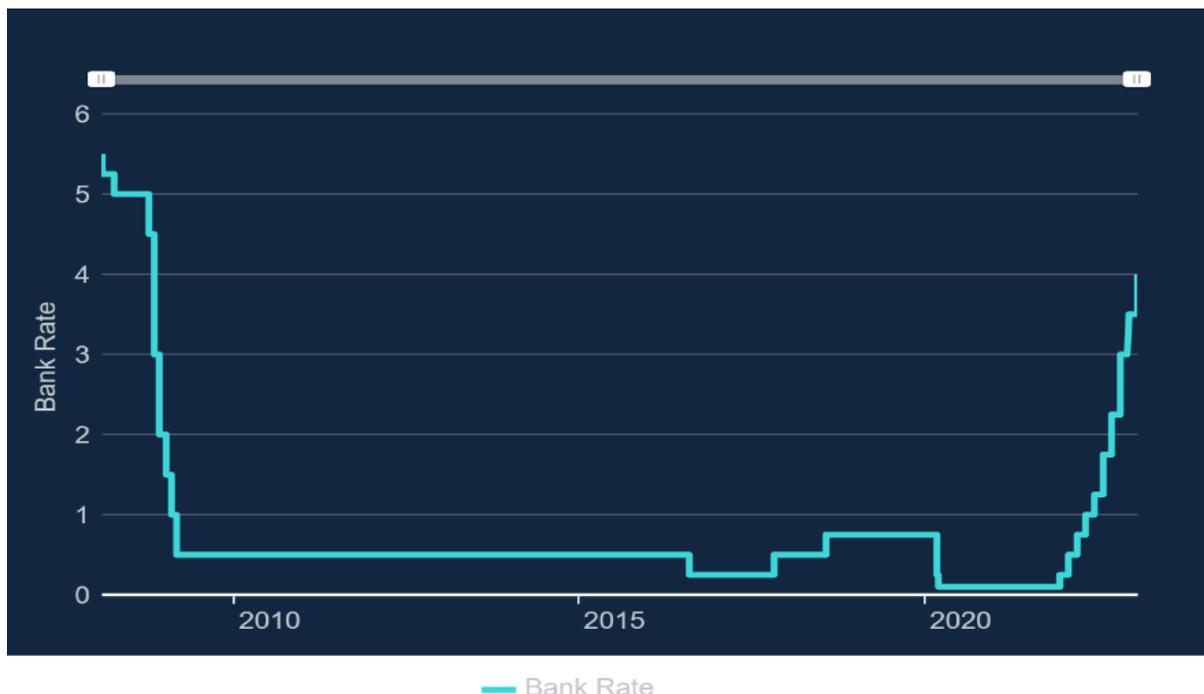
#### Economic Comment

On 2nd February 2023 at its meeting the Monetary Policy Committee (MPC) voted by a majority of 7 – 2 to increase the Bank Rate by 0.5% from 3.5 to 4.0%. This is the tenth successive rise within a year from 0.1% and is the highest rate prevailing for 14 years.

Global consumer price inflation remains high, although it is likely to have peaked across many advanced economies, including in the United Kingdom. Wholesale gas prices have fallen recently and global supply chain disruption appears to have eased amid a slowing in global demand. Many central banks have continued to tighten monetary policy, although market pricing indicates reductions in policy rates further ahead.

UK domestic inflationary pressures have been firmer than expected. Both private sector regular pay growth and services CPI inflation have been notably higher than forecast in the November Monetary Policy Report. The labour market remains tight by historical standards, although it has started to loosen and some survey indicators of wage growth have eased, alongside a gradual decline in underlying output. Given the lags in monetary policy transmission, the increases in Bank Rate since December 2021 are expected to have an increasing impact on the economy in the coming quarters.

Near-term data developments will be crucial in assessing how quickly and to what extent external and domestic inflationary pressures will abate. The MPC's updated projections show CPI inflation falling back sharply from its current very elevated level, of 10.5% in December, in large part owing to past increases in energy and other goods prices falling out of the calculation of the annual rate. Annual CPI inflation is expected to fall to around 4% towards the end of this year, alongside a much shallower projected decline in output than in the November Report forecast.



## Investment

High inflation and rising interest rates are putting a downward pressure on growth. As a result, the environment for property will be more challenging with higher debt costs and expected lower investment volumes. However, real estate investment markets are expected to emerge from a period of uncertainty, pricing should stabilise and activity should return but conditions will remain challenging for the deployment of equity and debt capital and will require investors to adapt.

It is hard to predict where real estate yields will settle but it is not expected that they will rise to the same extent as government bond yields.

It is also predicted that income returns, rather than capital growth, is likely to drive commercial real estate returns in the year ahead. This means more focus on asset management, and on financial performance of occupiers, as key factors that affect income and occupancy at the asset level.

Transaction volumes are forecast to fall in 2023 but the UK does benefit from a diverse and international investor base. Constraints will impact some investors meaning opportunities for others and private capital awaiting development, could be one of the beneficiaries.

Investment volumes in the UK for 2022 reached £48.7bn which is 8% below the 10-year average and a 22% decrease on record volumes of 2021. The year had a strong start with a record £16.6bn transacted in Q1 alone. This was followed by a more moderate second quarter at £13.4bn, before volumes dipped again to £11.3bn in Q3 and then £7.1bn in Q4, highlighting the incremental reduction in activity and confidence across the market.

International investment remained at the core of the UK market, with overseas buyers accounting for 52% of volumes for 2022. The UK's most active international investors in 2022 were from the Asia-Pacific region and the Americas, both accounting for 14% of the £48.7bn transacted.

There has also been capital raised globally for private real estate funds that is still awaiting to be deployed, especially for value-add and opportunistic strategies. The realignment of real estate prices at the end of 2022 means that 2023 may provide opportunities for this capital to enter the UK market.

The end of 2022 has been a challenging time for commercial real estate lenders and borrowers. Yet the debt market is better placed to weather a downturn in comparison with 2007- 2009. The overall amount of debt relative to equity in the market, and the LTV ratios applied to new loans, have been lower.

As interest rates have risen and capital values have fallen, the relationships between interest and income, and between loan amount and asset value, have come under scrutiny. LTV ratios for new loans have reduced further to maintain adequate interest cover for lenders, and the total cost of debt has risen significantly.

Borrowers that need to refinance in 2023 will face challenges if recent falls in value have eliminated gains made in the post- COVID recovery. Refinancing at a lower value and a lower LTV will require borrowers to inject more equity, or find further funding, if they are to retain assets. While it is not anticipated to see significant levels of lender enforcement, it is anticipated that there will be a reasonable volume of lender- encouraged sale process is in cases where fresh equity is not available, to reduce leverage levels in existing loans.

## Leisure

Urban leisure investment yields should start to stabilise with the delta between prime and secondary assets increasing with yields anticipated to stabilise by the end of Q1 2023. Yields are unlikely to recover to 2019 levels until the debt markets fully recover.

Cost inflation and pressure on consumer spending as well as the fact that the leisure sector is carrying very high levels of debt will further squeeze operators. This may lead to a review of operators debt positions with some taking additional debt. It is expected that the leisure sector will look to access cash locked up in assets such as exploring sale and leasebacks or ground rent transactions to raise capital without losing sites.

Hotel operators and owners have cited rising costs and shortage of skilled labour as the highest short term risks. With unprecedented inflation, pressure on households remained intense as the cost of food and non-alcoholic beverages was over 16% higher than a year earlier.

The rise of staff shortages means hoteliers will need to compete against other sectors to attract talent as during the pandemic some were laid off and moved to other sectors or got out of the work force all together.

In 2022, Average Daily Rate (ADR) is driving hotel performance recovery with levels well above 2019 in all markets. The staycation boom experienced in the UK during 2021 has continued into 2022 with some holidaymakers preferring not to travel abroad due to remaining restrictions and the well-publicised airport chaos. As such domestic tourists have been spending their holiday budgets in the UK driving ADR growth. The slow return of corporate travel has also impacted on ADR with the lack of business travellers (often with discounted hotel rates) not diluting the average rate. Hotel demand is still below the pre-pandemic benchmark though trending upwards, with only Newcastle seeing occupancy above that of 2019. London is still down 25% compared to 2019 with the slow return of corporate and international travel having a material impact. Looking forward we expect an ADR correction in 2023 driven by the return of outbound leisure tourism and stronger levels of corporate travel. The cost of living crisis, driven by inflationary pressures is likely to also dampen recovery

UK hotel transaction activity in 2022 has continued from the strong finish last year with a total £2.4bn investment year to date. This sees the transaction volumes for the last 12 months exceeding £4.2bn. London remains the core driving submarket in investment, with £900m this year. Notable deals include Crimson Hotels' £130m acquisition of the Trafalgar Square Hotel in August. Also, Frogmore Capital bought Hilton Kensington Olympia for £130m in April. This 405-room acquisition equated to just under £322,000/room. The Marriott Hotel, Blackfriars Road was purchased for £104m (£646,000/room) by Vertiq Captial Partners. One of the year's standout deals was the purchase of the 39-room L'Oscar Hotel which was bought for £60m in March. This equated to a £1.5m price per room, the highest in 2022 and was acquired by Michel Reybier Hospitality. Outside of London, there has also been strong transactional activity. The Hyatt Hotel in Leeds was sold in May for £62.7m to the UK Commercial Property Finance LTD. It is a 305-room hotel that is currently under-construction to be completed in 2024. Birmingham and Manchester are the second and third-placed submarkets by sales volumes in the last 12 months with £183.5m and £114.7m transacted respectively. Sales of the Hotel Indigo for £12.5m in Birmingham and Brooklyn Hotel for £22.8m in Manchester emphasise the recovery in demand from an investment standpoint for regional UK cities.

Portfolio investment was also present with Tristan Capital Partners acquiring a £420m share in Raag Hotels, owner of the Point A hotel group this April. Further confidence for transactions was seen from KSL Capital Partners' £35m investment into operator Pig Hotels. Current market conditions, with interest hikes and inflationary pressures, may impact transactional volumes for the remaining months of 2022 as well as into 2023. This may also cause owners to retain assets to 'weather out the storm' until the economy is more appetising. On the other hand, it is likely that there will be an increase in distressed or underperforming assets as rising operating and financial costs squeeze bottom lines and push owners to sell at a discount

The importance of understanding how operational cashflow is impacted on the back of rising interest rates will be top of mind for hospitality investors. As interest payments increase due to debt becoming more expensive, this will reduce net income and cash flow which will in turn reduce investors internal rate of returns.

In the medium term, the lack of economic growth and the inability to raise prices are expected to remain a risk over the next three years.

### **Residential**

Borrowers coming to the end of their mortgage's fixed term will face a sharp rise in costs over the coming 18 months. But the extensive use of fixed rate mortgages recently means that many will avoid the worst increases in costs of debt, and that the impact will be less of a cliff edge than in previous periods of rising rates.

The robust mortgage regulations introduced in 2014 will also mitigate risks to some degree but, many mortgaged homeowners will find their finances uncomfortably stretched. This may cause some to dip temporarily into savings or to seek support from family. Those borrowers without this safety net will be looking to see what support comes from lenders to help them through these difficult times.

Banks and building societies will be eager to avoid the mistakes of the 1990s that lead to widespread repossessions and therefore it would be expected for them to show a degree of forbearance.

This could be by extending mortgage repayment terms or offering capital repayment holidays to allow borrowers to meet their mortgage interest commitments (until interest rates ease back). Overall this is likely to mean that we see a trickle of additional stock coming to the market from those under financial pressure, not a deluge.

That said, most prospective buyers of that stock that will have less buying power, given they too will face higher mortgage costs.

The Nationwide House Price Index in the UK increased by 1.1% year on year in January of 2023, well below a 2.8% rise in December and market forecasts of 1.9%. Compared to the previous month, house prices were down 0.6%, a fifth consecutive decline, and longest losing streak since 2008, leaving house prices 3.2% lower than their August peak. "There are some encouraging signs that mortgage rates are normalising, but it is too early to tell whether activity in the housing market has started to recover. It will be hard for the market to regain much momentum in the near term as economic headwinds are set to remain strong, with real earnings likely to fall further and the labour market widely projected to weaken as the economy shrinks", Robert Gardner, Nationwide's Chief Economist, said.

All regions have seen a deterioration in affordability compared to 2021, with the cost of servicing the typical mortgage as a share of take-home pay now at or above the long-run average in all regions.

Affordability pressures remain particularly acute in London and the south of England, where mortgage servicing costs have risen sharply compared with a year ago. Scotland and the North continue to be the most affordable regions but, even there, mortgage payments as a share of take-home pay are at their highest level for over a decade.

## Local Market Review

The subject property lies in a good location in close proximity to the facilities of Shepherds Bush and Hammersmith and also benefits from being within easy access of Central London. The area is a densely populated residential area and there are a number of other guest houses and hotels nearby

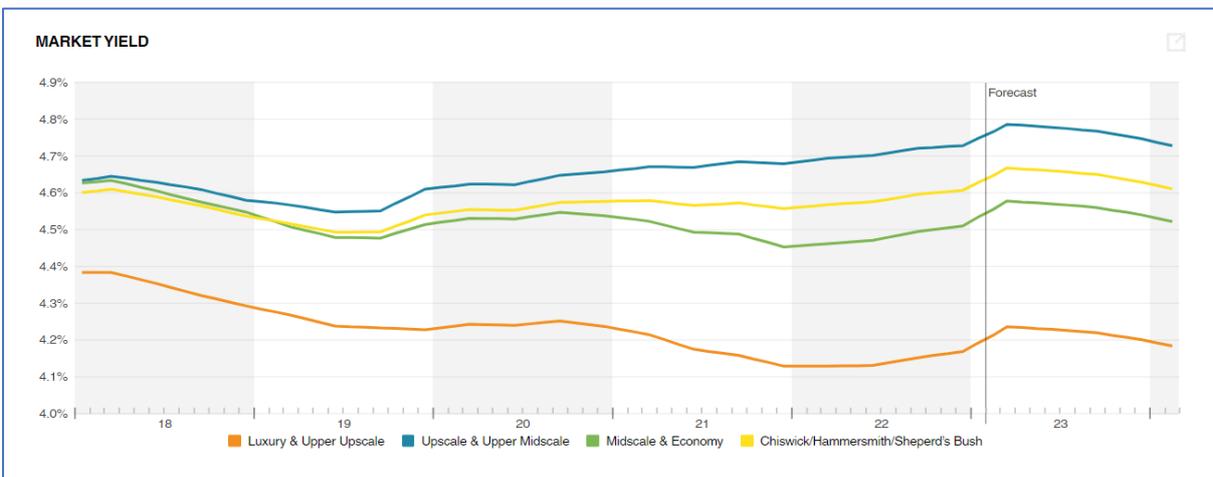
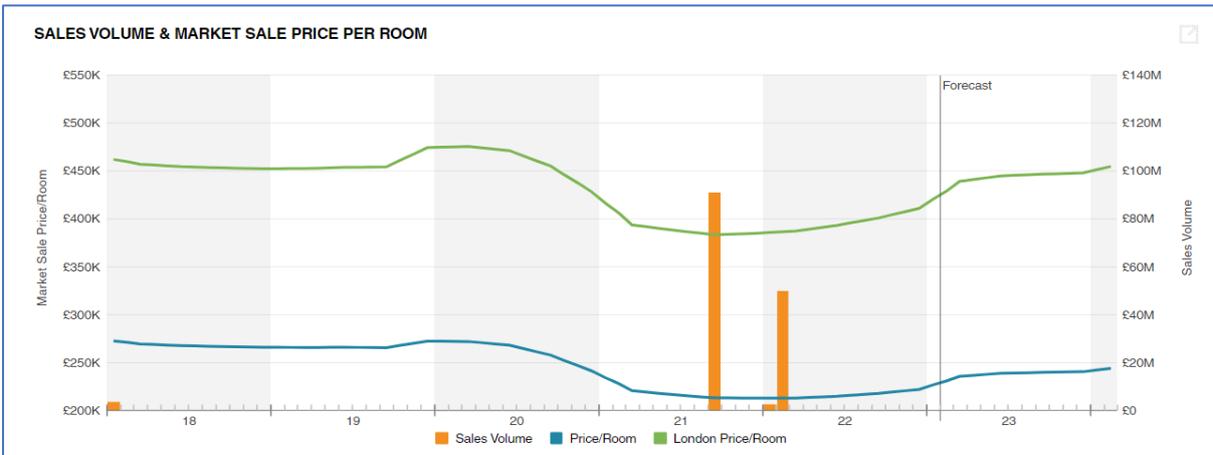
The Chiswick/Hammersmith/Shepherd's Bush hotel submarket contains around 3,300 rooms spread across 46 properties. The average hotel in the submarket has 72 rooms, somewhat below the 92-room-per-hotel London market average.

The under construction pipeline consists of a 400-room hotel project, which by itself represents a considerable 12.0% expansion to the existing inventory. This is a continuation of new development in the submarket, which has seen plenty of recent construction: About 590 rooms delivered within the past three years.

Investors are not particularly active in the Chiswick/Hammersmith/Shepherd's Bush submarket: Only three hotel deals have closed in as many years.

INVENTORY	SUBMARKET	MARKET
Existing Buildings	46 ↑	1,662 ↓
Avg Rooms Per Building	72 ↑	92 ↑
12 Mo Delivered Rooms	453 ↑	3,280 ↓
12 Mo Delivered Buildings	3 ↑	23 ↓
12 Mo Opened Rooms	314 ↓	3,322 ↓
12 Mo Opened Buildings	2 ↓	23 ↓
Under Construction Buildings	1 ↓	77 ↓

SALES	SUBMARKET	MARKET
12 Mo Transactions	1 ↓	28 ↓
12 Mo Sales Volume	£49.8M ↓	£962M ↓
12 Mo Average Price Per Building	£49.8M ↑	£60.3M ↑
Market Sale Price/Room	£226K ↑	£421K ↑
Market Yield	4.6% ↑	4.4% ↑



## 8. VALUATION COMMENTARY

In arriving at our opinion of rental value in respect of the property, we have had regard to a range of competitive properties located in close proximity all being set on Shepherds Bush Road to help derive room rates applicable

Rates quoted are bed and breakfast rates based on two adults sharing a double bedroom, exclusive of VAT.

Melandre Hotel By Saba, Shepherd's Bush Road	£ 138/ night for a Double and £192/night for a Quadruple
	<b>Midweek Rate March 23</b>
	<b>Size:</b> A similar sized property located on Shepherd's Bush Road
	<b>Situation:</b> Located on shepherds Bush Road
	<b>Description:</b> Offers continental breakfast, free Wi-Fi

Comfort BLU, Shepherd's Bush Road	£ 92/ night for a Double and £123/ for a Family Room
	<b>Midweek Rate November 22</b>
	<b>Size:</b> A similar sized property located on Shepherd's Bush Road
	<b>Situation:</b> Located on shepherds Bush Road
	<b>Description:</b> Offers continental breakfast , free Wifi

OYO Sino Hotel Shepherd's Bush Road	£ 69/ night for a Double and £100/ for a Quadruple
	<b>Midweek Rate November 22</b>
	<b>Size:</b> A similar sized property located on Shepherd's Bush Road
	<b>Situation:</b> Located on shepherds Bush Road
	<b>Description:</b> Offers continental breakfast , free Wifi

Orlando Hotel, Shepherd's Bush Road	£ 62/ night for a Double and £94/ for a Quadruple
	<b>Midweek Rate November 22</b>
	<b>Size:</b> A similar sized property located on Shepherd's Bush Road
	<b>Situation:</b> Located on shepherds Bush Road
	<b>Description:</b> Offers continental breakfast, free Wifi

### Market Rental Analysis and Commentary

We have adopted the direct comparable method of valuation. We have adjusted the comparables to reflect attributes including age, size, specification and location.

It is very difficult to identify any directly comparable rental evidence of this nature for the subject property. We have therefore had to consider the trading potential of the asset. With no trading data provided to us in respect of the existing operation, we have to model trading information upon room rates and assumptions to determine a Market Rent.

Having made enquiries on booking.com, the rooms are all listed within the subject property at £68 per room per night for a Single room, £80 per room per night for a Double room and £98 per room per night for a Quadruple room mid week in March. Higher rates are sought at weekends *and closer to the date of valuation*.

In preparing our assessment of the fair maintainable level of trade that a reasonably efficient operator would expect, we have reviewed the key variables.

The guest house benefits from a good location near to local transport links and facilities, as well as competitive pricing. The majority of trade will be derived from seasonal tourists and short-term visitors. On this basis, we would expect a competent operator to be able to generate relatively consistent levels of income. In terms of occupancy, our assessment is made against our expectations for a guest house in this location and we have assessed the maintainable occupancy to be 80%.

When assessing ADR (Average Daily Rate) we have considered the rates recently achieved within the subject and that established from competing guest houses. On this basis, we have modelled room rates at an ADR of £80 to allow for the larger rooms. In light of this we believe that the subject guest house could achieve a fair maintainable trade of approximately £397,120 per annum (£64 revenue per available room/Revpar).

The costs associated with a hotel business are commonly divided into the following categories: fixed costs, departmental expenses, undistributed operating expenses and payroll expenses. Departmental and payroll expenses are generally modelled on a proportional basis to associated revenue. Undistributed and fixed costs are more static in their nature and/or tied to location or business specific variables. As we have not been provided with any trading

accounts history, we are not able to assess the previous operating costs at the subject. We have made an assessment of the realistic cost base that would be associated with the subject, which in this case, would amount to circa 50% of the fair maintainable trade and incorporates management, cleaning and laundry, rates, utilities, insurance and FF&E.

Based on this we have assessed the EBITDAR/NOP(Net operating profit) at approximately £198,560 per annum. We have taken into consideration our assessment of EBITDAR/NOP as outlined above. We have adopted a rent cover of 45% to come to a Market Rent of £89,000 per annum (rounded). This rent reflects circa £5,256 per annum per room or circa £438 per month per room which comfortably sits within the HMO range of rentals as a cross check. It should be noted that the property is not one that would normally be let and would be either a owner/ traded property or subject to a management agreement.

We consider the property could be let within a timeframe of 6 to 9 months.

## Market Rent

**£89,000 (Eight Nine Thousand Pounds) per annum**

The above is our opinion of the current **Market Rent** of the subject property, as at 20<sup>th</sup> February 20223. The property is not a typical that comes to the rental market with a management agreement.

## Sales Comparables and Considerations

### Sales Comparables

In order to assess a suitable capitalisation rate, we have considered the below evidence. It is very difficult to identify recent sales of guesthouses that have sold as investments with lease contracts in place. This is mainly due to the majority of sales of properties of this nature selling with vacant possession and purchased with the view of redevelopment or alternative use positions.

We have broadened our search area for guest house sales and also considered those sold with vacant possession as a cross-check.

### Guest House/Hotel Sales

These comparables show a range between £89,583 to £294,733 per room and capital value values reflecting between £260 to in excess of £1,100 psf.

<b>The Dilly 21-31 Piccadilly W1</b>		<b>£318,000 per room</b>
	<b>Date:</b> December 2022	
	<b>Sale Price:</b> £90,000,000	
	<b>Size:</b> 283 rooms 231,282 sqft	
	<b>Location:</b> Located in central London	
	<b>Description:</b> Large period hotel	
<b>Analysis:</b> Located in a superior location to the subject property and significantly larger		

<b>Selina Camden 89 Chalk Farm Rd NW1</b>		<b>£296,000 per room 7.03% NIY</b>
	<b>Date:</b> November 2022	
	<b>Sale Price:</b> £8,000,000	
	<b>Size:</b> 27rooms 12,475 sqft	
	<b>Location:</b> Located in Camden	
	<b>Description:</b> a mid range hotel	
<b>Analysis:</b> Located in an inferior location to the subject property		

<b>Travelodge Chiswick W4</b>		<b>£171,600 per room 4.00% NIY</b>
	<b>Date:</b> November 2022	
	<b>Sale Price:</b> £19,400,000	
	<b>Size:</b> 113 rooms 60,000 sqft	
	<b>Location:</b> Located in Camden	
	<b>Description:</b> A Travelodge on a new 35 year indexed lease under construction	
A new hotel to be let on a long lease forward funded		

<b>Goddis Lodge, London, SE14</b>		<b>£89,583 per room</b>
	<b>Date:</b> August 2021	
	<b>Sale Price:</b> £1,075,000	
	<b>Size:</b> 12 rooms 4,133 sqft	
	<b>Location:</b> Located in New Cross	
	<b>Description:</b> B&B guest house	
<b>Analysis:</b> Located in an inferior location to the subject property		

<b>Grange Lodge Hotel, Grange Road, Ealing, W5</b>		<b>£110,714 per room</b>
	<b>Date:</b> April 2021	
	<b>Sale Price:</b> £1,550,000	
	<b>Size:</b> 14 rooms	
	<b>Location:</b> Located close to Ealing Broadway	
	<b>Description:</b> House converted in a Guest House	
<b>Analysis:</b> Located in a nearby suburb but less central area of west London.		

<b>Camelot House Hotel, Sussex Gardens, W2</b>		<b>£154,950 per room</b>
	<b>Date:</b> July 2021	
	<b>Sale Price:</b> £6,198,904	
	<b>Size:</b> 40 rooms	
	<b>Location:</b> Located more centrally in London close to Paddington and West End	
	<b>Description:</b> Larger guest house	
<b>Analysis:</b> Located in a more central area in comparison to the subject property		

<b>Hotel Moonlight, 9 Knaresborough Place, London, SW5</b>		<b>£294,733 per room</b>
	<b>Date:</b> July 2021	
	<b>Sale Price:</b> £6,778,868	
	<b>Size:</b> 23 rooms	
	<b>Location:</b> Located in Earls Court close to the underground	
	<b>Description:</b> A larger and more attractive guest house.	
<b>Analysis:</b> A superior property to the subject and located in a more popular part of London.		

Cedar, Alex & Annex Hotel Portfolio Victoria		£200,000 per room
	<b>Date:</b> April 2020	
	<b>Sale Price:</b> £8,000,000	
	<b>Size:</b> 40 rooms	
	<b>Location:</b> The property is located in a residential street in Victoria	
	<b>Description:</b> This property comprises three terraced buildings arranged over four floors presented in basic condition and provides 40 guestrooms	
<b>Analysis:</b> Located in a more central area of west London. The three hotels were sold as part of a portfolio with 40 keys. The property is of a similar quality, but in a superior location to the subject.		

Beaver Hotel, Earls Court SW5		£295,000 per room
	<b>Date:</b> April 2020	
	<b>Sale Price:</b> £12,000,000	
	<b>Size:</b> 38 rooms	
	<b>Location:</b> The property is located to a residential square in Earls Court.	
	<b>Description:</b> This property comprises a hotel over four floors presented in good condition and provides 38 guestrooms	
<b>Analysis:</b> Located in a more central location and of a superior quality to the subject.		

## Residential Sales

As a cross check with have looked at residential sales within the area and highlight recent sales below which lie in close proximity to the subject property.

44 Bute Gardens, W6		£918 psf GIA
	<b>Date:</b> October 2022	
	<b>Sale Price:</b> £2,150,000	
	<b>Size:</b> 2,343 sq ft GIA	
	<b>Location:</b> The property is located on a street off Shepherds Bush Road being close to the subject property	
	<b>Description:</b> This property comprises a 4 bed house with one ensuite bedrooms	
<b>Analysis:</b> Located close to the subject property of a similar style, but on a slightly quieter road.		

1 Grove Mews W6		£981 psf GIA
		<b>Date:</b> October 2022
		<b>Sale Price:</b> £865,000
		<b>Size:</b> 882 sq ft GIA
		<b>Location:</b> The flat is located in Grove Mews close to the subject property
		<b>Description:</b> This property comprises 2 bedroom maisonette
<b>Analysis:</b> Located close to the subject property, but smaller with a spiral staircase		

32 Richford W6		£984 psf GIA
		<b>Date:</b> September 2022
		<b>Sale Price:</b> £1,460,000
		<b>Size:</b> 1,566 sq ft GIA
		<b>Location:</b> 825metres north west of the subject property
		<b>Description:</b> This property comprises a 4 bed house
<b>Analysis:</b> smaller than the subject property in a poorer location.		

Flat 5 99 Addison Road London W14		£1,527 psf GIA
		<b>Date:</b> September 2022
		<b>Sale Price:</b> £904,000
		<b>Size:</b> 592 sq ft GIA EPC area
		<b>Location:</b> 825metres north of the subject property
		<b>Description:</b> This property comprises a small flat
<b>Analysis:</b> smaller than the subject property but in a superior block and in better location.		

Flat 5 99 Addison Road London W14	£814 psf GIA
	<b>Date:</b> Available
	<b>Sale Price:</b> £1,500,000
	<b>Size:</b> 1,842 sq ft GIA
	<b>Location:</b> with 0.25 miles of the subject property
	<b>Description:</b> This property comprises a 4 bed house
<b>Analysis:</b> smaller than the subject property and requiring refurbishment.	

## Commentary

We have had regard to the above investment transactions in ascertaining our opinion of yields/ capital values to be adopted.

We have considered the location of the subject property, the construction occupational demand and saleability.

We summarise our overview of the main characteristics and qualities of the property in forming our opinion of capital value /yield pertaining to the property. This is shown in the below property rating table scoring 0 to 5 / poor to excellent.

Characteristics	Rating 0-5
Location	3
Building specification	3
Occupier Demand	3
Saleability	3

## Valuation Approach

### Market Value with Vacant possession

Considering the comparable evidence and wider commentary set out within this report, for valuation purposes we have adopted the market approach or direct comparable method of valuation which provides an indication of value by comparing the subject property with other similar properties for which price information is available. We have adjusted these comparables to reflect differences in age, size, condition, location and any other relevant factors.

In our view, we would anticipate an appropriate conversion from Total Sales to EBITDA for this type of Property in its location at mature, stable trade to be in the region of 50% given that revenue stems solely from accommodation sales. This is a business with relatively low staff overheads. Major costs stem from OTA commissions, business rates, utilities and maintenance.

On this basis set out below our assessment of the Market Value:

Adopted Total Sales	£397,120 per annum
Adopted EBITDA	50%
Adopted EBITDA	£198,560 per annum
Multiplier	13
Market Value	£2, 574,000
Less inventory/start-up cost of circa £75,000	
Say	£2,500,000

This valuation reflects a capital value of circa £147,000 per room which is within the parameter of the comparable sales shown above for guest houses. The valuation reflects a capital value of £800 per sq ft which is within the parameters of the prices achieved for residential accommodation in the subject road and surrounding roads reflecting the condition.

### **Market Value subject to tenancy**

In valuing the property subject to a 5 year lease we consider that the property is perhaps not the most attractive as an investment with the investment market for hotels being dominated by larger hotels. The subject property lends itself well for an owner operator where the best price could be achieved if available with vacant possessions. In addition, the hotel does offer scope for alternative residential use with could be investigated with vacant possession. In a valuing the property subject to the proposed lease we have adopted a yield of 6% to the passing rent until lease expiry. We have then reverted the vacant possession value at that point and applied a discount rate of 6%. A copy of this calculation is attached.

To improve the investment value provided the passing rental would need to be improved and there would need to be a landlord only break clause inserted into the lease to enable vacant possession.

### **Purchase Price Information**

We understand the property was purchased for £1,450,000 as at 16<sup>th</sup> August 2010. We are not aware of the circumstances of the sale at this time.

### **Demand and Sales Periods**

We consider the property would require a sales period of 6 to 9 months in order to achieve a sale and that the most appropriate means of sale would be by way of private treaty. The property would require full marketing and a disposal by auction or over a short time frame would not be preferable.

## Loan Security Commentary

### Analysis of Positive and Negative Factors

+ Positive Factors	- Negative Factors
Good location close to retail facilities Close proximity to Central London	Economic uncertainty Cost of living crisis
Alternative use as residential	Outgoing costs likely to rise with increasing energy costs
Strong leisure demand generated by its location in west London.	Potential for rental and capital value volatility
Lower running costs due to limited services offered by the nature of the hotel	Lack of guest services (such as restaurant, leisure, etc) may deter some potential guests
	The local area is considered a secondary hotel location and is characterised by independent operators rather than large international chains.

### Suitability for Loan Security Purposes

Based on the information provided and subject to the comments contained within this report, we consider the property forms suitable security for a mortgage advance. In accordance with normal commercial practice, however, we would anticipate any advance being for only a proportion of our opinion of Market Value. The lender should be cautious in their lending decisions with the current economic uncertainty, rising interest rates and the potential for falls in values. The applicant's ability to service any loan should be considered.

### Lender's Action Points

The lender should confirm the title and tenancy.

Ensure all copy licences/registrations are presented where necessary.

Obtain Fire Risk Assessment Report

## 9. VALUATION

### Market Value on the basis of a lease over the Hotel

Having regard to the foregoing, we are of the opinion that the Market Value of the freehold interest in the subject property, subject to the proposed lease as at 20<sup>th</sup> February 2023, is:

**£2,230,000 (Two Million, Two Hundred and Thirty Thousand Pounds)**

### Market Value on the basis of a lease over the Hotel assuming a completion of sale with 90 days of marketing

Having regard to the foregoing, we are of the opinion that the Market Value of the freehold interest in the subject property, subject to the proposed lease and on the special assumption of a completion of sale with 90 days of full commencement of marketing as at 20<sup>th</sup> February 2023, is:

**£1,675,000 (One Million Six Hundred and Seventy Five Thousand Pounds)**

A deduction of circa 25% has been made on this basis

### Market Value (MV) on the Special Assumption of full and effective vacant possession

Having regard to the foregoing, we are of the opinion that the Market Value of the freehold interest in the subject property on the special assumption of vacant possession and that trade has ceased, no trading records are available, and the trade inventory has been removed as at 20<sup>th</sup> February 2023 is:

**£2,500,000 (Two Million Five Hundred Thousand Pounds)**

We have applied a discount of 10% to the Market Value

### Market Value (MV) on the Special Assumption of vacant possession and that exchange of contracts is to take place at the date of valuation, following a marketing period of 90 days

Having regard to the foregoing, we are of the opinion that the Market Value of the freehold interest in the subject property on the special assumption of vacant possession and that trade has ceased, no trading records are available, the trade inventory has been removed as and that exchange of contracts is to take place at the date of valuation, following a marketing period of 90 days, as at 20<sup>th</sup> February 2023 is:

**£1,875,000 (One Million Eight Hundred and Seventy Five Thousand Pounds)**

We have applied a discount of 25% to the Market Value

### **Estimate of Reinstatement Cost**

We estimate the reinstatement cost on an informal basis of the premises at 23<sup>rd</sup> February 2023 in the sum as of:

**£950,000 (Nine Hundred and Fifty Thousand Pounds)**

This estimation of reinstatement cost is calculated upon the assumption of a building of identical size being reconstructed, having regard to current average build cost indices published by the RICS BCIS with an appropriate allowance for professional fees and demolition. This is provided as a guide only, for comparison with insurance cover in place and should not be relied upon for effecting cover. If a formal valuation for fire insurance purposes is required, a Building Consultant should be instructed.

### **Confidentiality and Publication**

Finally, and in accordance with our normal practice we confirm that the Report is confidential to the party to whom it is addressed for the specific purpose to which it refers. No responsibility whatsoever is accepted to any third party and neither the whole of the Report, nor any part, nor references 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.



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Appendix A -Instructions

## Appendix B - Valuation Printouts

## 120 Shepherds Bush Road, London, W6 7PD

Valuation Date:	20/02/2023		
Freehold			
Rounded Value:	2,230,000	Net Initial Yield:	3.966%
Net Rent:	89,000	Nominal Equivalent Yield:	5.896%
Total ERV:	89,000	True Equivalent Yield:	7.609%
Total Area:	0 sqft	Reversionary Yield:	0.000%
WAULT (to First Break):	5 yrs, 0 mths		
WAULT (to Lease Expiry):	5 yrs, 0 mths		

### 120 Shepherds Bush Road, Comfotel Hotels LLP

<b>Current</b>	Gross income	89,000		
	Net Income		89,000	
	YP (6.000% for 5 years and 1 day)	4.2124		374,900
<b>20/02/2028</b>	Gross income	0		
	Net Income		0	
	YP (6.000% in perpetuity deferred for 5 years and 1 day)	12.4543		0

**Unit Gross Value** **374,900**

#### Capital Adjustments

Description	Frequency	Start	Period	Discount	Rate	Amount	Value
Sale <120 Shepherds Bush Road>		20/02/2028	1 Mnth	6.00%		2,500,000	1,868,145
						2,500,000	

**Adjusted Unit Value** **2,243,046**

#### Summary of Unit Values

120 Shepherds Bush Road, Comfotel Hotels LLP	2,243,046
<b>Total of Unit Values</b>	<b>2,243,046</b>

#### Buyers Costs (based on 361,855)

Agents Fees	1.000%	-4,342	v	
Legal Fees	0.500%	-2,171	v	
Stamp Duty	(=2.085%)	-7,593		
Total (=3.8983%):				-14,106

<b>Net Value</b>	<b>2,229,007</b>
<b>Rounded Net Value</b>	<b>2,230,000</b>

Total VAT Amount: 1,083

#### Running Yield Report

Date	Cumulative Capital Invested	Capital Adjustment	Gross Income	Net Income	Running Yield	Cap Adj Running Yield
20/02/2023	2,244,106	0	89,000	89,000	3.966%	3.966%
20/02/2028	2,244,106	0	0	0	0.000%	0.000%

#### Assumptions

Running Yields and Net Initial Yield are based on say value plus buyer's costs 2,244,106.  
 Formulae as in Parry's Tables: rent annually in arrears.  
 Stamp Duty is progressive and derived from the set "HMRC (UK excl Scotland, 2019-)"  
 Cap Adj Running Yield is based on rounded cumulative capital invested.

## 120 Shepherds Bush Road, London, W6 7PD

Buyer's costs are based on Say Value adjusted for excluded capital expenditure/receipts.

Total capital expenditure/receipts of 1,868,145 have been excluded from Buyer's costs calculations.

The valuation includes reletting assumptions.

VAT rate of 20.00% applied where applicable.

## Appendix C - Terms and Conditions

# General Terms and Conditions of Business

## 1. AGREEMENT

1.1. These Terms together with any Engagement set out the terms on which Eightfold will provide the Services to the Client.

1.2. The Engagement shall prevail to the extent of any conflict between the Terms, and the Engagement. The Agreement supersedes any previous arrangement concerning its subject matter. Unless the Parties agree otherwise, these Terms shall apply to any instructions provided in the future from the Client, although such future instructions may be subject to a separate Engagement.

## 2. INTERPRETATION

The following definitions and rules of interpretation apply in these Terms:

### 2.1. Definitions

“Agreement” includes any Engagement and these Terms together.

Client means the Party who enters into the Agreement with Eightfold Professional.

“Engagement” means the agreement, letter of engagement or engagement agreement or email and any others schedules/appendices sent to the Client by Eightfold Professional (or agreed in writing) detailing the Services to be provided to the Client pursuant to the Agreement;

2.2. In the main, unless the context otherwise dictates, words in the singular shall include the plural and, in the plural, shall include the singular.

2.3. A reference to written a communication unless otherwise specified herein includes email.

2.4. References to statute /statutory provisions are to the provision as in force as at the date of the Agreement and shall include all subordinate legislation made as at the date of the Agreement under that statute or statutory provision.

## 3. SERVICES

3.1. Eightfold Professional endeavour to provide a Service to the standard that would be expected of a competent experienced firm of property surveyors using reasonable skill and care.

3.2 Eightfold Professional reserves the right to undertake instructions in accordance with such procedures, principles, or methodologies as Eightfold Professional deems to be appropriate. As appropriate, Eightfold Professional shall comply with the relevant Practice Statements and Guidance Notes published by the RICS and measurements shall be undertaken in accordance with the relevant Code of Measuring Practice published by the RICS

3.3. Eightfold Professional has no obligation to provide any services other than the Services and has no obligation to provide nor any liability for:

- i) an opinion on the price of a property (unless specifically agreed in writing);
- ii) any advice regarding the repair and condition of a property (unless specifically agreed in writing);
- iii) the management or security of a property unless specifically instructed to arrange it;

# General Terms and Conditions of Business

iv) the safety of any third party entering any premises; or

v) the management or payment of any third-party suppliers.

3.4. Where agreed in writing Eightfold Professional shall use reasonable endeavours to meet any performance dates. Best estimations of the timing are made by Eightfold Professional at the time of instruction and are approximate only. Eightfold Professional shall not be responsible for any failure to meet performance dates due to causes outside its reasonable control and time shall not be of the essence for performance of the Services.

3.5. Eightfold Professional shall have the right to make any changes to the Services which are necessary to comply with any applicable law, regulation, safety requirement, or which do not materially affect the nature or quality of the Services and Eightfold Professional shall notify the Client in any such event.

3.6. Should Eightfold Professional become aware, during the course of their service, of any conflict of interest, they shall advise the Client and take reasonable steps to recommend an appropriate course of action.

3.7. Eightfold Professional may, if it considers it appropriate, secure performance of any or all Services by instructing one or more other persons (whether as sub-contractor or in any other capacity) upon such terms as Eightfold Professional considers appropriate. In such circumstances, no additional fees shall be payable by the client. However, the client shall be liable to pay the agreed fees as if all services had been undertaken by Eightfold Professional.

3.8. If Eightfold Professional are instructed to act as an "independent valuer", then the meaning and understanding of the term independent valuer shall be that Eightfold Professional will exercise independence, integrity and objectivity when undertaking the Service in accordance with the Valuation Standards, but Eightfold Professional shall not (unless otherwise agreed in writing with the Client prior to the relevant instruction) be under any obligation (express or implied) to conform to any statutory or regulatory requirements associated with use of the term "independent valuer" (other than to the extent that such requirements cannot lawfully be excluded by agreement of the parties), or the Client's own definition or understanding of the term.

## 4. CLIENT OBLIGATIONS

4.1. The Client shall:

i) notify Eightfold Professional if it considers that any details or scope of work set out in the Engagement are incomplete or inaccurate.

ii) co-operate with Eightfold Professional in all necessary matters relating to the Services;

iii) provide Eightfold Professional, its employees, agents, consultants and subcontractors (if in place), with access to the subject property in order that Eightfold Professional may undertake the contracted Services;

iv) provide Eightfold Professional with all information as it may reasonably required in order to undertake the Service, and

4.2. In the event of any act or omission by the Client in breach of the Agreement or failure by the Client to perform any relevant obligation (Client Default) :

# General Terms and Conditions of Business

- i) Eightfold Professional shall without limiting its other rights or remedies have the right to suspend performance of the Services until the Client remedies the Client Default, and to rely on the Client to relieve it from the performance of any of its obligations to the extent the Client Default prevents or delays Eightfold Professional's performance of any of its obligations; and
- ii) Eightfold Professional shall not be liable for any costs or losses sustained or incurred by the Client arising directly or indirectly from the Client Default.

## 5. THE PROPERTY

### (i) Information

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

- (a) Eightfold Professional shall be entitled to rely upon information and documents provided by or on behalf of the Client, such as tenure and tenancy information, EPC's, contamination reports, planning documents, Building regulation consents and other as will be detailed in the reports. The client shall advise Eightfold Professional if they receive notification that any information provide to Eightfold maybe inaccurate.
- (b) where available the client shall provide copies of relevant documents requested by Eightfold Professional in order from them to perform their service.
- (c) the client shall facilitate arrangements for the inspection of the Property by Eightfold Professional.
- (d) In the event that the client instructs Eightfold Professional to undertake a re-valuation of the Property without inspection, Eightfold Professional will make the assumption that there have been no material changes to the physical attributes of the Property and no major changes to the surrounding the area that will materially affect the property.

### (ii) Assumptions

Except where communicate in writing, Eightfold Professional shall be entitled to assume the following:

- (a) Opinions of value shall be provided on the basis of "Market Value" or "Market Rent" as defined in the Practice Statements and Guidance Notes published by the RICS and in accordance with the Valuation Standards unless otherwise agreed in writing between Eightfold Professional and the Client and, unless specifically notified by the Client to Eightfold Professional and agreed in writing by Eightfold Professional
- (b) There is assumed to be good marketable title for the subject property with no restrictive covenants or unduly onerous or unusual easements, restrictions, outgoing or conditions or unusual terms in any relevant documentation or notices which would materially affect the property.
- (c) The Property complies with all appropriate statutory requirements such as fire regulations.
- (d) The Property has the benefit of all necessary full planning consent or established use rights and building regulations approval. It is assumed that all or any work to the building has been carried out fully in compliance with those consents.
- (f) the property is assumed to be of a construction free of any harmful materials and it is assumed that no harmful techniques have been used in the construction thereof.

# General Terms and Conditions of Business

(g) Eightfold Professional shall not undertake any investigation into the past or present uses of either the Property or any adjoining or nearby land to establish whether there is any potential for contamination from these uses and shall assume that none exists.

(h) It is assumed that there are no tenant's improvements, which would materially affect Eightfold Professional's opinion of the value of the Property unless stated otherwise. Eightfold Professional shall not take account of the nature of the tenant's fixtures and fittings, improvements, plant equipment, and machinery and may make any reasonable assumptions to identify if any fixtures and fittings are part of the Property and which would pass, with the Property, on reversion, back to the landlord or on any sale. It is assumed that all such tenant's improvements or fixtures and fittings have all the necessary consents.

(i) Eightfold Professional may rely on all data provided to it, or stated on any publicly available websites, in respect of any EPC affecting the property. If no EPC is available Eightfold Professional shall assume that the Property meets the minimum requirements of the legislation and that there will be no adverse impact on value and marketability.

(j) The Property has been properly maintained and is in good repair and condition and that any existing landlord or tenant requirement in respect of repair, maintenance, decoration or reinstatement have been complied with in accordance with all and any necessary statutory or other regulations and requirements. Eightfold Professional may at its discretion reflect any immediately apparent defects or items of disrepair noted during its inspection in valuations, The Client shall not rely on this should note Eightfold Professional have in any way quantified the extent of any repair;

(j) Eightfold Professional's Report shall reflect the state reached in construction and the company's costs at the date of valuation, having regard to the obligations of parties involved in the development only to the extent that any costs or estimates which have been prepared by the Client's professional advisors are made available to Eightfold Professional. Eightfold Professional shall not be liable for any error or inaccuracy arising directly or indirectly from information provided and shall not be under any duty to advise concerning the accuracy of such information:

(1) Except where specifically stated otherwise, Eightfold Professional shall assume that the Property is subject to normal outgoings.

(2) Unless specifically requested, Eightfold Professional shall not make enquiries as to the financial standing of actual or prospective tenants although Eightfold Professional shall reflect the general market's perception of a tenant's status in its valuation.

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

## **(iv) Limitations**

Unless otherwise stated in the Engagement Letter:

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

# General Terms and Conditions of Business

(b) Subject to agreement of the terms of any subsequent instruction, Eightfold Professional shall not be responsible for making any structural or site survey or audit of the Property such as may be required under applicable law without limitation under the Equality Act 2010 or the Control of Asbestos Regulations.

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

(d) No allowance shall be made for any liability in respect of Corporation Tax, Capital Gains Tax, Stamp Duty Land Tax or any other tax applicable on development or disposal, deemed or otherwise. Prices and/or rentals quoted shall be deemed to be exclusive of Value Added Tax.

(e) Whilst Eightfold Professional will endeavour to keep information which is relevant to the Client's instruction as confidential. Eightfold Professional may, at its sole discretion, provide any information to other professionals or third parties. Eightfold Professional may be required to provide such information to a court, or tribunal or to the other party in any proceedings.

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

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

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

(i) Eightfold Professional 's valuations shall be reported in pounds GBP.

(j) Eightfold Professional shall not be under any obligation to take into account any benefit or liability in respect of dilapidations and no advice or representation concerning the condition of the Property shall be relied on by the Client or any third party.

(k) Eightfold Professional shall not be under any obligation to arrange for any investigations to be carried out to determine whether or not any deleterious or hazardous materials have been used in construction of the buildings or have since been incorporated. Eightfold Professional shall not therefore, be able to report that the Property is free from risk in this respect. Unless informed by the client in writing, Eightfold Professional 's valuations shall be made on the assumption that such investigations would not disclose the presence of any such materials to any significant extent, but this shall not be relied on by the Client as any indication that the Property is free from risk.

(n) Eightfold Professional shall not be under any obligation to carry out or commission a site investigation or geographical or geophysical survey to determine the suitability of ground conditions and services. Eightfold Professional will not undertake archaeological, ecological, or environmental surveys. Eightfold Professional assume (unless otherwise stated), but can give no assurances, that the ground has sufficient load bearing strength for the existing structures or any structures proposed or considered. Where development is contemplated, Eightfold Professional assume (unless otherwise stated) that no significant expenses or delays will be incurred during the construction period, due to any adverse ground conditions or archaeological matters.

# General Terms and Conditions of Business

## 6. TERMS OF PAYMENT

6.1. Whenever possible, the fees and expenses (if known) for the Services shall be as set out in the Engagement.

6.2. All amounts payable by the Client under the Agreement are exclusive of VAT which the Client shall pay at the applicable rate.

6.3. In consideration of the provision of the Services, the Client shall pay each invoice submitted by Eightfold Professional promptly and in accordance with the Agreement within 28 days from the date of invoice.

6.4. If the Client fails to make any payment due to Eightfold Professional under the Agreement by the due date for payment, then Eightfold Professional reserves the right to charge late payment interest after the due date on the overdue amount at the rate of 4% per cent per annum above the Bank of England's base rate from time to time. Such interest shall accrue on a daily basis from the due date until actual payment of the overdue amount, whether before or after judgment. The Client shall pay the interest together with the overdue amount.

6.5. If termination of the Agreement takes place prior to the Services being completed, Eightfold Professional shall, without limitation to its other rights and remedies under this Agreement or at law, be entitled to receive from the Client a reasonable fee proportionate to the part of the Services performed to the date of termination.

6.6 Eightfold shall charge the Fees In the event of a change in the scope of the Service or Eightfold Professional being required to carry out additional Services, Eightfold Professional reserves the right to charge an additional Fee.

## 7. INTELLECTUAL PROPERTY RIGHTS

7.1. All intellectual property rights in or arising out of or in connection with the Services including the intellectual property rights in Materials shall be owned by Eightfold Professional, unless otherwise expressly agreed in writing. For this purpose "intellectual property rights" means patents, utility models, rights to inventions, copyright and related rights, trademarks and service marks, trade names and domain names, rights in get-up, goodwill and the right to sue for passing off or unfair competition, rights in designs, rights in computer software, database rights, rights to preserve the confidentiality of information (including know-how and trade secrets) and any other intellectual property rights, including all applications for (and rights to apply for and be granted), renewals or extensions of, and rights to claim priority from, such rights and all similar or equivalent rights or forms of protection which subsist or will subsist, now or in the future, in any part of the world.

7.2. Subject to clause 3.6 each Party, its employees, agents and subcontractors has a non-exclusive right to use any material provided by the other Party for the purposes for which it is supplied or prepared. No third party has any right to use any such materials without the specific consent of the owner. The licence granted by Eightfold Professional shall be perpetual but is subject to Eightfold Professional having received all fees in full.

## 8. CONFIDENTIALITY

A Receiving Party shall keep in strict confidence all technical or commercial knowledge or processes which are of a confidential nature and have been disclosed to the Receiving Party by the other Disclosing Party, its employees, agents or subcontractors, and any other confidential information concerning the disclosing party's business, its products and services which the receiving party may obtain. Confidential information may only be disclosed to those of its employees, agents and subcontractors who need to have sight of such information for the purpose of discharging the

# General Terms and Conditions of Business

Receiving Party's obligations under the Agreement, and shall ensure that such employees, agents and subcontractors comply with the obligations set out in this clause as though they were a party to the Agreement.

## 9. LIMITATION AND LIABILITY

9.1. Save in respect of Eightfold Professional's liability for death or personal injury caused by its negligence, or the negligence of its employees, agents, or subcontractors or for fraud or fraudulent misrepresentation (which is not excluded or limited in any way):

i) Eightfold Professional shall under no circumstances whatsoever be liable, whether in contract, tort (including negligence), breach of statutory duty, or otherwise, for any loss of profit, loss of revenue or loss of anticipated savings, or for any indirect, special, or consequential loss arising out of or in connection with the Agreement and/or the Services; and

ii) Eightfold Professional's total liability in respect of all losses arising out of or in connection with the Agreement and/or the Services, whether in contract, tort (including negligence), breach of statutory duty, or otherwise, shall not exceed £5 million.

iii) Subject to Condition 8i) above, Eightfold Professional shall not be liable for any claim to the extent that such claim is or can be characterised as a claim for (or arising from):

(a) Loss of revenue or profits; Loss of business opportunity or loss of contracts

(b) Loss of revenue or profits;

(c) Anticipated savings; or

(d) Anticipated savings, Loss of goodwill or injury to reputation

(in each case whether arising directly or indirectly from any breach of this Agreement by Eightfold Professional); or

(e) for any indirect, consequential or special loss or damage.

9.2. Eightfold Professional shall have no liability for the consequences, including delay in or failure to provide the Services:

i) due to any failure by the Client or any representative or agent of the Client to provide information or other material that Eightfold Professional reasonably requires promptly, or where that information or material provided is inaccurate or incomplete;

ii) to the extent that the Client or someone on the Client's behalf for whom Eightfold Professional is not responsible is responsible, and where Eightfold Professional is one of the parties liable in conjunction with others, Eightfold Professional's liability shall be limited to the share of loss reasonably attributable to Eightfold Professional on the assumption that all other parties pay the share of loss attributable to them (whether or not they do); or

iii) due to any failure by the Client or any representative or agent of the Client to follow Eightfold Professional's advice or recommendations.

9.3. Eightfold Professional owes no duty of care and has no liability to anyone but the Client unless specifically agreed in writing by Eightfold Professional.

## 10. TERMINATION OF INSTRUCTIONS

# General Terms and Conditions of Business

10.1. Without limiting its other rights or remedies, either Party may terminate the Agreement by giving the other Party 28 days' written notice.

10.2. Without limiting its other rights or remedies, either Party may terminate the Agreement with immediate effect by giving written notice to the other Party if:

- i) the other Party commits a material breach of the Agreement and (if such a breach is remediable) fails to remedy that breach within 14 days of notification.
- ii) a conflict of interest arises;
- iii) the other Party becomes Insolvent.

10.3. Should the Agreement be terminated for any reason;

i) the Client shall immediately pay to Eightfold Professional all of Eightfold Professional 's outstanding unpaid invoices and interest (if applicable) and, in respect of Services supplied but for which no invoice has been submitted. Should Eightfold Professional submit an invoice for outstanding services shall be payable by the Client on receipt;

ii) the Client shall return any reports where payment remains outstanding. Until they have been returned, the Client shall be solely responsible for their safe keeping and will not use them for any purpose not connected with the Agreement. Where all fees have been paid the Client shall be entitled to retain such Materials and they shall be licensed in accordance with clause 6.2;

iii) Eightfold Professional may, to comply with legal, regulatory or professional requirements, keep one copy of all material that it was supplied by or on behalf of the Client in relation to the Services;

iv) the accrued rights, remedies, obligations and liabilities of the Parties as at termination shall be not be affected, including the right to claim damages in respect of any breach of the Agreement which existed prior to the date of termination or expiry; and

v) any clauses which survive termination shall remain effective.

10.4 If the Client has made it impossible to complete the instruction within a reasonable period or has not made payment by the due date of any sum payable by the Client to Eightfold Professional. In these circumstances the Client shall pay to Eightfold Professional the full Fee which would have been charged as if the work had been carried through to a conclusion (plus any expenses already incurred).

10.5. Eightfold Professional may destroy any papers in its possession after seven years from the earlier of completion of the Services or termination of the Agreement.

## 11. DATA PROTECTION

11.1 We collect and process your personal information. All information will be processed in accordance with the applicable Data Protection Laws.

11.2 Full details of how we process your information can be provided on email request to [professional@eightfold.agency](mailto:professional@eightfold.agency)

11.1. In order for Eightfold Professional to provide the Services, Eightfold Professional may need to record and maintain in hard copy and/or in electronic form, information regarding the Client, its officers and any other individuals connected with the Client (collectively "Data Subjects"). It may also

# General Terms and Conditions of Business

verify the identity of Data Subjects including carrying out checks with third parties such as credit reference, anti-money laundering or sanctions checking agencies.

11.2. Eightfold Professional may use all information that it holds regarding Data Subjects for the purposes of providing the Services.

## 12. FORCE MAJEURE

12.1. Neither Party shall be liable to the other as a result of any delay or failure to perform its obligations under the Agreement as a result of any event beyond the reasonable control of either Party including strikes, lock-outs or other industrial disputes (whether involving the workforce of Eightfold Professional or any other party), failure of utility services or transport network, act of god, war, riot, civil commotion, malicious damage, compliance with any law or governmental order, rule, regulation or direction, accident, breakdown of plant or machinery, fire, flood, storm or default of suppliers or subcontractors.

12.2. If such an event prevents either Party from providing any of the Services for more than four weeks, the affected Party shall, without limiting their other rights or remedies, have the right to terminate the Agreement by providing written notice to the Party.

## 13. MISCELLANEOUS

12.1. Eightfold Professional may subcontract or deal in any other manner with all or any of its rights or obligations under the Agreement to any third party or agent provided that:

(i) where Eightfold Professional subcontracts or delegates its obligations at the specific request of the Client, Eightfold Professional shall have no liability for the acts or omissions of the third party or agent; and

(ii) otherwise, Eightfold Professional shall remain liable for the acts or omissions of the third party or agent, unless the Client agrees to rely only on the third party or agent, such agreement not to be unreasonably withheld.

12.2. Third parties. A person who is not a Party to the Agreement shall not have any rights to enforce its terms unless specifically agreed in writing.

12.3. Variation. Except as set out in these Terms, no variation of the Agreement, including the introduction of any additional terms and conditions, shall be effective unless it is agreed in writing and signed by both parties.

12.4. Protection of Employees. Save in respect of fraud or criminal conduct no employee of Eightfold Professional has any personal liability to the Client nor to anyone representing the Client. Neither the Client nor anyone representing the Client may make a claim or bring proceedings against an employee or former employee personally.

12.5. Complaints. Eightfold Professional's complaints procedure is available on request.

12.6. Publicity. Neither Party may publicise or issue any specific information to the media about the Services or the Agreement's subject matter without the consent of the other.

12.7. Both parties to the agreement shall comply with all applicable laws, statutes, regulations, relating to anti-bribery and anti-corruption including but not limited to the Bribery Act 2010.

# General Terms and Conditions of Business

12.8. The agreement shall be governed by and construed in all respects in accordance with English Law and the parties irrevocably and unconditionally submit to the exclusive jurisdiction of the English Courts in relation to any dispute or proceedings arising out of, or in connection with, the Terms or any such Agreement but without prejudice to Eightfold Professional's right to take proceedings in any other jurisdiction.