

**STRUTT
&PARKER**

BNP PARIBAS GROUP 



VALUATION REPORT

Proplend Security Limited

**5-6 The Green
St Leonards-on-Sea
East Sussex
TN38 0SY**

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Front elevation



Rear elevation

EXECUTIVE SUMMARY

VALUATION DATE

- 22nd February 2023

DESCRIPTION

- The Property is a substantial detached 3 storey building dating from the early 20th century.
- The Property is currently occupied as a House of Multiple Occupation (HMO) and features 11 bedrooms, two communal lounges, two communal kitchens, 3 bathrooms/wet rooms with a dining room and two separate WC's on a plot of around 0.327 acres (0.132 ha) with off-street parking to the front and a garden to the rear.
- The Property was previously occupied as a care home and features a stair lift (not tested) with a communal staircase to the upper floors as well as a secondary staircase.
- The Property was presented in satisfactory condition and occupied at the time of our inspection.
- We understand the existing property benefits from a gross internal floor area of around 4,198 sq ft (390 sq m).

LOCATION

- The Property is situated close to the centre of the town of St Leonards-on-Sea on the East Sussex coast and situated around 1 mile inland from the sea front.
- St Leonards is a town and seaside resort in the Borough of Hastings and lies to the west of central Hastings.
- The immediate locality is primarily residential in nature and features a number of substantial detached properties where many have been converted to care homes, apartments or HMO's.
- St Leonards-on-Sea is situated around 1½ miles west of the centre of Hastings, 3½ miles east of Bexhill-on-Sea and 14 miles from Eastbourne on the south coast, approximately 60 miles south of London.

TENURE

- Freehold

TENANCIES

- Occupied

MARKET VALUE

- £1,250,000 subject to the existing tenancies
- £850,000 subject to vacant possession

RENTAL VALUE

- Gross Rent of £142,000 per annum (£11,834 per month) as an 11 bedroom HMO.

DEMAND & MARKET CONDITIONS

- The November 2022 Bank of England Report states that housing demand has continued to slow due to rising borrowing costs and increased uncertainty. Supply of properties for sale has increased, although smaller house builders have reported cutting back on projects due to demand concerns. Housing investment is expected to fall in 2023 and 2024.
- Agents report that it is still fairly early in the year to see key trends. For UK sales, activity is almost exactly the same as last year; there is approximately 20% more stock, and the level of pitches and offers agreed is the same. People who bought houses within the last year or so at inflated prices may be expected to see their house price fall, but those that bought five years ago will not see the same decrease. Most mortgage deals have factored in an increase in the Bank Rate in 2023, so the forecast rate rise is not expected to have a significant impact.

SUITABILITY AS SECURITY

- We confirm that we consider that the Property represents suitable security for mortgage purposes, up to amount of our valuation.

FURTHER INVESTIGATIONS

We recommend your solicitor confirm the following:

- Understanding of the title
- Planning status
- Rental income
- Tenancies.

Private & Confidential

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Valuation

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Our Ref: 252549

22nd February 2023

Dear Sir / Madam,

CLIENT: PROPLEND SECURITY LTD

BORROWER: CLAVIS GROUP LTD

PROPERTY: 5-6 THE GREEN, ST LEONARDS-ON-SEA, EAST SUSSEX, TN38 0SY

1. TERMS OF REFERENCE

1.1 INSTRUCTIONS

In accordance with your instructions on 7th February 2023, our Terms of Engagement dated 16th February 2023 and the Terms and Conditions of Business and the Valuation Procedures and Assumptions enclosed within that letter, we have undertaken the valuation of 5-6 The Green, St Leonards-on-Sea, East Sussex TN38 0SY (the "Property") for secured lending purposes.

Copies of your Instruction Letter, our Terms of Engagement, Terms and Conditions of Business and Valuation Procedures and Assumptions are enclosed within **Appendix 1**.

It is important that you have read and understood our Terms of Engagement letter and associated enclosures as they record the assumptions and special assumptions upon which our valuation has been based.

The Borrower owns the Property as an investment.

1.2 BASES OF VALUE

The Royal Institution of Chartered Surveyors Valuations Standards sets out the following definitions of Market Value and Market Rent:

Market Value

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

Market Rent

“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.”

In accordance with your instructions, the Property is to be valued on the following basis:

- 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 on the special assumption of a restricted marketing period of 180 days.
- Market Value in its current condition subject to, and with the benefit of, any existing leases or tenancies, on the special assumption that a sale is to be completed within 90 days.
- Market Value, in its existing condition and current planning use, with vacant possession.
- Market Value, in its existing condition and current planning use, with vacant possession, on the special assumption of a restricted marketing period of 180 days.
- Market Value, in its existing condition and current planning use, with vacant possession, on the special assumption that a sale is to be completed within 90 days.
- Market Value, in its existing condition, with vacant possession, assuming planning consent is granted for the proposed scheme.
- Market Value, in its existing condition, with vacant possession, assuming planning consent is granted for the proposed scheme, on the special assumption of a restricted marketing period of 180 days.
- Gross Development Value, on completion of the proposed development, when finished to a good standard and specification.
- Market Rent of the Property as an 11 bedroom HMO.

In the event that any of our Special Assumptions or Assumptions are found to be incorrect, no reliance should be placed upon the valuation until it has been reviewed by Strutt & Parker in the light of that additional information.

1.3 PURPOSE OF VALUATION

This valuation is required for secured lending purposes.

1.4 VALUATION DATE

The valuation date is the date of inspection.

The importance of the valuation date must be stressed as property values may change over a relatively short period.

1.5 LOAN TERMS

We have not been advised of the loan terms.

1.6 ESTIMATE OF VALUE / PURCHASE PRICE

The Property was purchased in August 2018 for £665,000 as a vacant care home.

1.7 STANDARDS

This valuation report and the opinions contained herein are intended to be fully compliant with the RICS Valuation – Global Standards 2021, effective 31st January 2022, the International Valuation Standards and the UK National Supplement 2018, effective 14th January 2019.

The relevant standard of measurement for the Property is the RICS Property Measurement (2nd Edition, January 2018), incorporating the International Property Measurement Standards (IPMS) for residential buildings which came into effect in May 2018 and replaces the former standards of the Code of Measuring Practice (6th Edition, May 2015) (COMP). The aim and benefit of IPMS is to provide transparency through a consistent measurement of property, on a global scale. The adoption of IPMS is currently in transition within the industry and will eventually apply to all property assets in the future. However, the RICS recognises that the IPMS are not yet considered a suitable basis of measurement in all circumstances and we are bound to state our departure from these Standards, where it is deemed reasonable to do so.

As at the date of writing, the Standards are not yet considered to form an industry-wide basis of measurement, particularly for valuation and estate agency purposes, with the majority of comparable transactions continuing to be measured on a Gross Internal Area basis, in accordance with the former bases of measurement stated within the COMP. For the specific purposes of valuing the subject Property, we have therefore assumed that our departure from the new Standards is suitably justified and have carried out our measurements on the basis of the recognised core definitions contained within COMP, which are considered to be fit for purpose. The floor areas stated have been taken from a agents sales brochure and architects drawings and we have assumed they have been calculated on a Gross Internal Area basis.

1.8 INDEPENDENCE AND OBJECTIVITY

We confirm that we have had no material involvement with the Property or the Borrower, that we are acting objectively and that this report represents our independent opinion.

We confirm that, in undertaking this valuation, we are acting as an independent valuer.

1.9 VALUER DETAILS

This report and valuation has been prepared by Chris Francis MRICS and reviewed by Tim Mitford-Slade MRICS.

We confirm that they are both members of the RICS Registered Valuer Scheme and have the knowledge, skills and understanding to undertake this valuation competently.

We confirm that, in undertaking this valuation, we are acting as an external valuer.

1.10 INDEMNITY

We have sufficient professional indemnity cover for this instruction and our overall workload.

2. EXTENT OF DUE DILIGENCE & INFORMATION SOURCES

2.1 INSPECTION

The Property was inspected on 7th October 2022 by Chris Francis MRICS. The weather at the time of the inspection was sunny and dry. The Property has not been re-inspected and we have assumed that it is presented in the same condition.

Our site inspection consisted of an internal and external inspection of the Property and its environs. Our inspection has been limited to the subject premises. We were not able to obtain clear views of all of the main roof coverings of the building and nor were we able to gain access to any roof void or the roofs themselves. Our inspection was limited by the presence of fixtures, fittings, furniture and floor coverings.

We assume such unseen areas are free from defects that would have a material impact on value.

Photographs of the Property were taken during the inspection and are contained in **Appendix 2**.

2.2 FLOOR AREAS

We have derived floor areas from measurements indicated on the sales brochure and the architect's drawings.

2.3 CONDITION

We have not been provided with a building survey.

2.4 ENVIRONMENTAL INVESTIGATION

We have not been provided with any environmental reports.

2.5 TENURE, TITLE AND OCCUPATION

We have not been provided with a Report on Title.

2.6 TOWN PLANNING

We have made informal enquiries with Hastings Borough Council planning department.

2.7 ADDITIONAL SOURCES OF INFORMATION

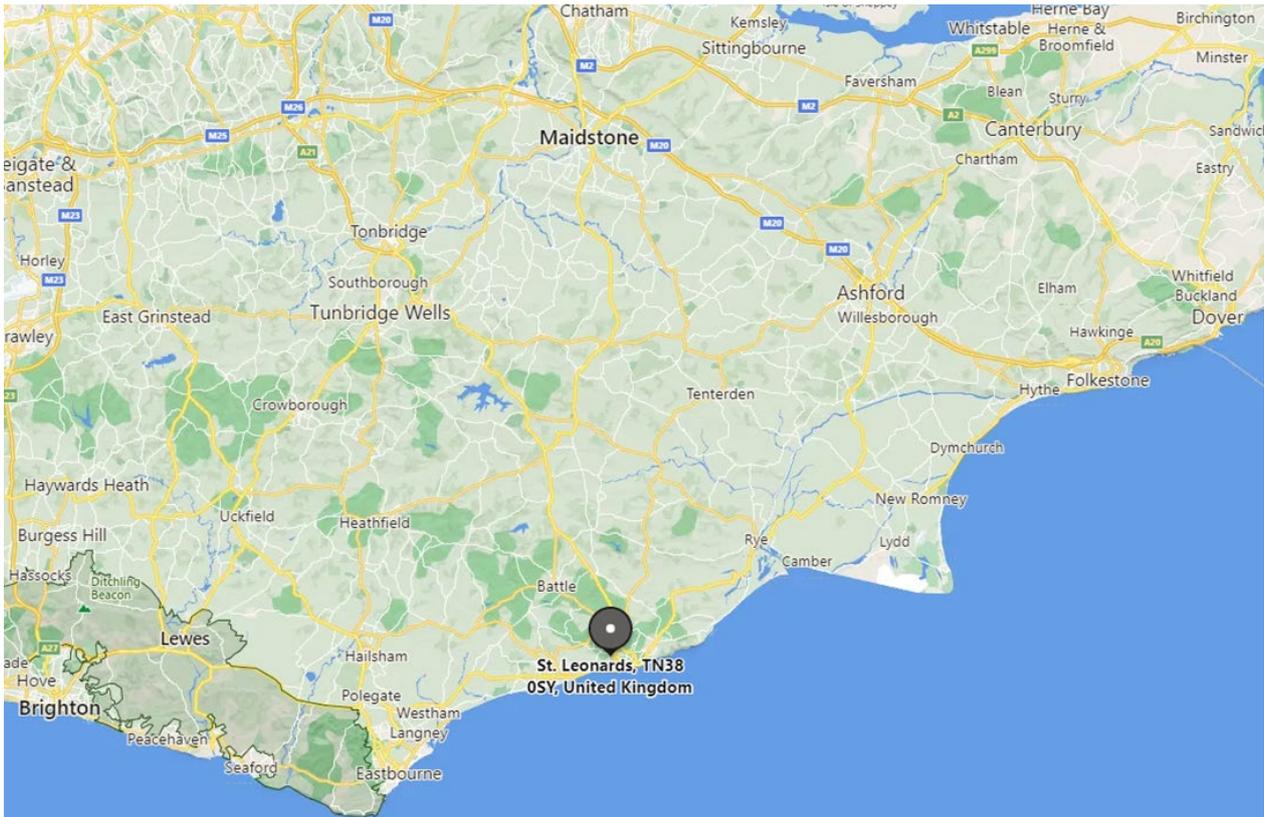
We have also been provided with, and relied upon, the following:

- Former sales brochure prepared by Just Property from 2018
- Floor plans of the existing property
- Floor plans of the proposed property
- Estimate of build costs
- Estimate of GDV by John Bray estate agent's

3. PROPERTY INFORMATION

3.1 LOCATION

The Property is situated close to the centre of the town of St Leonards-on-Sea on the East Sussex coast and situated around 1 mile inland from the sea front. St Leonards is a town and seaside resort in the Borough of Hastings and lies to the west of central Hastings. The original part of the settlement was laid out in the early 19th century as a new town: a place of elegant houses designed for the well-off; it also included a central public garden, a hotel, an archery, assembly rooms and a church. Today's St Leonards has extended well beyond that original design, although the original town still exists within it.



The immediate locality is primarily residential in nature and features a number of substantial detached properties where many have been converted to care homes, apartments or HMO's.

St Leonards-on-Sea is situated around 1½ miles west of the centre of Hastings, 3½ miles east of Bexhill-on-Sea and 14 miles from Eastbourne on the south coast and approximately 60 miles south of London. The town benefits from proximity to the A21 providing links to Royal Tunbridge Wells, Sevenoaks and the M25 around 40 miles away.

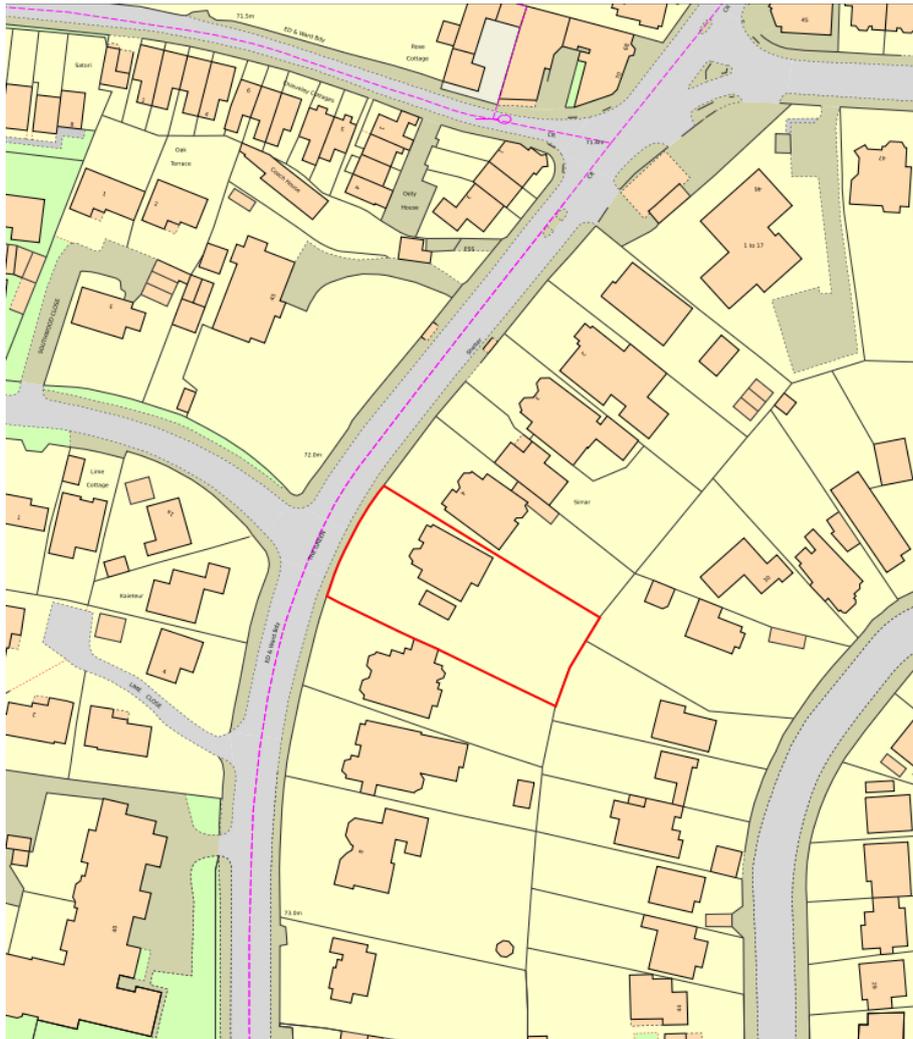
St Leonards Square railway station benefits from direct rail services to London Victoria, Charing Cross and Canon Street with high speed rail services available from Ashford International to London St Pancras. Average journey times to Central London from St Leonards Warrior Square are around 1 hour 40 minutes.

We enclose wider location plans in **Appendix 3**.

3.2 DESCRIPTION

The Property is a substantial detached 3 storey building dating from the early 20th century.

The Property is situated on a good sized plot with off-street parking to the front and a garden to the rear and featuring elevations of brick with timber detailing, mainly timber framed sash windows under a pitched slate roof. There is a single storey building to the side, likely to be a former garage, converted to an office and utility room/store.



The Property is situated on a plot of around 0.327 acres (0.132 ha) and we enclose a copy of the Ordnance Survey plan in **Appendix 4**.

The Property is currently occupied as a House of Multiple Occupation (HMO) and features 11 bedrooms, two communal lounges, two communal kitchens, 3 bathrooms/wet rooms with a dining room and two separate WC's.

The Property was previously occupied as a care home and features a stair lift (not tested) with a communal staircase to the upper floors as well as a secondary staircase. The Property was presented in satisfactory condition and occupied at the time of our inspection.

We understand the existing property benefits from a gross internal floor area of around 4,198 sq ft (390 sq m).

3.3 ACCOMMODATION

We established the gross internal floor area of the Property from a floor plan prepared by Just Property in 2018 and have taken check measurements on site and have assumed the plans to be accurate.

We understand the Property benefits from a gross internal floor area of around 4,198 sq ft (390 sq m).

The accommodation is as follows:

Ground Floor

Communal entrance leading to an entrance hall

- Bedroom 1
- Bedroom 2
- Bedroom 3
- Communal lounge leading to communal dining room
- Communal kitchen
- Wet room
- WC
- Link leading to utility room/store and office.

First Floor

First floor landing

- Bedroom 4
- Bedroom 5
- Bedroom 6
- Bedroom 7
- Communal lounge
- Wet room/WC
- WC
- Communal kitchen

Second floor

Second floor landing

- Bedroom 8
- Bedroom 9
- Bedroom 10
- Bedroom 11
- Wet room

We enclose floor plans and elevational drawings of the existing property in **Appendix 5**.

A planning application has been submitted for the conversion and extension of the existing property to provide 11no. apartments, as follows:

| Flat no. | Floor | Beds | Size sq m | Size sq ft |
|--------------|-----------------------|-----------|-----------------|-------------------|
| 1 | Ground | 1 + study | 54.8 | 590 |
| 2 | Ground | 2 | 61.6 | 663 |
| 3 | Lower Ground & Ground | 3+snug | 95.2 | 1024 |
| 4 | Ground | 1 + study | 50.1 | 539 |
| 5 | First | 1 + study | 50 | 538 |
| 6 | First | 1 + study | 54.7 | 589 |
| 7 | First | 1 + study | 50.5 | 543 |
| 8 | First | 2 | 61.7 | 664 |
| 9 | Second | 3 + study | 89.2 | 960 |
| 10 | Second/Third | 2 + study | 71.5 | 769 |
| 11 | Second/Third | 2 + study | 79.7 | 858 |
| Total | | | 719 sq m | 7737 sq ft |

We enclose copies of floor plans and elevations drawings of the proposed scheme in **Appendix 6**.

3.4 CONSTRUCTION

The Property is constructed using traditional materials and techniques typical of properties of the period and features elevations of brick under a pitched slate roof with mainly timber framed sash windows.

3.5 CLADDING & BALCONIES

We have followed the RICS Guidance on “The valuation of Properties in multi-storey, multi-occupancy residential buildings with cladding (UK 1st Edition, March 2021)” in order to ascertain whether an EWS1 form is required for this property and have concluded that an EWS1 form should not] be requested.

3.6 SERVICES & AMENITIES

We understand that all mains services are available to the Property but as written confirmation has not been obtained from the service providers we are unable to report on condition or offer any warranties.

We have not tested these services and assume that there are no material defects that would cause us to alter our valuation. We further assume that any necessary guarantees and warranties will be available to a purchaser in respect of services and appliances.

3.7 REPAIR & CONDITION

In accordance with your instructions, we have not carried out a building survey, nor have we inspected other parts of the Property that are covered, unexposed or inaccessible and such parts will be assumed to be in good repair and condition.

Our report does not purport to express an opinion about, nor advise upon the condition of uninspected parts and should not be taken as making any implied representation or statement about such parts. We are unable to state that any part of the premises is free from rot, beetle, corrosion or other defects.

We have not arranged for any investigation to be carried out to determine whether or not high alumina cement concrete or calcium chloride additive or asbestos or any potentially deleterious material has been used in the construction of the Property or has since been incorporated and we are therefore unable to report that the Property is free from risk in this respect. For the purpose of the valuation, we have assumed that such investigation would not disclose the presence of any such material in any adverse conditions.

No specialist tests or inspections have been carried out on the electrical, mechanical, drainage or other service installations and no warranty is given as to the condition of these items. A prospective purchaser may wish to commission a separate building condition and mechanical and electrical installation survey, and would need to rely upon the contents of that report and the various recommendations contained within it. We therefore make only general comments.

This report excludes any investigation into structural engineering design or compliance with legislation relating to buildings, building regulations or by-laws. Our inspection has been limited to the Property and the visible internal and external parts only.

3.8 USEFUL ECONOMIC LIFE

Providing adequate routine maintenance is undertaken, we consider that the building has a remaining economic life in excess of 30 years.

3.9 GROUND CONDITIONS

We have not carried out detailed investigations into ground conditions. Accordingly, we have made the assumptions that ground conditions are suitable for the current buildings and structures or for any redevelopment.

Since our normal enquiries and inspection 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.

3.10 RIGHTS OF ACCESS & PUBLIC RIGHTS OF WAY

We understand that The Green is a publically adopted highway, maintained by the Local Authority and that full rights of access are available.

We are not aware of any onerous or unusual easements or rights of way affecting the Property and have valued on this basis. Should this be incorrect we reserve the right to review the value reported.

3.11 ENVIRONMENTAL ISSUES

CONTAMINATION

Part IIa of the Environmental Protection Act 1990 highlights requirements and obligations to consider potential contaminative uses on land and buildings. During our site inspection we did not note any particular issues of concern. As provided in our terms of engagement, we have not made detailed enquiries into the previous uses or to establish whether or not contamination is present.

Our normal inspection and other enquiries in connection with this valuation did not indicate that there was an abnormal risk of contamination. Accordingly, our valuation assumes that there is no latent contamination that could adversely affect the Property. If a detailed environmental investigation reveals actual or potential contamination, our valuation may be adversely affected.

FLOODING

From inspection of the Environment Agency's website, it appears that the Property is in an area that has a very low risk of flooding from rivers or the sea, which means that each year this area has a chance of flooding of less than 0.1%.

ENVIRONMENTAL REPORTS

We have not been provide with any environmental reports.

HIGH VOLTAGE ELECTRICAL SUPPLY EQUIPMENT

Our inspection did not identify the existence of any high voltage overhead cables or large electrical supply equipment at or close to the Property.

RADON

We have established from the Public Health England website that the Property is not located within a radon affected area.

ASBESTOS

We have not undertaken an asbestos survey. We are not qualified to give assurances on asbestos. Should more information be required, we recommend that an asbestos audit is carried out by suitably qualified personnel to identify the nature and location of asbestos carrying materials.

JAPANESE KNOTWEED

We have not been provided with a report into invasive species.

3.12 SUSTAINABILITY

ENERGY PERFORMANCE CERTIFICATE

In terms of tenanted Property, where residential property is to be let on a tenancy of more than six months and less than 99 years, it is a legal requirement to have an EPC. Legislative changes under the Energy Act 2011 have made it unlawful for landlords to grant or renew residential leases on this basis, in respect of properties with an Energy Efficiency Rating below a minimum level of E. These legislative changes are known as the Minimum Energy Efficiency Standards (MEES).

On 30th September 2020, the Government issued a consultation entitled 'Improving the Energy Performance of Privately Rented Homes' with an aim to seek views on proposals to amend the Energy Efficiency (Private Rented Property) (England and Wales) Regulations, 2015. The proposed amendments are aimed at significantly improving the energy performance of private rented sector homes.

The consultation closed on 8th January 2021 and whilst, at the date of writing, the findings of the consultation are yet to be published, the Government's preferred policy scenario to improving the energy performance of private rented homes comprises the following:-

- Raising the energy performance standard to Energy Performance Certificate (EPC) energy efficiency rating (EER) Band C.
- A phased trajectory for achieving the improvements for new tenancies from 2025 and all tenancies from 2028.
- Increasing the 'Cost Cap', i.e. the maximum amount that Landlords are expected to pay in order to improve the EER of a property to meet the proposed MEES, to £10,000 inc. of VAT.
- Introducing a 'fabric first' approach to energy performance improvements.

Further, we understand that the Standard Assessment Procedures (SAP) for assessing and comparing the energy and environmental performance of dwellings is due to be brought in during the latter part of 2022. The Bank ought to be aware that, should the Property be reassessed under the revised Procedures, this could have an impact upon the Energy Efficiency Rating.

The existing Energy Performance Certificate is valid until 21st April 2029 and indicates that the Property is rated within Band E for energy efficiency purposes and falls within the current acceptable energy performance range for the purposes of the Act.

We have included a copy of the Energy Performance Certificate at **Appendix 7**.

At present, it is unknown if the Regulations will change to reflect the detail in the Government proposals set out above. We therefore recommend that you continue to have close regard to the potential changes to the

Minimum Energy Efficiency Standards, as these could have an impact on the value of the Property and the security of the loan.

If, on a re-assessment, the property fails to meet the Minimum Energy Efficiency Standards prevailing at the time of certification, capital expenditure may be required in order to upgrade the property to the required standard. Unless stated, our valuation does not currently reflect the costs of any necessary remedial works or any associated impact on value that this may have.

3.13 TENURE

The Property is held on a freehold interest under Title Number ESX22892, the Registered Proprietor is stated as Clavis Group Limited. According to the Register, the Property has the benefit of various easements and we would recommend that these are verified and confirmed by the Bank's legal advisors. For the purposes of our valuation, we assume that any easements or rights are not considered unduly onerous.

The Freeholder has granted the benefit of a leasehold interest under Title Number ESX401702, to KSL Guaranteed Rent Limited from and including 19th July 2019 to and including 30th July 2029. We understand that KPS rent the house for £144,000 per annum to provide accommodation for the Council and are responsible for all maintenance and bills.

Our valuation is prepared on the assumption that the Property has a good and marketable title and is free from any current or pending litigation. We further assume that all documentation is satisfactorily drawn and there are no unusual or onerous restrictions, easements, covenants or other outgoing which would adversely affect the value of the relevant interest.

We would recommend your legal advisors check the above information and assumptions are correct and revert to us for further comment should this not prove to be the case.

3.14 OCCUPATION

The Property was occupied as an HMO at the date of our inspection and we have provided our opinion of value on the assumption of vacant possession and on the basis of the existing tenancies.

We understand there is an informal arrangement, without a signed lease, with a number of local authorities, mainly Hastings Borough Council to provide emergency housing on a short terms basis to those in housing need. The Property features 4no. double rooms and 7no. single rooms and the room rates equate to £35 per night for a single and £45 per night for a double room and the local authority is invoiced at the end of each month.

The current room rates equate to £425 per night at full occupancy at an average of £12,750 per month (based on 30 days). We have been informed by the Borrower that the Property benefits from 100% occupancy.

We recommend your solicitor verifies our understanding of the tenancies at the Property.

3.15 LOCAL TAXATION

The Property is described in the Council Tax valuation list as being in Band G and the council tax payable for the year 2022/2023 in Hastings Borough Council is £3,698.82.

3.16 PLANNING

LOCAL AUTHORITY

The local authority is Hastings Borough Council.

LOCAL POLICIES

The Property is not listed as a building of special architectural or historical of historic interest.

The Property is not in a conservation area.

We have assumed that the current use of the Property is lawful.

PLANNING HISTORY

The Property benefits from planning consent under application HS/FA/18/00958 for a change of use from Care Home (C2) to a large HMO (sui Generis) dated 7th March 2019.

A planning application was submitted to the local planning authority under application HS/FA/21/00357 for the “demolition of existing outbuilding and proposed extension with associated parking and landscaping and a change of use from HMO (Sui Generis) to 13 flats (C3).” The application was withdrawn.

A planning application has been submitted to the local planning authority under application HS/FA/22/00264 for the “demolition of the existing outbuilding and proposed extension with associated parking and landscaping and a change of use from HMO (Sui Generis) to 11 flats (C3).” The application is awaiting a decision.

We have reviewed the application and note that there are 83 public comments submitted with regards to the application

HOUSES OF MULTIPLE OCCUPATION

From the 4th May 2018 the Council introduced a new Additional Licensing scheme for Houses in Multiple Occupation. The designation covers Castle, Central St Leonards, Gensing and Braybrooke wards and applies to most HMOs in those areas, including buildings converted into self-contained flats where they are HMOs by definition under Section 257 of the Housing Act 2004. Two storey shared house HMOs with less than 5 residents sharing facilities are excluded from the designation.

An HMO licence is required by the owner of the building and will include all the common parts i.e. the stairs, passageways, fire doors, means of escape, gardens and anything else used in common between different flats. The HMO licence will also include any flats directly controlled by the Licence holder which are let on a lease (or tenancy) of 21 years or less.

5 The Green benefits from an HMO Licence from 9th April 2019 and expires on 8th April 2024 for 11 self-contained rooms and a maximum number of persons of 15.

RIGHTS OF LIGHT ISSUES

Rights of Light and Party Wall matters are specialist areas and we are not qualified to provide advice to the Bank in this regard. We have not been made aware of any rights of light matters relating to the Property and proposed development. We are not aware whether the proposed works fall within the provisions of the Party Wall etc. Act 1996. We assume any necessary agreements will be put in place and your monitoring surveyor will be able to advise accordingly.

We have assumed that the proposed scheme does not raise any issues with regard to rights of light and that no third parties are entitled to compensation and that no injunctions could be made in this respect.

OTHER

For the purpose of our valuation, we therefore assume that the Property as existing, does not contravene any statutory regulations and complies with all necessary statutory consents, including Town Planning, Freeholder regulations and relevant Building Regulation requirements.

We have made the assumption that, where necessary, any works undertaken to the subject Property have been signed off by the planning department and that all necessary building regulations certificates have been acquired.

Your solicitors should seek confirmation in respect of these assumptions and revert to us for comment should they prove to be incorrect.

3.17 VAT, TAXATION AND COSTS

We have not made any adjustments to reflect any liability for taxation that may arise on disposal, or for any costs associated with disposal incurred by the owner. No allowance has been made to collect any liability or repay any government or other grants, taxation allowance or lottery funding that may arise on disposal.

4. MARKET CONDITIONS AND TRENDS

4.1 MACRO MARKET COMMENTARY

Strutt and Parker Residential Market Commentary – Q3 2022

Summary

- The economic outlook for the local and global economy has worsened as the ongoing geopolitical situation causes more disruption to global energy and food markets. Considerable uncertainty remains, including a potential threat from China of another Covid outbreak. The cost of living crisis persists in the UK, with inflation remaining at over 10% in December 2022. A number of support packages have been put in place by the government. However, the Autumn Statement focused on higher taxes and decreased government spending, which will put further constraints on household budgets. Inflationary pressures, weaker growth and tighter financing conditions will make it harder for households and businesses to repay or refinance debt as well as being more vulnerable to economic shocks.
- The UK economy shrank by 0.3% in Q3 2022 and the OBR expects a recession from Q4 2022 through to Q4 2023. Unemployment is expected to rise in the short term, and consumer and business confidence monitors are both low. However, inflation is forecast to decrease in 2023 (although still expected to be above the target of 2%). Also, whilst the bank rate is expected to keep increasing in 2023, this is a suitable intervention to secure the long-term health of the economy. Consumers have become accustomed to the higher rates and mortgage providers have begun to compete on price.
- UK prices ended the year at 4.8% growth, after six consecutive quarters of annual growth above 10%. This was just below our forecast (5% to 10%). Our previous commentary forecast price changes of between -5% and 0% for 2023 and a five-yearly outlook of 10% to 15%. Agents have been expecting prices to drop down from their recent peaks, and this has partly been seen in this quarter's drop of over 5%. As such, our previous forecasts are retained.
- PCL prices ended the year at 0.8%, at the bottom end of our forecast (0% to 2%). QoQ growth was negative (-0.6%) for the second quarter in a row. Our previous commentary forecast price changes of -3% to 3% for 2023 and a five-yearly outlook of 10% to 15%. Agents report that there are still strong supply issues and that the PCL market is more robust to shocks than other markets. Historically, prices have not moved by much, and this is expected to continue. Therefore, our previous forecasts are retained.
- Economic and market indicators underpin our house price forecasts. It is still fairly early in the year to see key trends, and the indicators are currently subject to a significant level of uncertainty from external and internal pressures.

| Area | 2023 | 5 Yrs to 2027 |
|----------------------|-----------|---------------|
| Sales | | |
| Prime Central London | -3% to 3% | 10% to 15% |
| UK | -5% to 0% | 10% to 15% |
| Lettings | | |
| Prime Central London | 5% to 10% | 20% to 30% |

Macro Commentary

The economic outlook for the UK and the global economy has worsened, with the ongoing geopolitical situation in Europe continuing to disrupt supply chains and putting excessive pressure on inflation. As a result, disposable household income is tighter. Interest rates across the world continue to rise. There is global uncertainty over the economic outlook for the future. Existing pressures could persist, and there are still threats around Covid as outbreaks continue in China. As a result, economic growth could weaken further still.¹

In the UK, households are feeling the effects, with 92% of adults in November & December 2022 reporting an increase in their cost of living compared to the same period in 2021.² Inflation has steadily risen since the start of 2022 and has been at over 10% since September, although it has been decreasing slightly over November and December 2022. In response, the government has spent around £43bn to address the cost of energy this year through warm home discounts, fuel duty reductions and the Energy Price Guarantee.³

Confidence in the post-pandemic recovery of the global economy continues to be negatively impacted by the ongoing war in Europe. The situation has caused great uncertainty amongst markets, businesses, and consumers. The latest Business Confidence Monitor shows the Business Confidence Index weakening to -16.9, a big decrease from -5 in the previous quarter.⁴ GfK's Consumer Confidence Index increased by 2 index points over the most recent quarter, after setting a new record low in September with an index score of -49. It is the eighth month in a row where the index has been at -40 or worse⁵, however it is worth noting that the British public are notoriously pessimistic. A stringent set of economic sanctions has placed additional constraints on the global supply of energy.

In response to surging inflation, the Bank of England increased the interest rate; it was raised to 4.0% in February 2023 – the highest since 2008. Rates have now increased nine times since they were slashed at the start of the pandemic. Reflecting these rises, mortgage rates also started to increase over 2022. Fixed rate mortgages have increased from 1.87% in Q1⁶ to 5.03% (two-year fix), 4.77% (three-year fix) and 4.60% (five-year fix) in Jan 2023. However, this is a fall from the highs of more than 6.50% in October 2022. However, agents report that mortgage lenders have recently started to compete on price in order to meet their targets, and some five-year mortgages have seen a decrease in rates.

Many macro variables are pointing to a slowing economy. GDP growth was negative at -0.3% over Q3 2022 and the unemployment rate has risen very slightly to 3.7%. At the end of Q4, the FTSE was -0.7% down compared to the start of the year but had recovered by 7.9% against the start of the quarter.

Concerning Brexit, the UK has signed two trade agreements with Australia, New Zealand and a digital trade agreement with Singapore.⁷ An Agreement in Principle for a digital trade agreement with Ukraine was announced at the end of November 2022. There are also negotiations in progress for the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), which is a free trade agreement between 11 countries around the Pacific Rim as well as ongoing negotiations with the US.

In mid-October, Jeremy Hunt was appointed Chancellor. In his 17 October 2022 statement, he cancelled a planned 1p reduction in the basic rate of income tax in 2023. Hunt also reversed many of the “mini-budget” initiatives set out by the Truss government earlier that month. Cuts to Stamp Duty Land Tax and increases to seed enterprise investment scheme limits remained in place. National Insurance rates were increased in April – a policy which was reversed in November 2022.

The Autumn Statement was released in November 2022 and focused on approximately £25bn of increased taxation and approximately £30bn of reduced spending. Key initiatives starting in 2023 include:

- From January, the Energy Profits Levy will be increased from 25% to 35% and a new, temporary 45% electricity generator levy will be introduced. From April, the additional rate of income tax threshold will be decreased from £150,000 to £125,140 (all other personal tax thresholds frozen for two years longer than planned, until April 2028). There will be a reduction in dividend allowance and Capital Gains Tax

¹ Bank of England, 2022. Financial Stability Report – July 2022.

² House of Commons Library, 2022. Rising cost of living in the UK. December 2022.

³ House of Commons Library, 2022. Rising cost of living in the UK. December 2022.

⁴ ICAEW, 2022. UK Business Confidence Monitor: National.

⁵ GfK, 2022. UK consumer confidence up two points in December.

⁶ Financial Conduct Authority, 2023. Residential loans to individuals (Regulated and Non-regulated).

⁷ House of Commons Library, 2022. Progress on UK free trade agreement negotiations. December 2022.

exempt amount, and there will be an increase in Corporation Tax to 25% (accompanied by a reduction in the Bank Corporation Tax surcharge from 8% to 3%).

- Business rates relief amounting to £13.6bn over the next five years.
- Increased spending in the short term for the NHS and the core schools budget until 2024/25. However, a reduction in spending across the board from 2025/26.
- An increase in the Energy Price Guarantee from £2,500 to £3,000.
- A 9.7% increase in the National Living Wage to £10.42 per hour and a capping of rent increases for social housing at 7%.

The Autumn Statement was accompanied by the OBR November economic forecast. The OBR commented that interest rates are now at levels akin to the 2008 financial crisis. They expect the UK to be in a recession lasting approximately five quarters, from Q4 2022 through to Q4 2023. After 2023, inflation is expected to come down to below 1% in 2024 and 2025, and growth is expected to rally to 1.3% in 2024 and above 2% for 2025. Whilst nominal earnings are expected to grow in 2022 and 2023, real incomes are expected to fall as a result of high inflation.

Macro forecasts

| | 2022 | | 2023 | |
|--------------|-------------------------------|------------------------|-------------------------------|------------------------|
| | HM Treasury (January 2023) | OBR (November 2022) | HM Treasury (January 2023) | OBR (November 2022) |
| GDP | 4.2% | 4.2% | -0.9% | -1.4% |
| Unemployment | 3.7% | 3.6% | 4.5% | 4.1% |
| Inflation | 10.8% | 9.1% | 4.5% | 7.4% |
| Bank Rate | 3.3% | 2.5% | 5.0% | 4.8% |

The latest HM Treasury forecasts (January 2023) expect GDP growth of 4.2% over 2022; a slight upward revision from the December 2022 forecast (4.4%). For 2023, HM Treasury predicts growth of -0.9%, a slight downward revision from the December 2022 forecast (-0.8%). The November 2022 OBR forecasts for GDP are aligned with HM Treasury forecasts for 2022 and are slightly less optimistic than the HM Treasury forecasts for 2023.

OBR November 2022 unemployment forecasts are reasonably on par with HM Treasury: 3.7% to 3.8% in 2022 and a slight increase to 4.1% to 4.5% in 2023. Increases in unemployment are expected to lag decreases in GDP, so it may be that the full impacts on unemployment are felt after 2023.

For inflation, both forecasts expect high rates in 2022, decreasing to 4.5% to 7.4% in 2023 which is still above the target 2%.

Both forecasts predict an increase to the Bank Rate in 2023 to peak at 5%.

Property Outlook

National Market

According to the Nationwide House Price Index (NWHPI), UK property price YoY growth dropped to 4.8% in Q4 2022, after six consecutive quarters of growth above 10%. This was just outside our forecast range of 5% to 10% for 2022. QoQ growth was at -1.8%; the first quarter of negative growth since Q2 2020.

On a regional basis, the best YoY performers were East of England (6.6%), West Midlands (6.2%), the North East (6.1%) and the North West (6.0%). Scotland saw the lowest YoY growth at 3.5%, followed by London at 4.2%. London had previously been the lowest performing region for seven consecutive quarters. No regions saw negative YoY growth. On a quarterly basis, all regions experienced negative growth for the first time in at least four quarters. The smallest negative QoQ growth was in East of England (-0.3%) and London (-0.5%) and the largest negative QoQ growth was in Wales and Yorkshire & Humber (both -2.7%).

According to HM Revenue & Customs, UK (seasonally adjusted) residential transactions in November 2022 were at 107,190. This was 13% higher than November 2021 and less than 1% higher than October 2022.⁸

The November 2022 Bank of England Report states that housing demand has continued to slow due to rising borrowing costs and increased uncertainty. Supply of properties for sale has increased, although smaller house builders have reported cutting back on projects due to demand concerns. Housing investment is expected to fall in 2023 and 2024.⁹

Agent reports

Agents report that it is still fairly early in the year to see key trends. For UK sales, activity is almost exactly the same as last year; there is approximately 20% more stock, and the level of pitches and offers agreed is the same. People who bought houses within the last year or so at inflated prices may be expected to see their house price fall, but those that bought five years ago will not see the same decrease. Most mortgage deals have factored in an increase in the Bank Rate in 2023, so the forecast rate rise is not expected to have a significant impact.

4.2 MICRO MARKET COMMENTARY

Various articles have appeared in a number of national newspapers including The Express, The Independent, Daily Mail and The Telegraph which highlights the St Leonards and Hastings area as being one that is likely to increase in desirability due to its affordability, range of attractive Regency and Victorian period properties, potential high speed rail links to London as well as an active arts and cultural scene.

Hastings and St Leonards-on-Sea has never attracted London commuters in significant numbers and the fastest train to London takes around 1½ hours. The town's proximity to the High Weald Area of Outstanding Natural Beauty has inhibited expansion inland, which for these very reasons, has retained its period charm. However, it is generally regarded that Hastings and has now turned a corner, with evidence of new investment all over the town.

Thirty years ago, it was run down with a well-documented drug problem but the area has enjoyed a substantial program of regeneration in recent years and the old pier re-opened in 2016 after a £14 million refurbishment, courtesy of a Lottery Grant. The University of Brighton's Hastings Campus has doubled in size bringing in a welcome tranche of students and young professionals and the town is quietly on the up.

Home buyers now come from London, Brighton or Tunbridge Wells and are pleasantly surprised by the property prices. Hastings featured in ITV's Second World War drama series Foyles War, which has brought it to the attention of many people who never considered visiting the town before.

This part of the Sussex coast is regarded as being more affordable compared to many of the coastal towns in the south east. Where previously the artists and writers would have moved to Brighton, they are starting to migrate east, first to Eastbourne and now to Hastings 35 miles away. Where many seaside towns have now become unaffordable, developments in the town offer good value and steady house price rises show that the area is becoming more popular with owner occupiers, renters and investors alike. The seafront areas have improved thanks to the Borough Council forcing owners to improve scruffy and run-down property and the new Bexhill to Hastings road link has improved traffic congestion in the town.

Hastings old town features numerous attractive period properties and has witnessed an increase in the opening of a number of independent cafes, restaurants, galleries and antique shops and is attracting day-trippers from London and the surrounding area. The area has witnessed significant house price growth in the last 5 years and offers good value compared to many of the coastal towns in the south-east.

⁸ HM Revenue & Customs, 2023. UK monthly property transactions commentary. Updated 21 December 2022.

⁹ Bank of England, November 2022, Monetary Policy Report.

5. VALUATION APPROACH

5.1 VALUATION APPROACH

HOUSE OF MULTIPLE OCCUPATION

We have adopted the market approach by capitalising the present and future rental income streams adopting the average rents established from previous performance since January 2021. This is often referred to as the income or investment approach.

We have been provided with details of the income of the property from 2021 and up to the end of September 2022. The rental income for 2021 was £137,980 at an average of £11,498 per calendar month and for 2022 (up to September) £123,400 at an average of £13,711 per month. Over the previous 21 months, from January 2021, the property has generated a rental income of £261,380 at an average of £12,446.66 per month.

We have capitalised the average monthly rental income, assuming a 95% occupancy rate, and deducted 25% for maintenance and management costs, providing an estimated net rental value of £106,422. We have capitalised the net rental income at an 8.5% yield resulting in a current market value of the property as an 11 bedroom HMO under the current tenancy arrangements at £1,250,000. Our calculations are outlined below and attached in **Appendix 8**.

| Description | Gross ERV pcm | Gross ERV pa | Occupancy Rate | Estimated Gross ERV pa | Less Costs | Net ERV pa | Market Value |
|--------------------------|---------------|--------------|----------------|------------------------|------------|------------|--------------|
| HMO | £12,447 | £149,364 | 95% | £141,896 | 25% | £106,422 | |
| | | | | | | | |
| | | | | | | | |
| YP Perp | | 8.50% | 11.765 | | | | |
| Void Period (years) | 0.00 | | | | | | |
| Incentive Period (years) | 0.00 | | | | | | |
| Deferment (years) | 0.00 | | 1.000 | | | | |
| | | | | | | | £1,252,022 |
| | | | | | | say | £1,250,000 |

NEW APARTMENTS

When determining our opinion of Market Value of the proposed new units we have adopted the comparable method of valuation and have researched details of the sales and marketing of similar properties in the local area. As part of the valuation process we have compared the comparable properties to the subject dwellings and made various adjustments for their size, condition, location and date of sale in order to arrive at an appropriate opinion of value.

It should be noted that no property is ever the perfect comparable and we have referred what we regard as being the most relevant sales to best arrive at an appropriate opinion of value.

5.2 SALES COMPARABLES

We have considered the following comparable transactions when establishing an opinion of value of the proposed new apartments:

14 Croft Hall, Croft Road, Hastings

A well presented 2 bedroom duplex apartment in a converted school building of 921 sq ft with fine views from an elevated position with an outside terrace and off-street parking.

Sold February 2022 for £345,000 at £374 psf



Transaction Summary

Larger than many of the 2 bedroom apartments with fine views.

9 Croft Hall, Croft Road, Hastings

A 1 bedroom split level apartment in a converted school building of 676 sq ft a short walk from Hastings Old Town with allocated parking.

The property sold in September 2021 for £285,000 at £421 psf.



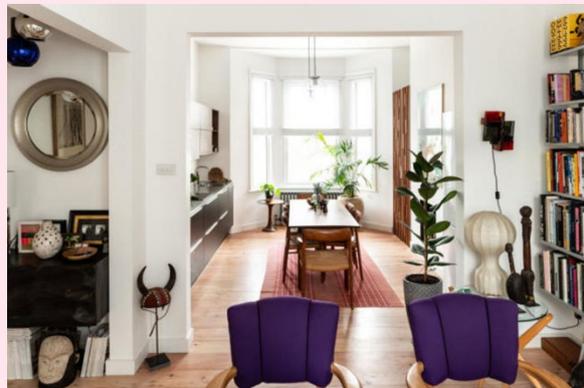
Transaction Summary

A well presented 1 bedroom apartment in an attractive period building with large feature windows.

47a Southwater Road, St Leonards-on-sea

A very well presented 2 bedroom duplex apartment of 922 sq ft with an extensive terraced garden to the rear with accommodation across the upper and lower ground floor of an elegant period building.

The property sold in September 2021 for £365,000 at £396 psf.



Transaction Summary

A very well presented apartment across the ground and lower ground floors with a landscaped private rear garden.

Blocks A, B & J, Archery Road, St Leonards-on-sea

A new build apartment scheme in the heart of Burton St Leonards of 49 apartments with underground parking, terraces and sea views from an elevated position. The scheme is currently under construction and there have been 10 reservations to date to 5 investors, prior to full marketing launch, including;



- Plot A2/2 2 bed 840 sq ft £355,000 at £423 psf
- Plot A2/4 2 bed 840 sq ft £355,000 at £423 psf
- Plot A2/6 2 bed 840 sq ft £355,000 at £423 psf
- Plot B1/3 2 bed 818 sq ft £350,000 at £428 psf
- Plot B1/9 2 bed 818 sq ft £400,000 at £489 psf
- Plot B1/10 2 bed 797 sq ft 400,000 at £502 psf
- Plot B2/7 2 bed 818 sq ft £350,000 at £428 psf
- Plot B2/11 2 bed 818 sq ft £400,000 at £489 psf
- Plot B2/12 2 bed 818 sq ft £400,000 at £489 psf
- Plot J15 2 bed 872 sq ft £450,000 at £516 psf

Transaction Summary

A superior new build development in much more sought after and desirable area with sea views, underground parking and large terraces within a short walk of the sea front and local amenities.

The comparable indicate a number of well presented apartments in the heart of St Leonards in a superior location to 5 The Green and much closer proximity to the sea front. The two apartments in Croft Hall, an attractive converted former school building achieved £374 and £421 psf and 47a Southwater Road achieved £396 psf. The new apartments on Archery Road have 10 units reserved at an average of £461 psf which is a greatly superior development with underground parking, terraces and sea views and will achieve a considerable premium over the proposed units at 5 The Green.

We are of the opinion that the proposed new units will achieve an average of around £400 psf. We have been given an indication of the anticipated GDV of the scheme of £3,350,000 which equates to £433 psf which we regard as being unrealistic with 1 bedroom units valued at £300,000 and £350,000 which we feel is unachievable for a scheme of this type in this location.

We have considered the following comparable transactions when establishing an opinion of value of the Property in its current condition, with vacant possession:

4 The Green, St Leonards-on-sea

The adjacent property was a substantial detached older style property in need of refurbishment. The property benefits of many period features including a number of marble fireplaces, decorative coving and feature staircase with a garage and parking for numerous cars at the front with a good size walled garden to the rear.



The property sold in February 2019 for £500,000

According to the Nationwide House Price Calculator the current value is £644,000.

Transaction Summary

A historic sale of the similar neighbouring property.

23 Albany Road, St Leonards-on-sea

An 8 bedroom semi-detached property of 3,947 sq ft, occupied as a family home, requiring some updating and modernisation. The property benefits from accommodation over 4 floors and features 2 kitchens and 3 bath/shower rooms.

The property sold in January 2021 for £925,000 at £235 psf.



Transaction Summary

A similar sized property with accommodation over 4 floors, occupied as a single family home and situated in a better location with sea views.

69 West Hill Road, St Leonards-on-sea

A substantial detached older property dating from the 1890s of 3025 sq ft presented in good condition and occupied as a 5 bedroom family home with accommodation over 4 floors.

The property sold in December 2021 for £850,000 at £281 psf.



Transaction Summary

A large detached property with sea views, presented in good condition, occupied as a family home.

1 St Matthews Gardens, St. Leonards-on-sea

A former hotel of 3,794 sq ft known locally as The Chimes arranged over 3 floors featuring 10 bedrooms, 6 bathrooms and 3 reception rooms plus 2 kitchens and a wealth of period features and landscaped gardens.

The property sold in March 2022 for £860,000 at £227 psf



Transaction Summary

A comparable slightly smaller detached former hotel in good condition with 10 bedrooms.

14 Clinton Crescent, St Leonards-on-sea

A substantial detached 7/8 bedroom property of 2499 sq ft in need of updating with accommodation over 3 floors.

The property sold in February 2022 for £737,000 at £295 psf.



Transaction Summary

A smaller detached property in need of updating, occupied as a family home.

54 Springfield Road, St Leonards-on-sea

A substantial detached 6 bedroom property of 2488 sq ft in need of updating with accommodation over 3 floors.

The property sold in July 2022 for £740,000 at £297 psf



Transaction Summary

A smaller detached property in need of updating, occupied as a family home.

The Property is a substantial detached property of 4,198 sq ft occupied as an HMO but in need of updating. There is limited direct comparable evidence of similar properties selling in the market and we have included a range of large detached dwellings as comparable evidence, all occupied as single family residences, and some presented in very good condition and some in need of modernisation. The comparables indicate the properties achieving between £740,000 and £925,000 at a range of £235 to £297 psf.

The subject property is larger than many of the comparables but presented in poorer condition, without sea views, and further from the town centre and seafront. The most comparable property is the recent sale of 1 St Matthews Gardens, a former 10 bedroom hotel, for £860,000 and 69 West Hill Road for £850,000. On this basis we are of the opinion that the market value with vacant possession is around £850,000.

5.3 GROSS DEVELOPMENT VALUE

In light of the above comparable transactions, our opinion of the Gross Development Value of the proposed new apartments is summarised below:

| Flat no. | Floor | Beds | Size sq ft | Market Value | Market Value psf |
|--------------|-----------------------|-----------|-------------------|-------------------|------------------|
| 1 | Ground | 1 + study | 590 | £240,000 | £407 |
| 2 | Ground | 2 | 663 | £275,000 | £415 |
| 3 | Lower Ground & Ground | 3+snug | 1024 | £400,000 | £391 |
| 4 | Ground | 1 + study | 539 | £220,000 | £408 |
| 5 | First | 1 + study | 538 | £220,000 | £409 |
| 6 | First | 1 + study | 589 | £240,000 | £407 |
| 7 | First | 1 + study | 543 | £220,000 | £405 |
| 8 | First | 2 | 664 | £275,000 | £414 |
| 9 | Second | 3 + study | 960 | £375,000 | £391 |
| 10 | Second/Third | 2 + study | 769 | £310,000 | £403 |
| 11 | Second/Third | 2 + study | 858 | £350,000 | £408 |
| Total | | | 7737 sq ft | £3,125,000 | £404 |

The above opinion of Gross Development Value strictly assumes that the units are sold to individual purchasers. We would comment that the above individual values are likely to include an element of value attributable to a new-build premium and it is likely that such a premium would cease to exist upon first occupation, and would not be realised on re-sale. Should it be necessary to dispose of the properties as a single freehold, some form of bulk discount may be required.

5.4 RENTAL COMPARABLES

In determining our opinion of Market Rent for the Property we have adopted a direct comparison method of valuation.

Address: Flat 1 Ensign Court, Marina, St Leonards-on-Sea
Description: Well presented 2 bedroom ground floor apartment in converted period building of 583 sq ft with views of the sea
Rent: £1,250 pcm Sept 2022

Address: Eversfield Place, St Leonards-on-Sea
Description: Well presented 2 bedroom ground floor apartment in converted period building with views of the sea
Rent: £1,150 pcm April 2022

Address: Warrior Gardens, St Leonards-on-Sea
Description: Well presented 2 bedroom 1st floor apartment in converted period building without sea views
Rent: £1,100 pcm Aug 2021

Address: Warrior Square, St Leonards-on-Sea
Description: Well presented 2 bedroom 2nd floor apartment in converted period building with sea views
Rent: £1,000 pcm Aug 2022

Address: Warrior Square, St Leonards-on-Sea
Description: Well presented 1 bedroom 1st floor apartment in converted period building with sea views
Rent: £900 pcm Sept 2022

Address: Norman Road, St Leonards-on-Sea
Description: Well presented newly converted 1 bedroom 2nd floor apartment with no sea views
Rent: £895 pcm March 2022

Address: Eversfield Place, St Leonards-on-Sea

Description: Well presented redecorated 1 bedroom 2nd floor apartment with sea views
Rent: £850 pcm Feb 2022

Address: Warrior Square, St Leonards-on-Sea
Description: Well presented 1 bedroom ground floor apartment with sea views
Rent: £850 pcm Sept 2022

Based on the comparables listed we are of the opinion that the 1 bedroom apartments will rent for £850 pcm, the 2 bedroom apartments £1,150 pcm and the 3 bedroom apartment £1,250 pcm.

5.5 RESIDUAL ANALYSIS HEADLINES

We have undertaken a residual appraisal to establish the site value of the Property, assuming planning consent is granted for the proposed scheme, in accordance with the schedule of accommodation detailed in this report. The residual valuation is based on our assessment of revenue (the Gross Development Value, or, 'GDV'), thereafter deducting development costs including finance and allowance for profit.

The profit element reflects the characteristics of the site including development risk and we consider 20% profit on cost to be the likely market rate for required profit for a scheme of this type in this location. In undertaking a residual valuation to assess the site value, amongst the most important variables are the GDV and the build costs. Our valuation of this scenario adopts a GDV of £3,125,000 as detailed above.

We have been provided with an estimate of the Borrower's build costs of £1,405,092 which excludes contingencies and professional fees and equates to around £182 per square foot for both the new build and conversion of the existing building. We have adopted these build costs in our appraisal and included contingencies at 5% and professional fees at 8% in addition and our appraisal is summarised below.

| Variable | Rate | Value |
|---------------------------------|-----------------|-------------------|
| GDV | £404 psf | £3,125,000 |
| Build Costs | £182 psf | £1,408,134 |
| Contingency | 5% | £70,407 |
| Professional Fees | 8% | £112,651 |
| Total Construction Costs | | £1,591,192 |
| CIL / S106 | | 0% |
| Marketing | | £5,000 |
| Sales Agent's Fees | 1.50% | £46,875 |
| Sales Legal Fees | £950 per unit | £10,450 |
| Total Disposal Costs | | £62,325 |
| Finance Costs | 7.50% | £169,273 |
| Profit on Costs | 20% | £520,833 |
| Residual Value | | £750,120 |
| Stamp Duty | | £27,506 |
| Legal Fee | 0.50% | £3,751 |

A copy of our residual appraisal is attached in **Appendix 9**.

The property does not benefit from planning consent for the proposed scheme and we have allowed for a 6 month pre-construction period for the approval of the consent and any pre-commencement conditions. We have assumed a build period of 12 months and a sales period of 6 months, equivalent to around 2 units per month, resulting in a project duration of 24 months.

5.6 VALUATION ANALYSIS

The Property is currently let on an informal arrangement with no formal lease in place, as emergency housing for Hastings District Council, Rother District Council and Adult Social generating an average income of £13,711 per month during 2022 and £11,498 per month in 2021. This is an average of over £1,000 per month per room where the current market rent for a room in an HMO in St Leonards-on-Sea is around £450-£500 per month.

8-9 Portland Place, Hastings is a mid-terraced period property divided into 5 flats generating £39,000 pa and sold for £605,000 at a 6.5% yield in December 2020. 20-22 Claremont, Hastings is a 3 storey end of terrace period property in the heart of Hastings Old Town and features ground floor commercial space and 3 apartments above generating £33,600 pa and sold for £495,000 in March 2022 at a 6.80% yield. The Property is currently over rented with no guaranteed income with increased costs of finance and reduced demand we have applied a more conservative yield of 8.50% to the average net income.

A planning application has been submitted to re-develop the property to provide 11 apartments and a decision is pending. We have reviewed the comments from the public on the Local Planning Authority website and note there have been 83 objections to the application from residents and there is a strong possibility the application could be refused.

We have reviewed the proposed scheme and note that the development features mainly 1 bedroom apartments, plus studios with few units benefiting from en suites with the open plan kitchen/living/dining rooms quite small. None of the units benefit from sea views and better use could be made of allocating some private outside space to the ground floor units. There is no lift with just Flat 11 benefiting from a terrace although Flats 2 and 3 benefit from direct access to the rear garden. Flats 10 and 11 are duplex units across the second and third floors but with restricted head heights and small master bedrooms. It is recommended that the internal layout of the apartments is rearranged to try and make the master bedrooms and kitchen/living/dining rooms bigger by removing the study/snug rooms and opening up the flats to a smaller number of larger rooms.

Our residual appraisal indicates a site value of £750,000 which is lower than the current value under the current tenancy arrangements and also lower than the vacant possession value. The approval of the planning consent will not enhance the value of the property and the greater value is gained from its current use as an HMO.

5.7 SWOT ANALYSIS

| |
|---|
| Strengths |
| <ul style="list-style-type: none"> • Very good rental income • Almost 100% occupancy rate • Good trading performance • Housing shortage • Good relationship with clients |
| Weaknesses |
| <ul style="list-style-type: none"> • No signed lease • No guaranteed long term income • Planning consent not approved • High maintenance and management costs |
| Opportunities |
| <ul style="list-style-type: none"> • Good high yielding investment • Current value greater than proposed site value |
| Threats |
| <ul style="list-style-type: none"> • Occupiers could find alternative accommodation at short notice • Economic uncertainty • Local authority housing budgets reduced |

6. VALUATION

MARKET CONDITIONS EXPLANATORY NOTE

Following the outbreak of COVID-19 in 2020, the start of the war in Ukraine in February 2022 and global supply chain challenges, there have been some significant changes impacting many aspects of daily life and the global economy.

In the United Kingdom, we are experiencing a period of historically high inflation, notably increasing energy prices, and significant increases in both gilt and interest rates. These are key drivers in respect of asset values and as a result the level of transactions and asset pricing, including the real estate market, are currently subject to higher than usual levels of volatility.

Nevertheless, as at the valuation date, property markets are functioning and there is an adequate quantum of market evidence which exists upon which to base opinions of value. Accordingly, and for the avoidance of doubt, our valuation is not reported as being subject to 'material valuation uncertainty' as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards.

For the avoidance of doubt, this explanatory note has been included to ensure transparency and to provide further insight as to the market context under which the valuation opinion was prepared. In recognition of the potential for market conditions to move rapidly in response to changes in the above, we highlight the importance of the valuation date.”

6.1 MARKET VALUE – CURRENT TENANCIES

We are of the opinion that the Market Value of the Freehold interest in the Property, in its existing condition, and current planning use, subject to the existing tenancy arrangements is:

£1,250,000
(One Million Two Hundred and Fifty Thousand Pounds)

We are of the opinion that the Market Value of the Freehold interest in the Property, in its existing condition, and current planning use, subject to the existing tenancy arrangements, on the special assumption of a restricted marketing period of 180 days is:

£1,250,000
(One Million Two Hundred and Fifty Thousand Pounds)

We are of the opinion that the Market Value of the Freehold interest in the Property, in its existing condition, and current planning use, subject to the existing tenancy arrangements, on the special assumption a sale to be completed within 90 days is:

£1,000,000
(One Million Pounds)

6.2 MARKET VALUE – VACANT POSSESSION

We are of the opinion that the Market Value of the Freehold interest in the Property, in its existing condition, and current planning use, with vacant possession is:

£850,000
(Eight Hundred and Fifty Thousand Pounds)

We are of the opinion that the Market Value of the Freehold interest in the Property, in its existing condition, and current planning use, with vacant possession, on the special assumption of a restricted marketing period of 180 days is:

£850,000
(Eight Hundred and Fifty Thousand Pounds)

We are of the opinion that the Market Value of the Freehold interest in the Property, in its existing condition, and current planning use, with vacant possession, on the special assumption a sale to be completed within 90 days is:

£765,000
(Seven Hundred and Sixty-Five Thousand Pounds)

6.3 MARKET VALUE – WITH PLANNING CONSENT

We are of the opinion that the Market Value of the Freehold interest in the Property, in its existing condition, with vacant possession, assuming planning consent is granted for the proposed scheme, is:

£750,000
(Seven Hundred and Fifty Thousand Pounds)

We are of the opinion that the Market Value of the Freehold interest in the Property, in its existing condition, with vacant possession, assuming planning consent is granted for the proposed scheme, on the special assumption of a restricted marketing period of 180 days is:

£750,000
(Seven Hundred and Fifty Thousand Pounds)

6.4 GROSS DEVELOPMENT VALUE

We are of the opinion that the Gross Development Value of the proposed scheme, on completion of development, when finished to a good standard and specification, in accordance with all statutory consents, with vacant possession is:

£3,125,000
(Three Million One Hundred and Twenty-Five Thousand Pounds)

We are of the opinion that the Gross Development Value of the proposed scheme, on completion of development, when finished to a good standard and specification, in accordance with all statutory consents, with vacant possession, on the special assumption of a restricted marketing period of 180 days is:

£3,125,000
(Three Million One Hundred and Twenty-Five Thousand Pounds)

6.5 MARKET RENT

We are of the opinion that the Gross Market Rent of the Property, in its current condition, as an 11 bedroom HMO, under the current tenancy arrangements is:

£142,000 per annum (£11,834 per calendar month)

6.6 INSURANCE REINSTATEMENT COST ESTIMATE

You have instructed us to provide you with an informal estimate of the reinstatement cost of the Property. This is provided solely as a guide for comparison against insurance cover already taken out and is based solely on our construction cost estimates in connection with the preparation of our valuation, this estimate does not constitute a formal Building Reinstatement Cost Assessment, and must not be relied upon as such.

Based on our inspection of the property, our estimate of the current reinstatement costs of the Property, noting our comments above, is in the order of **£800,000 (Eight Hundred Thousand Pounds)**.

This estimate must be regarded as indicative only and should not be relied upon as a formal estimate for insurance purposes as this can only be given by a quantity surveyor or other person with sufficient current experience of reinstatement cost assessments. The Property has not been inspected by such a person.

7. LENDING CONSIDERATIONS

7.1 PROPOSED LOAN

We have not been advised of the loan terms.

7.2 SUITABILITY AS SECURITY

MARKETABILITY

The Property will be of interest to investor and developer purchasers with the current rental income providing a good return well above current market rates. We understand the Local Authority are suffering from severe shortages of accommodation and are having to pay a premium to private landlords to house people in housing need. However, there is no formal lease in place and no notice period required and despite a good trading track record in the last 2 years there is the risk that better and cheaper alternative accommodation could be sourced and the arrangement with the current provider could cease very quickly.

We would anticipate a marketing period of 3-6 months to realise the value now reported, provided that the Property is appropriately priced and marketed for sale by a competent local agent with precedent for disposing of similar properties in this location.

DUE DILIGENCE RECOMMENDATIONS

We recommend your solicitor confirm the following:

- Understanding of the title
- Planning status
- Rental income
- Tenancies.

RECOMMENDATION

Subject to our valuation, our comments and advice in this report, but without knowing the terms of the loan, we confirm that we consider that the Property represents suitable security for mortgage purposes, up to amount of our valuation.

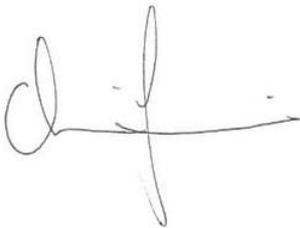
8. LIABILITY & PUBLICATION

This report and valuation has been prepared on the basis that there has been full disclosure of all relevant information and facts which may affect the valuation.

This report is provided for the stated purpose and only for the use of the party to whom it is addressed. It is confidential to Bank and may not be disclosed to any other third party without our prior written consent. In breach of this condition, no responsibility can be accepted to third parties for the comments or advice contained in this report.

However, we accept that copies may be made available to the Borrower or the Bank's legal advisors on a non-reliance basis.

Yours faithfully



Chris Francis BSc (Hons) MRICS

Director
RICS Registered Valuer

For and on behalf of BNP Paribas Real Estate

This report has been reviewed by



Tim Mitford-Slade BSc (Hons) MRICS

Senior Director
RICS Registered Valuer

APPENDIX 1

Instruction and Terms of Engagement

Private & confidential

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

For the attention of Stewart Bruce

Valuation

Chris Francis
Director
Strutt & Parker
2 St Margaret's Street
Canterbury
Kent CT1 2SL
Tel: +44 (0) 1227 473733
Mobile: +44 (0) 7464 673375
E-mail: chris.francis@struttandparker.com

Our Ref: 252549

16th February 2023

Dear Sir

CLIENT: PROPLEND SECURITY LTD

BORROWER: CLAVIS GROUP LTD

PROPERTY: K S L, 5 THE GREEN, ST LEONARDS-ON-SEA, EAST SUSSEX TN38 0SY

INSTRUCTIONS

Thank you for your letter of 7th February 2023 in respect of the valuation of the above Property.

We understand that the Borrower owns the Property for investment purposes.

PURPOSE OF THIS LETTER

In accordance with the requirements of RICS Valuation – Global Standards 2021, effective 31st January 2022, incorporating the International Valuation Standards, we are writing to confirm our understanding of your instructions to us.

These Terms of Engagement, the Valuation Procedures and Assumptions and the Terms and Conditions of Business, copies of which are attached, together contain all the terms of the contract between you and us for these instructions (the “Agreement”). Please read this letter and the enclosures carefully to ensure they accord with your instructions.

SCOPE OF WORK

We acknowledge and confirm the following:

- Purpose of Valuation** • The valuation is for secured lending purposes and must not be relied upon for any other purpose.
- Interest to be Valued** • Freehold.
- Bases of Valuation** • **Market Value**
The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.



- **Market Rent**

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.
- Assumptions & Special 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
- Valuation Date**

 - Date of the Report.
- Identification of Valuer**

 - The valuation will be carried out by Chris Francis MRICS who is a member of the RICS' Registered Valuer Scheme.
 - We confirm that the valuer has the relevant experience and knowledge in valuing properties of a comparable nature, complexity and value to the property.
- Fee**

 - Our fee for undertaking this work will be £1,750 plus VAT and is payable by the Borrower prior to provision of our report.
 - If you end this instruction at any stage, we will charge abortive fees on the basis of reasonable time and expenses incurred, (with a minimum charge of 50% following inspection of the property).
- Conflicts of Interest**

 - We can advise that we have provided previous valuation advice on this Property. However, we confirm that we do not believe that this creates a conflict with our duty to provide you with an objective and independent valuation.
 - We will therefore be acting as an independent valuer.
- Professional Indemnity Insurance**

 - We can confirm that we hold professional indemnity insurance in respect of the service to be provided.
- Nature of Work**

 - We will undertake an internal and external inspection of the Property as soon as is reasonably possible, and assuming access can be provided.
 - Our valuation report will include a description of the Property, including factors that impact on its value together with an overview of the relevant market and a rationale for our valuation.
 - The enclosed Valuation Procedures and Assumptions document describes the work that we would normally undertake, the sources of information upon which we would normally rely and the assumptions and limitations that would normally apply to our investigations and report.
 - In terms of residential buildings with cladding and/or balconies, we will follow the RICS Guidance on "The Valuation of Properties in Multi-storey, Multi-occupancy Residential Buildings with Cladding (UK 1st Edition, March 2021)".
 - In the event that we have requested but are not provided with either an EWS1 form or the appropriate technical information has not been provided enabling us to determine whether an EWS1 form should be requested, you should not make any irrevocable investment decisions relying on our valuation report until you are satisfied these outstanding issues have been resolved. Unless stated otherwise in our report, we shall make no allowance in our valuation for potential remedial costs

which might be required were we to have been provided with an EWS1 report.

- In arriving at the valuation, if we have relied on the EWS1 form, prepared by a professionally qualified third party, in so doing, we are not offering any advice as to the accuracy, completeness or fitness for purpose of the form or its content, and neither the individual preparing the valuation nor this firm shall have any liability to you, or to any third party with whom you share the valuation, for any losses or potential losses arising directly and solely as a result of any inaccuracies or errors in, or otherwise in any way related to, the EWS1 form.

Sources of Information

- We may rely on information supplied by the client, owner, local authorities and other relevant sources and there may be limitations/restrictions placed on some of the information provided.
- However, we will provide details on what information we have been provided with and what we have relied upon within our report.

Reliance & Publication

- Our valuation is provided for the stated purposes and sole use of Proplend Security Limited. It is confidential to it, and we accept no responsibility whatsoever to any other party.
- Neither the whole nor any part of our valuation report or any reference thereto will be allowed to be included in any published document, circular or statement, or published in any way, without our prior written approval of the form and context in which it may appear

Company Compliance

- We are required to obtain evidence of the identity and proof of address of our clients. This requirement is absolute. You shall provide (or procure the provision), free of charge, and within any specified time limits, all information as may be necessary or reasonably requested by us at such time as shall enable us to comply with our internal anti-money laundering procedures, outlined in clause 12 of the Terms and Conditions of Business.
- Please note that if either the report is to be addressed to or the fee is to be paid by another party, that any such party/parties may also be subject to the same compliance checks and such party/parties should be identified as soon as possible.

RICS Compliance

- We confirm that the valuation will be undertaken in accordance with the current RICS Valuation – Global Standards 2021, effective 31st January 2022, the International Valuation Standards and the UK National Supplement 2018, effective 14th January 2019.
- It is intended that our valuation report will be fully compliant with VPS 3 of the RICS Valuation – Global Standards.
- The relevant standard of measurement for the Property is the RICS Property Measurement (2nd Edition, January 2018), incorporating the International Property Measurement Standards (IPMS) which replaces the former standards of the Code of Measuring Practice (6th Edition, May 2015) (COMP). The aim and benefit of IPMS is to provide transparency through a consistent measurement of property, on a global scale. The adoption of IPMS is currently in transition within the industry and will eventually apply to all property assets in the future. However, the RICS recognises that the IPMS are not yet considered a suitable basis of measurement in all circumstances and we are bound to state our departure from these Standards, where it is deemed reasonable to do so.
- As at the date of writing, the Standards are not yet considered to form an industry-wide basis of measurement, particularly for valuation and estate agency purposes, with the majority of comparable transactions continuing to be measured on a Gross Internal Area basis, in accordance with the former bases of measurement stated within the COMP. For the specific

purposes of valuing the subject Property, we have therefore assumed that our departure from the new Standards is suitably justified and have carried out our measurements on the basis of the recognised core definitions contained within COMP, which are considered to be fit for purpose. The floor areas stated have been calculated on a Gross Internal Area basis.

Complaints Handling Procedures

- A copy of the firm’s complaints handling procedure is available on request. The valuation may be subject to monitoring under the conduct and disciplinary regulations of the RICS.

We do not believe that any of these conditions conflict with your requirements but if you believe they do, please do not hesitate to contact us.

Otherwise, we would be grateful if you could sign and return a copy of this letter as confirmation that you wish us to proceed on this basis. If we do not hear from you to the contrary, prior to the issue of our report, we shall assume that these conditions are agreed.

Yours faithfully

Chris Francis BSc(Hons) MRICS
Director
RICS Registered Valuer

For and on behalf of Strutt & Parker

Enc. – Terms & Conditions of Business, Valuation Procedures & Assumptions

I / We* confirm my / our agreement that this letter and the accompanying documents it refers to are an accurate summary of the service required, and that I / we* accept for the provision of these services.

(* delete as appropriate)

Signed:.....

Printed name:.....

Position:.....

Date:.....

Terms and conditions of business

DEFINITIONS

In these Conditions:

“BNPPRE Person” means any of Our or any Group Company's employees, officers, directors, subcontractors or consultants whether permanent, fixed term or part-time;

“Conditions” means these terms and conditions of business;

“Confidential Information” means any technical, financial and commercial information obtained or received by You directly or indirectly from Us (and vice versa) in the course of or in anticipation of the Services;

“Connected Person” means any of Your employees, officers, directors, subcontractors or consultants whether permanent, fixed term or part-time;

“EEA” means European Economic Area, which consists of the EU member states plus Iceland, Liechtenstein and Norway;

“Engagement Letter” means the engagement letter from Us to You setting out the basis on which We shall carry out the particular Services for You;

“EU Data Protection Law” means all applicable data protection laws and regulations of the European Union or its member states.;

“Fees” means the fees payable by You to Us for the Services, as set out in the Terms of Engagement and/or as otherwise agreed by Us in writing;

“Financial Crime Laws” means any bribery (including facilitation payments or kickbacks), fraud, corruption, money-laundering, tax evasion, facilitation of tax evasion, terrorism, or economic sanctions law or regulation, or a law or regulation designed to counter the same. This definition includes, but is not limited to, the UK Bribery Act 2010 and Criminal Finances Act 2017, French Sapin II and the US Foreign Corrupt Practices Act 1977 (“FCPA”).
“Financial Crime” means a breach of a Financial Crime Law.

“Government Entity” means:

- (a) any national, federal state, province, local and/or municipal government department, agency, office and/or instrumentality;
- (b) any company or organisation where a government has 50 percent or more ownership interest;
- (c) any company or organisation where a government controls a majority of votes attaching to the shares;
- (d) companies and organisations that are controlled by a government. For example, the term ‘Government Entity’ will generally include companies and organisations that:
 - i. have constituting statutes that establish that they are instrumentalities, agents or mandataries of a government;
 - ii. perform functions or services that are public-in-nature (i.e., for the benefit of the general public or a large sector of the population);
 - iii. are financially dependent on the government (i.e., the government is responsible for losses or funding of operations);
 - iv. do not operate on a normal commercial basis (e.g., because they are given special powers by legislation);
 - v. have boards of directors or management committees where the government nominates a majority of directors or management committees where the government nominates a majority of directors or officers.

“Group Company” means in relation to Us, any of Our subsidiaries, affiliates or holding companies from time to time and any subsidiary from time to time of a holding company of Ours;

“Information” means any deeds, documents, advice, information, reports, plans, drawings, instructions and/or assistance that We may require from You or which We may require You to procure on Our behalf;

“Intellectual Property Rights” means patents, registered and unregistered trademarks and service marks, registered and unregistered design rights, copyright, database rights, rights in

know-how and confidential information, applications for and rights to apply for any of the above, and any other similar rights recognised from time to time in any country, together with all rights of action in relation to the infringement of any of the above;

“Major Sanctioned Countries” means any countries that are subject to comprehensive embargoes or high-risk countries from time to time and for which We have decided to maintain the same restrictive control measures. The current MSCs are Cuba, Iran, Syria, North Korea, Crimea/Sevastopol. **“MSC”** and **“MSCs”** shall be construed accordingly;

“Materials” includes, in addition to any document in writing, any drawing, map, plan, diagram, design, brochure, picture, photograph or other image, tape, disk or other device, file or record embodying information or data in any form;

“Property” means the property/ies, which is/are the subject of Your instructions to Us;

“Services” means the services and/or work performed or to be performed by Us as set out in the Engagement Letter and/or Specific Terms of Engagement, together with any other services and/or work which We provide or agree to provide to You from time to time;

“Public Official” means:

- (a) any officer, employee or representative of a government, whether national, federal or local;
- (b) any individual exercising a legislative, administrative or judicial function, whether appointed or elected;
- (c) any officer, employee or representative of any Government Entity, including but not limited to central banks, sovereign wealth funds, state-run hospitals and any business venture that is owned or controlled by a Government Entity;
- (d) any candidate for or holder of public office;
- (e) any political party or official of a political party;
- (f) any officer, employee or representative of a public international organisation; and
- (g) any member of a royal family.

“Specific Terms of Engagement” means the service specific terms of engagement, if any, referred to in the Engagement Letter;

“Terms of Engagement” means these Conditions, the Engagement Letter and the Specific Terms of Engagement, in each case as may be varied in writing and agreed by Us and You from time to time;

“Transaction” means any transaction entered or intended to be entered into by You in relation to which the Services are to be performed (including but not limited to a transaction effecting a sale or letting of the Property);

“UK Data Protection Law” means the Data Protection Act 2018, the UK GDPR as well as all related UK laws and regulations;

“UK GDPR” means the Regulation (EU) 2016/679 of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation);

“We, Us and Our” means BNP Paribas Real Estate Advisory & Property Management UK Limited, a private limited company registered in England and Wales with company number 04176965 and whose registered office is at 5 Aldermanbury Square, London EC2V 7BP; and

“You, Your and Yourself” means the person or persons, firm, company, authority or other organisation to whom We are to supply the Services, as set out in the Engagement Letter.

1 Terms of Engagement

- 1.1 The Services will be provided pursuant to the Terms of Engagement.
- 1.2 The Terms of Engagement comprise the whole agreement between Us and You in relation to the provision of Services

and supersede all prior agreements in connection with the subject matter hereof except where expressly agreed in the Engagement Letter. Both parties acknowledge and agree that, in entering into the Terms of Engagement, they do not rely on, or have not relied on, any undertaking, promise, assurance, statement, representation, warranty or understanding (whether made orally or in writing) of any person (including Us and You) relating to the subject matter of the Terms of Engagement, other than as expressly set out in the Terms of Engagement.

- 1.3 If any provision (or part of a provision) of the Terms of Engagement is found by any court of competent jurisdiction to be invalid, unenforceable or illegal, the other provisions (or remainder of the affected provision) will remain in force.
- 1.4 Subject to the rights of any BNPPRE Person granted under clause 14.7, the Terms of Engagement are made solely for the benefit of Us and You, and (where applicable) Our or Your successors and permitted assigns, and are not intended to benefit, or be enforceable by, anyone else. Except as stated in clause 14.7, and for the purpose of the Contracts (Rights of Third Parties) Act 1999, the Terms of Engagement do not and are not intended to give any rights, or right to enforce any of their provisions, to any person who is not a party to them.
- 1.5 The Engagement Letter constitutes an offer by Us to You to provide the Services specified in it on the Terms of Engagement. By counter-signing the Engagement Letter (or, in the alternative, accepting the Services referred to therein) You formally accept the Terms of Engagement. Notwithstanding the previous sentence, You agree that all and any Services provided prior to Your counter-signature of the Engagement Letter shall be governed by the Terms of Engagement.
- 1.6 By counter-signing the Engagement Letter and/or agreeing the Terms of Engagement and/or accepting the Services, You warrant that You have the authority to instruct Us to perform the Services.
- 1.7 In the event of any conflict arising between the documents comprising the Terms of Engagement, the following order of precedence shall apply:
- (a) Engagement Letter;
 - (b) Specific Terms of Engagement;
 - (c) these Conditions.
- 1.8 The Terms of Engagement and any dispute arising out of or in connection with them or their subject matter, shall be governed by and construed in accordance with the laws of England. The parties both irrevocably agree that the courts of England shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with the Terms of Engagement or their subject matter.

2 Changes in Scope

- 2.1 The scope of the Services will be limited to the matters set out in the Terms of Engagement. However, this does not preclude Us from considering and agreeing with You, in writing, changes to the scope of the Services from time to time.

3 Timetable

- 3.1 We will discuss with You the nature and timing of the delivery of Services and the most effective way of implementing them. The timetable for completion of the Services assumes that the Information will be made available in good order and in a timely manner and will be provided in accordance with the provisions of clause 5.
- 3.2 Dates for performance and/or completion of the Services are estimates only and shall not be construed as being of the essence to the Terms of Engagement. We will, however, use reasonable endeavours to perform the Services on or by the dates specified and agreed in writing.

4 Services

Terms and conditions of business

We undertake to perform the Services using reasonable care and skill and in accordance with the professional standards to which We are subject.

5 Information

- 5.1 You shall provide (or procure the provision) to Us, free of charge and within any specified time limits, all Information as may be necessary or reasonably requested by Us at such time as shall enable Us to:
- (a) perform the Services in accordance with Our obligations under the Terms of Engagement; and/or
 - (b) comply with Our internal anti money laundering policies and procedures and any relevant legislation or regulations as may be in force from time to time (including but not limited to Information about You or any third party on whose behalf You act in respect of receipt of the Services).
- 5.2 You warrant that all and any Information is accurate, complete and consistent. Accordingly, You agree that We are not liable for (and shall indemnify Us against) the direct or indirect consequences of any inaccuracies, inadequacies or inconsistencies contained in the Information, whether prepared by You or by a third party, or any shortfalls in or absence of such Information and whether or not supplied directly to Us by You or by such a third party.
- 5.3 You will notify Us immediately if anything occurs to render any Information untrue, inaccurate or misleading and/or if any claim is made by a third party in respect of any Information.

6 Intellectual Property Rights and Use of Our Materials

- 6.1 All Intellectual Property Rights in any Materials prepared by Us or otherwise generated in the course of carrying out the Services shall be owned exclusively by Us. Without limiting clause 6.3, no part of any such Materials may be reproduced or transmitted or disclosed in any form or by any means without Our prior written permission.
- 6.2 All information, advice and Materials provided by Us to You are provided for Your use only and solely for the purpose(s) to which they refer. Accordingly, We accept no responsibility for (and You shall indemnify Us in respect of) any reliance that any third party may place on such information, advice or Materials, and/or for any reliance that You may place on such information, advice or Materials for any other purpose.
- 6.3 Neither the whole nor any part of the Materials referred to under clause 6.1, nor any reference thereto, may be included in any published document, circular or statement or published in any way without Our prior written approval.

7 Recommendations

- 7.1 The Services and any findings arising out of the Services will not in any way constitute recommendations on matters outside the scope of the Terms of Engagement.
- 7.2 You are responsible for determining whether the scope of the Services as specified in the Terms of Engagement are sufficient for Your purposes in the context of Your wider investigations and due diligence.

8 Fees and Disbursements

- 8.1 The Fees will be as set out in the Terms of Engagement or as otherwise agreed by Us in writing.
- 8.2 You shall pay the Fees, and all other costs or charges agreed in the Terms of Engagement and/or as otherwise agreed by Us in writing. If the Fees are not stated in the Terms of Engagement, Our Fees will be based on Our standard hourly rates in force from time to time multiplied by the number of hours spent by each person on the work in question (the "Hourly Rate Basis").
- 8.3 Unless agreed otherwise, Our Fees are exclusive of any reasonable disbursements and expenses that any of the personnel engaged in providing the Services may incur in connection with the provision of the Services and any applicable VAT, for all of which You will additionally be liable.

Terms and conditions of business

9 Payment Terms

- 9.1 Where We quote a fixed fee for Our Services, this quotation will only be valid for a period of 30 days from issue or as otherwise agreed. No contract will arise from any such quotation until We give written confirmation to You. You accept that We reserve the right to increase such fixed fee by such amount as is reasonable, as a result of any matters beyond Our control, a change in instructions from You or a failure by You to provide Us with satisfactory Information pursuant to clause 5 and We will give You prior written notice of any such increase.
- 9.2 We reserve the right to render regular and/or interim invoices where appropriate. Specifically where We are working on an Hourly Rate Basis We may bill monthly except where We agree otherwise in writing. We also reserve the right to invoice You immediately for the cost of any reasonable disbursements or expenses that We may incur in relation to the Services.
- 9.3 Save where otherwise agreed in writing, Our terms of payment are net cash 28 days from the date of invoice. Time for payment will be of the essence.
- 9.4 If any invoice is overdue for payment, We will be entitled to refrain from continuing to perform any Services for You until such invoice is paid in full (including interest). We will also be entitled to retain any Materials produced by Us in the course of the Services and/or any Information belonging to You until all outstanding sums have been paid. We retain the right to charge interest on such outstanding sums at the annual rate of 4% above the Bank of England's base rate (unless such rate is below 0% in which case at the annual rate of 4%) accruing on a daily basis from the due date until the date of actual payment of the overdue amount, compounded quarterly, whether before or after judgment. You must pay Us interest together with the overdue amount. Our rights under this clause 9.4 are without prejudice to any rights that may accrue pursuant to clause 9.3.
- 9.5 In certain circumstances (which We will discuss with You), We may require You to make payment on account of any anticipated fees and/or disbursements and/or expenses to be incurred prior to the Services being commenced or continued.
- 9.6 We may at any time, without notice to You, set off any obligation due from You to Us against any obligation owed by Us to You, whether either liability is present or future and whether or not either liability arises under the Terms of Engagement. Any exercise by Us of Our rights under this clause shall not limit or affect any other rights or remedies available to Us under the Terms of Engagement or otherwise.
- 9.7 We may submit Our invoice(s) electronically or in hard copy. All invoices will be deemed to have been received the working day immediately following the day they are sent.

10 Confidentiality

Both parties will (and will procure that their directors, officers, agents, contractors, consultants and employees will) at all times keep in strict confidence, and not use, any of the other party's Confidential Information, except:

- (a) in connection with the performance of the Services or as reasonably necessary for the purposes of the Transaction; or
- (b) as expressly stated in the Engagement Letter; or
- (c) as subsequently agreed to in writing by both parties; or
- (d) as otherwise required or permitted to be disclosed by law; or
- (e) where such Confidential Information is public knowledge (save where it becomes public knowledge through a breach of this clause 10).

You agree that, without reference to You, We may disclose to Our professional liability insurers and their agents and

advisers, on terms of confidence, such Confidential Information as We are required to disclose in order to comply with the terms of Our insurance programmes.

11 Complaints

- 11.1 If You are for any reason dissatisfied with the Services We should be advised immediately so that We can investigate it further. You agree that You will not take any action or commence any proceedings against Us before You have first referred Your complaint to Us in accordance with Our complaints procedure, details of which are available from: The Chief Operating Officer, BNP Paribas Real Estate Advisory & Property Management UK Limited, 5 Aldermanbury Square, London, EC2V 7BP. The purpose of such referral is to enable Us to provide You with details of Our complaints handling procedure and for Your complaint to be reviewed and responded to by Us, with a view to resolving the dispute or difference in a manner satisfactory to both parties.
- 11.2 If following Our response in accordance with clause 11.1 You remain dissatisfied, You may refer Your complaint or dispute to;

For consumer clients: Property Redress Scheme
Premiere House, 1st Floor
Elstree Way
WD6 1JH
www.theprs.co.uk

For commercial clients: RICS Dispute Resolution Service
55 Colmore Row
Birmingham
B3 2AA
www.rics.org/drs

12 Client Money, Anti-Money Laundering Procedures and Conduct

- 12.1 All client money retained by Us shall be held in separate client accounts in accordance with and subject to the requirements of the Professional Statement on Client Money Handling of the Royal Institution of Chartered Surveyors ("RICS"). To ensure compliance with the anti-money laundering legislation We reserve the right to decline cash receipts. We also reserve the right to refuse to pay to any third party money due to You.
- 12.2 You agree to comply with all anti-money laundering procedures We have in place from time to time, and understand and accept that We are unable to provide the Services unless such procedures have been successfully completed in advance.
- 12.3 The parties hereby represent and warrant that:
- (a) they each shall comply with all applicable anti-corruption laws;
 - (b) they each shall not directly or indirectly pay, offer, give, promise to pay or authorise the payment of, any portion of the compensation received in connection with these Terms of Engagement or any other monies or other things of value in connection with its performance to a Public Official to obtain or retain business or secure any improper advantage nor shall it permit such actions by a third party;
 - (c) Neither party nor any subsidiary or affiliate of either party is or will become an official or employee of the government during the term of these Terms of Engagement without the prior written approval of the other.
- 12.4 You understand that BNPPRE is committed to complying with all Financial Crime Laws. You represent and warrant that neither You nor any Connected Persons have taken or will take any action that might cause BNPPRE to violate Financial Crime Laws.

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- 12.5 Without prejudice to the generality of the above, You represent and warrant that neither You nor any Connected Person will authorise, offer, give or agree to offer or give, directly or indirectly, any payment, gift or other advantage with respect to any activities undertaken relating to the Services or these Terms of Engagement which:
- is intended to, or does, influence any person to act or reward any person for acting in breach of an expectation of good faith, impartiality or trust, or which it would otherwise be improper for the recipient to accept; or
 - is made to or for the benefit of a Public Official directly or indirectly, with the intention of influencing any act or decision of the Public Official in his/its official capacity, including such Public Official to use his/its influence to affect any act or decision of a government entity, or securing an improper advantage; or
 - Would otherwise violate Financial Crime Laws.
- 12.5 Without prejudice to the generality of the above, You represent and warrant that:
- neither You nor any Connected Person are procuring or shall utilise the Services, whether wholly or in part, directly or indirectly, to facilitate tax evasion by any party;
 - any equity, proceeds or rental income used in relation to or deriving from any transaction to which the Services relate have been and/or will be (as appropriate) disclosed in full to any relevant tax agency or authority in Your country of residence and any other relevant jurisdiction.
- 12.6 Any breach by You of this clause 12 shall constitute a material breach for the purposes of clause 13.2(b)(ii) of these Conditions.
- 12.7 In the event one party has reason to believe that a material breach has occurred or may occur, that party shall have the right to audit or to have a third party acceptable to each party at the joint expense of the parties conduct the audit, in order to satisfy that no such breach has occurred. The parties shall cooperate in any audit conducted by or on behalf of the other.
- ### 13 Termination
- 13.1 The Terms of Engagement shall terminate automatically on completion of the Services.
- 13.2 Without prejudice to any other rights or remedies which the parties may have:
- either party has the right to terminate the Terms of Engagement on not less than 28 days' written notice to the other (except where Our Instructions include ongoing management work, in which case either party may only terminate the Terms of Engagement by giving not less than six months' notice in writing to the other); and
 - We may terminate the Terms of Engagement immediately on giving written notice to You if:
 - a conflict of interest arises;
 - You commit a material breach of any of the provisions of the Terms of Engagement (including, but not limited to, any breach of clauses 9, 12 or any breach of clause 22 of these Conditions);
 - a person or persons, firm, company, authority or other organisation acquires control of You who did not have control immediately before the acquisition;
 - a counterparty to any Transaction in respect of which We are providing the Services fails within a reasonable period (as determined by Us) to provide or make available to Us any information or documentation We may require to satisfy Our obligations pursuant to The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 and the Money Laundering and Terrorist Financing (Amendment) (EU Exit) Regulations 2020 as updated and amended from time to time; or
- (v) We have reason to believe that the source of funds to be utilised pursuant to any Transaction originates either directly or indirectly from any MSCs or may derive either directly or indirectly from any illegitimate activities as determined by Us.
- 13.3 Either party may terminate the Terms of Engagement immediately on giving written notice to the other if the other party becomes bankrupt or insolvent, or if an order is made or a resolution is passed for its winding up (other than voluntarily for the purpose of solvent amalgamation or reconstruction), or if an administrator, administrative receiver or receiver is appointed in respect of the whole or any part of its assets or business, or if it makes any composition with its creditors or takes or suffers any similar or analogous action in any jurisdiction in consequence of debt.
- 13.4 On termination of the Terms of Engagement for any reason, You will immediately pay Us for all outstanding unpaid sums and interest, and in respect of Services supplied prior to termination but for which no invoice has been submitted (including: (i) any costs which We have incurred; and (ii) any abortive fees, as defined in either the Letter of Engagement or the Specific Terms of Engagement). We may submit an invoice, which shall be payable immediately upon receipt. If You instruct another agent during or after the period of Our instruction, this may result in a dual fee liability for You.
- 13.5 Termination of the Terms of Engagement for any reason will not affect the parties' accrued rights and the following clauses shall survive: 5.2, 6, 7, 8, 9, 10, 12.1, 12.2, 11, 13, 14, 16, 17, 22 and 23 and all provisions necessary to interpret or enforce the Terms of Engagement.
- ## 14 Liability
- YOUR ATTENTION IS PARTICULARLY DRAWN TO THE PROVISIONS OF THIS CONDITION 14**
- 14.1 This Condition 14 sets out Our entire financial liability (including any liability for the acts or omissions of Our employees, directors, officers, agents, contractors and consultants) in respect of:
- any breach of the Terms of Engagement;
 - any use made by You of the Services or the Materials, information and advice provided by Us in performing the Services; and
 - any representation, statement or tortious act or omission (including negligence) arising under or in connection with the provision of the Services, whether made by Us or any third party.
- 14.2 All warranties, conditions and other terms implied by law are, to the fullest extent permitted by law, excluded from the Terms of Engagement.
- 14.3 Nothing in these Conditions limits or excludes Our liability for:
- death or personal injury resulting from negligence; or
 - any damage or liability incurred by You as a result of any fraud or fraudulent misrepresentation made by Us; or
 - such other matters for which liability cannot lawfully be limited or excluded.
- 14.4 Subject to clause 14.2 and clause 14.3:
- We shall not be liable for:
 - loss of profits; or
 - loss of business; or

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- (iii) depletion of goodwill or similar loss; or
 - (iv) loss of anticipated savings; or
 - (v) loss of goods; or
 - (vi) loss of contract; or
 - (vii) loss of savings; or
 - (viii) loss of use; or
 - (ix) loss of opportunity; or
 - (x) any special, indirect, consequential or pure economic loss, costs, damages, charges or expenses; or
 - (xi) loss of, or corruption of, data or information; or
 - (xii) any loss arising in connection with Our inability to provide the Services as a result of Your failure to comply with clause 12.2;
 - (xiii) any loss (including but not limited to those losses identified in sub-paragraphs (i) to (x) of this sub-paragraph 14.4(a)) arising in connection with the termination of these Terms of Engagement by Us pursuant to clause 13.2(b);
- irrespective of whether or not We knew or ought to have known that such a loss might arise.
- (b) Subject to clause 14.3 Our aggregate liability in contract, tort (including negligence or breach of statutory duty), misrepresentation, restitution or otherwise arising under or in connection with all matters under the Terms of Engagement will be limited to £5,000,000 (five million pounds sterling).
- 14.5 Without prejudice to the other provisions of this clause 14, We will not be liable in respect of any of the following:
- (a) any failure or delay in providing the Services where You have not complied with the Terms of Engagement;
 - (b) any failure by Us to remind You of relevant deadlines;
 - (c) any third party providers whom We may engage on Your behalf with Your prior written consent in the course of the Services or to whom We may refer You (save as set out in clause 18.2);
 - (d) any findings or recommendations not expressly set out in Our final report (if applicable);
 - (e) checking the accuracy of the Information, including without limitation boundary lines;
 - (f) advising You in relation to taxation matters save and to the extent that these are identified explicitly in the Letter of Engagement and form part of the Services We are providing;
 - (g) any failure by You to hold any necessary consents, permissions or authorisations required for the Transaction;
 - (h) any other matters set out in the Specific Terms of Engagement.
- 14.6 Where You are comprised of more than one entity, then Your liability under the Terms of Engagement will be joint and several with such other entity or entities.
- 14.7 You agree not to bring any claim for losses arising in connection with any matter under the Terms of Engagement against any BNPPRE Person. You accept that any such claim must be brought against Us. Both parties agree that any BNPPRE Person may enforce this clause under the Contracts (Rights of Third Parties) Act 1999, but that these Conditions (including this clause) may be varied at any time without the need for consent from any BNPPRE Person. Where a loss is suffered by You for which We and any other person are jointly responsible, any recoverable loss by You from Us will be proportionate to Our relative contribution to the loss suffered.
- 14.8 You agree to indemnify Us and keep Us indemnified against any liability which arises from a third party obtaining from You or using any Confidential Information and/or any Materials, information or advice provided by Us to You, unless We have agreed in writing to accept liability to such third party or the third party is a client of Ours and is permitted to obtain and use such Materials, Information or advice.
- 15. Force Majeure**
We will not be liable to You for any delay or failure to fulfil Our obligations under the Terms of Engagement caused by circumstances outside Our reasonable control.
- 16. Correspondence, Papers and File Destruction**
- 16.1 All Materials in Our possession or control that have been generated for Our internal purposes or are addressed to Us relating to the Services (unless expressly notified otherwise upon their provision) shall be Our sole property. We will not be obliged to provide or make available to You such Materials unless We agree otherwise.
- 16.2 Subject to clause 9.4, all Confidential Information provided to Us by You will be returned or destroyed upon Your request, provided that We may retain copies of any Confidential Information which forms the basis of Our Materials and advice.
- 16.3 It is acknowledged that certain Materials may legally belong to You. Subject to clause 9.4, We shall return such Materials to You upon Your request. Where You do not request that such Materials are returned Our practice is to retain such Materials electronically or otherwise for six years from the date on which the Services or Transaction was effectively completed. After this time, Your Materials and all correspondence may be destroyed in accordance with Our archiving policy.
- 16.4 Storage of Your Materials under clause 16.3 may be provided by third party contractors and You consent to this arrangement. You agree to meet Our reasonable costs in accessing Your Materials at Your request, for reasons which do not relate to on-going work where such Materials have been archived following the completion of the relevant Services or Transaction. Such retention of Your Materials by Us shall be at Your risk and We shall have no liability to You for or caused by the destruction of or damage to such Materials.
- 17. Staff**
If, without Our prior written approval, You directly and/or indirectly employ, engage and/or otherwise use the services of any member of Our or any of Our Affiliates' staff ("Staff") to work on an engagement for You during the term of the Terms of Engagement or during the twelve-month period following expiry or termination of the Terms of Engagement, You will be liable to pay to Us a recruitment fee equal to four months' total average fee income for the Staff member concerned. You acknowledge and agree that this sum is a genuine attempt to estimate the loss of income and costs that will be incurred by Us whilst We recruit (and as a consequence of recruiting) a replacement for such member of Staff.
- 18. Assignment**
- 18.1 Neither party may transfer or assign any rights or obligations under the Terms of Engagement without the prior written consent of the other party except as set out in this clause 18. We may assign all or any of the rights (and transfer all or any of the obligations) under the Terms of Engagement to any Group Company or any of Our successors in title in the relevant business, without any requirement to notify You or obtain Your further consent. You agree to execute a novation to give full effect to this.
- 18.2 We may sub-contract any incidental part or parts of any of the Services to be supplied to You, such as the preparation of plans, photography, advertising or courier services.

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19 Notice

Notices given under these Conditions shall be in writing in the English language, and may be delivered in person or sent by courier or post to the address set out in the Terms of Engagement, or to such other address as may be notified by either party to the other from time to time. Notices will not be deemed validly served if sent by e-mail or any other form of electronic communication unless otherwise agreed by Us in writing.

20 Publicity

We are keen to obtain publicity for work undertaken on behalf of Our clients. Unless details of the Services undertaken for You are publicly available, We will not externally publicise such details without Your prior written permission. However, You hereby agree to Us including such details in proposals or other similar submissions made to Our prospective clients, unless You subsequently expressly prohibit such disclosure in writing.

21 Health, Safety, Environment & Quality

21.1 We maintain BS EN ISO 9001, BS EN ISO 14001 and Safecontractor accreditations. When visiting Our premises, You shall comply with Our Safety, Health, Environment and Quality Policies and Procedures, copies of which can be obtained by contacting Our Director of Facilities.

21.2 Where We agree to provide the Services at Your premises, or at a third party's premises, You shall be responsible for giving or obtaining any Information, safe access licences, consents or permissions which may be necessary to enable Us and Our personnel to provide the Services at the premises in question. You or the operator of the premises shall also ensure that all appropriate health & safety acts, regulations, codes of practice or information sheets have been followed so as to ensure the health and safety of Our personnel.

21.3 Our Safety, Health & Environmental risk assessments and control measures are given on the basis of, and in strict reliance upon, all material facts and Information having been accurately and fully disclosed to Us by You and You agree to confirm all such facts and Information in writing. Details of Our policies, procedures and completed risk assessments are available for Your inspection on reasonable notice and without additional charge.

22 Major Sanctioned Countries and Regions

22.1 We are strongly committed to complying with the international financial sanctions enforced by the European Union, France and the United States to advance a range of foreign policy goals including but not limited to counterterrorism, nuclear non-proliferation, democracy and human rights promotion, conflict resolution and cybersecurity.

22.2 You represent, warrant and undertake that the Services to be provided and any Transaction contemplated hereunder has and will have no link with MSC-related proceeds or investments and that the source of funds to be used for payment of the Services and/or in the funding of any transaction contemplated pursuant to the Services do not originate (either directly or indirectly) from any MSCs.

22.3 We reserve the right to terminate the Terms of Engagement with immediate effect upon the provision of written notice in the event of a breach by You of Your obligations and undertakings pursuant to this clause 22.

23 Data Protection

23.1 The provisions in this clause 23 are incorporated to comply with the UK Data Protection Law and in particular article 28 (Processor) UK GDPR. Capitalised terms used in this clause 23 but not otherwise defined in these Terms of Engagement, have the meanings assigned to them in the UK GDPR (in particular under its article 4 (Definitions)) and/or in this clause.

23.2 You shall be the Data Controller and We shall be the Data Processor in respect of any Personal Data processed by Us on Your behalf ("**Your Personal Data**") under the Terms of Engagement.

23.3 The parties shall comply with applicable data protection laws and regulations including UK Data Protection Law and EU Data Protection Law.

23.4 Information on the following elements required by the UK GDPR are as follows:

- (a) Subject-matter of the processing: For the provision of Services in accordance with these Terms of Engagement;
- (b) Nature and purpose of the processing: Collection, storage, duplication, electronic viewing, deletion and destruction;
- (c) Duration of the processing: Until the earliest of termination of the Terms of Engagement in accordance with its terms or the date upon which processing is no longer necessary for the purposes of either party performing its respective obligations under these Terms of Engagement (to the extent applicable);
- (d) Type of Personal Data: personal details (title, first name, last name), position, contact information, location data, employer, ID data, delivery information, nationality, goods and services provided, financial information (bank or credit/debit card details), internet protocol address; and
- (e) Categories of Data Subjects: Your tenants/landlords (as applicable), officers, employees and Your temporary staff and partners, complainants, correspondents, enquirers, suppliers, advisers, consultants and professional experts.

23.5 We shall process and transfer Your Personal Data only as required to deliver the Services or as instructed in accordance with documented instructions from You, unless We are required to otherwise process or transfer Your Personal Data under UK Data Protection Law and/or EU Data Protection Law. Where such a requirement is placed on Us, We shall provide reasonable prior notice to You, unless the law prohibits such notice on important grounds of public interest as determined by Us.

23.6 We shall ensure that all BNPPRE Persons authorised to process Your Personal Data have committed themselves to confidentiality (e.g. via the confidentiality provision in their work contract for employees) or are under another appropriate obligation of confidentiality and do not process Your Personal Data except on instructions from You (as may be communicated via Us) unless they are required to otherwise process or transfer Your Personal Data under UK Data Protection Law and/or EU Data Protection Law subject to the same rules as set out in clause 23.5.

23.7 In respect of security of processing:

- (a) taking into account the state of the art, the costs of implementation and the nature, scope, context and purposes of processing as well as the risk of varying likelihood and severity for the rights and freedoms of natural persons, We shall implement appropriate technical and organisational measures, with the aim of ensuring a level of security appropriate to the risk, it being understood that, if You require Us to take additional security measures beyond those foreseen in this clause, You shall pay the corresponding charges to Us on a time and materials basis (to be determined by Us); and
- (b) We shall notify You without undue delay, after becoming aware of a Personal Data Breach.

23.8 We shall not engage another processor, except under the conditions set out in clause 23.16.

23.9 We shall immediately inform You, if, in Our reasonable opinion, an instruction from You infringes UK Data Protection Law.

23.10 At Your request and at Your expense, We shall provide reasonable assistance to enable You, in accordance with Your obligations under UK Data Protection Law:

- (a) to answer to requests from the supervisory authority in the performance of its tasks;

Terms and conditions of business

- (b) to notify Personal Data Breaches to the supervisory authority and communicate the Personal Data Breach to the individuals to whom Your Personal Data relates;
 - (c) to conduct data protection impact assessments and consult the supervisory authority on that basis;
 - (d) to implement technical and organisational security measures to ensure the security of the processing;
 - (e) to respond to requests from individuals to whom Your Personal Data relates who are exercising the data subject's rights laid down in Chapter III (Rights of the Data Subject) under the UK GDPR, it being understood that We shall notify You of any request made by a Data Subject to access Your Personal Data or exercise any other Data Subject right set out in Chapter III "Rights of the Data Subject" under the UK GDPR in respect of such data and act only as per Your instructions regarding the handling of such request; and;
 - (f) more generally, to enable You to comply with the obligations pursuant to articles 32 to 36 UK GDPR taking into account the nature of processing and the Information available to Us.
- 23.11 In the event a court and/or a data protection authority initiates proceedings against a party and upon request of the other party, the latter shall cooperate in good faith and without undue delay to assist at no additional cost such party to the extent it requires during such proceedings.
- 23.12 At Your choice and Your expense, We shall either (i) delete (to the extent reasonably and technically feasible) or (ii) return all Your Personal Data to You after the end of the provision of Services relating to processing, and delete (to the extent reasonably and technically feasible) existing copies, unless UK Data Protection Law and/or EU Data Protection Law requires storage of Your Personal Data.
- 23.13 At Your request and at Your expense, We shall make available to You all information necessary to demonstrate compliance with the obligations laid down in this clause 23 and allow for and contribute to audits, including inspections, conducted by You or another auditor mandated by You. If any audit reveals that We are not in compliance with the provisions of this clause, UK Data Protection Law and/or EU Data Protection Law, Your exclusive remedy, and Our exclusive obligation, shall be that: (i) the parties will discuss such findings and (ii) We shall take all corrective actions including any temporary work-arounds necessary to comply with the provisions of this clause, UK Data Protection Law and/or EU Data Protection Laws. We may charge You for any corrective actions if the corrective actions were required due to changes to UK Data Protection Laws and/or EU Data Protection Laws.
- 23.14 We shall be entitled to transfer Your Personal Data to a country, territory or sector within a country, or an international organisation that has been recognised by the Secretary of State as ensuring an adequate level of protection in accordance with clause 17A of the Data Protection Act 2018.
- 23.15 We shall also be entitled to transfer Your Personal Data to a country located outside the EEA that has not been recognised by the Secretary of State as ensuring an adequate level of protection, if You (i) have provided appropriate safeguards in accordance with the UK Data Protection Law (e.g. the Information Commissioner's Office's standard contractual clauses) or (ii) can rely on a derogation foreseen by the data protection legislation enabling such transfer. You shall from time to time execute such documents and perform such acts as We may reasonably require to implement any such appropriate safeguards.
- 23.16 You hereby provide a general written authorisation to Us to engage sub-processors to process Your Personal Data. We shall inform You of any addition or replacement of sub-processors, giving You the opportunity to object to such changes. If You reasonably object to such change, We shall refrain from making that addition or replacement and shall be entitled to terminate the Terms of Engagement. Where We engage another processor under this clause 23.16, We shall ensure that the obligations set out in this clause are imposed on that processor by way of a written contract.

The investigations and enquiries on which our valuations are based are carried out by valuation surveyors, making appropriate investigations having regard to the purpose of the valuation. Our reports and valuations are prepared in accordance with the RICS Valuation – Global Standards 2021, effective 31st January 2022 (the “Red Book”).

Subject to any variation expressly agreed and recorded in the accompanying Terms of Engagement Letter, our work will be on the basis set out below:

1. Condition and Repair

Unless specifically instructed to carry out a separate building survey, or commission a test of service installations, our valuation will assume:

- (i) That except for any defects specifically noted in our report, the property is in good condition.
- (ii) That no construction materials have been used that are deleterious, or likely to give rise to structural defects.
- (iii) That no hazardous materials are present, including Asbestos.
- (iv) That all relevant statutory requirements relating to use or construction have been complied with.
- (v) That any services, together with any associated computer hardware and software, are fully operational and free from impending breakdown or malfunction

We will however, reflect the general condition noted during the course of our valuation inspection and any defects or hazards of which we become aware in the course of our investigations. Any matters that we consider material to the valuation will be referred to in our report.

In terms of multi-storey, multi-occupancy domestic residential buildings with cladding, we will follow the current RICS guidance. In the event that we are not provided with an EWS1 form when requested or when the appropriate technical information has not been provided to enable us to determine whether an EWS1 form should be requested, our valuation will assume that an EWS1 form is not required and we shall make no allowance in our valuation, unless otherwise stated, for potential remedial costs which might be identified by an EWS1 report.

It should be appreciated that our inspection is limited to those accessible and visible parts of the property, where safe to do so. Intrusive investigations are not undertaken as part of our standard inspection for valuation purposes.

2. Ground Conditions and Environmental Risks

We will not make any investigations regarding soil stability, mining, geographical conditions or contaminated land and, unless provided with information to the contrary, our valuation will assume:

- (i) That the site is physically capable of development or redevelopment, when appropriate, and that no special or unusual costs will be incurred in providing foundations and infrastructure.

- (ii) That there are no archaeological remains on or under the land which could adversely impact on value.
- (iii) That the property is not adversely affected by any form of pollution or contamination.
- (iv) That there is no abnormal risk of flooding.
- (v) That there are no high voltage overhead cables or large electrical supply equipment at or close to the property.
- (vi) That the Property is not located within a radon affected area.
- (vii) That no Japanese Knotweed, or any other invasive species, is present at the Property or within close proximity to the Property.
- (viii) That the Property is free of notifiable diseases and infestation by pests.

We will however, comment on any factors discovered during the course of our valuation enquiries that could affect the market perception of risks caused by these factors.

3. Minerals

For the purpose of this valuation report we will assume that there is good title to any mineral rights described.

4. Tenure and tenancies

We will rely upon information provided by you or your solicitor relating to tenure and related matters. We will not commission a formal legal search and will assume the information provided to be accurate, up-to-date and complete.

We will assume unless informed to the contrary that the Property has a good and marketable title, that all documentation is satisfactorily drawn and that there are no encumbrances, restrictions, easements or other outgoing of an onerous nature which would have a material effect on value. Where we have seen documentation we will recommend that reliance should not be placed on our interpretation without verification by your solicitors. Plans provided are for identification purposes only.

Where we are supplied with copies of the occupational leases this will be stated and our valuation is on the assumption that these interests are not subject to any easements, wayleaves, restrictive covenants, tenancies or encumbrances other than those notified to us.

We will not made any specific enquiries as to the financial standing of actual or prospective tenants other than those a competent valuer would make when appraising and valuing the Property

5. Planning and highway enquiries

We will make informal enquiries of the local planning and highway authorities and also rely on information that is available through local government websites.

Any information obtained will be assumed to be correct. No local searches will be instigated.

Except where stated to the contrary, we will assume that the use to which the property is put is lawful and that there are no local authority planning or highway proposals that might involve the use of compulsory purchase powers or otherwise directly affect the property.

6. Floor areas

All measurements will be taken in accordance with the RICS Property Measurement Professional Statement.

Unless specifically stated that we have relied on another source, the floor areas in our report will be derived from measurements taken on site or that have been scaled from the drawings supplied and checked by sample measurements on site. The floor areas will be within a tolerance that is appropriate having regard to the circumstances and purpose of the valuation instruction. We have adopted a conversion factor of 10.7639 for converting from square metres to square feet rounding up or down to the nearest square foot.

7. Plant and machinery

We will include in our valuations those items of plant and machinery normally considered to be part of the service installations to a building and which would normally pass with the property on a sale or letting.

We will exclude all items of process plant and machinery and equipment, together with their special foundations and supports, fixtures and chattels, vehicles, stock and loose tools, and tenant's fixtures and fittings.

8. Mains services

We will assume that all mains services are connected to the Property, unless otherwise stated in our report. We will not obtain written confirmation from the service providers and will be unable to report on condition or offer any warranty.

9. Miscellaneous regulatory requirements

We will assume that the Property is compliant with all regulatory requirements relating to its occupation including the Equality Act 2010 and the Regulatory Reform (Fire Safety) Order 2005.

10. Tenant status

Although we will reflect our general understanding of a tenant's status in our valuation, we will make no detailed enquiries about the financial status of tenants.

We will assume that appropriate enquiries were made when leases were originally exchanged, or when consent was granted to any assignment or underletting.

11. Development properties

For properties in course of development, we will reflect the stage reached in construction and the costs remaining to be spent at the date of valuation.

We will have regard to the contractual liabilities of the parties involved in the development and any cost estimates that have been prepared by the professional advisers to the project.

For recently completed developments we will take no account of any retentions, nor will we make allowance for any outstanding development costs, fees, or other expenditure for which there may be a liability.

12. VAT, taxation and costs

We will not make any adjustments to reflect any liability for taxation that may arise on disposal, or for any costs associated with disposal incurred by the owner.

No allowance will be made to collect any liability or repay any government or other grants, taxation allowance or lottery funding that may arise on disposal

If calculating the market value as an investment, we will made deductions to reflect purchaser's normal acquisition costs.

Unless advised to the contrary we will assume that the option to tax has not been exercised and that accordingly VAT will not be payable on the capital and rental values reported.

13. Mortgage and Financial Encumbrance

No allowance will be made for the existence of any mortgage or other similar financial encumbrance on or over the Property.

14. Insurance and Re-instatement Cost Estimate

Capital values quoted are not appropriate for insurance purposes, which should be calculated on a re-instatement or indemnity basis.

Where required, an indication of re-instatement costs for insurance purposes will be provided based on current cost information and including an allowance for professional fees, demolition and debris removal, but excluding VAT.

It will not include any allowance for inflation during the period of insurance nor during any further period required for reinstatement following a substantial loss. Neither will it include for loss of rent or consequential losses arising from a loss of the buildings.

No reliance should be placed on this indicative estimate. An accurate cost assessment will require much more detailed consideration of the construction by a building or quantity surveyor.

Unless expressly advised to the contrary we assume that appropriate insurance cover is and will continue to be available on commercially acceptable terms.

APPENDIX 2

Photographs

Photographs

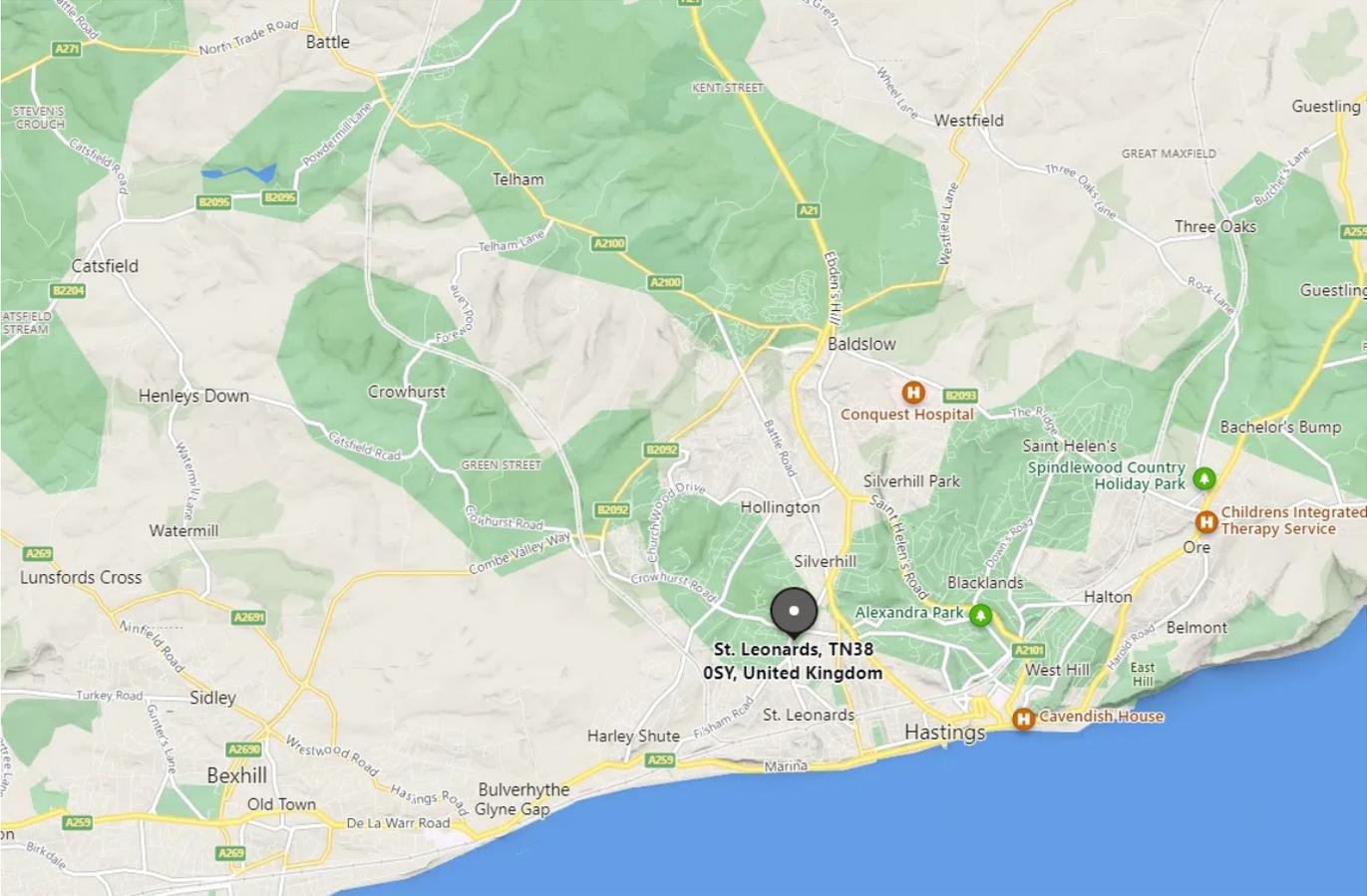


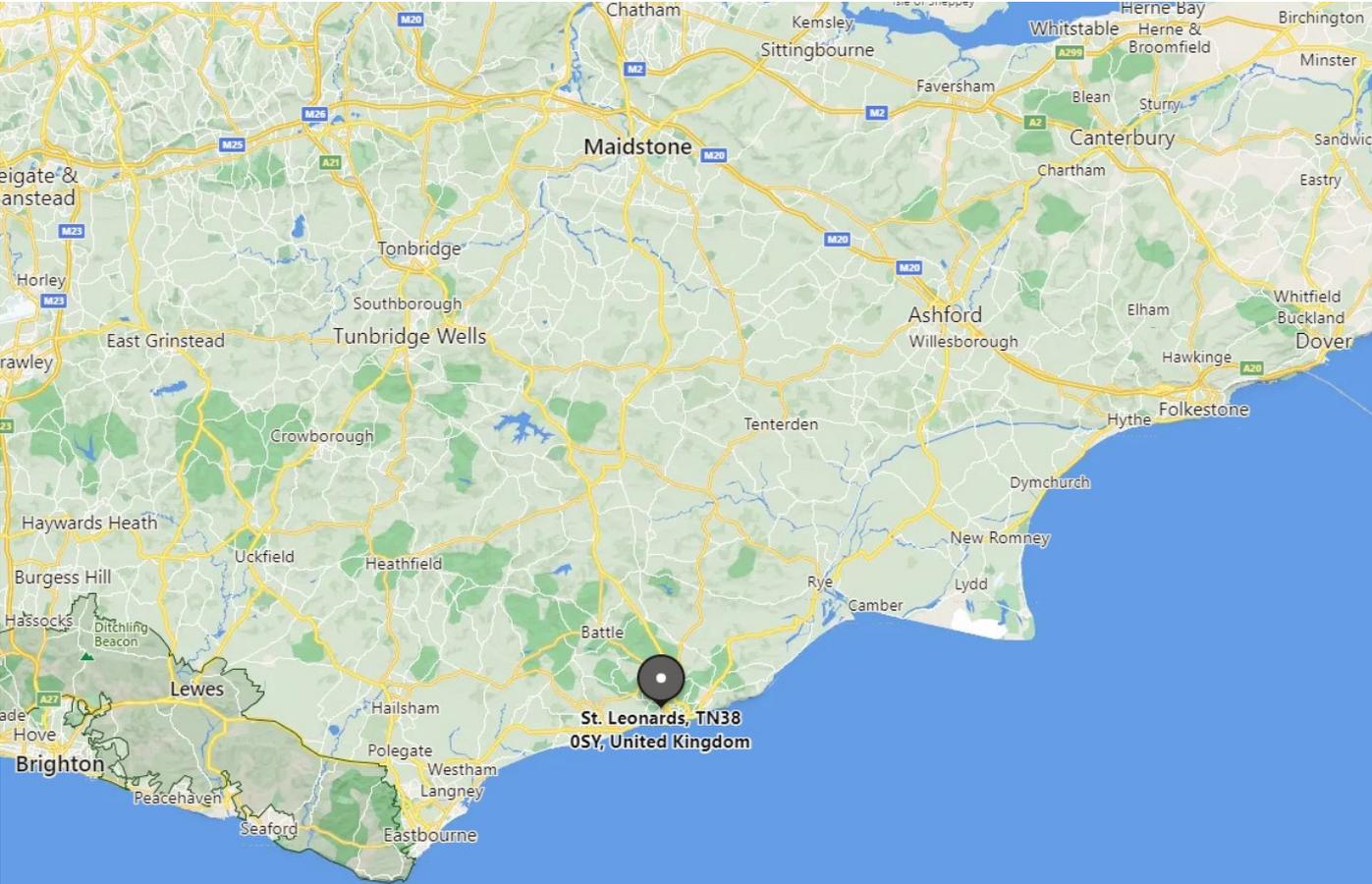
Photographs



APPENDIX 3

Location Plans

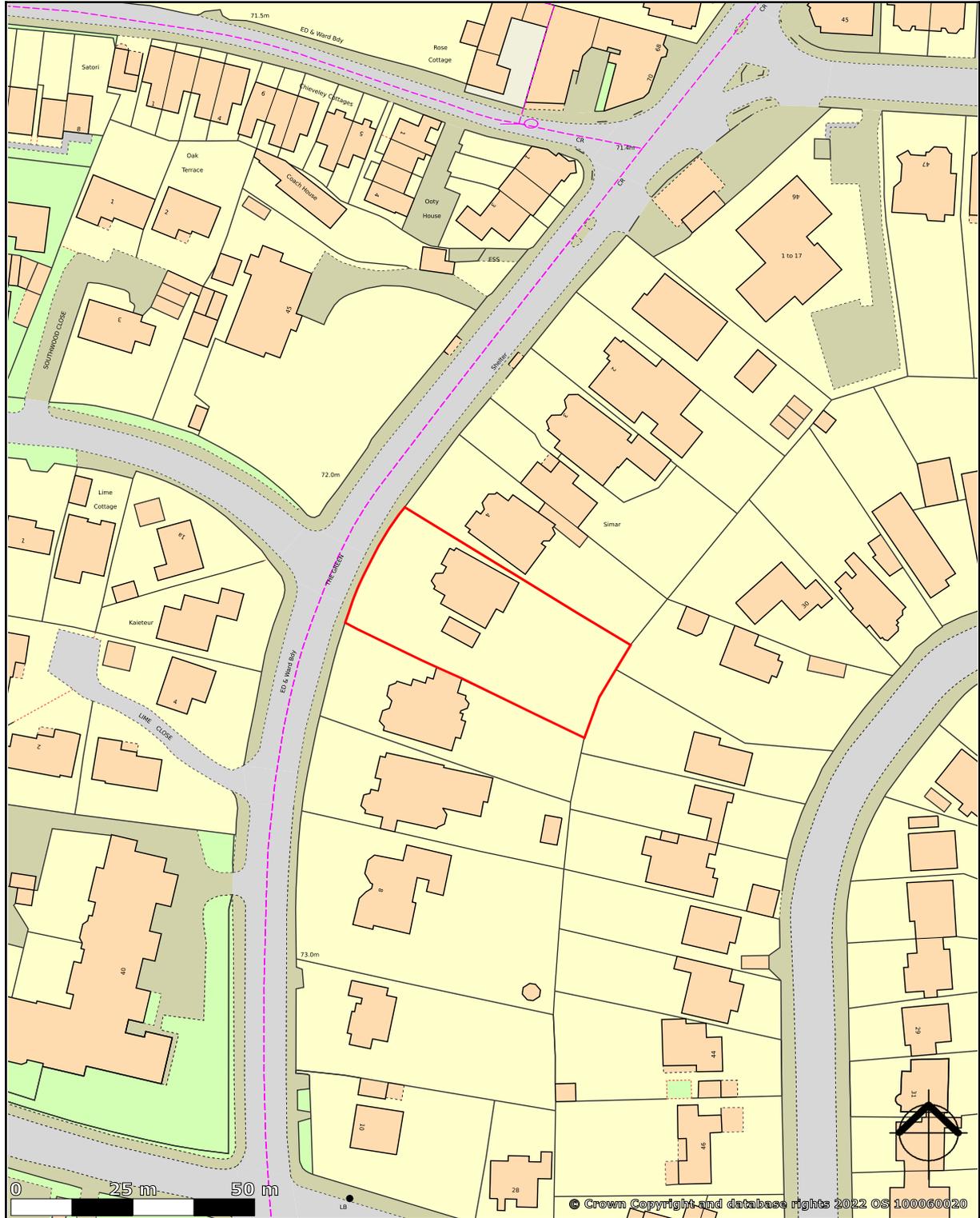




APPENDIX 4

OS Plan

K S L, 5 The Green, St. Leonards-on-Sea, TN38 0SY



created on **edozo**

Plotted Scale - 1:1,250

APPENDIX 5

Floor Plans - Existing



NOTE:
Dimensions stated are for Planning purposes only.



Existing Ground Floor Plan
Scale 1:50

Drawn By Design Team Member
Raimonda Stanislavskaya BA (Hons)
Architectural Assistant
St Leonards
T 01424 851 005 | 01424 850 903
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Facebook: Baker Architectural Ltd



Job:
5 The Green
St Leonards on Sea
TN38 0SY

Client: Miss Felicity Tyas

Stage: Feasibility & Planning Stage.

Works:
Scheme Proposals
Existing Ground Floor Plan

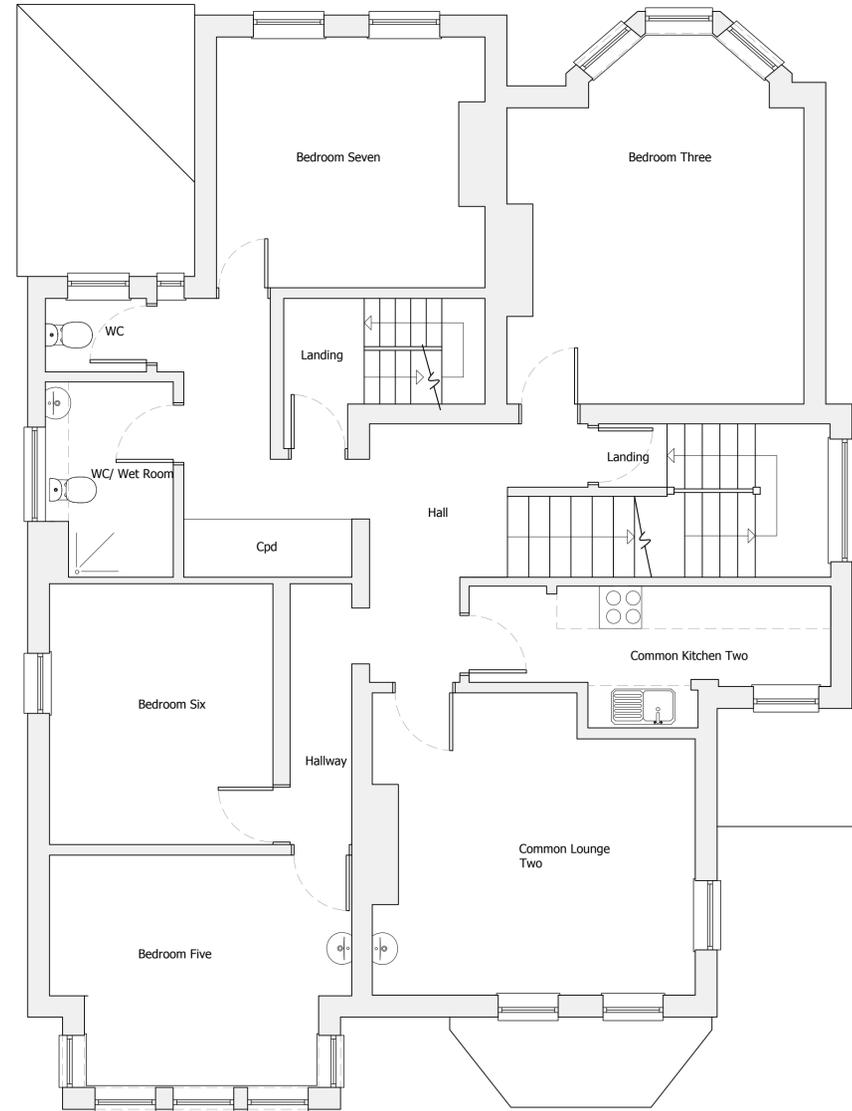
Drawing Date: Sept 2020
Drawing Scale: 1:50
Drawing Size: A1

Drawing Number: BA2070.02

Revision: A



NOTE:
Dimensions stated are for Planning purposes only.



Existing First Floor Plan
Scale 1:50

Drawn By Design Team Member
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baker
architectural

Job:
5 The Green
St Leonards on Sea
TN38 0SY

Client: Miss Felicity Tyas

Stage: Feasibility & Planning Stage.

Works:
Scheme Proposals
Existing First Floor Plan

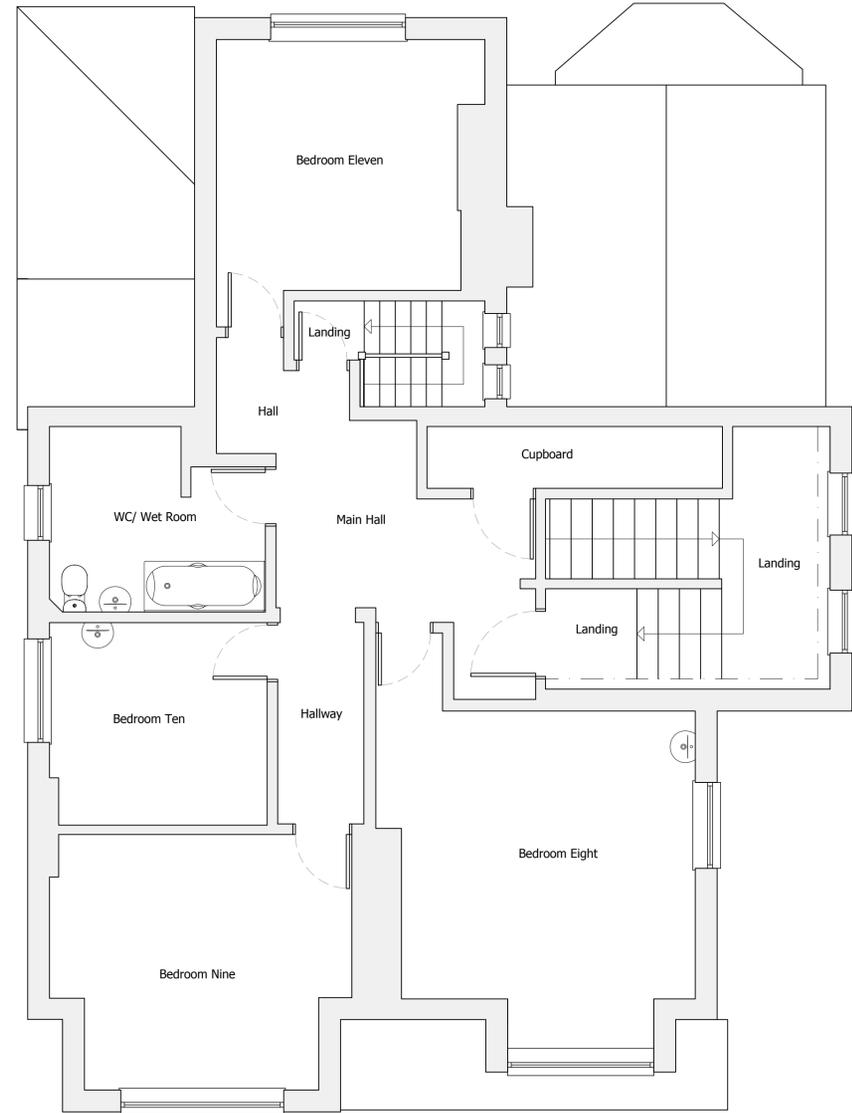
Drawing Date: Sept 2020
Drawing Scale: 1:50
Drawing Size: A1

Drawing Number: BA2070.03

Revision: A



NOTE:
Dimensions stated are for Planning purposes only.



Existing Second Floor Plan
Scale 1:50

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Job:
5 The Green
St Leonards on Sea
TN38 0SY

Client: Miss Felicity Tyas

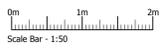
Stage: Feasibility & Planning Stage.

Works:
Scheme Proposals
Existing Second Floor Plan

Drawing Date: Sept 2020
Drawing Scale: 1:50
Drawing Size: A1

Drawing Number: BA2070.04

Revision: A



NOTE:
Dimensions stated are for Planning purposes only.



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Job:
5 The Green
St Leonards on Sea
TN38 0SY

Client: Miss Felicity Tyas

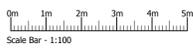
Stage: Feasibility & Planning Stage.

Works:
Scheme Proposals
Existing Street Scene & Elevations

Drawing Date: Sept 2020
Drawing Scale: 1:100
Drawing Size: A1

Drawing Number: BA2070.06

Revision: A



APPENDIX 6

Floor Plans - Proposed



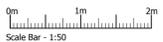
| revision | by | date |
|----------|---|--------------|
| A. | Proposed no. of flats updated following ESCCC parking calculation | RJ Mar 21 |
| B. | Issued for Planning | RJ Mar 21 |
| C. | Updated design following Planner comments | RJ Mar 22 |

NOTE:
Dimensions stated are for Planning purposes only.

KEY:
 Proposed New Wall / Wall Infill
 Existing Wall to be Removed



Proposed Lower Ground Floor Plan
Scale 1:50



PRELIMINARY

Drawn by design team member:
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Job:
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St Leonards on Sea
TN38 0SY

Client: Miss Felicity Tyas

Stage: Feasibility & Planning Stage.

Works:
Scheme Proposals
Proposed Lower Ground Floor Plan

Drawing Date: Mar 2021
Drawing Scale: 1:50
Drawing Size: A1

Drawing Number: BA2070.09

Revision: C



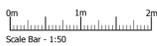
| revision | by | date |
|--|----|--------|
| A. Layout updated following Client comments | RJ | Mar 21 |
| B. Flat numbers updated to suit ESCC parking calculation | RJ | Mar 21 |
| C. Issued for Planning | RJ | Mar 21 |
| D. Updated design following Planner comments | RJ | Mar 22 |

NOTE:
Dimensions stated are for Planning purposes only.

- KEY:
- Proposed New Wall / Wall Infill
 - Existing Wall to be Removed



Proposed Ground Floor Plan
Scale 1:50



PRELIMINARY

Drawn by design team member:
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Job:
5 The Green
St Leonards on Sea
TN38 0SY

Client: Miss Felicity Tyas

Stage: Feasibility & Planning Stage.

Works:
Scheme Proposals
Proposed Ground Floor Plan

Drawing Date: Oct 2020
Drawing Scale: 1:50
Drawing Size: A1

Drawing Number: BA2070.10

Revision: D



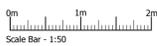
| revision | by | date |
|--|----|--------|
| A. Layout updated following Client comments | RJ | Mar 21 |
| B. Flat numbers updated to suit ESCC parking calculation | RJ | Mar 21 |
| C. Issued for Planning | RJ | Mar 21 |
| D. Updated design following Planner comments | RJ | Mar 22 |

NOTE:
Dimensions stated are for Planning purposes only.

KEY:
 Proposed New Wall / Wall Infill
 Existing Wall to be Removed



Proposed First Floor Plan
Scale 1:50



PRELIMINARY

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Job:
5 The Green
St Leonards on Sea
TN38 0SY

Client: Miss Felicity Tyas

Stage: Feasibility & Planning Stage.

Works:
Scheme Proposals
Proposed First Floor Plan

Drawing Date: Oct 2020
Drawing Scale: 1:50
Drawing Size: A1

Drawing Number: BA2070.11

Revision: D



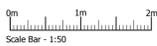
| revision | by | date |
|--|----|--------|
| A. Layout updated following Client comments | RJ | Mar 21 |
| B. Flat numbers updated to suit ESCC parking calculation | RJ | Mar 21 |
| C. Issued for Planning | RJ | Mar 21 |
| D. Updated design following Planner comments | RJ | Mar 22 |

NOTE:
Dimensions stated are for Planning purposes only.

KEY:
 Proposed New Wall / Wall Infill
 Existing Wall to be Removed



Proposed Second Floor Plan
Scale 1:50



PRELIMINARY

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Job:
5 The Green
St Leonards on Sea
TN38 0SY

Client: Miss Felicity Tyas

Stage: Feasibility & Planning Stage.

Works:
Scheme Proposals
 Proposed Second Floor Plan

Drawing Date: Oct 2020
 Drawing Scale: 1:50
 Drawing Size: A1

Drawing Number: BA2070.12

Revision: D



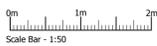
| revision | by | date |
|--|----|--------|
| A. Layout updated following Client comments | RJ | Mar 21 |
| B. Issued for Planning | RJ | Mar 21 |
| C. Updated design following Planner comments | RJ | Mar 22 |

NOTE:
Dimensions stated are for Planning purposes only.

KEY:
 Proposed New Wall / Wall Infill
 Existing Wall to be Removed



Proposed Mezzanine Level Plan
Scale 1:50



PRELIMINARY

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Job:
5 The Green
St Leonards on Sea
TN38 0SY

Client: Miss Felicity Tyas

Stage: Feasibility & Planning Stage.

Works:
Scheme Proposals
 Proposed Mezzanine Level Plan

Drawing Date: Oct 2020
 Drawing Scale: 1:50
 Drawing Size: A1

Drawing Number: BA2070.13

Revision: C

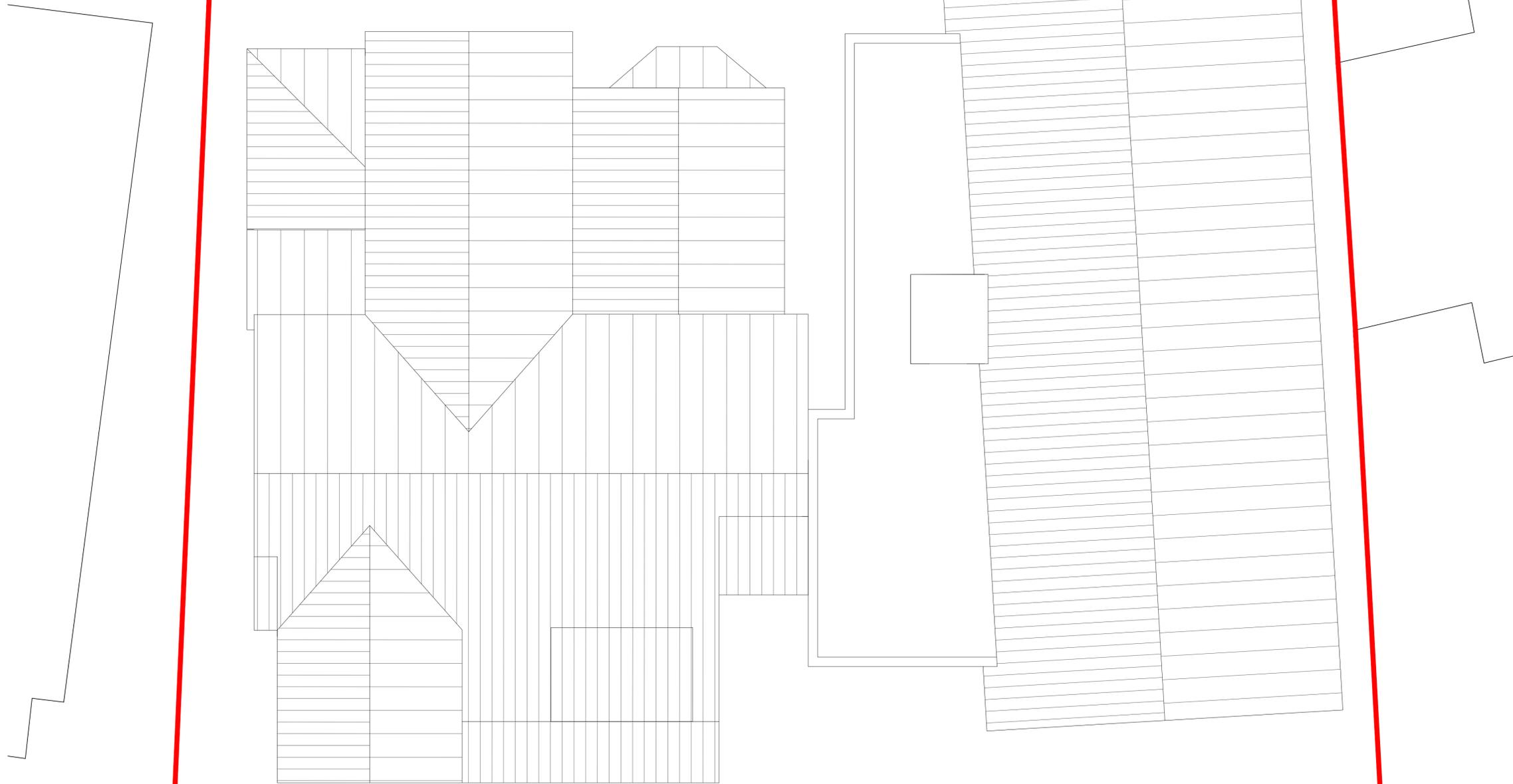


| revision | by | date |
|---------------------------------------|----|--------|
| A. Lower GF unit added | RJ | Mar 21 |
| B. Issued for Planning | RJ | Mar 21 |
| C. Updated following Planner comments | RJ | Mar 22 |

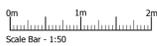
NOTE:
Dimensions stated are for Planning purposes only.

KEY:

| | |
|---|---------------------------------|
|  | Proposed New Wall / Wall Infill |
|  | Existing Wall to be Removed |



Proposed Roof Plan
Scale 1:50



PRELIMINARY

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Job:
5 The Green
St Leonards on Sea
TN38 0SY

Client: Miss Felicity Tyas

Stage: Feasibility & Planning Stage.

Works:
Scheme Proposals
Proposed Roof Plan

Drawing Date: Oct 2020
Drawing Scale: 1:50
Drawing Size: A1

Drawing Number: BA2070.14

Revision: C

| revision | by | date |
|---|----|--------|
| A. Updated following Client comments | RJ | Mar 21 |
| B. Elevations updated to suit plan amendments | RJ | Mar 21 |
| C. Issued for Planning | RJ | Mar 21 |
| D. Updated design following Planner comments | RJ | Mar 22 |

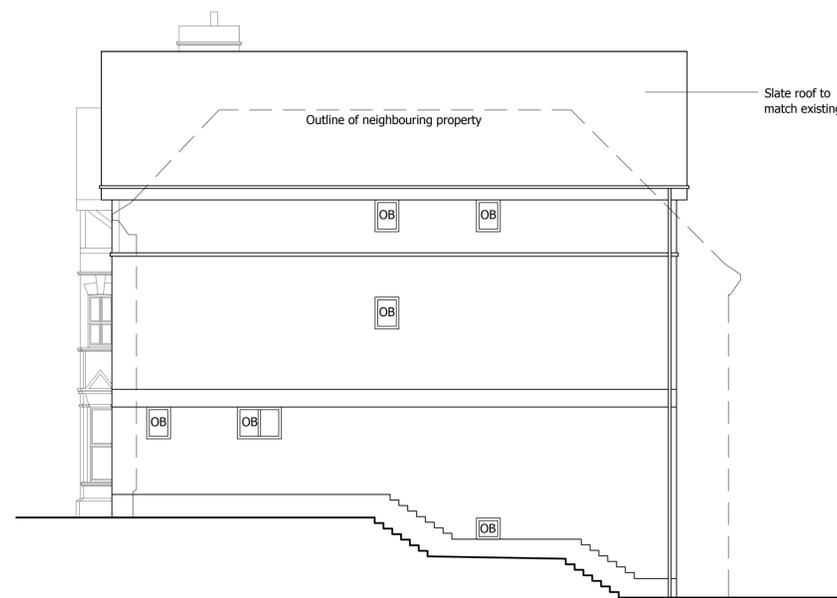
NOTE:
Dimensions stated are for Planning purposes only.



Proposed Street Scene (West Elevation)
Scale 1:100



Proposed Rear Elevation (East)
Scale 1:100



Proposed Side Elevation (South)
Scale 1:100

PRELIMINARY

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Job:
5 The Green
St Leonards on Sea
TN38 0SY

Client: Miss Felicity Tyas

Stage: Feasibility & Planning Stage.

Works:
Scheme Proposals
Proposed Street Scene & Elevations

Drawing Date: Oct 2020
Drawing Scale: 1:100
Drawing Size: A1

Drawing Number: BA2070.16

Revision: D



Scale Bar - 1:100

APPENDIX 7

EPC

Energy performance certificate (EPC)

K S L
5 The Green
ST. LEONARDS-ON-SEA
TN38 0SY

Energy rating

E

Valid until: **21 April 2029**

Certificate number: **8321-7024-6890-3438-7992**

Property type

Detached house

Total floor area

370 square metres

Rules on letting this property

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

You can read [guidance for landlords on the regulations and exemptions](https://www.gov.uk/guidance/domestic-private-rented-property-minimum-energy-efficiency-standard-landlord-guidance) (<https://www.gov.uk/guidance/domestic-private-rented-property-minimum-energy-efficiency-standard-landlord-guidance>).

Energy efficiency rating for this property

This property's current energy rating is E. It has the potential to be C.

[See how to improve this property's energy performance.](#)

The graph shows this property's current and potential energy efficiency.

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

Properties are also given a score. The higher the number the lower your fuel bills are likely to be.

For properties in England and Wales:

the average energy rating is D
the average energy score is 60

| Score | Energy rating | Current | Potential |
|-------|---------------|---------|-----------|
| 92+ | A | | |
| 81-91 | B | | |
| 69-80 | C | | 72 c |
| 55-68 | D | | |
| 39-54 | E | 54 E | |
| 21-38 | F | | |
| 1-20 | G | | |

Breakdown of property's energy performance

This section shows the energy performance for features of this property. The assessment does not consider the condition of a feature and how well it is working.

Each feature is assessed as one of the following:

- very good (most efficient)
- good
- average
- poor
- very poor (least efficient)

When the description says "assumed", it means that the feature could not be inspected and an assumption has been made based on the property's age and type.

| Feature | Description | Rating |
|----------------------|--|-----------|
| Wall | Solid brick, as built, no insulation (assumed) | Very poor |
| Roof | Pitched, 100 mm loft insulation | Average |
| Roof | Roof room(s), no insulation (assumed) | Very poor |
| Window | Single glazed | Very poor |
| Main heating | Boiler and radiators, mains gas | Good |
| Main heating control | Programmer, room thermostat and TRVs | Good |
| Hot water | From main system | Good |
| Lighting | Low energy lighting in all fixed outlets | Very good |
| Floor | Suspended, no insulation (assumed) | N/A |
| Secondary heating | None | N/A |

Primary energy use

The primary energy use for this property per year is 261 kilowatt hours per square metre (kWh/m²).

Environmental impact of this property

This property's current environmental impact rating is E. It has the potential to be D.

Properties are rated in a scale from A to G based on how much carbon dioxide (CO2) they produce.

Properties with an A rating produce less CO2 than G rated properties.

An average household produces 6 tonnes of CO2

This property produces 17.0 tonnes of CO2

This property's potential production 11.0 tonnes of CO2

By making the [recommended changes](#), you could reduce this property's CO2 emissions by 6.0 tonnes per year. This will help to protect the environment.

Environmental impact ratings are based on assumptions about average occupancy and energy use. They may not reflect how energy is consumed by the people living at the property.

Improve this property's energy performance

By following our step by step recommendations you could reduce this property's energy use and potentially save money.

Carrying out these changes in order will improve the property's energy rating and score from E (54) to C (72).

| Step | Typical installation cost | Typical yearly saving |
|---|---------------------------|-----------------------|
| 1. Internal or external wall insulation | £4,000 - £14,000 | £610 |
| 2. Floor insulation (suspended floor) | £800 - £1,200 | £136 |
| 3. Draught proofing | £80 - £120 | £95 |
| 4. Replace single glazed windows with low-E double glazed windows | £3,300 - £6,500 | £148 |
| 5. Solar photovoltaic panels | £5,000 - £8,000 | £354 |

Paying for energy improvements

You might be able to get a grant from the [Boiler Upgrade Scheme \(https://www.gov.uk/guidance/check-if-you-may-be-eligible-for-the-boiler-upgrade-scheme-from-april-2022\)](https://www.gov.uk/guidance/check-if-you-may-be-eligible-for-the-boiler-upgrade-scheme-from-april-2022). This will help you buy a more efficient, low carbon heating system for this property.

[Find energy grants and ways to save energy in your home \(https://www.gov.uk/improve-energy-efficiency\)](https://www.gov.uk/improve-energy-efficiency).

Estimated energy use and potential savings

| | |
|--|-------|
| Estimated yearly energy cost for this property | £3267 |
|--|-------|

| | |
|------------------|------|
| Potential saving | £989 |
|------------------|------|

The estimated cost shows how much the average household would spend in this property for heating, lighting and hot water. It is not based on how energy is used by the people living at the property.

The potential saving shows how much money you could save if you [complete each recommended step in order](#).

For advice on how to reduce your energy bills visit [Simple Energy Advice](#) (<https://www.gov.uk/improve-energy-efficiency>).

Heating use in this property

Heating a property usually makes up the majority of energy costs.

Estimated energy used to heat this property

| Type of heating | Estimated energy used |
|-----------------|-----------------------|
|-----------------|-----------------------|

| | |
|---------------|--------------------|
| Space heating | 66077 kWh per year |
|---------------|--------------------|

| | |
|---------------|-------------------|
| Water heating | 2994 kWh per year |
|---------------|-------------------|

Potential energy savings by installing insulation

| Type of insulation | Amount of energy saved |
|--------------------|------------------------|
|--------------------|------------------------|

| | |
|-----------------|------------------|
| Loft insulation | 447 kWh per year |
|-----------------|------------------|

| | |
|-----------------------|--------------------|
| Solid wall insulation | 14053 kWh per year |
|-----------------------|--------------------|

Contacting the assessor and accreditation scheme

This EPC was created by a qualified energy assessor.

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

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

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

Assessor contact details

| | |
|-----------------|--|
| Assessor's name | Michael Knight |
| Telephone | 07806754241 |
| Email | knightgunner@sky.com |

Accreditation scheme contact details

| | |
|----------------------|--|
| Accreditation scheme | Stroma Certification Ltd |
| Assessor ID | STRO019573 |
| Telephone | 0330 124 9660 |
| Email | certification@stroma.com |

Assessment details

| | |
|------------------------|-----------------------|
| Assessor's declaration | No related party |
| Date of assessment | 18 April 2019 |
| Date of certificate | 22 April 2019 |
| Type of assessment | RdSAP |

APPENDIX 8

HMO Valuation Methodology

| Client | Job Number | Valuation Date | Inspection Date | | Surveyor | |
|----------------|------------|----------------|-----------------|--|----------|--|
| Shawbrook Bank | | 24/10/2022 | 07/10/2022 | | CF | |

| | | | |
|-------------------|-----------------|---|--|
| Valuation Purpose | Secured Lending |  |  |
| | | Front elevation | Rear elevation |

| Address | Prop Ref No. | Tenure | Site Area (acre) | Asset Type |
|--------------------|--------------|----------|------------------|------------|
| 5 The Green | | Freehold | | HMO |
| St Leonards-on-Sea | | | | |
| East Sussex | | | | |
| TN38 0SY | | | | |

| Description | Gross ERV pcm | Gross ERV pa | Occupancy Rate | Estimated Gross ERV pa | Less Costs | Net ERV pa | Market Value |
|--------------------------|---------------|--------------|----------------|------------------------|------------|------------|--------------|
| HMO | £12,447 | £149,364 | 95% | £141,896 | 25% | £106,422 | |
| <hr/> | | | | | | | |
| YP Perp | | 8.50% | 11.765 | | | | |
| Void Period (years) | 0.00 | | | | | | |
| Incentive Period (years) | 0.00 | | | | | | |
| Deferment (years) | 0.00 | | 1.000 | | | | |
| | | | | | | | £1,252,022 |
| | | | | | say | | £1,250,000 |

APPENDIX 9

Appraisal

**5 The Green
St Leonards-on-Sea**

Summary Appraisal for Phase 1

Currency in £

REVENUE

| Sales Valuation | Units | ft ² | Rate ft ² | Unit Price | Gross Sales |
|-----------------|-----------|-----------------|----------------------|------------|------------------|
| Flat 1 | 1 | 590 | 406.78 | 240,000 | 240,000 |
| Flat 2 | 1 | 663 | 414.78 | 275,000 | 275,000 |
| Flat 3 | 1 | 1,024 | 390.63 | 400,000 | 400,000 |
| Flat 4 | 1 | 539 | 408.16 | 220,000 | 220,000 |
| Flat 5 | 1 | 538 | 408.92 | 220,000 | 220,000 |
| Flat 6 | 1 | 589 | 407.47 | 240,000 | 240,000 |
| Flat 7 | 1 | 543 | 405.16 | 220,000 | 220,000 |
| Flat 8 | 1 | 664 | 414.16 | 275,000 | 275,000 |
| Flat 9 | 1 | 960 | 390.63 | 375,000 | 375,000 |
| Flat 10 | 1 | 769 | 403.12 | 310,000 | 310,000 |
| Flat 11 | 1 | <u>858</u> | 407.93 | 350,000 | <u>350,000</u> |
| Totals | 11 | 7,737 | | | 3,125,000 |

NET REALISATION

3,125,000

OUTLAY

ACQUISITION COSTS

| | | | | |
|--------------------|-------|---------|--------|---------|
| Residualised Price | | 750,120 | | 750,120 |
| Stamp Duty | | | 27,506 | |
| Legal Fee | 0.50% | | 3,751 | |
| | | | | 31,257 |

CONSTRUCTION COSTS

| Construction | ft ² | Rate ft ² | Cost | |
|---------------|-----------------------------|------------------------|------------------|------------------|
| Flat 1 | 590 ft ² | 182.00 pf ² | 107,380 | |
| Flat 2 | 663 ft ² | 182.00 pf ² | 120,666 | |
| Flat 3 | 1,024 ft ² | 182.00 pf ² | 186,368 | |
| Flat 4 | 539 ft ² | 182.00 pf ² | 98,098 | |
| Flat 5 | 538 ft ² | 182.00 pf ² | 97,916 | |
| Flat 6 | 589 ft ² | 182.00 pf ² | 107,198 | |
| Flat 7 | 543 ft ² | 182.00 pf ² | 98,826 | |
| Flat 8 | 664 ft ² | 182.00 pf ² | 120,848 | |
| Flat 9 | 960 ft ² | 182.00 pf ² | 174,720 | |
| Flat 10 | 769 ft ² | 182.00 pf ² | 139,958 | |
| Flat 11 | <u>858 ft²</u> | 182.00 pf ² | <u>156,156</u> | |
| Totals | 7,737 ft² | | 1,408,134 | 1,408,134 |

| | | | | |
|-------------|-------|--------|--|--------|
| Contingency | 5.00% | 70,407 | | 70,407 |
|-------------|-------|--------|--|--------|

PROFESSIONAL FEES

| | | | | |
|--------------------------|-------|---------|--|---------|
| Architect/Engineer/PM/QS | 8.00% | 112,651 | | 112,651 |
|--------------------------|-------|---------|--|---------|

MARKETING & LETTING

| | | | | |
|-----------|--|-------|--|-------|
| Marketing | | 5,000 | | 5,000 |
|-----------|--|-------|--|-------|

DISPOSAL FEES

**5 The Green
St Leonards-on-Sea**

| | | | | |
|-----------------|-------|------------|--------|--------|
| Sales Agent Fee | | 1.50% | 46,875 | |
| Sales Legal Fee | 11 un | 950.00 /un | 10,450 | |
| | | | | 57,325 |

FINANCE

Debit Rate 7.500%, Credit Rate 0.000% (Nominal)

| | | | | |
|--------------------|--|--|--------|---------|
| Land | | | 86,771 | |
| Construction | | | 52,389 | |
| Other | | | 30,113 | |
| Total Finance Cost | | | | 169,273 |

TOTAL COSTS**2,604,167****PROFIT****520,833****Performance Measures**

| | |
|-----------------|--------|
| Profit on Cost% | 20.00% |
| Profit on GDV% | 16.67% |
| Profit on NDV% | 16.67% |

| | |
|-----|--------|
| IRR | 26.96% |
|-----|--------|

| | |
|--------------------------------------|--------------|
| Profit Erosion (finance rate 7.500%) | 2 yrs 5 mths |
|--------------------------------------|--------------|



BNP PARIBAS GROUP 