

Report and Valuation



14A Tickford Street
Newport Pagnell
Buckinghamshire
MK16 9AB

On behalf of

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

Prepared by Mark Gill MRICS

Date of Inspection: 21st March 2023

J.R. Welch., FRICS.
A.W. Griffith., FRICS, C Build E, FCABE.
G.V. Feast., FCCA.

JRW is the trading name of J.Raymond Welch Surveyors Ltd
Registered in England and Wales Co No 08390920
Registered address 59 Southbury Road, Enfield, Middlesex EN1 1PJ

Property Address: 14a Tickford Street, Newport Pagnell, Buckinghamshire MK16 9AB
Client Reference: 24539
Report Reference: BX040648

IMPORTANT NOTICE TO MORTGAGE APPLICANTS

This report has been prepared to allow the mortgage lender to assess the suitability of the property as security: it has not been prepared for the benefit of the Mortgage Applicant who is not entitled to rely on the report. The services have not been tested and a detailed survey has not been carried out and thus defects could exist which are not mentioned in the report. The Valuer is entitled to make certain assumptions which during subsequent legal or other investigations may prove to be inaccurate. Applicants acquiring property interests are strongly advised to obtain their own detailed advice from suitably qualified professionals before exchanging contracts.

Property Address: 14a Tickford Street, Newport Pagnell, Buckinghamshire MK16 9AB
Client Reference: 24539
Report Reference: BX040648

Valuation Report Details

Property: 14a Tickford Street
Newport Pagnell
Buckinghamshire
MK16 9AB

Lender: Proplend Security Ltd

Client Reference: 24539

Applicant: Dean Barrett

Date of Inspection & Valuation: 21st March 2023

Report Prepared by: Mark Gill MRICS
RICS Registered Valuer
J Raymond Welch Surveyors Limited
First Floor
59a Southbury Road
Enfield
EN1 1PJ

Telephone: 0845 838 0930
Email: Mark.Gill@jrwltd.com
Instructions@jrwltd.com

Property Address: 14a Tickford Street, Newport Pagnell, Buckinghamshire MK16 9AB
 Client Reference: 24539
 Report Reference: BX040648

Executive Summary

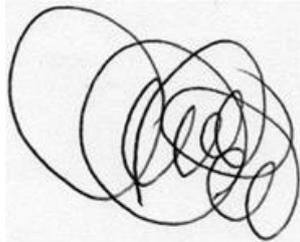
Property Type	Commercial offices							
Tenure	Freehold							
Brief summary of location	In a predominantly residential area on the outskirts of Newport Pagnell town centre.							
Property in keeping with location?	No							
Indicate location quality (tick)	Good		Average	✓	Poor			
Brief summary of description	A two storey link detached building that is currently occupied as offices.							
Brief summary of construction	Solid brick walls, painted to the front elevation, beneath a pitched slate tiled roof. Ground floor extensions to side and rear, also of brick walls beneath flat felt covered roofs.							
Indicate condition quality (tick)	Good	✓	Age consistent		Poor			
Number of units	One							
Basis of Measurement	Net Internal Area							
Accommodation breakdowns	Ground floor		115.0 sqm	(1,238 sq ft)				
	First floor		62.5 sqm	(673 sq ft)				
	Total Net Internal Area		177.5 sqm	(1,911 sq ft)				
Planning use	E – Commercial, Business & Service							
Year built	17 th century							
Economic life	>25 years							
Standard services & in working order?	Yes, but there is no gas supply							
Mortgage regulation? Yes/No	No							
Is the property vacant? Yes/No	No, the property is owner occupied							
Number of tenancies	None							
Brief summary of marketability	Reasonable							
Indicate demand (tick)	Good		Average	✓	Poor			
Timeframe to re-sell (in months)	<3	3-6	✓	6-9	9-12	12+		
Timeframe to re-let (at reported rent level)	<3	3-6	✓	6-9	9-12	12+		

Property Address: 14a Tickford Street, Newport Pagnell, Buckinghamshire MK16 9AB
 Client Reference: 24539
 Report Reference: BX040648

EPC Rating	A/B/C	C	D/E	F	G
Comparable value range	£180,000 - £4,500,000				
Comparable rent range	£5,494.50 p.a. - £79,800 p.a.				
Comparable yield range	6.50% - 6.55%				
Adopted yield (include basis)					
Is there a risk of flooding?	No				
Lender's Action Points	None				
SWOT Analysis	<p>Strengths: Good quality interior and plenty of parking spaces</p> <p>Weaknesses: Unusual location for its use as offices</p> <p>Opportunities: Potential to convert to residential</p> <p>Threats: Ongoing economic uncertainty due to high inflation and weak economic growth</p>				
Market Value (MV) of the property assuming vacant possession	£385,000				
Market Value (MV) of the property assuming vacant possession assuming a sale to be completed within 90 days	£345,000				
Market Rent (MR)	£30,000 per annum				
Insurance Reinstatement Cost Assessment	£500,000				
Signature 1 (valuer name and signature)	 <p>Mark Gill MRICS, RICS Registered Valuer</p>				

Property Address: 14a Tickford Street, Newport Pagnell, Buckinghamshire MK16 9AB
Client Reference: 24539
Report Reference: BX040648

Signature 2
(name and countersignature)



Arwel Griffith FRICS, RICS Registered Valuer

Property Address: 14a Tickford Street, Newport Pagnell, Buckinghamshire MK16 9AB
 Client Reference: 24539
 Report Reference: BX040648

Contents

1	INSTRUCTIONS	8
2	CONDITIONS OF ENGAGEMENT.....	9
3	DETAILS OF INSPECTION	10
4	LOCATION	10
5	THE PROPERTY	11
6	ACCOMMODATION	11
7	CONDITION	11
8	MEASUREMENT RECORD	12
9	MORTGAGE REGULATION	12
10	SERVICES.....	12
11	BUILDING & PLANNING	13
12	ENVIRONMENTAL ISSUES	14
13	OTHER ENVIRONMENTAL ISSUES	15
14	TENURE AND OCCUPATIONAL LEASES.....	16
15	BUSINESS RATES	16
16	INSURANCE RE-INSTATEMENT COST	17
17	MARKET COMMENTARY	17
18	VALUATION METHODOLOGY & COMPARABLES.....	28
19	VALUATION ANALYSIS.....	31
20	VALUATIONS.....	34
21	SECURITY & RECOMMENDATIONS.....	35
22	LIMITATION & PUBLICATION.....	35
23	SIGNATURE OF VALUER	36

Appendices

A	INSTRUCTIONS
B	LOCATION / STREET / TITLE PLAN
C	PHOTOGRAPHS
D	CONDITIONS OF ENGAGEMENT

Property Address: 14a Tickford Street, Newport Pagnell, Buckinghamshire MK16 9AB
Client Reference: 24539
Report Reference: BX040648

1 INSTRUCTIONS

1.1 On 16th March 2023, J Raymond Welch Surveyors Ltd received instructions to inspect and report to you on the value of 14a Tickford Street, Newport Pagnell, Buckinghamshire MK16 9AB.

1.2 This report provides you with our opinion of:

- (a) Market Value (MV) of the property assuming vacant possession
- (b) Market Value (MV) assuming vacant possession assuming a sale to be completed within 90 days
- (c) Market Rent (MR)

Of the freehold interest in the subject premises as at the date of inspection and in the light of current market conditions.

1.3 Our report is undertaken in accordance with RICS Valuations – Global Standards 2022 incorporating the International Valuation Standards (The Red Book).

1.4 The RICS definitions for Market Value and Market Rent are as follows:

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

1.5 We understand that this valuation is required for the purposes of assisting you in considering the suitability of this property in respect of a provision of loan, mortgage or other finance and is thus for commercial secured lending purposes. This valuation is intended solely for this and for no other purposes and should not be relied upon by any third party to whom it is not addressed who would do so entirely at their own risk.

Property Address: 14a Tickford Street, Newport Pagnell, Buckinghamshire MK16 9AB
Client Reference: 24539
Report Reference: BX040648

- 1.6 In preparing this valuation we have relied upon the following information:
- (a) Sales evidence from online websites including CoStar Focus and Essential Information Group.
 - (b) Information from online websites including the Environment Agency, Valuation Office Agency, the local Authority Online Planning Portal, The Land Registry, BCIS, English Heritage (Historic England), amongst others.
- 1.7 In accepting this report, it is assumed that you are satisfied that we are able to place reliance on the information and that you accept the report on this basis.

2 CONDITIONS OF ENGAGEMENT

- 2.1 Your instructions are accepted on the basis of your Panel or Service Agreement which has previously been agreed between our respective organisations or, in the absence of this, our standard Terms & Conditions based upon the requirements of the Royal Institution of Chartered Surveyors, a copy of which was sent to you when your instructions were received. Any variances from the appropriate Terms and Conditions which have been agreed are noted in this report. A copy of the appropriate Terms & Conditions is included in the Appendix to this report.
- 2.2 We have discussed and agreed with you any special assumptions (if any) prior to commencing the valuation process.
- 2.3 We are external valuers as defined in the RICS Valuations – Global Standards 2022 incorporating the International Valuation Standards (The Red Book). We are not aware of any conflicts that preclude us from preparing this valuation.
- 2.4 In accordance with these regulations, it is confirmed that this firm does not have any anticipated, or has not had any current or recent fee earning involvement with the property to be valued, with the borrower or prospective borrower, or with any other person connected with the transaction for which the lending is required.

Property Address: 14a Tickford Street, Newport Pagnell, Buckinghamshire MK16 9AB
Client Reference: 24539
Report Reference: BX040648

3 DETAILS OF INSPECTION

- 3.1 The property was inspected on 21st March 2023 and the report prepared by Mark Gill MRICS, RICS Registered Valuer acting as an independent valuer, with the relevant knowledge, skills and understanding to undertake the valuation competently.
- 3.2 At the time of our inspection, the property was owner occupied as offices. On the day of inspection we met with the applicant, Dean Barrett, who provided us with access to the property.
- 3.3 The weather conditions at the time of our inspection were dry and sunny.

4 LOCATION

- 4.1 The subject property is located on the outskirts of the town of Newport Pagnell in the county of Buckinghamshire and within the city of Milton Keynes. Newport Pagnell is part of the Milton Keynes urban area. The property is accessed from Tickford Street (B526) via a small private shared accessway. The surrounding properties are all residential and the accessway is shared with a block of flats.
- 4.2 The property is approximately ¼ of a mile from the centre of Newport Pagnell where local shopping facilities can be found. More extensive shopping facilities can be found in the centre of Milton Keynes which is approximately 4 miles to the southwest. There is also an Asda supermarket in Oakridge Park which is approximately 3 miles to the west.
- 4.3 The property is approximately 2 miles from junction 14 of the M1 motorway that connects with Luton and London to the south and Northampton, Leicester and the north of England to the north. The nearest main line railway station is at Milton Keynes Central which is approximately 5 miles to the southwest. From here direct trains can be taken to London Euston with a journey time of just over 30 minutes.
- 4.4 For identification purposes, we have included a location, street and title plan in Appendix B.

Property Address: 14a Tickford Street, Newport Pagnell, Buckinghamshire MK16 9AB
 Client Reference: 24539
 Report Reference: BX040648

5 THE PROPERTY

- 5.1 The property comprises a two storey link detached building that is currently owner occupied as offices. We estimate the building was originally constructed circa the 17th century and has been extended and modified in the years since.
- 5.2 The building appears to be of conventional construction being of solid brick walls that have been painted white to the front elevation beneath a pitched slate tiled roof. The property has been extended to the side and rear by way of single storey extensions which are also of brick walls beneath flat felt covered roofs.
- 5.3 Internally the ground floor is of solid construction and the first floor of suspended timber construction. The walls are painted plaster. Natural light is provided by uPVC framed double glazed casement window units.
- 5.4 External, internal and street scene photographs are attached in Appendix C.

6 ACCOMMODATION

Ground floor	Entrance hall, five offices, store, kitchen with further store and ladies and gents WCs.
First floor	Open plan office area with a store.
External	The property benefits from a tarmac parking area to the front with parking space for up to ten cars. These benefit from charging points for electric cars. There is also a garage to the side that is of painted timber doors beneath a pitched slate tiled roof.

7 CONDITION

- 7.1 At the time of our inspection, the property appeared to be in a good condition and state of repair having regard to the age and construction. No significant material defects were noted.

Property Address: 14a Tickford Street, Newport Pagnell, Buckinghamshire MK16 9AB
 Client Reference: 24539
 Report Reference: BX040648

- 7.2 We have not undertaken a structural or building survey of the property.
- 7.3 We have made a visual internal and external inspection only. The external inspection has been undertaken from ground level only. We have not inspected those parts of the property which are covered, unexposed or inaccessible including the roof space and such parts are assumed to be in good repair and condition.
- 7.4 We have not tested the services or arranged for investigations to be carried out to determine whether any deleterious materials have been used in the construction of the subject premises or subsequent additions. In the event that a subsequent survey reveals defects in the subject property we reserve the right to revise our valuation.

8 MEASUREMENT RECORD

- 8.1 We have measured the premises in accordance with the current RICS Code of Measuring Practice (6th Edition) and calculate it provides the following approximate net internal floor areas: -

Floor	Description	Sqm	Sq ft
Ground	Offices with kitchen and WCs	115.0	1,238
First	Open plan office with store	62.5	673
Net Internal Area		177.5	1,911

9 MORTGAGE REGULATION

- 9.1 Less than 40% of the total land area at the date of inspection was being used as or in connection with a dwelling. The property is wholly commercial.

10 SERVICES

- 10.1 We have not been able to make specific enquiries with the statutory undertakers in the time available regarding the availability, capacity, or location of services. However, our observations indicate that mains water, electricity and drainage are connected to the property. Heating is by way of wall mounted electric heaters.
- 10.2 No plant or machinery has been included in this valuation other than that normally considered in forming a service installation for the benefit of the property in general.

Property Address: 14a Tickford Street, Newport Pagnell, Buckinghamshire MK16 9AB
Client Reference: 24539
Report Reference: BX040648

10.3 It is assumed for the purposes of this valuation that all services are regularly inspected by appropriately qualified persons and any requirements complied with in full.

11 BUILDING & PLANNING

11.1 The local authority is Milton Keynes Council.

11.2 The current occupation of the property is as Offices (Use Class E – Commercial, Business & Service) as defined in the Town and Country Planning (Use Classes) Order 1987 – as amended.

11.3 We have researched the Milton Keynes Council planning website for the recent recorded planning history of the subject property and report as follows:

A planning application for “Prior notification for change of use from office (Use Class B1(a)) to 2 x Dwellinghouses (Use Class C3)” was determined as prior approval required and approved on 11th September 2017 under planning application reference 17/01970/PNB1C3.

11.4 The Historic England website confirms the building is not listed.

11.5 The local authority website confirms the property is within the Newport Pagnell Conservation Area.

11.6 The local authority will not respond to verbal enquiries other than on a general basis. The local authority search will in due course confirm the current use is lawful and whether or not the property is the subject of enforcement action.

11.7 We are not aware of any development proposals for the immediate area that may have an adverse effect upon the property.

11.8 The property is accessed via a private driveway from Tickford Street. Your solicitors should confirm that unrestricted access is available to the property. This would appear to be the case judging from the title plan. We believe that Tickford Street is a made up and adopted roadway.

11.9 We have assumed that all statutory consents were obtained with regard to the use, occupation and any alterations at the premises in the past.

Property Address: 14a Tickford Street, Newport Pagnell, Buckinghamshire MK16 9AB
Client Reference: 24539
Report Reference: BX040648

- 11.10 Occupiers are required to obtain a Fire Risk Safety Assessment which should be kept under review. We are unaware whether a fire risk assessment has been undertaken. We have assumed full legislative compliance and that the appropriate risk assessment is in place.

12 ENVIRONMENTAL ISSUES

- 12.1 We have not been provided with an Environmental Audit. Based upon our visual inspection of the site including immediately adjoining land, there is no obvious contaminative or potentially contaminative use which might reduce the values now reported. We reserve the right to review our valuation in the event that contamination issues come to light.
- 12.2 We are not professionally qualified to provide advice on environmental issues. The Royal Institution of Chartered Surveyors instructs its valuers not to take environmental liabilities into account when producing a valuation of a particular property. As a result, if there is any doubt about environmental liability, a specialist environmental survey should be carried out on the property.
- 12.3 Based on our inspection of the property for valuation purposes, no evidence was noted to suggest that the property may have been affected in the past by any significantly adverse ground conditions.
- 12.4 According to the Environment Agency website the property is in an area that is at a low risk of flooding from both rivers and the sea and from surface water. This means that each year this area has a chance of flooding of between 0.1% and 1%. The property is in an area that is at a risk of flooding from reservoirs but flooding from reservoirs is extremely unlikely.

Property Address: 14a Tickford Street, Newport Pagnell, Buckinghamshire MK16 9AB
 Client Reference: 24539
 Report Reference: BX040648

13 OTHER ENVIRONMENTAL ISSUES

ISSUES	COMMENTS
Equality Provisions	There do not appear to be any valuation issues resulting from the Equality Act.
Asbestos	We have not undertaken a detailed asbestos survey; we are unable to confirm if there is any asbestos on site. If you require fuller advice in this regard, you will need to call in appropriately qualified specialist to inspect and to advise you more fully. Any found that requires removal, should only be undertaken by those appropriately qualified to do so, and in full compliance with regulations that apply.
Mining	This is not a mining area.
Mundic Block	Not applicable in this area.
Radon	This is not an area where radon is of concern.
Invasive Species	We have not identified any invasive species on site at the time of our visit. However, we are not specialists. You may decide to call in an appropriately qualified specialist to inspect and to advise you more fully and if any is found, it will need to be dealt with as the specialist considers most appropriate.
Archaeological Remains	We saw no evidence of such remains and we assume no such remains exist.
Subsidence/Landslip	There is a potential risk of foundation damage to properties within the postcode of the subject property. We have assumed appropriate insurance is in place.

- 13.1 Energy Performance Certificates (EPC's) are required by law when a dwelling is constructed or marketed for sale or to let. We have obtained a copy of an EPC for the subject property from the Energy Performance of Buildings Register dated 9th March 2023 and the property has an energy efficiency rating of C(57).

Property Address: 14a Tickford Street, Newport Pagnell, Buckinghamshire MK16 9AB
 Client Reference: 24539
 Report Reference: BX040648

13.2 The UK Government has enacted legislative changes to make it unlawful to let residential or commercial properties with an EPC Rating of F or G (i.e. the lowest 2 grades of energy efficiency) from 1st April 2018. This is likely to have an adverse effect on the value of properties with poor EPC ratings as necessary improvements could be costly.

14 TENURE AND OCCUPATIONAL LEASES

- 14.1 We are informed that your customers hold the freehold interest in the property. We have assumed that there is a good and marketable title being free from any charges or encumbrances that would deter an informed and prudent purchaser or have a detrimental impact upon value.
- 14.2 We have not been provided with a copy of any Report on Title.
- 14.3 The property is being valued assuming vacant possession.
- 14.4 We have attached in Appendix B an extract of the Land Registry Title Plan (No. BN101172) which is the surveyor’s understanding of the site boundaries. We confirm that the property valued ONLY falls within the red line as shown in the plan.
- 14.5 It is important that your legal advisors verify the above details in their Report on Title and should confirm the above information and assumptions during the course of their pre-contract enquiries and should any documentation become evident to the contrary, we reserve the right to amend our valuation advice accordingly.

15 BUSINESS RATES

15.1 We have examined the Non Domestic Business Rates Database on the Valuation Office website www.voa.gov.uk the entry is:-

Description	Rateable Value
Offices & Premises	£13,750

Property Address: 14a Tickford Street, Newport Pagnell, Buckinghamshire MK16 9AB
Client Reference: 24539
Report Reference: BX040648

16 INSURANCE RE-STATEMENT COST

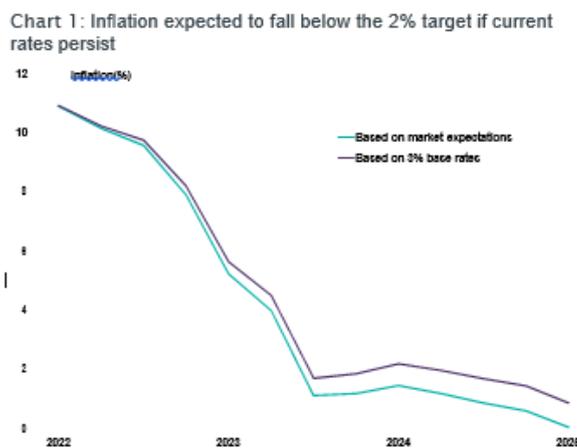
- 16.1 We have been requested to provide a Reinstatement Cost Estimate and have carefully considered the style and construction of the property, whether or not it is listed or in a conservation area and after reference to the most recent edition of the Building Cost Information Service (BCIS) of RICS it is our advice that the property should be insured for a minimum sum of £500,000 (Five Hundred Thousand Pounds).
- 16.2 This sum allows for demolition, site clearance, full reinstatement and professional fees but excludes loss of rent provision and any allowance for inflation. If the insurance policy is not index linked throughout the term the cost of rebuilding may well be greater close to the time of renewal and it may therefore be appropriate to insure for a higher sum to allow for increasing costs. Partial rebuild may attract VAT.
- 16.3 This insurance reinstatement appraisal is provided for guidance only. It does not take into account any additional Local Authority requirements, which may be involved in the rebuilding and assumes that there are no foundation problems or need for abnormal foundations or rebuilding. It should therefore be verified by a specialist commercial buildings insurance assessor.
- 16.4 The cost of rebuilding bears no relationship to Market Value.

17 MARKET COMMENTARY

- 17.1 The increase in interest rates sanctioned by the Bank of England to try and curb inflation pressures has begun to take its toll on both the residential and commercial property markets. Transaction activity is already beginning to wane and price declines are viewed as likely with further monetary tightening probable over the coming months notwithstanding the more restrictive fiscal stance. For the construction sector, infrastructure is still seen as likely to provide some momentum in what is inevitably going to be a more difficult environment with credit becoming less readily available.

Property Address: 14a Tickford Street, Newport Pagnell, Buckinghamshire MK16 9AB
 Client Reference: 24539
 Report Reference: BX040648

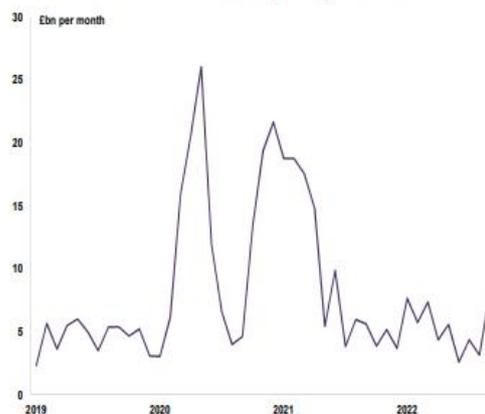
17.2 Interest rates now stand at their highest level in fourteen years and financial markets are assuming there is further to go before the peak is reached, notwithstanding the recent shift in direction in the fiscal stance. Although there are increasing signs of pressure on the economy, the focus of monetary policy remains geared to tackling the challenge presented by inflation which is expected to average 11% in the final part of this year. Significantly, the latest projections from the Monetary Policy Committee (MPC) suggest that the inflation rate will begin to ease through the course of 2023, albeit remaining well above the target of 2%. However, as chart 1 demonstrates, the picture continues to improve through 2024 and beyond according to this analysis; indeed, on the basis of current market interest rates, inflation could fall to close to zero by the end of 2025. Much will depend on how embedded the inflation psychology becomes in the wage bargaining process. And it is worth noting that the minutes of the last MPC meeting did indicate that the risks were viewed to be skewed towards the upside.



Property Address: 14a Tickford Street, Newport Pagnell, Buckinghamshire MK16 9AB
 Client Reference: 24539
 Report Reference: BX040648

17.3 Critical to the inflation forecast from the Bank is its assumptions as how economic activity might play out. An important element of this is its judgement that output will fall for eight successive quarters resulting in a peak to trough drop in GDP of around 3%. A key area of uncertainty surrounds the extent to which households will be willing to bolster spending plans in the face of cost-of-living pressures by drawing on past savings and, quite possibly, borrowing more. Some households are clearly better placed (than others) to turn to the ‘excess’ savings that they were able to accumulate during the Covid pandemic. However, the negative news flow could just as easily encourage consumers to take a more cautious approach to their finances. Recent data (highlighted in chart 2) suggests that the latter force may be proving the more powerful driver with cash deposited by households in bank accounts jumping to £8.1bn in the past month.

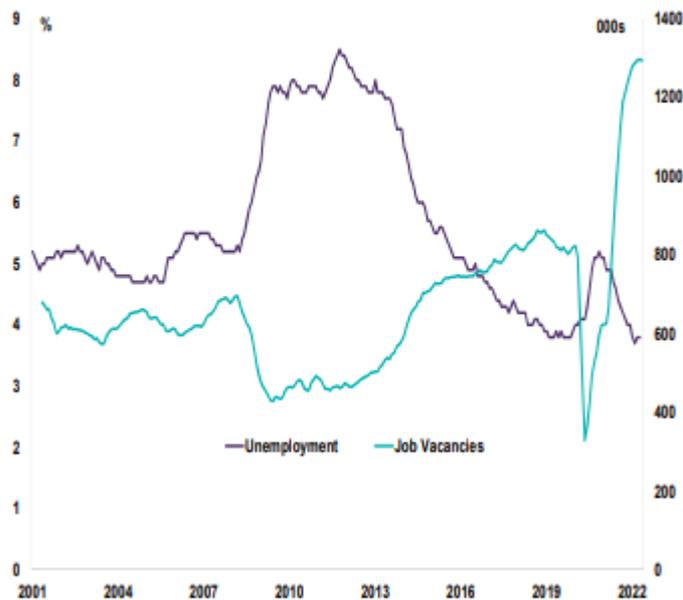
Chart 2: Household savings with the banking sector rose last month which could be indicative of growing caution



17.4 For the moment the labour market picture remains remarkably solid with demographic factors, rising inactivity particularly amongst the over 50s and the legacy of Brexit contributing to this (chart 3). This is, however, unlikely to be sustained as consumer demand continues to be reined in and companies begin to adjust to the changing macro picture. Despite ongoing skill shortages in key areas of the labour market, the growing pressure on profits is likely to shift the needle regarding recruitment and result in rising unemployment from current lows.

Property Address: 14a Tickford Street, Newport Pagnell, Buckinghamshire MK16 9AB
 Client Reference: 24539
 Report Reference: BX040648

Chart 3: Labour market indicators remain strong for now

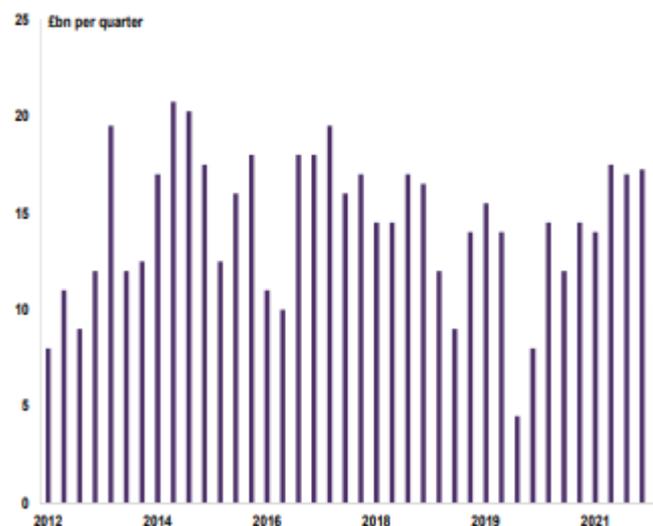


17.5 Concerns over the macro-outlook allied to the recent turmoil in financial markets, albeit that they have settled down more latterly, has set in motion a repricing across commercial property markets. For example, Savills estimate prime West End office yields have climbed from 3.5% in September to 3.75%, high street retail from 6% to 6.5% and industrial multi-lets from 4.25% to 5%. This is also being reflected in the tone of the feedback gathered as part of the Q3 RICS UK Commercial Property Monitor. The Investment Enquiries metric posted a net balance reading of -18% over the last three months compared with +12% in Q2. Within this, the retail indicator fell deeper into negative territory (-39% as against -13% previously) while the reading for offices was -31% after being broadly flat in the previous month period.

Property Address: 14a Tickford Street, Newport Pagnell, Buckinghamshire MK16 9AB
 Client Reference: 24539
 Report Reference: BX040648

17.6 Meanwhile, chart 4 suggests that transaction activity slipped to £10.6bn in Q3 which is more than one-third down on the volumes recorded in the previous three-month period. Interestingly, Lambert Smith Hampton note that impact was more notable at the larger end of the market. Q3 saw only 24 deals in excess of £100m compared to 38 in Q2 and way down on the recent high of 50 seen Q4 2021.

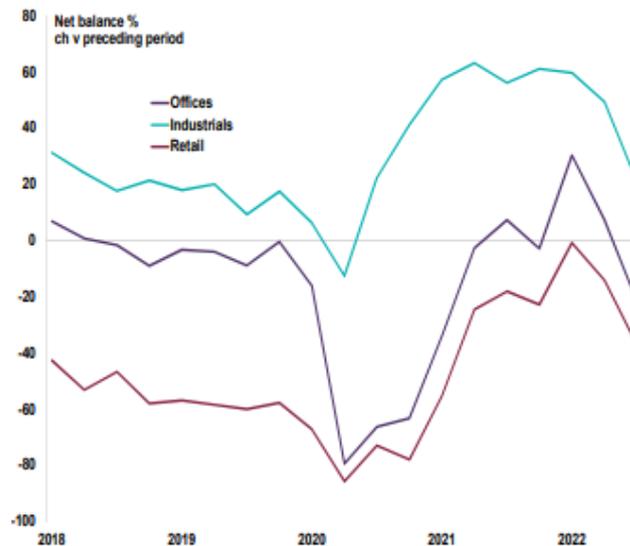
Chart 4: UK Commercial Property investment volumes fall sharply in Q3 according to Lambert Smith Hampton



17.7 Underpinning this shift in mood from investors has been greater caution amongst occupiers which is clearly visible in the latest RICS data. Chart 5 shows the tenant demand series in net balance terms disaggregated at a sector level. The office read of -22% needs to be seen in the context of two positive results in the first half of the year but it does now strongly suggest this trend has stalled. Meanwhile, the retail indicator moved further into negative territory and the momentum in the industrial sector has slowed markedly. Availability data as compiled as part of the survey is predictably rising for both offices and retail. Meanwhile, data from Knight Frank provides evidence that this is translating into rising vacancy rates. Indeed, they estimate the vacancy rate now stands at 9.3% for city offices which is the highest level since the start of 2012.

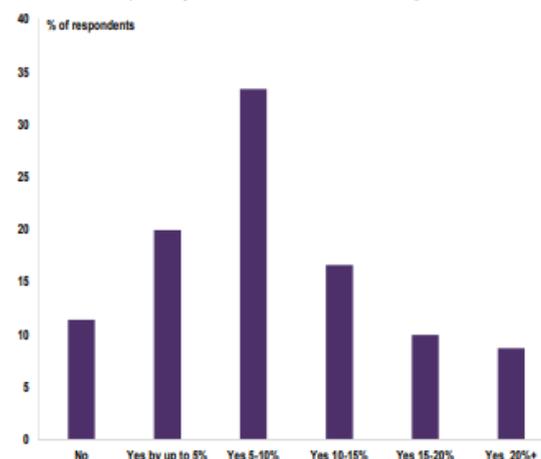
Property Address: 14a Tickford Street, Newport Pagnell, Buckinghamshire MK16 9AB
 Client Reference: 24539
 Report Reference: BX040648

Chart 5: Occupier demand metrics softened for offices and retail in Q3 according to the RICS survey while industrials slowed



17.8 Cyclical pressures are compounding on the ongoing structural shift in office demand as organisations grapple with the implications of the post-Covid hybrid working environment. Chart 6 shows the results to an additional question included in the Q3 RICS UK Commercial Property Monitor around the likely scaling back in the office footprint. Perhaps unsurprisingly given the results, around 85% of respondents also indicate they are seeing some repurposing of office space.

Chart 6: RICS data suggests businesses are looking to scale back the office footprint by around 10% over the next year



Property Address: 14a Tickford Street, Newport Pagnell, Buckinghamshire MK16 9AB
Client Reference: 24539
Report Reference: BX040648

17.9 Negative news flow around the outlook for the housing market has continued to grow notwithstanding the easing in volatility in the financial markets. The latest RICS Residential Market Survey shows the current price trend is now flatlining (broadly consistent with the hard data) and that buyers enquiries are falling sharply at a headline level (chart 7). Significantly, this is also being reflected in the twelve-month expectations metrics; the forward-looking sales series posted a reading of -42% (net balance) in October, little changed from the previous two months numbers which represents the worst run of results since the series began a decade ago. For pricing, the outlook has deteriorated markedly with a net balance of -42% anticipating price declines (compared to -18% in September and +3% in August).

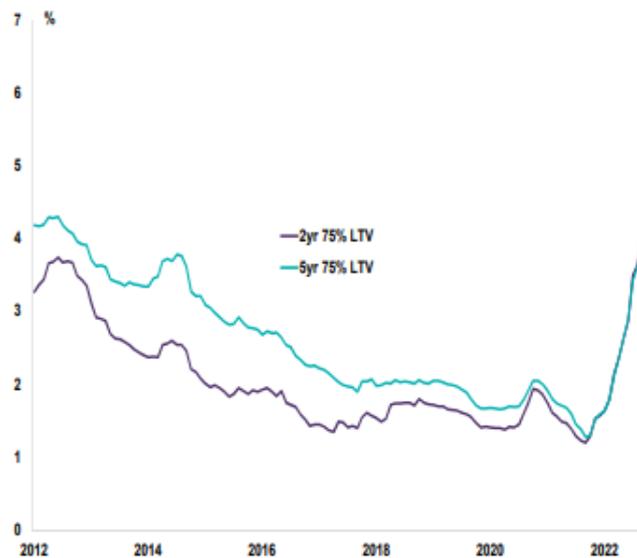
Chart 7: The latest readings for the RICS Price Balance and New Buyer Enquiries highlight the shift in tone in the housing market



Property Address: 14a Tickford Street, Newport Pagnell, Buckinghamshire MK16 9AB
 Client Reference: 24539
 Report Reference: BX040648

17.10 Judging what this will actually mean for the market is inevitably highly speculative given the uncertainty as to how high interest rates will need to rise to contain inflation and how this eventually plays out in the labour market. Consensus forecasts currently appear to be centring around a 10% average decline in prices but with a larger fall-off in activity. Chart 8 shows the extent of recent mortgage rate increases based on data provided by the Bank of England. It is noteworthy that 2 and 5 year overnight money has fallen sharply over the past few weeks but it is unlikely that this will be fully reflected in lending rates. Meanwhile, the latest measure of affordability (mortgage payments as a share of take-home pay) for first-time buyers produced by the Nationwide Building Society climbed to 34% in Q3 which is above the long run average (29%) and the highest figure since the GFC. As has been well discussed elsewhere, around 90% of mortgages are fixed rate products so the impact of the rising cost of borrowing will inevitably be felt over time. Estimates suggest around 300,000 fixed term products end per quarter, peaking at 370,000 in Q2 of next year; the total for the whole of 2023 could be around 1.5 million.

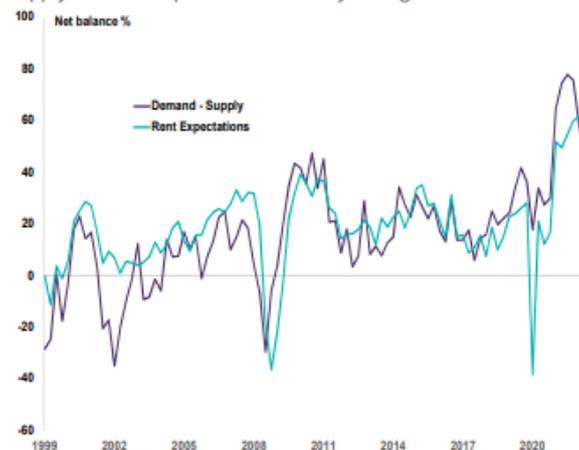
Chart 8: Bank of England data shows how sharply mortgage rates have risen over the past few months



Property Address: 14a Tickford Street, Newport Pagnell, Buckinghamshire MK16 9AB
 Client Reference: 24539
 Report Reference: BX040648

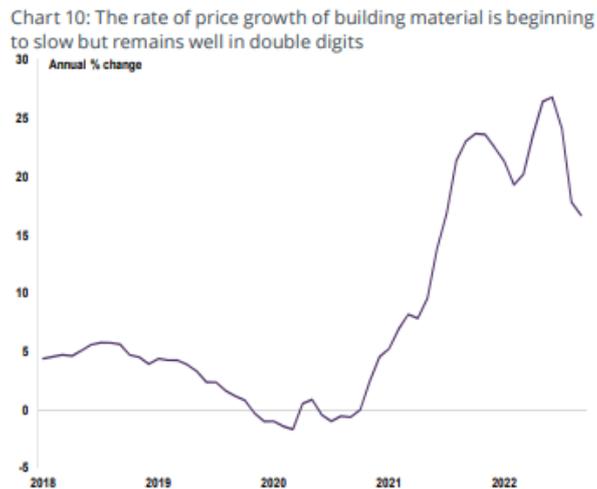
17.11 Meanwhile, the challenges in the sales market are exacerbating the strength of rental demand while supply of lettable property continues to lag some way behind. The latest RICS data, highlighted in chart 9, shows how is being reflected in rent expectations. Respondents to the Residential Survey contest that the shift in the tax and regulatory environment has played a critical role in driving this imbalance, which according to the most recent Zoopla data, is resulting in rents on new lets seeing double digit increases.

Chart 9: RICS lettings data show demand hugely exceeding supply and rent expectations still very strong



17.12 The cost and availability of building materials continue to be viewed as major challenges for the construction industry with around four-fifths of respondents to the Q3 RICS Construction Monitor identifying these issues as limiting activity. Some comfort may, however, be drawn from the latest BCIS data on costs (chart 10); this shows that the annual inflation rate of construction materials was 16.7% in September 2022, which is a 3rd consecutive fall from the recent peak of 26.8% in June. However, this rate of increase will inevitably continue to be a source of discomfort particularly for SME contractors on fixed price contracts. This is partly captured in the headline profit margins metric from the RICS dataset. It suggests that a net balance of 23% of respondents saw a contraction in margins and that the pressure appears to be intensifying (-15% in previous three month period).

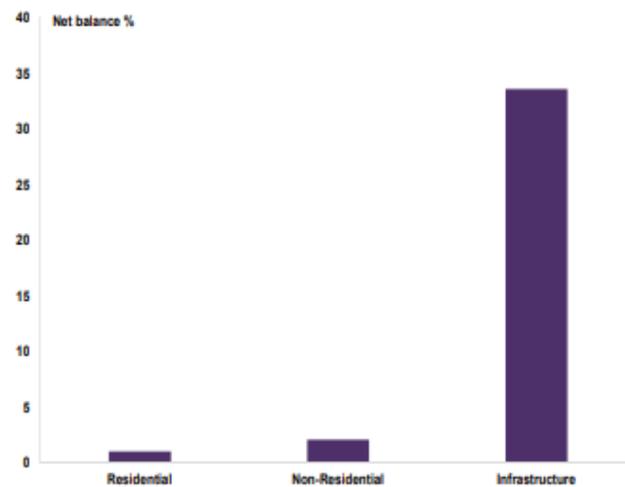
Property Address: 14a Tickford Street, Newport Pagnell, Buckinghamshire MK16 9AB
 Client Reference: 24539
 Report Reference: BX040648



17.13 The latest official data for construction output indicates that it is around 6% up on a year ago and 2.5% above pre-pandemic levels. But the workload momentum does now appear to be slowing according to the RICS sentiment data, to a greater or lesser extent, pretty much across the board. New Business Enquiries while still positive in net balance terms are showing the least positive reading since the Q4 2020 while hard numbers tracking new construction orders (ONS) appears to be slipping. Against this backdrop, the more subdued trend in the forward-looking workload indicators captured in the Monitor is unsurprising. Little change is anticipated in residential and commercial development while infrastructure is left to drive activity (chart 11).

Property Address: 14a Tickford Street, Newport Pagnell, Buckinghamshire MK16 9AB
 Client Reference: 24539
 Report Reference: BX040648

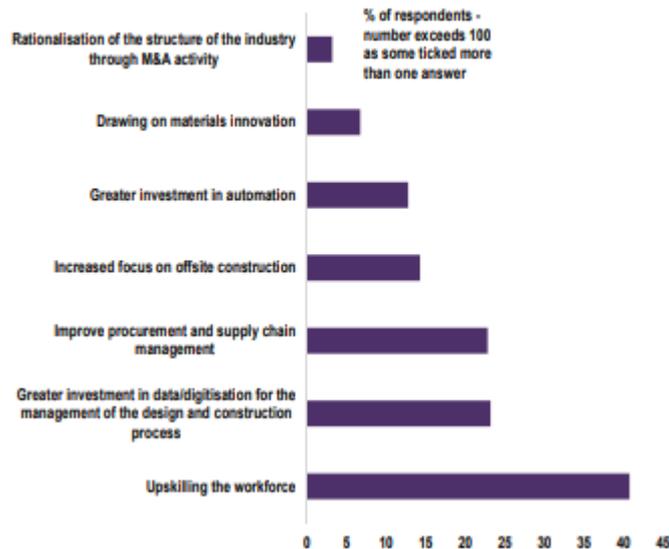
Chart 11: Twelve month workload expectations show the key role infrastructure is likely to play over the next year



17.14 Despite this prospect, concerns continue to be expressed about the challenges associated with recruitment. The number of employees in construction is now higher than it was prior to the pandemic but, significantly, there has been a material fall in self-employment in the sector (20% down on the 2019 peak). The Q3 RICS Monitor shows that shortage of labour continues to be reported by around three-quarters of respondents with lack of skilled trades and professionals cited by an even higher proportion. Meanwhile, upskilling the existing labour force is perceived to be the most immediate route to lifting productivity levels in the industry according to feedback garnered as a result of an additional question included in the last survey. The full results are shown in chart 12. Other areas of particular focus include greater investment in data and digitalisation and improving procurement and supply chain management.

Property Address: 14a Tickford Street, Newport Pagnell, Buckinghamshire MK16 9AB
 Client Reference: 24539
 Report Reference: BX040648

Chart 12: Upskilling the workforce is viewed as the key approach to lifting productivity over the next twelve months



18 VALUATION METHODOLOGY & COMPARABLES

- 18.1 The valuation has been prepared in accordance with normal practice taking into account comparable evidence and current market conditions. In determining our opinion of Market Value, we have had regard to both the direct capital comparison method of valuation and the investment method of valuation.
- 18.2 We have carried out our usual research and enquiries and have analysed the existing commentaries and online databases which we have assumed to be accurate in determining our opinion as to the Market Value of the subject property.
- 18.3 The transaction dates for the evidence listed below are inevitably historic. We have reflected in arriving at our opinion of Market Value our estimate of more recent changes in supply and demand and hence values in the locality.

Property Address: 14a Tickford Street, Newport Pagnell, Buckinghamshire MK16 9AB
Client Reference: 24539
Report Reference: BX040648

18.4 In arriving at our opinion of Market Value we have had regard to the following recent sales of similar properties in the area:

- (a) **Unit 5, 1-3 Copperhouse Court, Caldecotte Lake Business Park, Milton Keynes MK7 8NL** – Offices were sold on 17th October 2022 for £742,500. The offices measures 4,290 sq ft and the achieved sale price reflects a capital value of £173 per sq ft. The property is less than 5 miles from the subject.
- (b) **8 Danbury Court, Linford Wood, Milton Keynes MK14 6LJ** – Offices were sold on 25th June 2021 for £1,150,000. The offices measures 11,049 sq ft and the achieved sales price breaks down to £104 per sq ft. The property is less than 5 miles from the subject.
- (c) **4 Shelton Court, High Street, Woburn Sands, Milton Keynes MK17 8RJ** – Offices were sold on 8th March 2022 for £1,100,000. The offices measure 5,029 sq ft and the achieved sale price breaks down to £219 per sq ft. The property is less than 5 miles from the subject.
- (d) **1 Osier Way, Olney, Milton Keynes MK46 5FP** – Offices were sold on 15th January 2023 for £1,490,000. The offices measure 6,769 sq ft and the achieved sales price breaks down to £220 per sq ft. The property represents a sale and lease back with a 15 year lease at £15.20 per sq ft which represents a yield of 6.5%. The property is less than 5 miles from the subject.
- (e) **Kingfisher House, Timbold Drive, Milton Keynes MK7 6TT** – Offices were sold on 9th December 2022 for £4,500,000. The building was fully let to a logistics company Kuehne+Nagel International and the achieved sales price represented a net initial yield of 6.55%. The property is less than 5 miles from the subject.
- (f) **Unit 31a, Stratford Office Village, Walker Avenue, Wolverton Mill, Milton Keynes MK12 5TW** – Offices were sold on 26 June 2022 for £180,000. The office measures 984 sq ft and the achieved sales price breaks down to £183 per sq ft. The property is less than 5 miles from the subject.

Property Address: 14a Tickford Street, Newport Pagnell, Buckinghamshire MK16 9AB
Client Reference: 24539
Report Reference: BX040648

18.5 In arriving at our opinion of Market Rent we have had regard to the following recent lettings of similar offices in the area:

- (a) **Suite F11, Gemini, Sunrise Parkway, Milton Keynes MK14 6LS** – Offices were let in March 2023 at a rent of £5,494.50 per annum. The offices were let on a two year lease and measure 297 sq ft. The achieved rent breaks down to £18.50 per sq ft. The property is less than 5 miles from the subject.
- (b) **57 Newman Street, Newport Pagnell MK16 8WH** – Offices were let in December 2022 having been on the market at an asking rent of £18,058.80 per annum. The offices measure 745 sq ft and the asking rent breaks down to £24.24 per sq ft. The property is less than ¼ of a mile from the subject.
- (c) **Scorpio, Sunrise Parkway, Milton Keynes MK14 6PH** – Offices were let in July 2022 at a net effective rent of £11,467.22 per annum. The offices were let on a two year lease and measure 478 sq ft. The net effective rent breaks down to £23.99 per sq ft. The property is less than 5 miles from the subject.
- (d) **14 The Green, Newport Pagnell MK16 0JW** – Offices were let in February 2022 at a rent of £8,000 per annum. The units measure 586 sq ft and the achieved rent breaks down to £13.65 per sq ft. The building is less than ¼ of a mile from the subject.
- (e) **Larch House, Breckland, Milton Keynes MK14 6LB** – Offices were let in January 2022 at a rent of £79,800 per annum. The offices were let on a four year lease and measure 3,990 sq ft. The achieved rent breaks down to £20 per sq ft. The property is less than 5 miles from the subject.
- (f) **Carina, Sunrise Parkway, Milton Keynes MK14 6NJ** – Offices were let in January 2022 at a rent of £67,074 per annum. The offices were let on a 6 year lease and measure 4,791 sq ft. The achieved rent breaks down to £14 per sq ft. The property is less than 5 miles from the subject.

Property Address: 14a Tickford Street, Newport Pagnell, Buckinghamshire MK16 9AB
Client Reference: 24539
Report Reference: BX040648

19 VALUATION ANALYSIS

- 19.1 The subject property comprises a characterful two storey link detached 17th century building that is currently used as offices. The interior of the property was in a good condition at the time of our inspection and the property benefits from a good sized tarmac car park to the front which has space for up to ten cars and benefits from electric charging points. The property is situated in a predominantly residential area and is not in an established office location but may suit a small business that requires a good deal of parking space, but also enjoys the benefit of being close to the centre of a small town where local shops, pubs and restaurants are within walking distance. The property also benefits from being a short distance from junction 14 of the M1 motorway and also from the centre of Milton Keynes.
- 19.2 With regard to the Market Rent based on the above comparable evidence and taking into account the slightly unusual location of the building as offices, we are of the opinion that the Market Rent of the subject property would be in the region of £30,000 per annum. Based on a net internal area of 1,911 sq ft this breaks down to £15.70 per sq ft. This is assuming that the property is let on a commercial lease for a minimum term of five years with no rent free, breaks or reviews.
- 19.3 The above comparable evidence shows that recent sales of similar properties have achieved capital values ranging from just over £100 per sq ft to nearly £350 per sq ft, depending on exact size, location, and quality. Investment sales have achieved yields of circa 6.5% but owing to the fact the property is owner occupied we are valuing it subject to vacant possession.
- 19.4 Taking into account the slightly unusual location of the property given its use as offices, we have applied a higher yield than this on our opinion of the Market Rent as we consider there is a risk that it may be difficult to sell exclusively for use as offices. On this basis we have applied a gross yield of 8% on our opinion of the Market Rent of £30,000 per annum to arrive at a Market Value of the subject property of £375,000. Based on a net internal area of 1,911 sq ft this reflects a capital value of £196 per sq ft.

Property Address: 14a Tickford Street, Newport Pagnell, Buckinghamshire MK16 9AB
Client Reference: 24539
Report Reference: BX040648

- 19.5 Overall, it is our view that given the size, age and nature of the property, it would be attractive to both the owner occupier and investor sectors of the market. Therefore, if the property were offered on the open market we believe there would be reasonable demand for it. The value of the property is likely to increase or fall in line with the surrounding area. Should the property be placed on the market for sale we would expect that a sale could be secured within six months. Should the property be placed on the market to let, we would expect that a letting could also be secured within six months.
- 19.6 We have adopted a special assumption for the limited marketing period, as instructed, in order to assist you with loan security assessment taking into account the timing and expeditious disposal following a default.
- 19.7 If only a 90 day marketing period was available before exchange of contracts, the valuation subject to this special assumption, would need to be adjusted as fewer potential purchasers would be in the market to exchange contracts in a shorter time period. On this basis we would reduce the Market Value by approximately 10% to £340,000.
- 19.8 We have been asked in the instructions to comment on the area shaded yellow on what additional value this holds to the building. At present this is an accessway that provides access to some of the houses that face onto the main road to the front. As such it is not really useable space and we do not consider that it has any value. It may be the case that some of the houses would be prepared to purchase this land but it would still have to be retained to provide access to the properties that face onto the main road. As such we do not consider that this area shaded yellow has any value.

Property Address: 14a Tickford Street, Newport Pagnell, Buckinghamshire MK16 9AB
Client Reference: 24539
Report Reference: BX040648

19.9 We have also been asked to comment on the value of the adjacent garage which we understand is not currently used by the applicant's business but is used by one of the owners of one of the houses that faces onto the main road. We were not able to access the garage as we understand the applicants do not have a key as it is occupied by someone else. We consider that this garage would have a marginal effect on the Market Rent of the building as it perhaps could be used for storage. We consider that in terms of capital value it may enhance the value by approximately £10,000, but probably not a lot more. It may be the case that the current occupant of the garage would be interested in purchasing the garage. It may be the case that it is worth more to them and on this basis they may make a higher offer than £10,000 which it may well be reasonable to accept. Due to its location this would probably be a view of the Fair Value as opposed to the Market Value as it probably would be of little interest to anybody who didn't own a property in the immediate vicinity.

Property Address: 14a Tickford Street, Newport Pagnell, Buckinghamshire MK16 9AB
 Client Reference: 24539
 Report Reference: BX040648

20 VALUATIONS

20.1 Having regard to the comments set out above, we have considered the matter of value in accordance with the appropriate RICS guidelines and we set out below our opinions of value of the freehold interest in the property known as 14a Tickford Street, Newport Pagnell MK16 9AB:

Market Value (MV) of the property assuming vacant possession	£385,000 (Three Hundred and Eighty Five Thousand Pounds)
Market Value (MV) of the property assuming vacant possession assuming a sale to be completed within 90 days	£345,000 (Three Hundred and Forty Five Thousand Pounds)
Market Rent (MR)	£30,000 p.a. (Thirty Thousand Pounds per annum)
Insurance Reinstatement Cost Assessment	£500,000 (Five Hundred Thousand Pounds)

Property Address: 14a Tickford Street, Newport Pagnell, Buckinghamshire MK16 9AB
Client Reference: 24539
Report Reference: BX040648

21 SECURITY & RECOMMENDATIONS

- 21.1 Allowing for regular maintenance including decoration and repairs as appropriate it is anticipated that the building will retain a useful economic life of at least 25 years.
- 21.2 Subject to the above comments, the property is considered to provide suitable security for an advance by the mortgage lender on its usual terms for an asset of this type and age.
- 21.3 Any matters arising which contradict this report and the assumptions stated herein, or are otherwise likely to affect the valuation should be referred back for reconsideration.

22 LIMITATION & PUBLICATION

- 22.1 This valuation is prepared solely for the use of the addressee and no responsibility is accepted to any other party for the whole or any part of its contents. (It may be disclosed to other professional advisors assisting in respect of the purpose for which the valuation is prepared).
- 22.2 Neither the whole nor any part of this valuation certificate nor any reference thereto may be included in any published document, circular or statement nor published in any way without our approval of the form and context in which it may appear.
- 22.3 We deem there to be no conflict of interest in relation to providing this valuation.

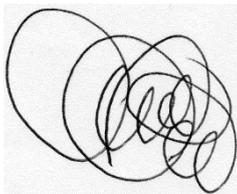
Property Address: 14a Tickford Street, Newport Pagnell, Buckinghamshire MK16 9AB
Client Reference: 24539
Report Reference: BX040648

23 SIGNATURE OF VALUER



Mark Gill MRICS
RICS Registered Valuer
For and on behalf of
J Raymond Welch Surveyors Ltd

Date: 21st March 2023



Arwel Griffith FRICS
RICS Registered Valuer
For and on behalf of
J Raymond Welch Surveyors Ltd

Date: 21st March 2023

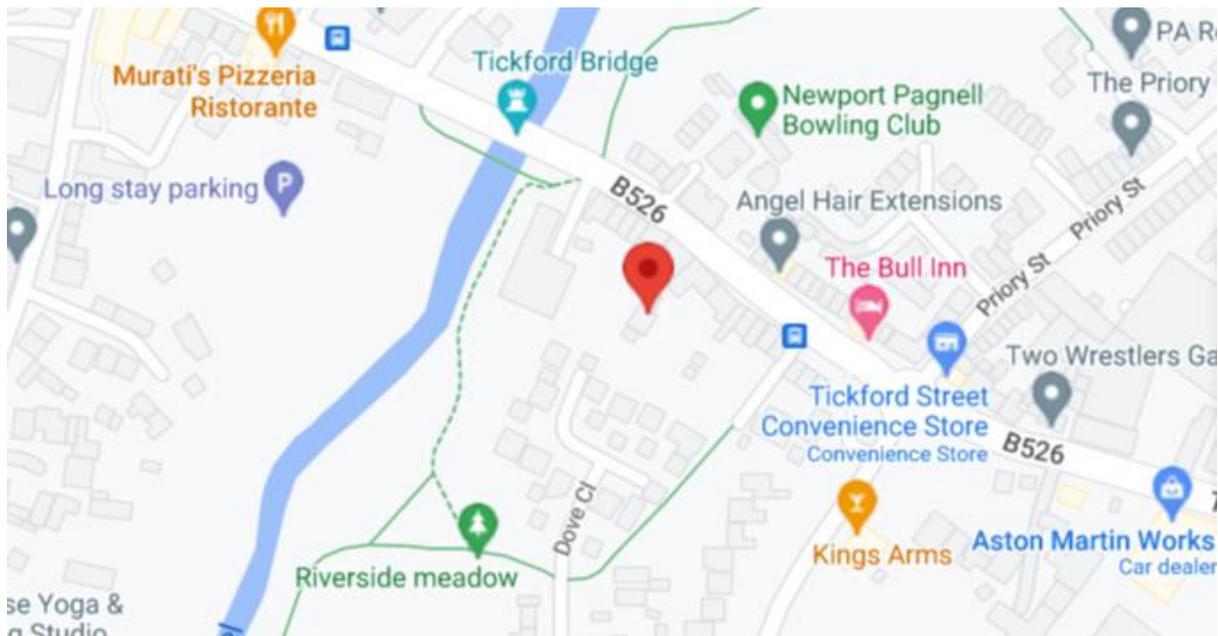
Property Address: 14a Tickford Street, Newport Pagnell, Buckinghamshire MK16 9AB
Client Reference: 24539
Report Reference: BX040648

Appendix A – Instructions

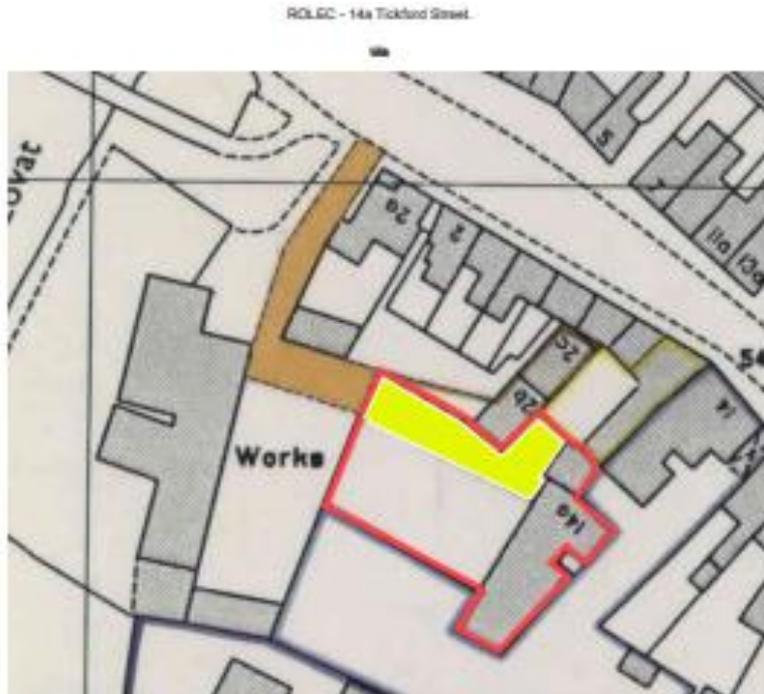
Property Address: 14a Tickford Street, Newport Pagnell, Buckinghamshire MK16 9AB
Client Reference: 24539
Report Reference: BX040648

Appendix B – Location / Street / Title plans

Property Address: 14a Tickford Street, Newport Pagnell, Buckinghamshire MK16 9AB
Client Reference: 24539
Report Reference: BX040648



Property Address: 14a Tickford Street, Newport Pagnell, Buckinghamshire MK16 9AB
Client Reference: 24539
Report Reference: BX040648



Property Address: 14a Tickford Street, Newport Pagnell, Buckinghamshire MK16 9AB
Client Reference: 24539
Report Reference: BX040648



Property Address: 14a Tickford Street, Newport Pagnell, Buckinghamshire MK16 9AB
Client Reference: 24539
Report Reference: BX040648



Property Address: 14a Tickford Street, Newport Pagnell, Buckinghamshire MK16 9AB
Client Reference: 24539
Report Reference: BX040648



Property Address: 14a Tickford Street, Newport Pagnell, Buckinghamshire MK16 9AB
Client Reference: 24539
Report Reference: BX040648

Appendix C – Photographs

Property Address: 14a Tickford Street, Newport Pagnell, Buckinghamshire MK16 9AB
Client Reference: 24539
Report Reference: BX040648



Figure 1: Front elevation



Figure 2: Side elevation



Figure 3: Car park



Figure 4: Car park

Property Address: 14a Tickford Street, Newport Pagnell, Buckinghamshire MK16 9AB
Client Reference: 24539
Report Reference: BX040648



Figure 5: Garage to side



Figure 6: Access road



Figure 7: Interior



Figure 8: Interior

Property Address: 14a Tickford Street, Newport Pagnell, Buckinghamshire MK16 9AB
Client Reference: 24539
Report Reference: BX040648



Figure 9: Interior



Figure 10: Interior



Figure 11: Interior



Figure 12: Interior

Property Address: 14a Tickford Street, Newport Pagnell, Buckinghamshire MK16 9AB
Client Reference: 24539
Report Reference: BX040648

Appendix D – Conditions of Engagement

CONDITIONS OF ENGAGEMENT
FOR
THE VALUATION AND APPRAISAL
OF
LAND AND BUILDINGS
FOR
COMMERCIAL SECURED LENDING PURPOSES

Property Address: 14a Tickford Street, Newport Pagnell, Buckinghamshire MK16 9AB
Client Reference: 24539
Report Reference: BX040648

1 The Service

1.1 Our Valuer will provide directly to the Client Lender a Report based on an inspection as described below. In respect of the subject property, our Valuer will be an Independent Valuer, who is a Corporate Member of the Royal Institution of Chartered Surveyors, and:-

- (a) in respect of the particular type of property, has sufficient current local, national and international (as appropriate) knowledge of the particular market and the skills and understanding necessary to undertake the valuation competently;
- (b) each valuation will be prepared by, or under the supervision of, an appropriately qualified Member who accepts responsibility for it.
- (c) has, and whose partners, co-directors and employees, have, no other recent or foreseeable potential fee-earning relationship concerning the subject property, apart from the fee for the service and who has disclosed any past or present relationship with any of the interested parties or any previous involvement with the subject property as required by the Royal Institution of Chartered Surveyors, and no significant financial interest or management involvement in the borrower's concern.

1.1.1 Our valuer will act with independence, integrity and objectivity in undertaking the valuation.

1.1.2 In the event that the instruction is issued by you as a prospective borrower, or a broker you should be aware that the Report may not be acceptable to a lender.

1.2 The Report will provide the following points:-

1.2.1 A full description of the property, its location, apparent state of repair and other relevant information such as the site area and floor space;

1.2.2 Our Valuer's valuation (s):-

Property Address: 14a Tickford Street, Newport Pagnell, Buckinghamshire MK16 9AB
Client Reference: 24539
Report Reference: BX040648

- (a) on whichever of the bases (see paragraph 4 below) have been agreed between our Valuer and the Client Lender and/or such other basis as they may have agreed;
- (b) if our Valuer believes there is a special prospective purchaser, on the above basis(es) but reflecting the bid of that special prospective purchaser:-
 - (i) where the valuation(s) reported pursuant to (a) above, has/have been affected by the existence of an unimplemented planning consent for change of use or other development or by the prospect of such consent(s) being available, our Valuer will so report and advise as to the amount(s) of the increase reported in consequence.

1.2.3 In the case of property to be held as an investment:-

- (a) a projection, at rental levels current at the reporting date, of the rental income to which the owner will be entitled from the property if it remains fully occupied;
- (b) an opinion upon the effects on value of the quality and terms of the lease(s) and relevant implications upon the valuation in respect of privity of contract (if any); and
- (c) our Valuer's view of the market's opinion of tenant covenants for the class of the subject property in the subject locality.

1.2.4 Advice, if our Valuer considers it relevant, that there is a significant prospect of or potential for change of use or other development of the subject property, or those in the vicinity, which would materially affect the value of the subject property.

1.2.5 Advice on any other factors, which our Valuer considers, is likely materially to affect the status of the property as security.

Property Address: 14a Tickford Street, Newport Pagnell, Buckinghamshire MK16 9AB
Client Reference: 24539
Report Reference: BX040648

- 1.2.6 Comment upon the proposed purchase price if this has been notified to our Valuer.
- 1.2.7 A statement as to any special assumptions which our Valuer has made.
- 1.2.8 Our Valuer's opinion of the property as a lending security in terms of present saleability, suitability, expected obsolescence and potential, bearing in mind the length (which will be stated) of the term of the loan contemplated by the Client Lender and assuming that the borrower will maintain the property in a reasonable state of repair.
- 1.2.9 An opinion (without liability on the part of the Valuer) of current market conditions and current and expected trends in respect of the type of property in the area.
- 1.2.10 A statement as to the valuation method adopted, and an indication as to the extent to which our Valuer has been able to have regard to comparable market transactions:-
- (a) in the case of property valued for the existing use as an operational entity having regard to trading potential, the opinion which our Valuer has formed as to the future trading potential, including the gross income and profitability likely to be achieved; and
 - (b) in the case of property valued on a residual basis, the significant material figures and assumptions made and the consequences of changes thereto.
- 1.2.11 If requested by the Client Lender, an indication for insurance purposes (which is given solely as a guide, as a formal estimate for insurance purposes can be given only by a quantity surveyor or other person with sufficient current experience of replacement costs) of the current reinstatement cost of:-
- (a) the buildings in their present form (unless otherwise stated); or
 - (b) buildings being constructed as proposed to be completed; each including the costs of clearance and professional fees but excluding:-

Property Address: 14a Tickford Street, Newport Pagnell, Buckinghamshire MK16 9AB
Client Reference: 24539
Report Reference: BX040648

- (i) VAT (except on fees);
- (ii) loss of rent; and/or
- (iii) cost of alternative accommodation for the reinstatement period.

1.2.12 Any other aspects, other than the usual legal investigations, which our Valuer considers require further consideration or investigations by or on behalf of the Client Lender.

- 1.3 Following provision of the Report, our Valuer will be prepared to discuss its contents with the Client Lender's representative.
- 1.4 Our Valuer shall, unless otherwise expressly agreed, rely upon information provided by the Client Lender and/or the Client's legal or other professional advisers relating to tenure, leases and all other relevant matters. No responsibility or liability will be accepted for the true interpretation of the legal position of the client or other parties.
- 1.5 Subject to paragraph 2.1 below, our Valuer shall carry out such inspections and investigations as are, in his or her professional judgement, appropriate and possible in the particular circumstances. These will include oral town planning enquiries.
- 1.6 If our Valuer's inspection suggests that there may be material hidden defects our Valuer will so advise and may exceptionally defer submitting a final Report until the results of further investigations are available.
- 1.7 The report will not identify the existence of contamination unless, by agreement with the Client Lender, reports thereon from others have been obtained and made available to our Valuer, who will have no liability in respect thereof. If, however, our Valuer in the course of his/her inspection concludes that there may be material contamination, our Valuer will report this to the Client Lender with a view to a decision being taken as to whether the instructions are to be amended.
- 1.8 In preparing the report, unless otherwise stated by our valuer, the following assumptions will be made which our Valuer shall be under no duty to verify:-

Property Address: 14a Tickford Street, Newport Pagnell, Buckinghamshire MK16 9AB
Client Reference: 24539
Report Reference: BX040648

- (a) that no deleterious or hazardous materials or techniques were used in the construction of the property or have since been incorporated;
 - (b) that good title can be shown and that the property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoings;
 - (c) that the property and its value are unaffected by any matters which would be revealed by a local search and replies to the usual enquiries, or by any statutory notice, and that neither the property, nor its condition, or its use, or its intended use, is or will be unlawful;
 - (d) that inspection of those parts that have not been inspected would neither reveal material defects nor cause our Valuer to alter the valuation(s) materially; and
 - (e) unless otherwise stated, that no contaminative or potentially contaminative uses have ever been carried out on the property and that there is no potential for contamination of the subject property from past or present uses of the property or from any neighbouring property.
 - (f) that no alterations are required under the Equality Act 2010.
 - (g) that, regarding asbestos, there are no onerous liabilities resulting from a survey, risk assessment, or asbestos register.
- 1.9 In providing the Service our Valuer will have regard to relevant contents of the *RICS Valuations – Global Standards 2022 incorporating the International Valuation Standards (The Red Book)*.
- 1.10 The report will be provided for the stated purpose and for the sole use of the named Client Lender. We accept responsibility to the Client Lender alone that the report will be prepared with the skill, care and diligence reasonably to be expected of a competent Valuer, and accept no responsibility whatsoever to any parties other than the Client Lender. Any such parties rely upon the Report at their own risk. Neither the whole nor any part of the Report, nor any reference to it, may be included in any published document, circular or statement, or published in any way, without our Valuer’s written approval of the form and context in which it may appear.

Property Address: 14a Tickford Street, Newport Pagnell, Buckinghamshire MK16 9AB
Client Reference: 24539
Report Reference: BX040648

- 1.11 In the event of a proposal to place the loan on the subject property in a syndicate, the client must notify the valuer with a view to agreeing responsibility to the further, named parties.

2 The Inspection

- 2.1 Our Valuer will undertake a visual inspection of so much of the exterior and interior of the property as is accessible with safety and without undue difficulty as can be seen whilst standing at ground level within the boundaries of the site and adjacent public/communal areas and whilst standing at the various floor levels, which our Valuer considers reasonably necessary to provide the Service, having regard to its purpose. Our Valuer is under no duty to carry out a building survey or to inspect those parts of the property which are covered, unexposed or inaccessible, including the roof space or to raise boards, move anything, use a moisture detecting meter, or to arrange for the testing or electrical, heating or other services. An assumption will be made that the subject property is in good repair, except for any defects specifically noted. Also, an assumption will be made that the services, and any controls or software, are in working order and free from defect.

3 The Report

- 3.1 If it is not reasonably possible to carry out a substantial part of the Inspection (see paragraph 2 above) this will be stated.
- 3.2 Where our Valuer relies on information provided, this will be indicated in the Report, with the source of the information.
- 3.3 The Report will state the existence of any apparently recent significant alterations and extensions to as to alert the Client Lender's legal advisers.

4 Valuation

- 4.1 The valuation(s) provided will be on the aforementioned assumptions in respect of individual subject properties otherwise agreed) as inspected, on whichever of the following or other bases as have been agreed between our Valuer and the Client Lender, such bases where applicable to be as defined or referred to in the RICS Valuations – Global Standards 2022 (The Red Book) of The Royal Institution of Chartered Surveyors.

Property Address: 14a Tickford Street, Newport Pagnell, Buckinghamshire MK16 9AB
Client Reference: 24539
Report Reference: BX040648

- 4.1.1 Market Value with interpretative commentary.
- 4.1.2 A further valuation subject to a defined marketing constraint.
- 4.1.3 Market Value as a full operational entity valued having regard to trading potential.
- 4.2 The valuation(s) will exclude any additional value attributable to personal goodwill, or the value of any fixtures and fittings which are only of value in situ to the present or proposed occupier, except in the case of property which is fully equipped and valued as an operational entity, where only personal goodwill is excluded.
- 4.3 Market rent with interpretative commentary.

5 Instruction and Charges

- 5.1 All instructions of the Client Lender will be made directly by the Client Lender and confirmed in writing.
- 5.2 The Client Lender will pay to our Valuer the fee initially agreed between them, or any amendment thereto to be agreed if the instructions are subsequently modified. In addition, the Client Lender will reimburse the cost of all reasonable out of pocket expenses (unless it is prior agreed that these will not be charged) which may be incurred and pay the amount of any Value Added Tax on the fee and expenses.
- 5.3 The Valuation Report will be released on payment of our Valuer's fees.

6 Complaints Procedure

- 6.1 Any complaints and / or disputes regarding work carried out by J Raymond Welch Surveyors Ltd are taken very seriously and managed in an understanding manner with conciliation designed to generate resolution. A copy of our Complaints Procedure is available on request.