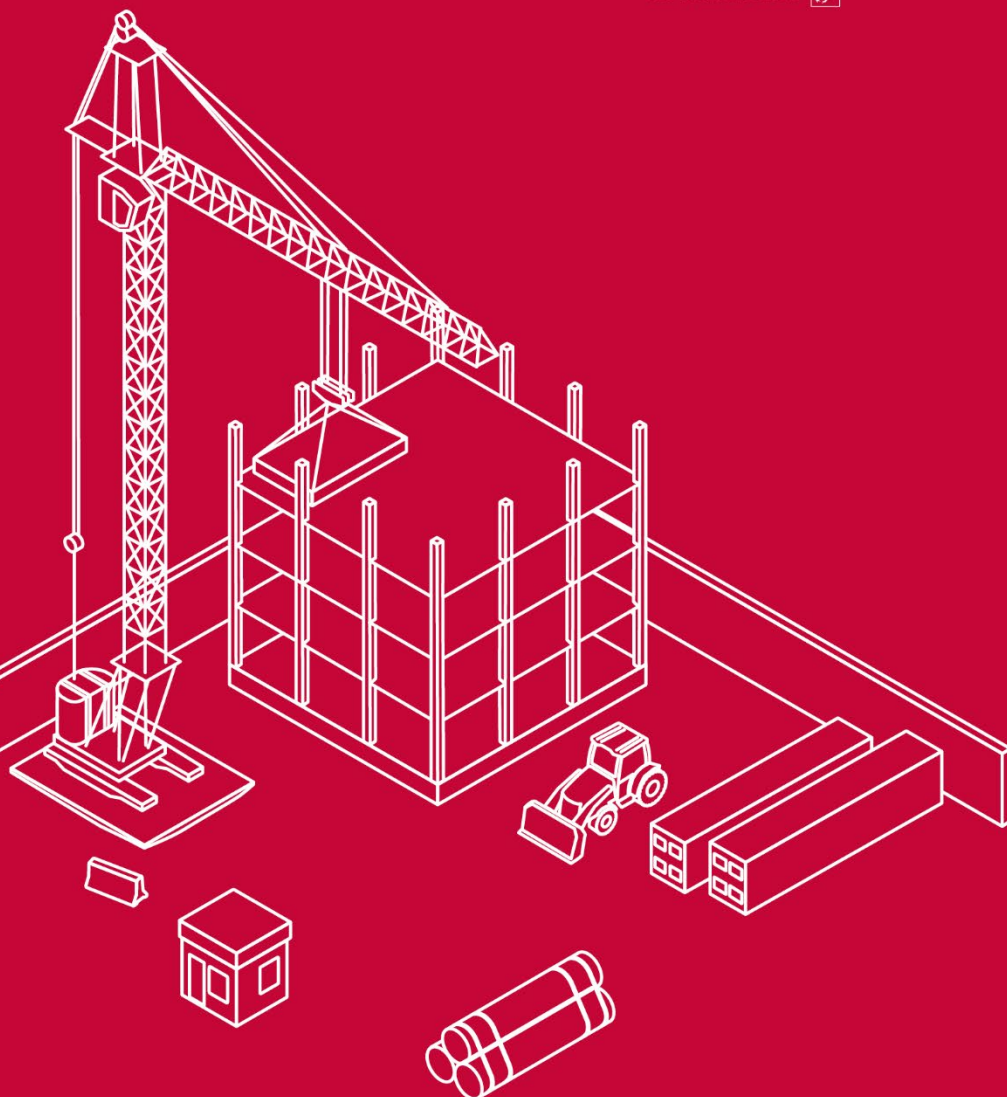


**STRUTT
& PARKER**

BNP PARIBAS GROUP 



VALUATION REPORT

WEST ONE

87 HIGH STREET,
1-5 CENTRAL AVENUE,
SITTINGBOURNE,
KENT
ME10 4AU

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87 HIGH STREET, 1-5 CENTRAL AVENUE, SITTINGBOURNE, KENT ME10 4AU



Side and Rear Elevation from Central Avenue



Front Elevation from High Street

EXECUTIVE SUMMARY

VALUATION DATE

- 7th November 2024

DESCRIPTION

- The Property comprises an existing retail parade held as an investment to the ground floor as well as a residential conversion and extension development of former office space to flats to the upper floors, the Freehold of which is held by the Borrower.
- The Property therefore includes 3 nos. commercial units and 22 nos. proposed new residential flats.
- The site extends in total to approximately 0.23 acres (0.09 hectares) and is broadly rectangular in shape, with a generally level topography.

LOCATION

- The Property is located in the town of Sittingbourne, Kent, approximately 12 miles to the north-east of Maidstone, 10 miles to the east of the Medway towns of Gillingham, Chatham and Rochester and 45 miles to the south-east of Central London.
- It is situated to the centre of the town, fronting the High Street.

TENURE

- Freehold

TENANCIES

- Residential Development – Vacant possession is available.
- Commercial Units – Currently all three units are let.

PLANNING

- The Property falls under the jurisdiction of Swale Borough Council and has recently received as of October 2024, planning consent under application reference 23/505558/FULL for “Proposed change of use of the existing first and second floor from office use (Class E) to residential (use class C3) including the erection of an additional third floor and a three storey rear extension to create a total of 22 self-contained residential flat units.”

AGGREGATE MARKET VALUE

- £1,300,000

GROSS DEVELOPMENT VALUE

- £6,215,000 as at the valuation date
(Residential: £5,315,000; Commercial: £900,000)

AGGREGATE MARKET RENTAL VALUE

- £365,500 per annum
(Residential: £281,400 pa; Commercial: £84,100 pa)

DEMAND & MARKET CONDITIONS

- The Property offers the opportunity for a break up and sale or sale as a single lot. We would expect interest for the later from investors.
- We would anticipate a marketing period of six 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.

SUITABILITY AS SECURITY

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

FURTHER INVESTIGATIONS

We recommend your solicitor confirm the following:

- Verify our understanding of the title, demise, planning status and tenancies.
- Seek clarification from a qualified cost consultant that the build/conversion costs adopted are sufficient.
- Confirm our understanding of the proposed accommodation.
- Confirm the S106/CIL/Affordable Housing position.
- Ensure the completed residential flats have NHBC warranties or similar.
- Confirm whether a fire risk assessment or EWS1 form has been prepared.
- Review Residential EPCs when available.

Private & Confidential

West One
The Edward Hyde Building
38 Clarendon Road,
Watford
Herts,
WD17 1JW

For the attention of: Daniel Hanlon

Valuation

Laura-Ysette Gemmell MSc MRICS
Senior Associate Director
Strutt & Parker
15 Bank Street
Sevenoaks
Kent TN13 1UW

Tel: +44 (0) 1732 757041
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Our Ref: 272264

7th November 2024

Dear Sirs,

CLIENT: WEST ONE

BORROWER: LONDON DEVELOPMENTS GLOBAL LIMITED

PROPERTY: 87 HIGH STREET, 1-5 CENTRAL AVENUE, SITTINGBOURNE, KENT ME10 4AU

1. TERMS OF REFERENCE

1.1 INSTRUCTIONS

In accordance with your instructions of 11th October 2024, our Terms of Engagement Letter of 14th October 2024, Terms and Conditions of Business and the Valuation Procedures and Assumptions enclosed within that letter, we have undertaken the valuation of 87 High Street, 1-5 Central Avenue, Sittingbourne, Kent ME10 4AU, (the "Property") for loan security purposes.

Copies of your Instruction Letter, our Terms of Engagement Letter, 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 Property comprises an existing retail parade held as an investment to the ground floor as well as a residential conversion and extension development of former office space to flats to the upper floors, the Freehold of which is held by the Borrower.

The Property therefore includes 3 nos. commercial units and 22 nos. proposed new residential flats.



RICS Regulated by RICS

Strutt & Parker is a trading style of BNP Paribas Real Estate Advisory & Property Management UK Limited, a private limited company registered in England and Wales (with registered number 4176965) and whose registered office address is at 10 Harewood Avenue London NW1 6AA.

1.2 BASIS 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.”

1.3 ASSUMPTIONS & SPECIAL ASSUMPTIONS

In accordance with your instructions, the Property is to be valued subject to the following assumptions and / or Special Assumptions:

- Market Value as existing with the benefit of planning permission for the upper floor residential conversion.
- Market Value on the special assumption the residential development has been fully completed, hereafter referred to as the “Gross Development Value”.
- Aggregate Market Rent (including the completed residential development)

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.

1.4 PURPOSE OF VALUATION

This valuation is required for loan security purposes.

1.5 VALUATION DATE

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

We assume that there have been no material changes to the Property since the date of our inspection.

1.6 LOAN TERMS

We have not been advised of the full loan terms.

1.7 ESTIMATE OF VALUE

We have been provided with an estimate of GDV (proposed residential and existing commercial) in the sum of £6,300,000 and an aggregate Market Value of £1,300,000.

1.8 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 2023, effective 1st May 2024.

Departure from IPMS

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 calculated on a Net or Gross Internal Area basis.

1.9 INDEPENDENCE AND OBJECTIVITY

We confirm that we have no previous, current or anticipated material involvement with the asset to be valued, the Borrower, or any other party connected with the transaction.

We confirm that we are acting objectively and that this report represents our independent opinion.

1.10 VALUER DETAILS

This report and valuation has been prepared by Laura-Ysette Gemmell MSc MRICS and reviewed by Jim Ball MRICS. We confirm that they are 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.

1.11 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 16th October 2024 and 31st October 2024 by Laura-Ysette Gemmell MSc MRICS and Jim Ball MRICS. The weather at the time of the inspection was dry and sunny.

Our site inspection consisted of an external and limited internal inspection of the Property and its environs. Access was available to a significant proportion of the existing upper floors which were inspected internally. Limited internal access was available to all of the commercial units.

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

As instructed, we have relied, without verification, upon floor areas provided by the Borrower in relation to the proposed residential development to the upper floors. We have also derived floor areas from measurements provided by the Borrower, with check measurements taken on site to ensure their accuracy.

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.

The commentary provided in this report is based on our understanding of the title and tenancy situation and this should be verified by your solicitors.

2.6 TOWN PLANNING

We have made informal enquiries with Swale Borough Council's planning department.

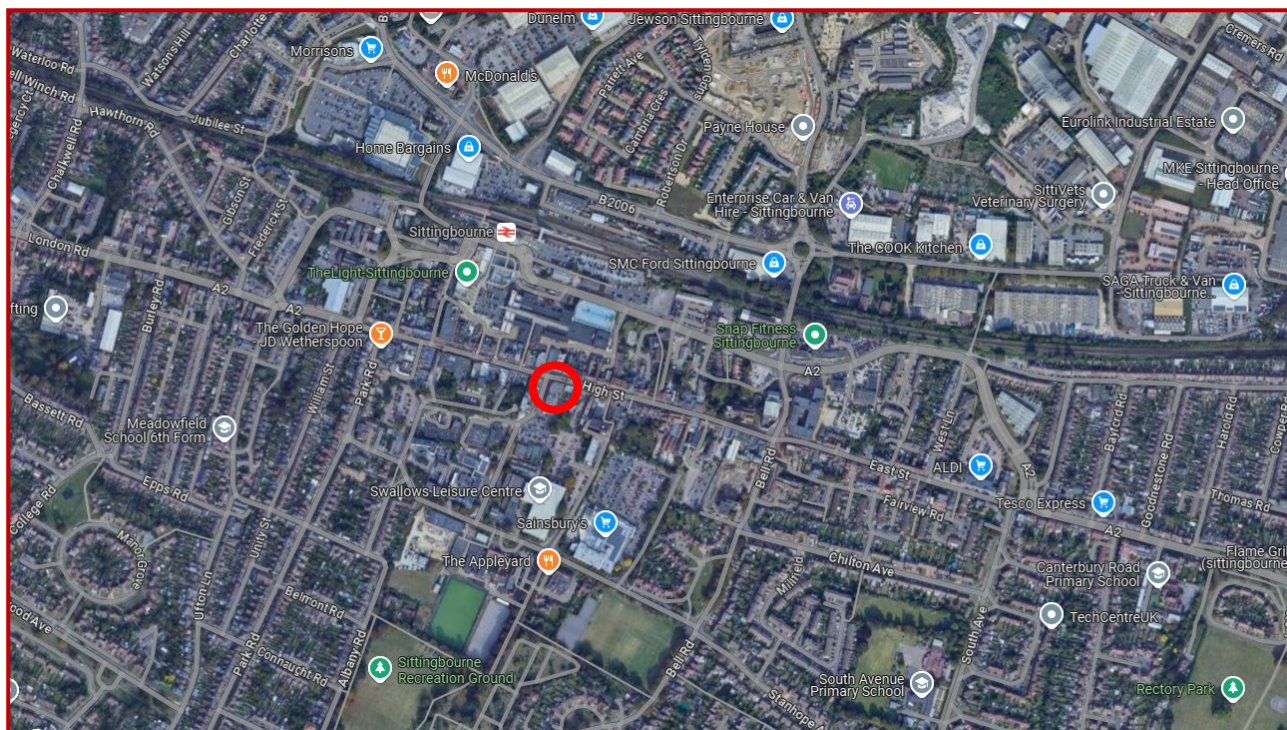
2.7 ADDITIONAL SOURCES OF INFORMATION

We have been provided with various tenancy schedules and lease information by the Borrower in relation to the commercial units.

We have been provided with the Borrowers estimated build costs in relation to the proposed residential development.

3. PROPERTY INFORMATION

3.1 LOCATION



The Property is located centrally within the town of Sittingbourne, Kent. Sittingbourne is primarily an industrial town on the north Kent coast, within the Borough of Swale approximately 12 miles to the north-east of Maidstone and 10 miles to the east of the Medway towns of Gillingham, Chatham and Rochester. The town is approximately 45 miles to the south-east of Central London. Whilst Sittingbourne has historically not been the most well regarded in Kent, it is well serviced with a good range of amenities, and also benefits from high speed rail services to Central London.

In terms of access to road links the Property is well located, being positioned along the High Street and with the A2 in very close proximity to the north, providing access to the M20 and M2. The Property is also situated within short distance of Sittingbourne railway station, which provides regular direct services to Central London.

The Property occupies a corner position at the junction of High Street and Central Avenue.

Wider location plans are attached at **Appendix 3**.

3.2 CURRENT DESCRIPTION

The Property holds a prominent position within Sittingbourne High Street. It currently comprises three existing commercial units to the ground floor with vacant former office space arranged over first and second floors.

The building is of a frame construction with brick, concrete panelled and stone clad elevations, metal framed single glazed windows and a flat roof. Access to the upper floors is located to the side of the building off Central Avenue.

The largest commercial unit, facing the High Street and occupying a corner position to the ground floor is occupied by NatWest bank. The two smaller commercial units front Central Avenue and are currently occupied by a travel agent and specialised convenience store. A private car park is located to the rear of the building, accessed off Central Avenue, and comprises a total of 11 spaces, 3 of which are reserved for NatWest.



The Property falls under the jurisdiction of Swale Borough Council and has recently received as of October 2024, planning consent under application reference 23/505558/FULL for “Proposed change of use of the existing first and second floor from office use (Class E) to residential (use class C3) including the erection of an additional third floor and a three storey rear extension to create a total of 22 self-contained residential flat units.”

We enclose an Ordnance Survey extract attached as **Appendix 4**, outlining our understanding of the site boundary. The site extends in total to approximately 0.23 acres (0.09 hectares) and is broadly rectangular in shape, with a generally level topography. The boundaries shown on the Ordnance Survey extract have been taken from the Title Plan. However, they are indicative only and ought to be verified by the lender’s legal advisers.

3.3 CURRENT ACCOMMODATION

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 calculated on a Net or Gross Internal Area basis.

RESIDENTIAL DEVELOPMENT TO THE UPPER FLOORS

The upper floors of the building are due to be extended and completely re-configured and refurbished as part of the proposed development. We have therefore not undertaken a measured survey of the existing accommodation.

A description of the proposed residential development in described in our report below.

COMMERCIAL UNITS

During the course of our inspection, we measured the Property in accordance with the Code of Measuring Practice incorporated within the *RICS Professional Statement RICS Property Measurement, 2nd Edition* and calculated that the property comprises the following net internal floor areas:

Floor	Description	NIA	NIA
		Sq. M	Sq. Ft
87 High Street			
Ground	Zone A	101.2	1,089
	Zone B	106.2	1,143
	Zone C	82.5	888
	Remainder	54.6	588



Basement	Storage / Ancillary	115.7	1,245
ITZA		187.5	2,018
TOTAL		460.2	4,954
3 Central Avenue			
Ground	Zone A	29.2	314
	Zone B	30.3	326
ITZA		44.3	477
TOTAL		59.5	640
5 Central Avenue			
Ground	Zone A	29.3	315
	Zone B	28.0	301
ITZA		43.2	466
TOTAL		57.3	616

4. RESIDENTIAL DEVELOPMENT PROPOSALS

4.1 PROPOSED RESIDENTIAL DEVELOPMENT

We are advised by the Borrower that planning consent has been granted as of 10th October 2024 under application reference 23/505558/FULL for the change of use of the existing first and second floors of the building from office use to residential use including the erection of an additional third floor and a three storey rear extension to create a total of 22 no. self-contained residential flats.

The flats provide 1, 2 or 3-bedrooms and will be arranged over first, second and third floors. We understand that the flats will comprise the following:

Unit Type	Number of Units
1-bed; 2 persons	4
2-bed; 3 persons	12
2-bed; 4 persons	1
3-bed; 4 persons	1
3-bed; 5 persons	4
TOTAL	22

A total number of 6 flats will be created through the three storey rear extension, 12 flats will be converted from the original building and 4 flats will be created through the additional third floor to the original building. A passenger lift will serve the original section of the building from ground to third floors.

The plans and draft S106 agreement suggest that Units 15, 21 & 22 are to be allocated as affordable “first home” units. We have assumed this to be the case and our report and valuation of the proposed residential scheme is made on this express assumption.

The rear car park is to be retained as part of the proposed development as under-croft parking, with the new rear extension built over the top. Four car parking spaces will be available within the residential scheme together with cycle and bin stores and three car parking spaces will be available for the use of NatWest.

We understand it is the intention of the Borrower to finish the units to a modern standard internally, comprising good quality kitchens and bathrooms, fixtures and fittings as per previous developments undertaken of a similar nature.

The majority of units benefit from urban views, with the views improving the higher up the building. The majority of the proposed flats do not benefit from any private external space with the exception of a few flats to the third floor (Flats 17, 18 & 20) which benefit from private balconies.

A site layout plan and floor plans of the proposed units are attached at **Appendix 5**.

4.2 PROPOSED ACCOMMODATION

In accordance with the floor plans and areas provided to us by the Borrower, the accommodation of the proposed flats will be configured as follows.

Flat	Floor	Description	Sq. M.	Sq. Ft.
1	First	2 Bed / 3 Person	65.3	703
2	First	3 Bed / 5 Person	95.7	1,030
3	First	2 Bed / 3 Person	79.5	856
4	First	1 Bed / 2 Person	50.8	547

Flat	Floor	Description	Sq. M.	Sq. Ft.
5	First	2 Bed / 3 Person	75.4	812
6	First	2 Bed / 3 Person	67.3	724
7	First	2 Bed / 3 Person	68.0	732
8	First	2 Bed / 3 Person	61.7	664
9	Second	2 Bed / 3 Person	65.1	701
10	Second	3 Bed / 5 Person	95.7	1,030
11	Second	3 Bed / 5 Person	94.5	1,017
12	Second	1 Bed / 2 Person	50.5	544
13	Second	2 Bed / 3 Person	75.9	817
14	Second	2 Bed / 3 Person	67.4	725
15	Second	2 Bed / 3 Person – Affordable Unit/First Home	68.0	732
16	Second	2 Bed / 3 Person	61.7	664
17	Third	3 Bed / 4 Person	80.2	863
18	Third	3 Bed / 5 Person	91.1	981
19	Third	2 Bed / 3 Person	68.4	736
20	Third	2 Bed / 3 Person	62.1	668
21	Third	1 Bed / 2 Person – Affordable Unit/First Home	51.7	556
22	Third	1 Bed / 2 Person – Affordable Unit/First Home	52.3	563
			1,548.30	16,666

In addition to the above, we have estimated that the common parts of the apartment block total approximately 280 sq. m. / 3,014 sq. ft. including residential corridors, stairwells and lift areas.

4.3 PROPOSED CONSTRUCTION / SPECIFICATION / FINISHES

We understand that the development will be of the following construction:

Element	Description
Frame	<ul style="list-style-type: none"> Existing and new frame
External elevations	<ul style="list-style-type: none"> Existing and new concrete panels and new cladding
Windows	<ul style="list-style-type: none"> Double glazed steel framed windows in dark grey
Roof	<ul style="list-style-type: none"> Flat (unconfirmed roof covering)

We have expressly assumed that the proposed new build/conversion element of the proposed scheme will be constructed to a high level of quality. We have not been provided with a detailed specification by the Borrower but anticipate that the quality of fixtures and fittings will be of a good quality and in line with the target market

and anticipated pricing. Should this assumption not be met, you should note that there may be a material adverse impact on value.

4.4 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. The proposed units have not yet been developed/refurbished/extended however we understand from the proposed drawings that the units will incorporate existing and new cladding as well as new balconies to the third floor.

The EWS1 form is a clear and transparent pro-forma completed by a competent professional who is capable of identifying the relevant building materials within the external wall and attachments, confirming that fire resisting cavity barriers and fire stopping have been installed correctly, and assessing the fire risk presented by external wall materials. The EWS1 form is to be commissioned by the building owner (freeholder) which, in addition, will provide advice on interim measures and remedial works to be undertaken where it has been identified that an adequate standard of safety has not been achieved.

In our capacity as valuation surveyors, we are unable to confirm the presence of combustible materials in the cladding of a given building. Such intrusive investigations must be carried out by a suitably competent and qualified professional with suitable expertise. We are aware that the Government has produced a list of buildings with potentially unsafe cladding however, this list is not publicly available and has so far, only been used to produce statistics.

For the subject property, we are aware that the façade of the existing building has been cladded in part with concrete panels. We would recommend that you or your advisers confirm whether a fire risk assessment or EWS1 form has been prepared and whether there are any specific fire safety reports covering means of escape, cladding material risk and fire protection measures.

In the absence of any information to the contrary, we have assumed, for the purposes of our valuation that the primary materials contained within the subject property are of limited combustibility or better, and that all structures and attachments have been appropriately installed so as not to pose a health and safety risk. We further assume that no remedial works are required.

As a result, our recommendation is that you should not make any irrevocable investment decisions relying on our valuation report until you are satisfied these outstanding issues relating to an EWS1 form have been resolved.

4.5 SERVICES AND AMENITIES

We understand that all mains services are connected 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 are advised that heating to the proposed residential flats will be provided by way of individual gas fired boilers and pressurised hot water cylinders.

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.

4.6 SPECIAL CONSIDERATIONS

We are not aware of any special considerations in relation to the proposed development.

4.7 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. Externally, the existing building appeared to be in a fair condition, commensurate with its age and previous use and in a sound structural condition. Internally, the upper floors of the existing building were vacant at the time of inspection and were currently in an average condition. The upper floors of the existing building are due to be fully converted, refurbished and extended as part of the proposed development and therefore, we make no further comment as to the existing condition of these areas of the building.

We assume the proposed residential development will be completed to a good specification in line with the target market and that new build NHBC warranties or similar will be available upon completion.

4.8 USEFUL ECONOMIC LIFE

Providing adequate routine maintenance of the completed scheme is undertaken, we consider that the building will have a remaining economic life in excess of 50 years.

4.9 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.

Our opinion of value assumes that there are no adverse ground conditions or costs which affect the value of the interest.

ARCHAEOLOGY

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.

4.10 RIGHTS OF ACCESS & PUBLIC RIGHTS OF WAY

We understand that both High Street and Central Avenue are publicly adopted highways, maintained by the Local Authority and that full rights of access are available to the Property from the public highway.

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.

4.11 ENVIRONMENTAL ISSUES

ENVIRONMENTAL REPORTS

As instructed, we have not commissioned any environmental reports in relation to this Property.

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%.

The Property is located in an area that has a high risk of flooding from surface water. This means that each year, this area has a chance of flooding of greater than 3.3%.

This information is suitable for identifying which parts of streets or parcels of land are at risk, or have the most risk; the extent, depth and approximate velocity of flooding. It is very likely to be reliable for identifying the risk to local areas of land; individual properties - though not whether they will flood internally.

Surface water flooding, sometimes known as flash flooding happens when heavy rain cannot drain away and it is difficult to predict as it depends on rainfall volume and location. It can happen up hills and away from rivers and other bodies of water is more widespread in areas with harder surfaces like concrete.

Lead local flood authorities (LLFA) are responsible for managing the flood risk from surface water and may hold more detailed information.

We have assumed that preventative measures to mitigate the risk of surface water flooding will be put in place as part of the proposed development and that appropriate building insurance cover can be obtained at a cost that would not materially affect the Market Value.

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 UK Health Security Agency Website that the Property is located in an area affected by elevated bands of radon potential. The maximum radon potential for the location is 3-5%. This is usual for this part of the country and, if levels are abnormally high, would be managed through ventilation or the incorporation of radon protection measures into ground floor construction. In the absence of any further information we have assumed that the market would regard the risk as minimal and our valuation has accordingly not been affected.

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 in any existing structures and ensure any hazardous materials are dealt with or are removed appropriately.

PROTECTED SPECIES

We are not aware of any species in need of protection from the proposed development.

4.12 SUSTAINABILITY

ENERGY PERFORMANCE CERTIFICATE

A valid Energy Performance Certificate (EPC) is a requirement for the construction, marketing and disposal of all domestic and non-domestic property, subject to some exceptions.

NON-DOMESTIC

In terms of tenanted Property, where non-domestic 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. The Minimum Energy Efficiency standards (MEES) make it unlawful for a landlord in England and Wales to grant a new tenancy or to extend or renew an existing tenancy of certain property having an Energy Performance Certificate (EPC) rating of F or G unless: all the relevant energy efficiency improvements for the property have been made; or an exemption applies. From 1st April 2023, these changes applied to all privately rented, non-domestic properties; i.e. even where there has been no change in tenancy. All buildings over a certain size are required to display their EPC certificate.

While the current timetable appears to be uncertain it is expected that the required rating will continue to rise as the UK Government seeks to meet its zero carbon emissions target and non-domestic properties will be required to have a B rating by 2030. It is therefore important owners consider the appropriate steps to upgrade their property to achieve a higher rating or seek an exemption which should be registered with the local authority. Exemptions can be obtained in a number of cases:-

- a) If any works do not meet a 7 year payback test. (5 years)
- b) All the relevant energy efficiency improvements have been made. (5 years)
- c) Recommended wall insulation would have a negative impact on the fabric of the property. (5 years)
- d) If permission cannot be obtained from a third party e.g. Superior Landlord. (5 years)
- e) If the works would devalue the property by over 5%. (5 years)
- f) Recently becoming a landlord. (6 months)

Non-Compliance will be enforced by the Local Weights and Measures Authorities who can serve notice up to 12 months after a breach occurred.

Legislation in Scotland varies, however an EPC Certificate is required for all properties other than standalone buildings (not homes) less than 50m², temporary buildings with a life of less than 2 years, buildings with a low energy demand or buildings to be demolished. There are as yet no requirement for buildings to meet any specific standard for them to be let or sold.

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DOMESTIC

All residential property which 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 known as the Minimum Energy Efficiency Standards (MEES) have made it unlawful for landlords to grant or renew residential leases of properties with an Energy Efficiency Rating below a minimum level of E this also relates to existing tenancies. Assured, regulated or domestic agricultural tenancies are exempt. The target was to increase the required standard to C by 2030 although the Government recently announced a delay in this requirement.

There are also exemptions:-

- a) All Improvements Exemption if after improvements costing £3,500 (inc VAT) the property still does not reach an E rating.
- b) High Cost Exemption – no improvement can be made as they all exceed £3,500 (inc VAT)
- c) Third Party Consent Exemption – If consent of another party is required and has not been given.
- d) Property Devaluation – If making the energy saving improvements devalues the property by 5% or more
- e) New landlord Exemption – 6 months grace is given to comply if you are a new landlord.

All exemptions must be registered and failure to comply can lead to fines of up to £5,000.

EPC COMMENT- PROPOSED RESIDENTIAL FLATS

The new flatted units have not yet been converted/constructed, as such, our valuation is based on the assumption that they will meet the minimum requirements set by the current legislation and that there will be no adverse impact on value and marketability. It is advisable to commission an expert's opinion to advise whether an EPC should be commissioned and if the completed units are likely to meet with the proposed legislative requirements.

We assume that the Borrower intends to achieve a 'B' rating or higher for energy efficiency purposes for the completed units which would fall within the current acceptable energy performance range for the purposes of the Act.

If, on assessment, the units fail to meet the minimum EPC requirements, capital expenditure may be required in order to upgrade the units to the required standard.

Our valuation does not currently reflect the costs of any necessary remedial works and any impact on value that this may have and because of this you may then wish that we review the valuation. Failure to do this may make it unlawful to rent out the units, which could have an impact on the value and marketability.

It is important to keep EPC issues under review and to consider the potential impact on property value of any additional government initiatives pending the legislative changes to ensure that the security of any loan does not come under threat should the Property fail to meet the minimum EPC requirements.

EPC COMMENT- COMMERCIAL UNITS

We set out details of the Energy Performance Certificate pertaining to the commercial units below. Overall these assessments indicate that the commercial elements of the Property fall within the current acceptable energy performance range for the purposes of the Act.

Unit	Rating	Date of Expiry
Natwest, 87 High Street, Sittingbourne, ME10 4AU	C	31 May 2032
3 Central Avenue, Sittingbourne, ME10 4BX	D	12 September 2029
5 Central Avenue, Sittingbourne, ME10 4BX	D	Expired - 11 September 2020

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

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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.

4.13 TENURE

We understand that the Borrower owns the Freehold of the Property although we have not been provided with a Report on Title at this stage.

We understand that the Property is held within Title Number TT35046. We assume that the individual residential flat units will be suitably split out on long Leasehold interests upon completion and registration.

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 outgoings which would adversely affect the value of the relevant interest.

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

4.14 OCCUPATION

RESIDENTIAL FLATS

This element of the Property was owner-occupied or vacant awaiting the redevelopment at the date of inspection. We have therefore provided our opinions of value on the assumption of vacant possession.

COMMERCIAL UNITS

The commercial units were tenanted at the time of our inspection and we have been provided with details of the tenancies by the Borrower. We summarise these as follows:

87 HIGH STREET

Lease date	▪ 22 nd September 2011
Landlord	▪ Sackville
Tenant	▪ National Westminster Bank Plc
Demised premises	▪ Part Basement & Ground Floor 87 High Street Sittingbourne
Term	▪ 20 years to expire 23 rd June 2025
Break	▪ None.
Current rent	▪ £87,075 per annum.
Rent review provisions	▪ None.
Repair	▪ To keep the Premises in good and substantial repair.
Insurance	▪ Landlord to insure and Tenant to reimburse.

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Alienation	▪ Assign or underlet whole with Landlord's consent.
User	▪ Classes A1 A2 A3 (Now Class E)

3 CENTRAL AVENUE

Lease date	▪ 7 th September 2020
Landlord	▪ Trustees of Wanderslore Pension Scheme
Tenant	▪ Jason Mee
Demised premises	▪ Ground Floor Retail Unit 3
Term	▪ 5 years to expire 6 th September 2025
Break	▪ None.
Current rent	▪ £12,500 per annum.
Rent review provisions	▪ None.
Repair	▪ To keep the Premises in good and substantial repair and condition
Insurance	▪ Landlord to insure and Tenant to reimburse.
Alienation	▪ Assign or underlet whole with Landlord's consent.
User	▪ Classes A1 (Now Class E)

5 CENTRAL AVENUE

Lease date	▪ 1 st September 2020
Landlord	▪ Trustees of Wanderslore Pension Scheme
Tenant	▪ Jellis Seafoods Ltd
Demised premises	▪ Ground Floor Retail Unit 5
Term	▪ 5 years to expire 31 st August 2025
Break	▪ None.
Current rent	▪ £12,500 per annum.
Rent review provisions	▪ None.
Repair	▪ To keep the Premises in good and substantial repair and condition
Insurance	▪ Landlord to insure and Tenant to reimburse.
Alienation	▪ Assign or underlet whole with Landlord's consent.
User	▪ Classes A1 (Now Class E)



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

4.15 LOCAL TAXATION

The proposed new residential units have not yet been development and assessed for council tax. We assume that they will be suitably banded/assessed once completed. We recommend these are confirmed by your legal advisers.

In relation to the commercial units, the units have the following rateable values:

Unit	Address	Description	RV
1	83-87, High Street, Sittingbourne, ME10 4AW	Bank and premises	£65,000
2	3, Central Avenue, Sittingbourne, Kent, ME10 4BX	Shop and premises	£12,250
3	5, Central Avenue, Sittingbourne, Kent, ME10 4BX	Shop and premises	£12,000

4.16 PLANNING

We have not undertaken formal planning enquiries. Our enquiries have been limited to a perusal of information displayed on Swale Borough Council’s planning database and information provided to us by the Borrower. We therefore recommend that your legal advisers confirm that our understanding of planning matters set out below is correct. If this is not the case, we may wish to review our report and valuation accordingly.

LOCAL AUTHORITY

The local authority is Swale Borough Council.

LOCAL POLICIES

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

The Property lies within the Sittingbourne Conservation Area.

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

PLANNING HISTORY

The site has an extensive planning history connected with its former use. We summarise below the most relevant planning history of the Property within the last 10 years.

Planning Reference	Application Details	Date	Status
23/505558/FULL	Proposed change of use of the existing first and second floor from office use (Class E) to residential (use class C3) including the erection of an additional third floor and a three storey rear extension to create a total of 22 self-contained residential flat units.	10 Oct 2024	Approved
22/501987/ADV	Advertisement Consent for replacement of existing signage, including installation of 1no. internally illuminated fascia sign, 2no. non-illuminated fascia signs, 2no. internally illuminated projecting signs, 1no. internally illuminated digital screen, 1no. non-illuminated nameplate/opening times sign, 1no. internally illuminated ATM surround and 7no. vinyl window graphics.	27 Jun 2022	Approved
19/502014/ADV	Advertisement consent for installation of 1no. 2020mm high non-illuminated acrylic sign to cover redundant ATM.	24 May 2019	Approved

15/504339/ADV	Advertisement consent for 3 No. illuminated internal light pocket, 1 No. illuminated internal chevron, 1 No. external chevron, 4 No. chevron window vinyl, 2 No. billboard vinyl, 4 No. gradient vinyl	04 Aug 2015	Approved
14/504788/ADV	Advertisement - 1 No. multi splayed fascia with internally illuminated lettering 1 no. internally illuminated wall mounted chevron 2 no. internally illuminated projecting signs 1 no. Standard internally illuminated surround 1 no. Bespoke internally illuminated surround	06 May 2015	Approved

We have valued the Property in accordance with application 23/505558/FULL which we are advised, by the Borrower, received approval on 10th October 2014. As at the date of writing, the decision notice has not been uploaded onto the local authority planning database. Our valuation is provided on the express assumption that planning permission has been granted for the proposed residential development.

PLANNING CONDITIONS

It is usual for the planning consent to be subject to a number of conditions. We have assumed that any conditions attached to the planning consent will not be unduly onerous and will mostly relate to the successful implementation of the scheme. Our report and valuation assumes that any conditions will be appropriately discharged in due course throughout the development.

COMMUNITY INFRASTRUCTURE LEVY ('CIL') & S.106 AGREEMENT

We have been advised by the Borrower that a total contribution of £125,000 is applicable in relation to the proposed development. We have adopted this cost within our appraisal of the residential development and assume it is full and correct. Our valuation is based on this understanding and assumption. Should additional information come to light, we reserve the right to review our valuation accordingly.

PARTY WALL AWARDS

Our valuation assumes that there are no Party Wall Awards in relation to the proposed development. Our valuation is based on this understanding and assumption.

RIGHTS OF LIGHT ISSUES

Our valuation assumes that there are no rights of light issues relating to the adjacent buildings or the Property when developed affecting the interest of the Property. Our valuation is based on this assumption.

AFFORDABLE HOUSING

The proposed development comprises a total of 22 flats. The plans and draft S106 agreement suggest that Units 15, 21 & 22 are to be allocated as affordable "first home" units. We have assumed this to be the case and our report and valuation of the proposed residential scheme is made on this express assumption.

GENERAL COMMENT

Strutt & Parker reserve the right to alter our report and valuation accordingly in light of new information to the contrary of the above assumptions.

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 / Heritage / Conservation / 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.

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

We recommend your solicitor verifies the planning status of the Property.

4.17 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.



5. MARKET CONDITIONS AND TRENDS

5.1 MACRO MARKET COMMENTARY - Q3 2024

SUMMARY

- As of 5th July the UK Government changed. Labour’s Sir Keir Starmer is the new Prime Minister of the United Kingdom after taking a majority. Subsequent to this, the Autumn Budget was announced on 30th October 2024 and this quarterly commentary has not yet been updated to reflect that announcement.
- In the new Cabinet, Rachel Reeves has been appointed Chancellor of the Exchequer, Angela Rayner is the Deputy Prime Minister and also Secretary of State for Housing, Communities and Local Government with Matthew Pennycook appointed as Minister of State (Housing, Communities and Local Government).
- Monthly GDP growth in 2024 has continued to be positive, albeit remaining almost flat with 0.4% growth in May and no growth in April. QoQ growth is positive in Q2 2024, with growth of 0.7% after the last two quarters of negative QoQ growth. The July HM Treasury outlook forecasts 1.0% growth this year and 1.3% in 2025 so is slightly more positive. Similarly, the March OBR forecast expects 0.8% growth in 2024 and 1.9% in 2025.
- The Bank Rate has been reduced by a quarter of a percentage point to 5.0%, the first rate cut since March 2020. HM Treasury expect this to decrease further to 4.75% by the end of 2024. In May 2024, 60,000 mortgages were approved. The effective interest rate on newly drawn mortgages saw a slight increase by 0.05 percentage points to 4.79% in May 2024.
- June inflation remains down at the Bank of England target of 2%, after being at 3.2% in March and the lowest level since July 2021. Both HM Treasury and March OBR forecasts expect inflation to be close to target at 2.5% and 2.2% this year, respectively.
- UK house prices to Q2 2024 grew 1.1% YoY – the same level of growth as Q1 2024. QoQ growth was slightly negative at -0.1%, down from 1.2% in Q1 2024. The UK economy, with inflation at target and anticipation around a fall in interest rates, may see greater demand for housing in the longer term. The previous commentary’s forecasts are retained for 2024 however due to the improving market conditions our five-year outlook is pushed out to 15% to 20%.

Table 1. Strutt & Parker House Price Forecasts

Area		2024	5 Years cumulative to 2028
Sales			
Prime Central London		0% to 5%	10% to 15%
UK		0% to 5%	15% to 20%
Lettings			
Prime Central London		2% to 5%	10% to 15%

ECONOMIC OUTLOOK

Table 2. Key Economic Indicator Summary Table

Indicator	Value	Date	Comment
Inflation Rate (CPI)	2.0%	Year to June 2024	In May inflation was at its lowest rate since July 2021 also at 2.0%.
Bank Rate	5.0%	August 2024	The bank rate has been decreased by 0.25pts after being held at the same rate since Aug-23. There were 14 rate rises between Dec-21 and Aug-23.
Unemployment Rate	4.4%	March-24 to May-24	Unemployment has been at or below 5% since 2015 (apart from just over 5% at the end of 2020). The Mar-24 to May-

			24 rate of 4.4% is the same as the Feb-24 to Apr-24 rate of 4.4%.
Exchange Rate (GBP to Euro)	1.19	[Mid] July 2024	At the start of 2024, the rate was 1.15. It climbed over Jan-24 to 1.17, however fell to 1.15 in April 2024 and has risen since.
FTSE	QoQ: 2.9% YoY: 8.5%	[Start] Q3 2024	YoY growth has been positive for seven consecutive quarters.
GDP	QoQ: 0.7%	Q1 2024	Monthly real GDP is estimated to have grown by 0.4% in May 2024 after showing no growth in April 2024.

Sources: ONS, Bank of England, European Central Bank, Wall Street Journal

Macro Commentary

In their June Financial Stability Report, the Bank of England reported that *“The overall risk environment remains broadly unchanged from Q1. Markets continue to price mostly for a benign central case outlook, and some risk premia have tightened even further, despite the global risk environment facing several challenges. Some of these challenges have become more concerning and proximate...policy uncertainty associated with upcoming elections globally has increased. This could increase existing sovereign debt pressures, geopolitical risks, and risks associated with global fragmentation. It could also make the global economic outlook less certain and lead to financial market volatility.”*¹

The largest downward contribution to inflation, now in line with the Bank of England’s inflation target, was from food and alcoholic beverages and the largest upward contribution was from transport. This has not resolved the cost-of-living crisis as 87% of adults in Great Britain report the cost of living crisis is still an important issue (May to June 2024),² the same percentage as in April 2024 and December 2023.

The latest Business Confidence Monitor has significantly increased from 4.2 in Q4 2023 to 16.7 in Q2 2024 (up from 14.4 in Q1 2024).³ GfK’s Consumer Confidence Index was -14 in June 2024, compared to -17 in May 2024. Consumer confidence indicators are measured by past and future personal finance and general economic situation over the past and future 12 months. The personal finance situation over the next 12 months indicator is the only positive indicator (+4) and the past economic situation is the most negative (-32). All indicators increased or remained the same from May 2024, apart from the future personal financial situation indicator which decreased three points.⁴

Mortgage approvals have been rising since October 2023, however slightly decreased in the month to May 2024. According to the Bank of England,⁵ 60,000 mortgages for house purchases were approved in May 2024, slightly down from 60,800 in April 2024. Net approvals for re-mortgaging also saw a slight decrease from 29,900 in April 2024 to 29,600 in May 2024. The effective interest rate (actually paid) on newly drawn mortgages saw a slight increase to 4.79% by 5 basis points in April 2024. Labour’s plans to become the ‘party of home ownership’ where they have pledged to introduce permanent mortgage guarantee scheme in supporting home ownership, extending the Tory government’s introduction of 95% mortgages, which was due to expire in June 2025. We will likely need to wait until the Labour’s first fiscal statement this Autumn to see the details of this.

The most recent trade negotiation update was in April 2024, as referenced in the Q1 2024 commentary. Labour’s manifesto regarding trade agreements pledges to work to improve the UK’s trade and investment relationship with the EU, reducing barriers to trade to help tackle the cost of food. In light of prioritising economic growth, Labour pledges to seek targeted trade agreements to align with their industrial strategy including striking new free trade agreements in standalone sectors. Labour also pledges to modernise trade rules and agreements, promoting co-operation through the World Trade Organisation and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership – an Asia Pacific trade bloc of 11 countries. More details around specific trade policy are due to follow in Labour’s trade strategy.

¹ Bank of England, 2024. Financial Stability Report, June 2024.

² ONS, 2024. Public opinions and social trends, Great Britain: 22 May to 2 June 2024.

³ ICAEW, 2024. UK Business Confidence Monitor: National.

⁴ GfK, 2024. UK Consumer confidence up three points in June to -14.

⁵ Bank of England, 2024. Money and Credit - May 2024.

Labour pledges

Included in Labour's manifesto commitments is its pledge to build 1.5 million new homes over the next five years and to immediately update the National Planning Policy Framework (NPPF) to help accelerate the speed at which planning applications can progress through the planning system, and to reinstate local housing targets. The new government says it will build new towns alongside releasing 'lower quality grey belt' land for development to support house-building targets. New developments will also be required to provide a higher proportion of affordable housing including social housing. The strong commitment of Labour's policy to deliver new homes could see increased optimism in the UK housing market.

Labour has also pledged a number of changes to taxes on wealth that are likely to impact the top end of the housing market. Firstly, stamp duty for non-UK residents buying property will increase by 1%, on top of the existing 2% surcharge. Furthermore, Labour has indicated an intention to abolish the 50% 'transitional tax relief' on taxable foreign income as non-domiciles adjust to the abolition of tax rules in 2025-26. This may have implications for the PCL market in particular, given uncertainty around its implementation with many non-domiciles likely to hold off on purchases. Lastly, the manifesto states a commitment to end the use of offshore trusts to avoid inheritance tax as well as abolishing the VAT exemption and business rates relief for private schools, which may drive housing competition in areas with high-performing state schools.

Macro forecasts

The OBR has revised its inflation forecast down since November, reflecting larger-than-anticipated falls in global energy prices⁶. However, geopolitical tensions in Ukraine, the Red Sea crisis, and the Middle East still pose a threat to inflation, but the extent of this threat remains uncertain and hard to quantify.

The Bank Rate has been reduced by a quarter-point, following the return of overall inflation to the target 2%. Capital Economics predict that the average mortgage rate will drop to 3.5% by the end of 2025, which would put transactions and mortgage approvals on track to recover to pre-pandemic levels next year.⁷ The OBR March forecast expects transactions to be broadly flat in 2024, an upward revision from -7% in its November forecast. Transactions are now expected to reach pre-pandemic levels in early 2025, two years before the OBR expected in November.

Table 3. Economic Forecasts

	2024		2025	
	HM Treasury (July 2024)	OBR (March 2024)	HM Treasury (July 2024)	OBR (March 2024)
GDP	1.0%	0.8%	1.3%	1.9%
Unemployment	4.4%	4.4%	4.5%	4.4%
Inflation	2.5%	2.2%	2.2%	1.5%
Bank Rate	4.75%	4.2%	4.0%	3.4%

NATIONAL PROPERTY OUTLOOK

According to the (seasonally adjusted) Nationwide House Price Index (NWHPI), UK property price YoY growth was positive in Q2 2024 (1.1%), the same level of growth as Q1 2024. QoQ growth was however, marginally negative at -0.1%, lower than the positive growth of 1.1% in the previous quarter.

On a regional basis, North West, Northern Ireland and Yorkshire and the Humber saw the largest positive growth at 4.1%, 4.1% and 3.7%, respectively. Five regions saw negative YoY growth. The worst YoY performers were East Anglia (-1.8%), South West (-1.5%), and Outer South East (-1.1%). On a quarterly basis, regions with the strongest positive growth were Northern Ireland (1.4%), Yorkshire and the Humber (1.2%) and the West Midlands (0.9%). Nine regions experienced negative QoQ growth, compared to only one region with negative QoQ growth in Q1 2024.

⁶ OBR, 2024. Economic and Fiscal Outlook, March 2024.

⁷ Capital Economics, 2024. Fall in mortgage rates will allow market to recover.

The HMRC provisional seasonally adjusted estimate of the number of UK residential transactions in May 2024 is 91,290, 2% higher than April 2024.⁸ We are expecting June's figure to be down on May's due to the build up to the election that dominated June and typically increases uncertainty and decreases market activity.

AGENT REPORTS

For UK sales, agents report that applicants have increased alongside other metrics (pitches, viewings, offers), which are either the same or better than this time last year. This is largely driven by increased optimism around the UK economy and housing market driven by the anticipated fall in interest rates in due course. Agents state that stock levels have continued to rise, however it is worth noting that fall throughs have also increased.

5.2 MICRO MARKET COMMENTARY

RESIDENTIAL MARKET COMMENT

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. The residential market saw unprecedented demand throughout 2021 and 2022, however throughout 2023 and into the first half of 2024 there was a considerable increase in buyer caution, along with increasing stock levels, meaning the supply and demand imbalance experienced throughout 2021/22 diminished. Uncertainty surrounding interest rates and wider geo-political events enhanced the caution seen from both buyers and sellers during the first half of 2024. However, since August 2024, when the first Bank of England base rate cut was seen, some positivity and movement has returned to the market.

Sittingbourne is currently undergoing a number of regeneration projects, with the principal scheme being the Spirit of Sittingbourne, a regeneration scheme of the town centre which aims to increase the night time economy and inward investment in the town, with a new eight screen cinema, Travelodge, six new restaurants, a retail park, multi storey car park, a public square and 213 apartments. The Light leisure complex opened in May 2021. Other recent projects include the development of the former waste depot at Eurolink to a retail park, improvements to Junction 5 of the M2, Phase Five of the Eurolink Business Park, and Trilogy, a new logistics and industrial development. Sittingbourne has been traditionally recognised as an industrial town, however since the introduction of High Speed One commuter trains to London St Pancras there has been a steady influx of London buyers. The benefits are not limited to the fast travel to London; the steady growth within the Swale area is also encouraging home buyers. It is evident that the benefits of living in a well serviced, thriving town are sought by many.

Rail journey times between Sittingbourne and Central London are under an hour, and as such the town is becoming increasingly recognised as an affordable alternative to traditional commuter hubs due to its affordability in terms of house prices, good transport links and local amenities. Emerging developments within Sittingbourne include Highsted Park, a partnership between Quinn Estates and Kent Science Park which proposes 9,250 new homes over a thirty year period, in addition to the consent for 675 dwellings at Wises Lane.

Taking into account all of the above factors, we are of the opinion that subject to sensible asking prices being quoted in the first instance and adequate marketing, the new flats will be well received in current market conditions and will appeal to local owner-occupiers and those relocating to the area as well as local investors.

In terms of demand for the Property as a residential development opportunity, we are of the opinion that it would appeal to local and regional development companies with the benefit of planning consent in place. We would anticipate good demand should it be placed in the open market subject to sensible pricing and a marketing period of 6 months.

⁸ HM Revenue & Customs, 2024. UK monthly property transactions commentary. Updated 28 June 2024.

LOCAL RETAIL MARKET COMMENTRY

Whilst the town benefits from a good range of national and independent retailers, Sittingbourne, like most regional towns, has been impacted by the general weakening of the regional retail market sector as competition from out of town retail and online retail has taken its toll. Coupled with a slow recovery from Covid, the cost-of-living crisis, inflation and high interest rates, we have seen outward pressure on yields and a reduction in the tone of rents along the High Streets.

There has still been a significant market change since 2019.

Occupier sentiment has remained very cautious. Affordability, sustainability and flexibility remain key themes for retailers. Whilst prime high street values have fallen from 2019 levels, these declines have been relatively modest compared to the other retail sub-sectors. Net initial yields have softened considerably over the last 18 months in regional towns.

Investor sentiment towards certain locations is evolving as town centre retail offering in a number of affluent Southern towns suffers due to strong competing out-of-town centres, lower footfall and unaffordable rents. The majority of retailers will continue to take shorter lease lengths (3-5 years' term certain) and rents will largely remain under downward pressure. As a result, any lease agreed on a 10+ year term at a materially reduced / re-based rent will attract strong investor interest.

The principal buyers are largely property companies and private investors who have a strong and established track record for buying retail. They are buying prime retail at an attractive discount to long term values. UK Funds remain inactive on the buy side. There has been a very limited number of investment transactions across the region in the last twelve months.

5.3 RESIDENTIAL FLATS

RESIDENTIAL CAPITAL VALUES

When determining our opinion of Market Value 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 units 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.

We have considered the following comparable transactions.

Church Street, Sittingbourne, Kent, ME10 2AJ

50% Sold

Average £322 psf

A development of 16 no. new high specification apartments comprising 1 and 2-bedroom units. It is located to the north side of the railway line, less than 1 mile distant from the Property. We understand that 1-beds are priced from £180,000 and 2-beds start at £230,000. All flats benefit from allocated parking and balconies.

We are aware of the most recent transactions and pricing:

Flat 9 – 1-bed flat of 550 sq. ft. - £180,000 (**£327 psf**)

Flat 13 – 1-bed flat of 550 sq. ft. - £190,000 (**£345 psf**)

Flat 10 – 2-bed flat of 764 sq. ft. - £230,000 (**£301 psf**)

Flat 14 – 2-bed flat of 764 sq. ft. - £240,000 (**£314 psf**)

Analysis: This slightly smaller scheme is located slightly further away from the High Street being to the north side of the railway line however it is a similar distance from the train station and is located close to



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some of the larger retail/shopping units including Morrisons. We would anticipate the subject units commanding similar capital values and values overall on a £ per sq. ft. basis.

Chestnut Grove, Chestnut Street, Borden, Near Sittingbourne, Kent, ME9

Recently launched 2024

A development of new build houses and maisonettes including 1, 2, 3 and 4-bedroom homes. The scheme is located in the village of Borden to the western outskirts of Sittingbourne approximately 2.5 miles distant from the Property. The units benefit from allocated parking and garden areas as well as a contemporary specification.

We are aware of the most recent transactions and pricing:
 The Myrtle – 1-bed flat of 551 sq. ft. – Reserved £200,000 (**£363 psf**)
 The Maple – 1-bed flat of 608 sq. ft. – Available £215,000 (**£354 psf**)

Analysis: This large scale development is located close to the A249, outside of the town and further away from its town amenities and train station but it is a more attractive development in comparison to the Property. We would anticipate the subject 1-bedroom units commanding slightly lower capital values.



Regent Quay, Crown Quay Lane, Sittingbourne, Kent, ME10 3HH

Average £373 psf across all units.

A large scale development built out in several phases by Redrow, comprising new build houses and apartment blocks. The latest phases of the scheme have achieved broadly between **£300 to £500 psf.** for new build houses with re-sales achieving similar levels between approximately **£300-£400 psf.**

We are aware of the most recent resales:
 3 Redgrove House, Rapson End – 2-bed flat of 807 sq. ft.
 - Sold April 2023; £235,000 (**£291 psf**)
 Ground floor flat, Rapson End – 2-bed flat of 760 sq. ft. -
 Sold April 2023; £219,995 (**£289 psf**)
 First floor flat, Seddingbourne Way – 2-bed flat of 715 sq. ft. – Sold July 2024; £200,000 (**£280 psf**)

Analysis: This large scale development is located to the north side of the railway line, a similar distance from the train station. It is however, a significantly larger scheme in comparison to the Property. We would anticipate the subject units commanding values on a £ per sq. ft. basis towards the lower end of the range achieved here.



Lywood Drive, Sittingbourne, Kent, ME10 2FT

Built out in 2019, Lynwood Drive forms part of a larger housing development located a short distance to the north-west of the Property, to the north side of the railway line. The flats within the apartment block are arranged over ground and three upper floors and the units benefit from allocated parking spaces and balconies.

We are aware of the most recent re-sales:

Flat 24 – 2-bed flat of 689 sq. ft. – Sold December 2023 - £220,000 (**£319 psf**)

Flat 26 – 1-bed flat of 474 sq. ft. – Sold February 2023 - £165,000 (**£348 psf**)

Analysis: This large scale development located slightly further away from the High Street being to the north side of the railway line however it is a similar distance from the train station and is located opposite Morrisons. We would anticipate the subject units commanding similar values on a £ per sq. ft basis.



4 Jubilee Street, Sittingbourne, Kent, ME10 2FU

A 3-bedroom end of terraced house built in 2019. The accommodation extends to 1,033 sq. ft. arranged over ground and first floors and was in a good modern condition throughout. It has a garden and parking space.

Sold recently subject to contract at a price of £290,000.



5 Haddon Close, Sittingbourne, Kent, ME10 2FS

A 3-bedroom mid terraced house built in 2020. The accommodation extends to 937 sq. ft. arranged over ground and first floors and was in a good condition throughout. It has a patio garden and two allocated parking spaces.

Sold August 2024 at a price of £300,000.



33 Burley Road, Sittingbourne, Kent, ME10 1JJ

A 3-bedroom mid terraced house built in 1880. The accommodation extends to 1,335 sq. ft. arranged over ground and two upper floors and was in a good, modernised condition throughout. It has a rear garden.

Sold June 2024 at a price of £325,000.



RESIDENTIAL VALUATION CONSIDERATIONS

The residential housing market has been extremely sensitive over the last 18 months. High interest rates, high inflation and a weaker economy caused a slowdown in housing market activity and a high level of sensitivity around house prices over 2023 and within the first half of 2024. Despite growing optimism since summer 2024, transactional evidence remains limited, which largely reflects the market sentiment over the last year. One of the biggest challenges to the new build housing market over the last year has been the limited number of first time buyers within the market place, due to the high mortgage rates, and the inability of second home purchasers to move on and complete sales on their own homes.

Over the last few years, our evidence suggests that there have been a number of new build residential housing schemes within the Sittingbourne area, although development has predominantly been concentrated to the north of the railway line or to the outskirts of the town comprising mostly housing as opposed to apartments blocks, as such, transactional evidence of new build or very good quality second hand (built within the last few years) flat sales is very limited within Sittingbourne. The evidence above suggests that values achieved for new build and second hand flats within the larger residential housing developments, being the more affordable element of these larger housing schemes, is between **£300 - £400 psf** although we are aware that the general tone of values for good quality new build/recently built stock is higher being in the region of **£395 psf - £405 psf** for family homes. Anecdotally, we are also aware that a benchmark of **£400 psf** has also been agreed with Swale Borough Council for the new build development at Highsted Park, Sittingbourne which will provide some 9,250 new homes over the next coming years. There are very few new conversion schemes within the town centre and close to the train station comparable to the Property. Taking the characteristics of the site and scheme into consideration, we consider the proposed units are likely to achieve values towards the lower to middle part of the range on a £ per sq. ft. basis. We have not been able to find evidence of new build or second-hand 3-bedroom flat sales within the local area and have therefore taken into consideration the capital values achieved for local 3-bedroom housing stock and made appropriate adjustments for the proposed units. We are of the opinion that the largest units will command values towards the middle to lower end of the range on a £ per sq. ft. basis given their quantum.

From our conversations with local agents, we also consider that at this capital price point, the majority of purchasers for the larger units would expect a car parking space to be included with the purchase of their flat and therefore, we have not attributed any additional value to the car parking spaces and assume they will be allocated to the majority of the larger flats accordingly.

Overall, in terms of positives, the scheme will provide modern new build/newly converted flats finished to a good specification, with the benefit of private external space in the form of balconies to the third floor, situated within the town centre and close to the train station. In terms of negatives, there is limited parking within the scheme which may deter some potential purchasers and the majority of the proposed units lack private external space. Given the above evidence, we are of the opinion that the one bedroom flats will achieve capital values in the region of **£180,000 to £190,000**. The two bedroom units will range from **£225,000 to £250,000** and the three bedroom units will range from **£315,000 to £325,000**, dependent on size and where they are located within the building. That said, the plans and draft S106 agreement suggest that Units 15, 21 & 22 are to be allocated as affordable "first home" units. We have assumed this to be the case and our report and valuation of the proposed residential scheme is made on this express assumption. The government's aim of affordable "first homes" is to help local first-time buyers and key workers get onto the property ladder. Such units are discounted by a minimum of 30% against Market Value and the first sale must be at a price no higher than £250,000 (or £420,000 in Greater London) and to a person or persons meeting the First Homes eligibility criteria. We have therefore discounted the relevant proposed subject flats accordingly.

We highlight that when considering the valuation, we have looked at the capital figures of the proposed units, whilst also considering the resulting £ per sq. ft. figure. We have not valued the units purely on a £ per sq. ft. basis as this can skew the resulting capital value.

Taking into account the above evidence and research, the characteristics of the Property and proposed development as well as considering current market sentiment and conditions, we consider that the proposed units will be well received in current market conditions. We consider demand for the completed units to come from first time buyers, local owner-occupiers, those moving to the area and local investors.

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RESIDENTIAL MARKET RENT VALUES

In determining our opinion of Market Rent for the completed flats we have adopted a direct comparison method of valuation. From our research of the local market place agents are reporting relatively good demand for similar flats for rent, providing the flats are well presented and sensibly priced. Apartments with close proximity to the town centre and railway stations are popular and tenants are willing to pay a premium for well-presented high specification properties.

We have excluded providing a rental value for the affordable units within the scheme as these form part of the S106 agreement and can only be purchased by first time buyers as their primary residence.

We are of the opinion that the subject residential flats would be well received in the current rental market place and would rent within a marketing period of 3 months.

We have considered the following rental transactions:

Address: Pembury Street, Sittingbourne, Kent, ME10
Description: 1 bedroom, 1st floor, close to town centre and rail station, parking, good condition.
Rent: £850 pcm, October 2024.

Address: Pano Court, Bell Road, Sittingbourne, Kent, ME10
Description: 1 bedroom, 1st floor, town centre, close to rail station, good condition.
Rent: £950 pcm, October 2024.

Address: Canterbury Road, Sittingbourne, Kent, ME10
Description: 1 bedroom, ground floor, new build, east of the town centre.
Rent: £1,000 pcm, October 2024.

Address: 19 Lywood Drive, Sittingbourne, Kent, ME10
Description: 1 bedroom, top floor, built a few years ago, just north of the town centre.
Rent: £1,000 pcm, October 2024.

Address: High Street, Sittingbourne, Kent, ME10
Description: 2 bedroom, 1st floor, town centre, close to rail station, newly refurbished.
Rent: £1,175 pcm, Available.

Address: High Street, Sittingbourne, Kent, ME10
Description: 2 bedroom, penthouse flat, town centre, private garden, good condition.
Rent: £1,250 pcm, Available.

Address: 2 Onyx Drive, Sittingbourne, ME10
Description: 2 bedroom, 2007 purpose-built development, good condition
Rent: £1,300 pcm. Let Agreed.

Address: Albany Court, Albany Road, Sittingbourne, ME10
Description: 2 bedroom, 1st floor, modern development, town centre.
Rent: £1,375 pcm. Available.

We have not been able to find any rental evidence of 3-bedroom flats within the local area. As such we have considered the rents achieved for smaller 3-bedroom houses and made adjustments accordingly.

Address: Arthur Street, Sittingbourne, ME10
Description: 3 bedroom semi-detached house, built in 2018, garden, driveway, modern condition.
Rent: £1,475 pcm. Let agreed.

Address: Romney Court, Sittingbourne, ME10
Description: 3 bedroom townhouse, garden, integral garage, modern condition, to north of town centre
Rent: £1,400 pcm. Available.

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Address: 3 Haddon Close, Sittingbourne, ME10
Description: 3 bedroom end-of-terrace house, garden, modern condition, to north-west of town centre
Rent: £1,400 pcm. Let agreed.

Given their newly converted / build condition, we are of the opinion that the one-bedroom units will achieve £1,000 per calendar month, the two-bedroom units will achieve between £1,100 - £1,250 per calendar month depending on position within the building and the three-bedroom units will achieve in the region of £1,400 per calendar month.

FREEHOLD VALUE

The Government originally published a response to a consultation on Leasehold Tenure in respect of new build residential property in December 2017, following consultation in July 2017. The Government's response included two particularly important statements:

- its intention to introduce legislation so that, in the future, ground rents on newly established leases of flats and houses are set at a peppercorn rate (zero financial value) and;
- the costs incurred by a landlord for overseeing and appointing a managing agent, or carrying out wider services, can be recovered through the service charge or at a marginally higher sales price.

The Leasehold Reform (Ground Rent) Act 2022 came into force in England and Wales on 30 June 2022, meaning that if any ground rent is demanded as part of a new residential long lease, it cannot be charged at more than the cost of one peppercorn per year – effectively setting the rate to zero.

The Leasehold & Freehold Reform Act 2024 ('the 2024 Act') received Royal Assent and became law on the 24 May 2024 as part of the 'wash up' in the final Parliamentary session under the previous Government. It amends the rights of tenants under long residential leases to acquire the freeholds of their houses, to extend the leases of their houses or flats, and to collectively enfranchise or manage the buildings containing their flats, to give such tenants the right to reduce the rent payable under their leases to a peppercorn, to regulate charges and costs payable by residential tenants, to regulate residential estate management and to regulate rent charges. Despite receiving Royal Assent, the 2024 Act is not yet in force as most of its provisions rely on the introduction of secondary legislation via Statutory Instruments and for several key components of the Act to be set by the relevant Minister in due course. At this point it is only a number of limited provisions relating to rent charges and various amendments to the Building Safety Act 2022 which have come into force to date.

Accordingly, the market now considers it prudent to exclude the freehold investment value for this type of property for secured lending purposes.

5.4 COMMERCIAL UNITS

VALUATION METHODOLOGY

The units are subject to occupational tenancies and is held for investment purposes. As such we have adopted the investment method of valuation.

The investment method involves the capitalisation of existing and future projected rental income, at an appropriate capitalisation rate calculated with reference to investment transactions within the market place. We have then allowed for suitable marketing and incentive void periods and we have taken purchaser's costs at the prevailing rate. Should the Property become vacant, for whatever reason, over the remaining term, we would expect a combined marketing and incentive void of at least 18 months. Given that the units are held on an effectively full repairing and insuring leases, it is assumed that the units would be placed into a good condition at the tenant's expense upon expiry thus minimising the likely incentive void required for a new tenant.

We have valued the Property on the basis of a capitalisation of the current and future rental income of the existing unit.

5.5 COMMERCIAL MARKET RENT COMPARABLES

There has been very little letting activity in the town centre in the last 24 months. We have therefore looked at more historical evidence, which allows us to take a view on the likely tone of rents within the street.

We have had regard to the following rental evidence in the vicinity:

- 76 High Street – Opposite the Property, on the northern side of the road. A new letting on a 5 year term at a headline rent of £35,000 per annum. The letting is dated February 2023 and the headline rent breaks back to a Zone A rent of £28 per sq. ft.
- 32 High Street – A short distance to the east, on the northern side of the road. A new letting on a 5 year term at a headline rent of £12,000 per annum. The letting is dated May 2023 and the headline rent breaks back to a Zone A rent of £26 per sq. ft.
- 110 High Street – A short distance to the west, on the northern side of the road. A lease renewal at a headline rent of £20,500 per annum. The renewal is dated May 2023 and the headline rent breaks back to a Zone A rent of £36 per sq. ft.
- 95-97 High Street – A short distance to the west, on the same southern side of the road. A lease renewal at a headline rent of £26,000 per annum. The renewal is dated August 2021 and the headline rent breaks back to a Zone A rent of £33 per sq. ft.

The above evidence suggests a Zone A rent in the region of £30 per sq. ft on this part of the High Street. The tone for the Central Avenue units will fall away to circa £20 per sq. ft given their weaker trading location.

5.6 COMMERCIAL MARKET RENT CONCLUSIONS

Below is our assessment of the Market Rent.






Accommodation	ITZA Floor Areas		Rental Value £		Rental Value £
	Sq. m	Sq. ft	Sq. m	Sq. ft	
87 High Street	187.5	2,018	£322.92	£30.00	£60,500
3 Central Avenue	44.3	477	£269.10	£25.00	£11,950
5 Central Avenue	43.2	466	£269.10	£25.00	£11,650
SAY					£84,100

Market Rent is an internationally recognised definition and is defined as:

‘The estimated amount for which a property would 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.’

5.7 COMMERCIAL INVESTMENT / CAPITAL VALUE COMPARABLES

We have reviewed the most recent investment evidence across the south of England relating to well let banking premises. We have also reviewed local transactional data as follows:

Address	Date	Sale Price	£/sq. ft (NIY)	Comments
<p>8 High Street, Lewes</p> 	May 2024	£520,000	NIY 8.35%	<ul style="list-style-type: none"> A modern retail unit in the centre of Lewes. Let to Lloyds Bank until 01/12/2025. Passing rent is £43,000 pax. Redevelopment potential of upper parts.
<p>57 Abbeygate Street, Bury St Edmunds</p> 	March 2023	£700,000	NIY 7.00%	<ul style="list-style-type: none"> Single let High Street bank premises. Let to Santander paying £47,500 pax. Five-year lease to expire 19/01/2028, with break at 19/01/2026.
<p>41 Southgate Street, Bath</p> 	December 2023	£3.5 million	NIY 7.25%	<ul style="list-style-type: none"> Single let to HSBC Bank. Rent £270,000 pax. Unexpired term of 3.75 years.
<p>110 High Street, Sittingbourne</p> 	May 2023	£200,000	NIY 10.0%	<ul style="list-style-type: none"> Fully let retail unit to Tui, with 5 years unexpired Prime location in High Street
<p>26 High Street, Sittingbourne</p> 	March 2023	£138,000	NIY 8.2%	<ul style="list-style-type: none"> Ground floor lock up unit let on term to expire in March 2024 Weaker location but much smaller lot size.

The above evidence shows net initial yields on banking premises across the South of England of 7.0 to 8.35% on premises let on similar terms to high street bank covenants. The more local evidence reflects a net initial yield tone of towards 8.2 to 10.0% on central retail.

The Property has a short weighted unexpired term. As such, whilst also taking into account the physical and geographical characteristics of the building, we have concluded that the Property would currently achieve an all risks yield of circa 8.00%, which drives a net initial yield of 11.8%, due to its over-rented nature.



5.8 COMMERCIAL VALUATION CALCULATIONS

We have applied an all risks yield of 8.00% to the current and future income. This drives a net initial yield of approximately 11.80%. We have then applied purchaser’s costs at the prevailing rates.

A copy of our valuation calculations are included at **Appendix 6**.

The resulting yield profile is as follows:

Net initial yield	11.80%
Reversionary yield	8.85%
Equivalent yield (nominal)	8.00%
Equivalent yield (true)	8.45%

The resultant Market Value after purchaser’s costs is therefore **£900,000**.

We are of the opinion that a six month marketing period is adequate to achieve a disposal of the asset at this value.

6. VALUATION APPROACH

6.1 VALUATION METHODOLOGY

RESIDENTIAL FLATS

We have adopted a residual analysis of the proposed residential development of the upper parts of the Property in order to assess the Market Value of this element in its existing condition, with the benefit of planning permission, as at the valuation date and on the assumption of vacant possession.

We have therefore assessed a Gross Development Value (GDV) of the proposed residential flats, based on the comparable method and worked backwards by deducting costs and profit allowance to derive a site value.

We would however highlight that the residual method has its shortcomings. These derive from the large number of assumptions that are necessary, many of which are subjective, including the assessment of GDV. The residual value is highly sensitive to the assumptions made and small changes in the variables may lead to large changes in the residual property value.

COMMERCIAL UNITS

The commercial element of the Property is subject to a number of occupational tenancies and is held for investment purposes. As such we have adopted the investment method of valuation.

The investment method involves the capitalisation of existing and future projected rental income, at an appropriate capitalisation rate calculated with reference to investment transactions within the market place. We have then allowed for suitable marketing and incentive void periods and we have taken purchaser's costs at the prevailing rate. Should the Property become vacant, for whatever reason, over the remaining term, we would expect a combined marketing and incentive void of 9 to 12 months. Given that the units are held on an effectively full repairing and insuring leases, it is assumed that the units would be placed into a good condition at the tenant's expense upon expiry thus minimising the likely incentive void required for a new tenant.

We have valued this element of the Property on the basis of a capitalisation of the current and future rental income of the existing units.

We have then utilised the value of the existing commercial units within our residual appraisal detailed above to arrive at the Market Value of the Property as a whole.

6.2 GROSS DEVELOPMENT VALUE – RESIDENTIAL FLATS

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

Flat (Plan No.)	Floor	Description	Sq. M	Sq. Ft.	Market Value £	£ Per Sq. Ft.
1	1	2 Bed / 3 Person	65.3	703	240,000	341
2	1	3 Bed / 5 Person	95.7	1,030	315,000	306
3	1	2 Bed / 3 Person	79.5	856	250,000	292
4	1	1 Bed / 2 Person	50.8	547	180,000	329
5	1	2 Bed / 3 Person	75.4	812	240,000	296
6	1	2 Bed / 3 Person	67.3	724	240,000	331

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Flat (Plan No.)	Floor	Description	Sq. M	Sq. Ft.	Market Value £	£ Per Sq. Ft.
7	1	2 Bed / 3 Person	68.0	732	240,000	328
8	1	2 Bed / 3 Person	61.7	664	225,000	339
9	2	2 Bed / 3 Person	65.1	701	245,000	350
10	2	3 Bed / 5 Person	95.7	1,030	315,000	306
11	2	3 Bed / 5 Person	94.5	1,017	315,000	310
12	2	1 Bed / 2 Person	50.5	544	185,000	340
13	2	2 Bed / 3 Person	75.9	817	245,000	300
14	2	2 Bed / 3 Person	67.4	725	245,000	338
15	2	2 Bed / 3 Person (Affordable Unit/First Home)	68.0	732	170,000*	232
16	2	2 Bed / 3 Person	61.7	664	245,000	369
17	3	3 Bed / 4 Person	80.2	863	325,000	376
18	3	3 Bed / 5 Person	91.1	981	325,000	331
19	3	2 Bed / 3 Person	68.4	736	250,000	340
20	3	2 Bed / 3 Person	62.1	668	250,000	374
21	3	1 Bed / 2 Person (Affordable Unit/First Home)	51.7	556	135,000*	243
22	3	1 Bed / 2 Person (Affordable Unit/First Home)	52.3	563	135,000*	240
Total			1,548.30	16,666	£5,315,000	

*discounted MV to reflect "first home".

The above opinion of Gross Development Value strictly assumes that the units are sold to individual purchasers. As instructed, the above individual values fall in line with other good quality second hand stock within the local area.

Should it be necessary to dispose of the properties as a single freehold, some form of bulk discount may be required.

6.3 TOTAL GROSS DEVELOPMENT VALUE CONCLUSION

Units	Level	Description	Sq. ft.	Market Value £
Commercial	G	3 units	6,210 (NIA)	£900,000
Residential	1 st – 3 rd	22 units	16,666 (GIA)	£5,315,000
TOTAL				£6,215,000

6.4 RESIDUAL ANALYSIS HEADLINES

We have undertaken a residual appraisal in order to analyse the existing site value of the whole Property, on the basis of the consented scheme detailed within 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. A copy is attached at **Appendix 7**.

The profit element reflects the characteristics of the site including development risk. The site provides a relatively straightforward opportunity with planning permission in place for the proposed residential development of the upper parts of the Property. We therefore consider 20% on cost to be the likely market rate for required profit.

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, including both the residential and commercial elements of the Property, adopts a total GDV of **£6,215,000** as detailed above.

With regard to build costs for the residential element, we stress that we are not qualified cost consultants and our appraisal has been undertaken with data taken from a number of sources to include the RICS Building Cost Information Service (BCIS). We have utilised both median build costings for new build flats as well as flat conversions within our own appraisal. We have been provided with the Borrowers anticipated build costs for the proposed scheme which total £2,955,192 including a contingency sum however this excludes a number of items including scaffolding, lift, bathroom and kitchens.

Prior to drawdown we strongly recommend that the Bank seeks clarification from a qualified cost consultant that those adopted in our appraisal are sufficient. We cannot provide any assurances as to the quality of the build and the Bank should seek further guidance from project managers in this regard.

We have adopted a build cost of £175 per sq. ft. across the new build flats and £150 per sq. ft for the converted flatted units, which is in line with BCIS data. We have then adopted an additional contingency of 5.0% of the build cost overall. Professional fees have been outlined at 5.0%. Our adopted build costs reflect the anticipated modern specification of the completed units in order to achieve the GDV reported.

We are unable to comment on the suitability of the construction costs as we are not professionals in this area. We would recommend and assume that you will instruct a nominated Quantity Surveyor to independently verify these costs and warrant them to the Bank, to ensure the proposed development can be constructed accordingly; we would ask that such a report is forwarded to us for comment. We summarise our residual analysis as follows:

Variable	Rate	Value
GDV	Residential: £5,315,000 Commercial: £900,000	£6,215,000
Stamp Duty	Commercial Rate	£52,738
Acquisition Costs (Agent and Legal)	1.75%	£22,834
Construction Costs	New Build: £175 per sq. ft. Conversion: £150 per sq. ft.	£2,961,555
Contingency	5.0%	£149,328
Externals		£25,000
S106	Fixed	£125,000
Warranties	22 units@ £1,500 per unit	£33,000

Service Connection	22 units@ £2,000 per unit	£44,000
Professional Fees	5.0%	£156,794
Disposal Costs (Agent and Legal)		£88,438
Finance Costs	Debit: 8.0%; Credit 2.0%	£215,716
Profit on Costs	20.0%	£1,035,834
Rounded Residual Value		£1,300,000

We have adopted a total development period of 18 months, to include a 12-month construction period and an overlapping sales period of 9 months.

6.5 SENSITIVITY ANALYSIS

A sensitivity analysis is attached at **Appendix 7** together with our residual appraisal.

6.6 RESIDUAL VALUE CONCLUSIONS

As summarised above, in undertaking a residual analyses we have considered the residual value of the Property as a residential development opportunity with planning permission in place for 22 no. new flats to the upper floors and 3 commercial units to the ground floor, deriving a residual land value of approximately £1,300,000. As such we consider that the Market Value of the Property is fairly reflected in the sum of **£1,300,000**.

6.7 SWOT ANALYSIS

Strengths & Opportunities

- Town location with good range of nearby services and amenities.
- Newly converted and built flats finished to a modern standard and good specification.
- Short walking distance to train station.
- Limited supply of new build flats in the local area.
- Some off-street parking provision.
- Opportunity to complete the development.

Weaknesses & Threats

- Lack of private amenity space for the majority of the flats.
- Limited off-street parking.
- Second hand stock may offer better value for money to some potential purchasers.
- Buyer caution remains high within current market conditions.
- High finance rates.

6.8 MARKET RENT CONCLUSIONS

RESIDENTIAL FLATS

Our opinion of the Market Rent of the completed individual flats is summarised below:

Flat (Plan No.)	Floor	Description	Sq. M.	Sq. Ft.	Rent £ (PCM)	Rent £ (PA)
1	1	2 Bed / 3 Person	65.3	703	1,200	14,400
2	1	3 Bed / 5 Person	95.7	1,030	1,400	16,800
3	1	2 Bed / 3 Person	79.5	856	1,200	14,400
4	1	1 Bed / 2 Person	50.8	547	1,000	12,000
5	1	2 Bed / 3 Person	75.4	812	1,200	14,400
6	1	2 Bed / 3 Person	67.3	724	1,200	14,400
7	1	2 Bed / 3 Person	68.0	732	1,200	14,400
8	1	2 Bed / 3 Person	61.7	664	1,200	14,400
9	2	2 Bed / 3 Person	65.1	701	1,200	14,400
10	2	3 Bed / 5 Person	95.7	1,030	1,400	16,800
11	2	3 Bed / 5 Person	94.5	1,017	1,400	16,800
12	2	1 Bed / 2 Person	50.5	544	1,000	12,000
13	2	2 Bed / 3 Person	75.9	817	1,200	14,400
14	2	2 Bed / 3 Person	67.4	725	1,200	14,400
15	2	2 Bed / 3 Person (Affordable Unit/First Home)	68.0	732	Excluded	Excluded
16	2	2 Bed / 3 Person	61.7	664	1,200	14,400
17	3	3 Bed / 4 Person	80.2	863	1,400	16,800
18	3	3 Bed / 5 Person	91.1	981	1,400	16,800
19	3	2 Bed / 3 Person	68.4	736	1,200	14,400
20	3	2 Bed / 3 Person	62.1	668	1,250	15,000
21	3	1 Bed / 2 Person (Affordable Unit/First Home)	51.7	556	Excluded	Excluded
22	3	1 Bed / 2 Person (Affordable Unit/First Home)	52.3	563	Excluded	Excluded
Total			1,548.30	16,666	£23,450	£281,400

We have excluded providing a rental value for the affordable units within the scheme as these form part of the S106 agreement and can only be purchased by first time buyers as their primary residence.

COMMERCIAL UNITS

See section 5.6 in our report above.



6.9 AGGREGATE MARKET RENT CONCLUSIONS

Units	Level	Description	Sq. ft.	Rent (pcm)	Rent (pa)
Commercial	G	3 units			£84,100 (Aggregate)
Residential	1 st – 3 rd	22 units	16,666	£23,450 (Aggregate)	£281,400 (Aggregate)
TOTAL					£365,500

6.10 SALES HISTORY & RECENT MARKETING

We have been advised that the Borrower purchased the Property for the sum of £1,300,000 in November 2022 without planning permission in place for the residential development to the upper floors . We are not aware of any further details in relation to the sale although we understand that it was an open market transaction.

7. VALUATION

MARKET CONDITIONS EXPLANATORY NOTE

The United Kingdom has recently experienced a period of high levels of inflation albeit having now reduced and the resultant changes in both gilt and interest rates, which are key drivers of asset values, has created considerable pressure on liquidity and pricing in many UK real estate markets.

While we consider that at the valuation date the markets continue to function and there is enough evidence to provide a market value there remains the continued risk of further market volatility and adverse price movements. As a result we recommend close monitoring of asset values and consideration of increasing the frequency of revaluations.

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.

7.1 MARKET VALUE

We are of the opinion that the Market Value of the freehold interest in the Property (residential and commercial elements), in its existing condition as inspected, with the benefit of planning permission for the upper floor residential development, as at the valuation date and subject to the existing tenancies in place, is in the region of:

£1,300,000
(ONE MILLION, THREE HUNDRED THOUSAND POUNDS)

We would highlight that the residential element of the Property assumes vacant possession. The above opinion of Market Value includes the residual land value of the proposed residential scheme.

The value provided is subject to there being no onerous burdens, restrictions or other factors affecting the Property of which we are unaware.

We would anticipate a marketing period of six months to realise the value now reported.

7.2 GROSS DEVELOPMENT VALUE

We are of the opinion that the Gross Development Value (GDV) of the Property (residential and commercial elements) on the special assumption the proposed residential development to the upper floors as described, has been fully completed, as at the valuation date and on the assumption of vacant possession, subject to any caveats expressed in this report, is in the sum of:

£6,215,000
(SIX MILLION, TWO HUNDRED AND FIFTEEN THOUSAND POUNDS)

The value provided is also subject to there being no onerous burdens, restrictions or other factors affecting the Property of which we are unaware. Our opinion strictly assumes that the completed flats are sold to individual purchasers.

7.3 AGGREGATE MARKET RENT

We are of the opinion that the Aggregate Market Rent of the Property (residential and commercial elements), assuming the proposed residential flats are completed, as at the valuation date, is in the sum of:

£365,500 per annum
(THREE HUNDRED AND SIXTY-FIVE THOUSAND, FIVE HUNDRED POUNDS PER ANNUM)

Our opinion of Market Rent for the residential flats is provided on the assumption each apartment is let individually on a minimum 12-month Assured Shorthold Tenancy on an unfurnished basis.

7.4 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 site inspection and the development proposals, our estimate of the current reinstatement costs of the whole Property (residential and commercial elements), upon completion of the development to the opined standard, is in the order of **£5,000,000 (Five Million 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.

If the Property comprises a block of flats, we assume that the whole property is insured under a single block policy.

8. LENDING CONSIDERATIONS

8.1 PROPOSED LOAN

We are not aware of the full loan terms.

8.2 SUITABILITY AS SECURITY

MARKETABILITY

The proposed residential scheme will provide good quality newly converted/built flats, situated in an established town location with good transport links nearby. We consider demand for the completed units to come from local owner-occupiers and those relocating to the area as well as local investors.

The Property offers the opportunity for a break up and sale or sale as a single lot. We would expect interest for the later from owner occupiers and investors although at present the Property has Vacant Possession to the residential flats.

We would anticipate a marketing period of six 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. We would expect good demand from local and regional developers.

RISKS

We would recommend that you seek clarification from a qualified cost consultant that adopted build/conversion costs are reasonable for the residential element.

FUTURE PERFORMANCE

The Property should perform in line with its peers. We consider the Property will hold its value relative to the local market and in line with competing stock.

ACTIVE MANAGEMENT

Implement the planning permission.

DUE DILIGENCE RECOMMENDATIONS/ LENDERS ACTION POINTS

We recommend your solicitor confirm the following:

- Verify our understanding of the title, demise, planning status and tenancies.
- Seek clarification from a qualified cost consultant that the build/conversion costs adopted are sufficient.
- Confirm our understanding of the proposed accommodation.
- Confirm the S106/CIL/Affordable Housing position.
- Ensure the completed residential flats have NHBC warranties or similar.
- Confirm whether a fire risk assessment or EWS1 form has been prepared.
- Review Residential EPCs when available.

RECOMMENDATION

Subject to our valuation, our comments and advice in this report, we confirm that we consider that the Property represents suitable security for mortgage purposes.

9. 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 the Client 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,



Laura-Ysette Gemmell MRICS

RICS Registered Valuer

Senior Associate Director

For and on behalf of Strutt & Parker

This report has been reviewed by



Jim Ball MRICS

RICS Registered Valuer

Senior Director

APPENDIX 1

Letter of Instruction & Terms of Business



Valuation Instructions Form

Date	11/10/2024
Contact at West One	<p>Name: Daniel Hanlon Email: Daniel.Hanlon@westoneloans.co.uk Address: The Edward Hyde Building 38 Clarendon Road, Watford Herts, WD17 1JW Telephone Number: 0333 1234 556 Fax: 0333 1234 557</p>
(Report is addressed as follows)	<p>West One The Edward Hyde Building 38 Clarendon Road, Watford Herts, WD17 1JW</p>
Property Address	87 High Street , 1-5 Central Avenue, Sittingbourne, ME10 4AU
Subject	Valuation
Approx Value	£1,300,000.00
Proposed works (if applicable)	development of 22 flats
Estimated GDV	£6,300,000.00
Type of Property	Residential Block
Tenure	Freehold
Name of Applicant	London Developments Global Limited
Access Details	<p>Name: London Developments Global Limited Telephone Number: 07951431550 Mobile: 07951431550 Name: London Developments Global Limited
 Number: 07951431550
 Email: n.ahmad@hgaca.co.uk</p>
Agreed Fee	£4,950 (Four Thousand, Nine Hundred & Fifty Pounds) plus VAT.

WEST ONE IS A TRADING NAME OF THE UNDERLYING FIRMS, WHO ARE REGISTERED IN ENGLAND AND WALES AND HAVE THEIR REGISTERED OFFICE ADDRESS AT THE EDWARD HYDE BUILDING, 38 CLARENDON ROAD, WATFORD, WD17 1JW.

WEST ONE LOAN LTD IS AUTHORISED AND REGULATED BY FINANCIAL CONDUCT AUTHORITY (FIRM REFERENCE NUMBER 510024), THE COMPANY REGISTRATION NUMBER IS 05385677.

WEST ONE SECURED LOANS LTD IS AUTHORISED AND REGULATED BY THE FINANCIAL CONDUCT AUTHORITY (FIRM REFERENCE NUMBER 776026), THE COMPANY REGISTRATION NUMBER IS 09425230.

WEST ONE DEVELOPMENT FINANCE LTD IS NOT AUTHORISED BY THE FINANCIAL CONDUCT AUTHORITY, THE COMPANY REGISTRATION NUMBER IS 11242570.

W. WWW.WESTONELOANS.CO.UK | T. 0344 880 5360 | E. INFO@WESTONELOANS.CO.UK





Lender

West One

Our Reference

95175

Payment Method and Details

£4,950 (Four Thousand, Nine Hundred & Fifty Pounds) plus VAT. fees to be collected by **Jim Ball (Strutt and Parker)** from the Applicant prior to undertaking the valuation.

No liability is accepted by West One for the Valuer's fee.

Special Instructions

West One and its successors and assigns must be able to see and to rely on the report for lending purposes.

Please advise when a date has been agreed for inspection.

Please use your standard valuation form.

Please see below additional instructions.

Valuer

Jim Ball (Strutt and Parker)

We write to confirm instructions for your company to carry out a full valuation in accordance with the RICS current Appraisal and Valuation Manual on the above property for loan purposes.

We require an open market valuation (OMV) along with the GDV using the comparable method to include the following;

1. A valuation in its current condition with vacant possession and when proposed works are completed.
2. Market rent.
3. Reinstatement value for insurance purposes.
4. Date of construction of the property (and date of conversion if applicable)
5. A statement confirming that there is no conflict of interest.
6. Photographs of the property to be attached to the report (front, rear, and at least 3 internal photographs to include kitchen and bathroom).
7. A floorplan of the property

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8. List of sold comparable evidence - a minimum of three comparables.
9. If the property is being refurbished/developed please state whether planning is held and also provide commentary in relation to the estimated costs for the works required together with an estimate of timescales to complete the works.
10. Details of any service charges and ground rent where the property is leasehold.
11. Please attach a copy of the Title Plan and Charges Register. Please confirm that your valuation is limited to the extent of the land as indicated within the Title Plan contained within your report.

Please note the following:

1. It is our policy to limit the valuation of new-build properties to the value of the property as if it had been occupied for a reasonable time (say 1 year) by an owner/occupier on a permanent basis. In arriving at the valuation, the valuer should disregard any element of new-build premium as relating to its first occupancy. The valuer should continue to have regard to develop discounts, contributions, cash-backs and other incentives. It is acceptable to allow for NHBC guarantee, relative newness and efficiency of the fixtures and the beneficial aspects of any surrounding facilities. Due regard must be taken of the value of surrounding mature stock where the developer's sale price differs from other second hand sold properties. The valuation must be justified in the valuation form and bring to our attention any significant factors which the valuer considers could adversely affect the security of the property from a valuation perspective.
2. The instruction should only be undertaken where the subject property is within a 30 mile radius of the office at which the valuer is based. Exceptions will be allowed in areas of sparse population.
3. Professional Indemnity Insurance must be in place with a minimum cover of £5m per claim on an each and every claim made basis.
4. Valuers are to report any evidence/suspicion of independent occupation within the property.
5. We will rely on the contents of the valuation report in arriving at our decision to lend on the subject property and therefore valuers are responsible to us for the contents of their reports, valuations and other information and for all liability arising from their fraud, negligence, misrepresentations, dishonesty or misstatement of the valuer or its employees in the performance of the valuers obligations under these instructions.

Please Email the completed report to us on the West One email address provided above, or alternatively Fax the report to 0333 1234 557 and send two hard copies to the above address.

WEST ONE IS A TRADING NAME OF THE UNDERLYING FIRMS, WHO ARE REGISTERED IN ENGLAND AND WALES AND HAVE THEIR REGISTERED OFFICE ADDRESS AT THE EDWARD HYDE BUILDING, 38 CLARENDON ROAD, WATFORD, WD17 1JW.

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Kind regards

West One

WEST ONE IS A TRADING NAME OF THE UNDERLYING FIRMS, WHO ARE REGISTERED IN ENGLAND AND WALES AND HAVE THEIR REGISTERED OFFICE ADDRESS AT THE EDWARD HYDE BUILDING, 38 CLARENDON ROAD, WATFORD, WD17 1JW.

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Private & Confidential

West One
The Edward Hyde Building
38 Clarendon Road,
Watford
Herts,
WD17 1JW

For the attention of: Daniel Hanlon

Valuation

Laura-Ysette Gemmell
Senior Associate Director & RICS
Registered Valuer
Strutt & Parker
15 Bank Street
Sevenoaks
TN13 1UW

Tel: +44 (0) 1732 757041
Mobile: +44 (0) 7789 651229
E-mail: laura.gemmell@struttandparker.com

Our Ref: 272264
Your Ref:

14th October 2024

Dear Sirs,

CLIENT: WEST ONE
BORROWER: LONDON DEVELOPMENTS GLOBAL LIMITED
PROPERTY: 87 HIGH STREET, 1-5 CENTRAL AVENUE, SITTINGBOURNE, KENT ME10 4AU

INSTRUCTIONS

Thank you for your letter of 11th October 2024 in respect of the valuation of the above Property.

We understand that the Borrower owns or is in the process of acquiring the Freehold interest in the Property for residential development.

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 |



Strutt & Parker is a trading style of BNP Paribas Real Estate Advisory & Property Management UK Limited, a private limited company registered in England and Wales (with registered number 4176965) and whose registered office address is at 10 Harewood Avenue, London NW1 6AA.



87 HIGH STREET, 1-5 CENTRAL AVENUE, SITTINGBOURNE, KENT ME10 4AU

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 as exiting with the benefit of planning permission
- Market Value on the special assumption the development has been fully completed, hereafter referred to as the "Gross Development Value".
- Market Rent of the completed development.
- We confirm below the departures we propose to make from our standard Procedures and Assumptions:

We shall rely without verification upon floor areas and plans of the proposed units to be provided to us by the Borrower

Valuation Date

- Date of Report

Identification of Valuer

- The valuation will be carried out by Laura-Ysette Gemmell MSc 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 £4,950 plus VAT and is payable by the Borrower prior to commencement of the 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 confirm that we have had no material involvement with either the Property or any other party connected with this Property and that we are not aware of anything that could create a conflict with our duty to provide you with an objective and independent valuation.
- We will therefore be acting as an external 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 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)".



87 HIGH STREET, 1-5 CENTRAL AVENUE, SITTINGBOURNE, KENT ME10 4AU

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 purpose(s) and sole use of the Client. 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

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 2023, effective 1st May 2024.
- 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



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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,

Laura-Ysette Gemmell MSc MRICS
Senior Associate 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: Alyssa Deacon
Position: Team assistant
Date: 14.10.2024



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

Terms and conditions of business

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;

"Sanctions" means any economic sanction or restrictive measure, including asset freeze measures, enacted, applied or implemented by the United States of America, the United Nations Security Council, the European Union, the French Republic, the United Kingdom or any other competent Sanctions authority. The term **"Sanctioned Country"** refers to a country or territory that is subject to Sanctions which generally prohibits business relationships with that country or territory.

"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 10 Harewood Avenue, London NW1 6AA; and

BNP Paribas Real Estate Advisory & Property Management UK Limited (company number 4176965) is a limited liability company whose registered office is at 10 Harewood Avenue, London, NW1 6AA

January 2024

Classification : Internal



"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

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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**
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

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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.

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

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- (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, 10 Harewood Avenue, London, NW1 6AA. 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

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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.
- 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:
- (a) 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
 - (b) 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
 - (c) Would otherwise violate Financial Crime Laws.
- 12.5 Without prejudice to the generality of the above, You represent and warrant that:
- (a) 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;
 - (b) 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:
- (a) 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
 - (b) We may terminate the Terms of Engagement immediately on giving written notice to You if:
 - (i) a conflict of interest arises;
 - (ii) 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);
 - (iii) a person or persons, firm, company, authority or other organisation acquires control of You

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- who did not have control immediately before the acquisition;
 - (iv) 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:
- (a) any breach of the Terms of Engagement;
 - (b) any use made by You of the Services or the Materials, information and advice provided by Us in performing the Services; and
 - (c) 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:
- (a) death or personal injury resulting from negligence; or

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- (b) any damage or liability incurred by You as a result of any fraud or fraudulent misrepresentation made by Us; or
- (c) such other matters for which liability cannot lawfully be limited or excluded.
- 14.4 Subject to clause 14.2 and clause 14.3:
- (a) We shall not be liable for:
- (i) loss of profits; or
 - (ii) loss of business; or
 - (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

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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

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- 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.
- 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 You represent and warrant that neither You nor any of Your subsidiaries, directors or senior managing officials is a natural or legal person ("Person") who is, or is owned or controlled by a Person who is,
- the target of any Sanctions; or
 - located, registered, domiciled or resident in a Sanctioned Country.

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- 22.4 You shall comply with legal obligations related to Sanctions regulations and commits not to allow persons or entities targeted by sanction measures to benefit from the proceeds of services provided by Us.
- 22.5 In the event that We identify a potential counterparty who is subject to a Sanctions measure or any other adverse finding against them We will present this offer to you and reserve the right to notify you with the information that they are subject to Sanctions or other adverse finding. We reserve the right to withdraw from the transaction and terminate this Agreement with immediate notice if You proceed with the transaction (which steps may include making or accepting an offer) with a potential counterparty who is subject to Sanctions or any other adverse findings.
- 22.6 If during the commercial process and after transmitting the offer to You, it appears that the counterparty is targeted by a Sanctions measure, the Parties agree to suspend the transaction process.
- 22.7 We reserve the right to immediately terminate this contract without prior notice, in the event that You, one of Your subsidiaries, directors, senior managing officials, is subject to Sanctions.
- 22.8 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:
- Subject-matter of the processing: For the provision of Services in accordance with these Terms of Engagement;
 - Nature and purpose of the processing: Collection, storage, duplication, electronic viewing, deletion and destruction;
 - 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);
 - 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
 - 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,

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- 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;
 - (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

Terms and conditions of business

- 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.

VALUATION PROCEDURES & ASSUMPTIONS

- (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 outgoings 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 make 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



Existing Building



Existing Building



Existing Car Park



Existing Building



Existing Building



Existing Building

Photographs



Existing Upper Floors



Existing Upper Floors



Existing Upper Floors



Existing Upper Floors



Existing Upper Floors



Existing Upper Floors

Photographs



Commercial



Commercial



Commercial



Commercial



Commercial

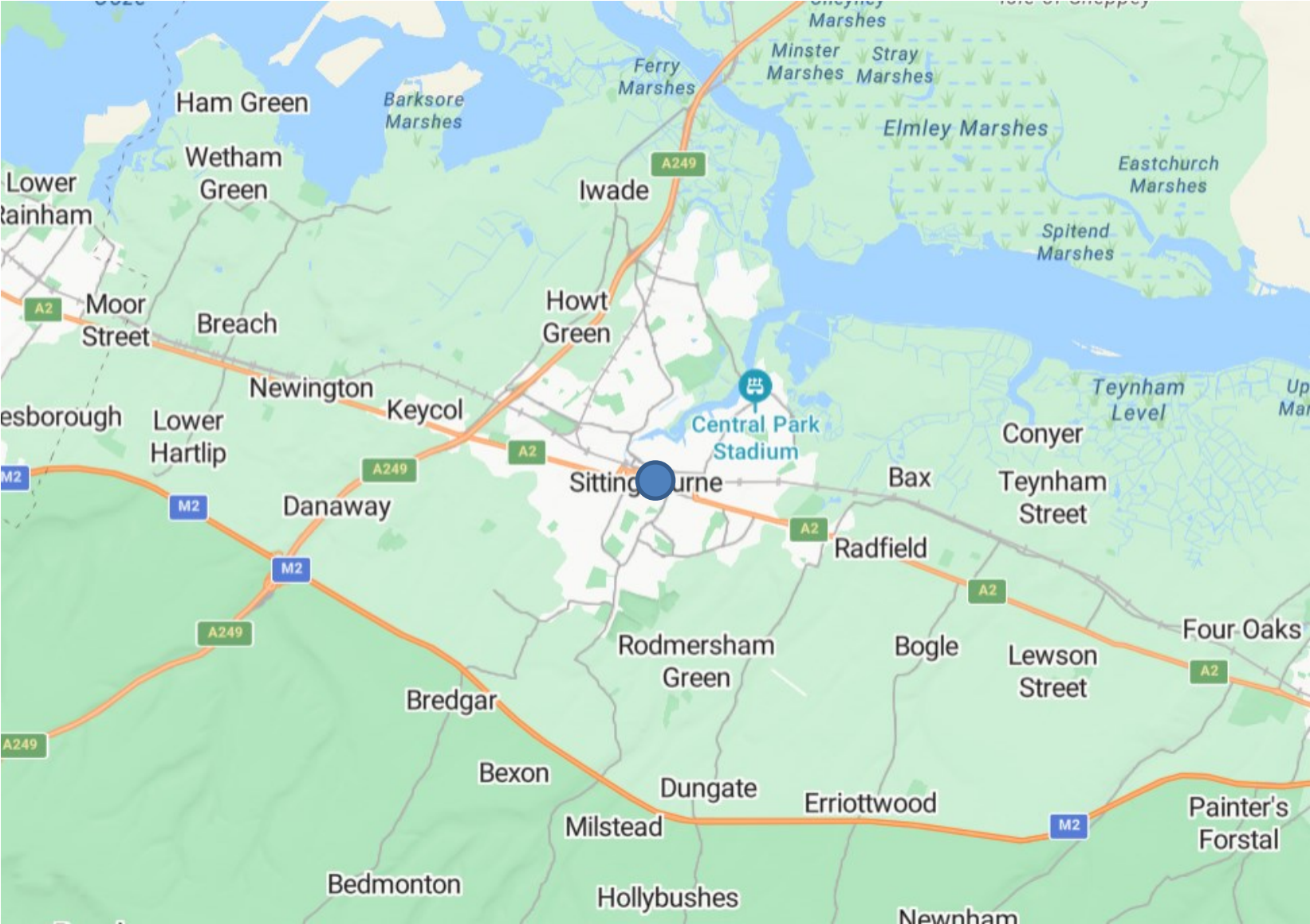


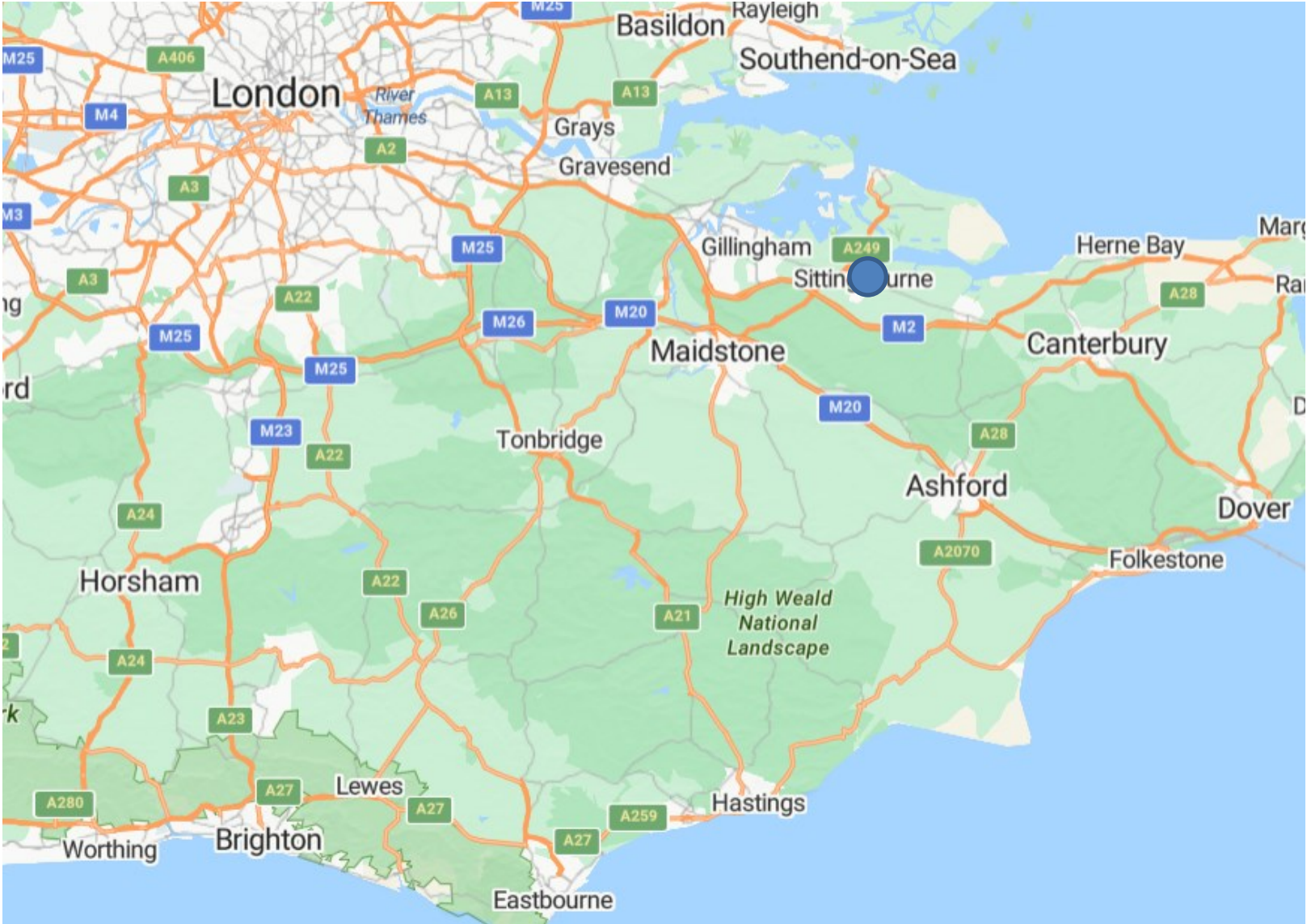
Commercial

APPENDIX 3

Location Plans







APPENDIX 4

OS Map

87 High Street, 1 – 5 Central Avenue, Sittingbourne
Kent ME10 4AU



APPENDIX 5

Proposed Floor Plans

The drawing does not indicate or imply the structural condition of the property, the survey carried out was a "measure survey" for assistance in the preparation of details for Planning application purposes only. The details shown assume that the property is in sound condition and that there are no adverse ground conditions.



PROPOSED SITE PLAN

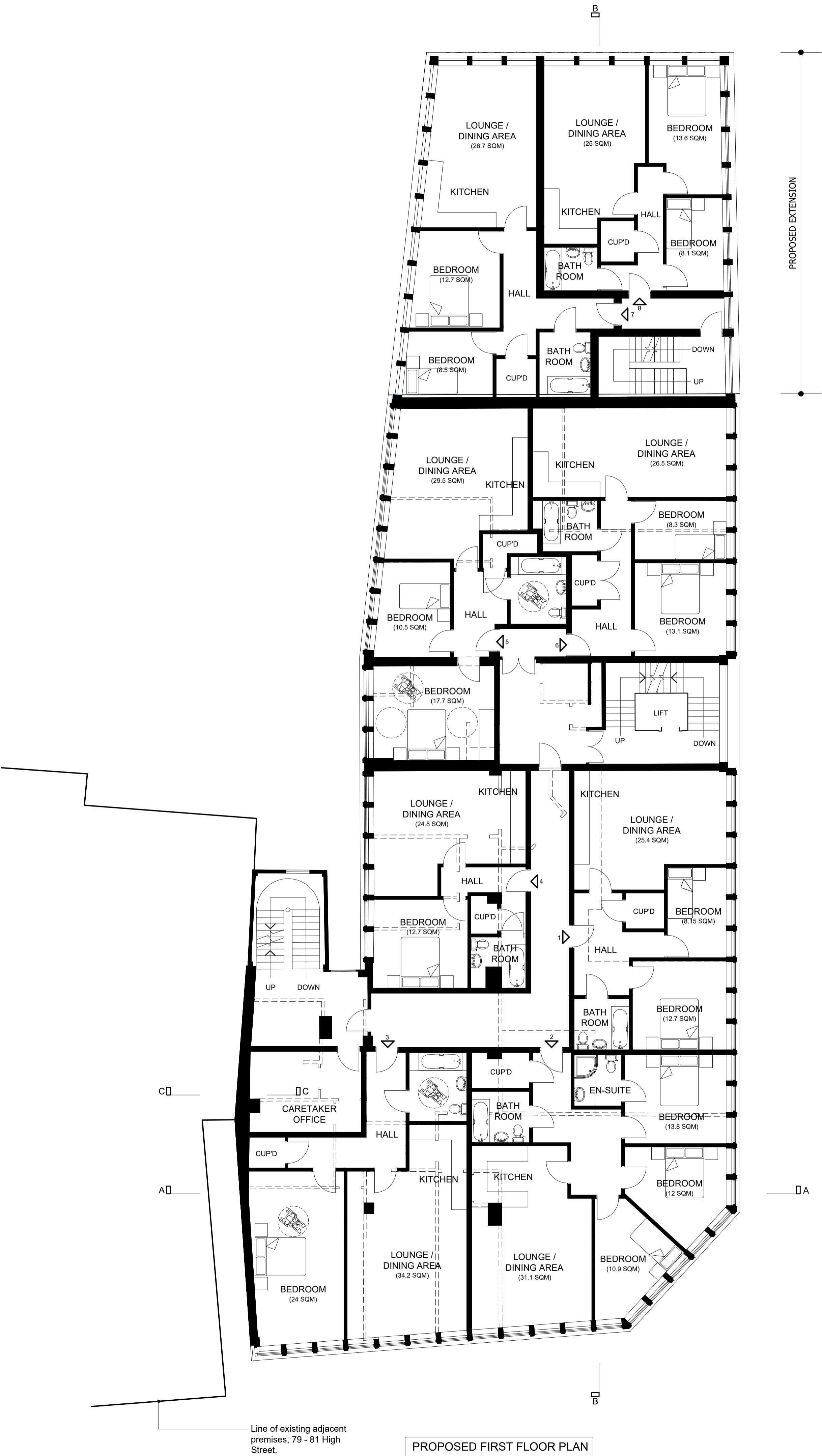
CONTRACT 87 HIGH STREET/1-5 CENTRAL AVENUE,
SITTINGBOURNE, ME10 4AU.

DRAWING TITLE

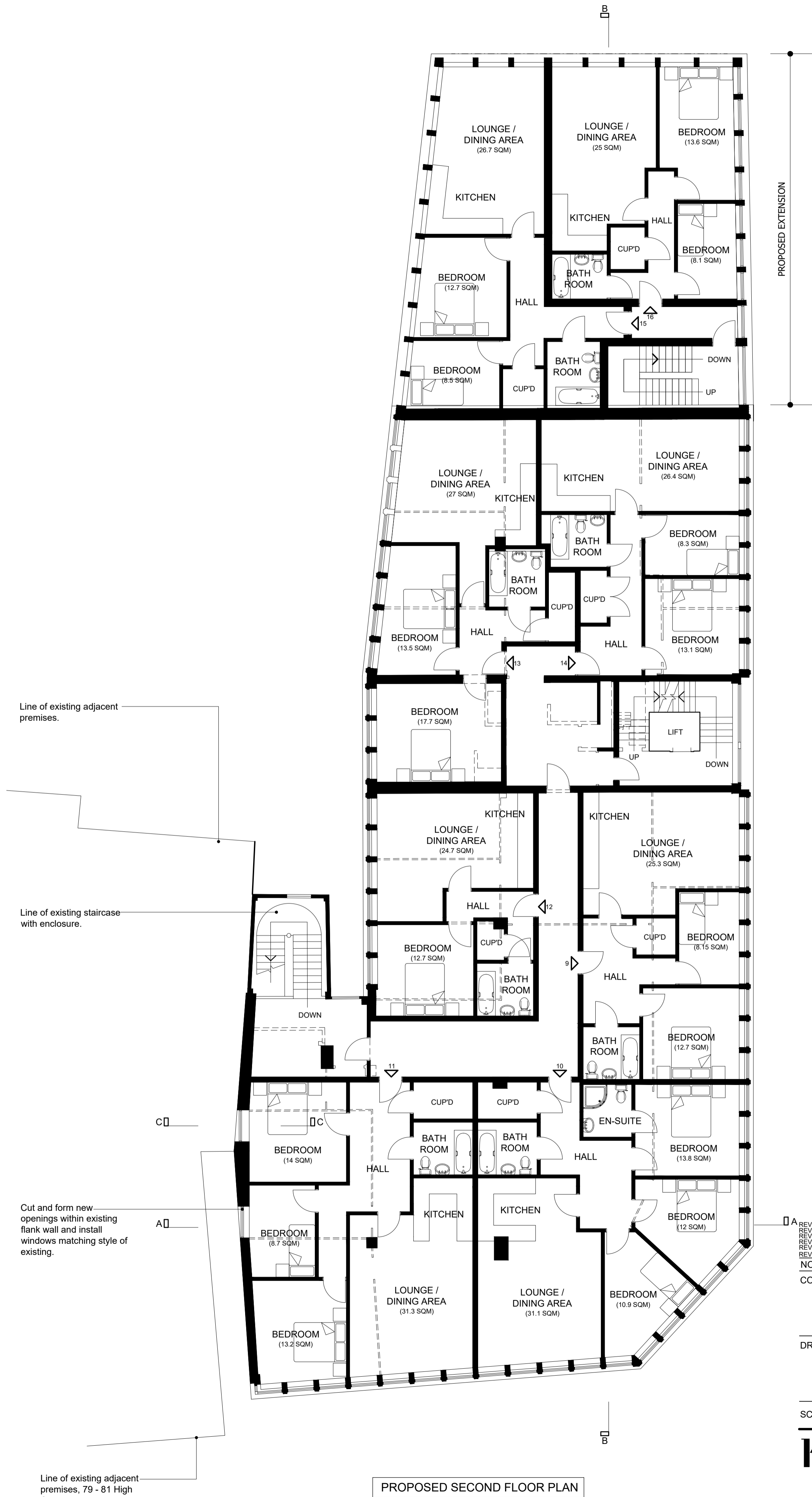
PROPOSED SITE PLAN.

SCALE: 1:100(A1) DATE: SEPT 23 DRWN BY: DJR DWG. NO: 2666/10 REV: B

KJ **KEN JUDGE & ASSOCIATES LTD.**
THE BARN, MONUMENT OFFICE, MALDON ROAD, MALDON, ESSEX, CM9 6SN.
TEL: 01245 225577 FAX: 01245 227799 E-MAIL: info@kenjudgetd.co.uk

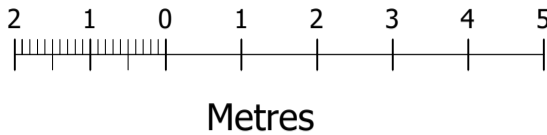


PROPOSED FIRST FLOOR PLAN



PROPOSED SECOND FLOOR PLAN

THIS DRAWING IS COPYRIGHT and must not be traced or copied in any way or form in part or whole by any means whatsoever without prior written consent and may only be used by the present owner in relation to the property referred to on the drawing. This drawing may be copied by an authorised officer of the Local Authority with the sole purpose to assist in the determination of a Planning or Building Regulation application and may not be used for any other purpose unless otherwise agreed in writing.
DO NOT SCALE FROM THIS DRAWING. Dimensions stated are for guidance only, contractor to verify all boundary positions and dimensions on site prior to commencing any works, making workshop drawings or obtaining any materials.
No site supervision is implied or undertaken unless otherwise separately arranged.
The drawing does not indicate the extent of any excavation works and the contractor is to determine this prior to submitting a quotation for the works or commencing any works.
The drawing does not indicate or imply the structural condition of the property, the survey carried out was a "measure survey" for assistance in the preparation of details for Planning application purposes only. The details shown assume that the property is in sound condition and that there are no adverse ground conditions.



FLAT AREAS			
FLAT No.	GIA	CLDK	STORAGE
FLAT 1 (2b3p):	65.3sq.m	25.4sq.m	2.0sq.m
FLAT 2 (3b5p):	95.7sq.m	31.3q.m	3.0sq.m
FLAT 3 (1b2p):	79.5sq.m	34.2sq.m	1.5sq.m
FLAT 4 (1b2p):	50.8sq.m	24.8sq.m	1.5sq.m
FLAT 5 (2b3p):	75.4sq.m	29.5sq.m	2.1sq.m
FLAT 6 (2b3p):	67.3sq.m	26.5sq.m	2.0sq.m
FLAT 7 (2b3p):	68.0sq.m	26.7sq.m	2.1sq.m
FLAT 8 (2b3p):	61.7sq.m	25.0sq.m	2.0sq.m
FLAT 9 (2b3p):	65.1sq.m	25.3sq.m	2.0sq.m
FLAT 10 (3b5p):	95.7sq.m	31.1sq.m	3.0sq.m
FLAT 11 (3b5p):	94.5sq.m	31.3sq.m	3.1sq.m
FLAT 12 (1b2p):	50.5sq.m	24.7sq.m	1.5sq.m
FLAT 13 (2b4p):	75.9sq.m	27sq.m	2.6sq.m
FLAT 14 (2b3p):	67.4sq.m	26.4sq.m	2.0sq.m
FLAT 15 (2b3p):	68.0sq.m	26.7sq.m	2.2sq.m
FLAT 16 (2b3p):	61.7sq.m	25.0sq.m	2.0sq.m

NOTES:
1b2p = 1 bedroom / 2 person
2b3p = 2 bedroom / 3 person
2b4p = 2 bedroom / 4 person
3b4p = 3 bedroom / 4 person
3b5p = 3 bedroom / 5 person
GIA = Gross Internal Area
CLDK = Combined Living, Dining and Kitchen Area

ALLOCATED AFFORDABLE HOUSING FLAT UNITS -
SECOND FLOOR FLAT UNIT 15 & THIRD FLOOR FLAT UNITS 21 & 22

NO	REVISION	DATE
REV F	AFFORDABLE HOUSING FLAT UNITS REISED	01.05.24
REV E	REVISION REQUESTED BY PLANNING - FLAT UNIT 3.	18.04.24
REV D	REVISION REQUESTED BY PLANNING	15.04.24
REV C	DETAILS ADDED REQUESTED BY PLANNING	02.04.24
REV B	FURTHER DETAILS ADDED.	13.11.23
REV A	REVISIONS REQUESTED BY THE CLIENT.	02.10.23

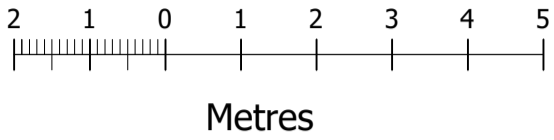
CONTRACT
**87 HIGH STREET/1-5 CENTRAL AVENUE,
SITTINGBOURNE, ME10 4AU.**

DRAWING TITLE
**PROPOSED FIRST & SECOND FLOOR
PLANS.**

SCALE: 1:100(A1) DATE: SEPT 23 DRWN BY: DJR DWG. NO:2666/11 REV: F



THIS DRAWING IS COPYRIGHT and must not be traced or copied in any way or form in part or whole by any means whatsoever without prior written consent and may only be used by the present owner in relation to the property referred to on the drawing. This drawing may be copied by an authorised officer of the Local Authority with the sole purpose to assist in the determination of a Planning or Building Regulation application and may not be used for any other purpose unless otherwise agreed in writing.
DO NOT SCALE FROM THIS DRAWING. Dimensions stated are for guidance only, contractor to verify all boundary positions and dimensions on site prior to commencing any works, making workshop drawings or obtaining any materials.
No site supervision is implied or undertaken unless otherwise separately arranged.
The drawing does not indicate the extent of any excavation works and the contractor is to determine this prior to submitting a quotation for the works or commencing any works.
The drawing does not indicate or imply the structural condition of the property, the survey carried out was a "measure survey" for assistance in the preparation of details for Planning application purposes only. The details shown assume that the property is in sound condition and that there are no adverse ground conditions.



FLAT AREAS			
FLAT No.	GIA	CLDK	STORAGE
FLAT 17 (3b4p):	80.2sq.m	27.9sq.m	2.0sq.m
FLAT 18 (3b5p):	91.1sq.m	30.0sq.m	3.0sq.m
FLAT 19 (2b3p):	68.4sq.m	30.0sq.m	2.0sq.m
FLAT 20 (2b3p):	62.1sq.m	25.50sq.m	2.1sq.m
FLAT 21 (1b2p):	51.7sq.m	23.6sq.m	1.5sq.m
FLAT 22 (1b2p):	52.3sq.m	25.6sq.m	1.5sq.m
NOTES:			
1b2p = 1 bedroom / 2 person			
2b3p = 2 bedroom / 3 person			
3b4p = 3 bedroom / 4 person			
3b5p = 3 bedroom / 5 person			
GIA = Gross Internal Area			
CLDK = Combined Living, Dining and Kitchen Area			
ALLOCATED AFFORDABLE HOUSING FLAT UNITS -			
SECOND FLOOR FLAT UNIT 15 & THIRD FLOOR FLAT UNITS 21 & 22			

REV C	AFFORDABLE HOUSING FLAT UNITS REVISED.	01.05.24
REV B	FURTHER DETAILS ADDED.	13.11.23
REV A	REVISIONS REQUESTED BY THE CLIENT.	20.05.23
NO	REVISION	DATE

CONTRACT
**87 HIGH STREET/1-5 CENTRAL AVENUE,
SITTINGBOURNE, ME10 4AU.**

DRAWING TITLE
PROPOSED THIRD FLOOR & ROOF PLANS.

SCALE: 1:100(A1) DATE: SEPT 23 DRWN BY: DJR DWG. NO:2666/12 REV: C

APPENDIX 6

Commercial Valuation Calculations

Detailed Valuation

(Amounts in GBP, Measures in SF)

Valuation Date: 04/11/2024

Property

Address	High Street & Central Avenue,
External ID	272264-01
Property Type	Retail

Description/Notes

Valuation Tables	Annually in Arrears
------------------	---------------------

Valuation

Gross Valuation	959,593
Capital Costs	0
Net Value Before Fees	959,593

Less	Stamp Duty	@3.83% Stamp Duty	34,500
	Agent's Fee	@1.00% Net Sale Price	10,800
	Legal Fee	@0.50% Net Sale Price	5,400

Fees include non recoverable VAT @ 20.00%

Net Valuation	908,893
Say	900,000

Equivalent Yield	8.0692%	True Equivalent Yield	8.4586%
Initial Yield (Valuation Rent)	11.7887%	Initial Yield (Contracted Rent)	11.7887%
Reversion Yield	8.8461%		

Total Valuation Rent	112,075	Total Contracted Rent	112,075
Total Rental Value	84,100	Number of Tenants	3
Capital Value Per Area	304		

Capital Costs

Label	Timing	Initial Annual Amount	Discount Rate	Discounted Value
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Running Yields

Date	Gross Rent	Revenue Cost	Ground Lease Expenses	Net Rent	Annual	Quarterly
04/11/2024	112,075	0	0	112,075	11.7887%	12.7112%
24/06/2025	25,000	0	0	25,000	2.6296%	2.6734%
01/09/2025	12,500	0	0	12,500	1.3148%	1.3257%
07/09/2025	0	0	0	0	0.0000%	0.0000%
24/12/2026	60,500	0	0	60,500	6.3637%	6.6251%
01/03/2027	72,200	0	0	72,200	7.5944%	7.9690%

Detailed Valuation

(Amounts in GBP, Measures in SF)

Valuation Date: 04/11/2024

Date	Gross Rent	Revenue Cost	Ground Lease Expenses	Net Rent	Annual	Quarterly
07/03/2027	84,100	0	0	84,100	8.8461%	9.3577%
Yields Based On	Say Value + Acq.Costs + Cap.Ex					

Detailed Valuation

(Amounts in GBP, Measures in SF)

Valuation Date: 04/11/2024

Tenants

<u>Tenant Name</u>	<u>Suite</u>	<u>Lease ID</u>	<u>Next Review</u>	<u>Earliest Termination</u>	<u>CAP Group</u>	<u>Method</u>	<u>Contracted Rent</u>	<u>Valuation Rent</u>	<u>Rental Value</u>	<u>Gross Value</u>	<u>Initial Yield</u>	<u>Initial Yield (Contracted)</u>	<u>Equivalent Yield</u>	<u>Reversionary Yield</u>
NatWest				23/06/2025	Hardcore	Hardcore(8%)	87,075	87,075	60,500	693,669	12.5528%	12.5528%	8.0000%	8.7217%
Jason Mee				06/09/2025	Hardcore	Hardcore(8%)	12,500	12,500	11,900	134,020	9.3270%	9.3270%	8.0000%	8.8793%
Jellis Seafoods				31/08/2025	Hardcore	Hardcore(8%)	12,500	12,500	11,700	131,904	9.4766%	9.4766%	8.0000%	8.8701%

Detailed Valuation

(Amounts in GBP, Measures in SF)

Valuation Date: 04/11/2024

Freehold

Tenant - NatWest

Suite			
Lease Type	Retail		
Lease Status	Contract		
Lease	20 years from 24/06/2005		
	Expiring 23/06/2025		
Parent Tenure	Freehold		
Cap Group	Hardcore		
Current Rent	87,075		
Rental Value	60,500		
Valuation Method	Hardcore(8%)	Froth	8%
Initial Yield (Valuation Rent)	12.5528%		
Initial Yield (Contracted Rent)	12.5528%		
Equivalent Yield	8%		
Reversionary Yield	8.7217%	Note: Based on Initial tenant Rent / Gross Tenant Value	

Notes

Areas	Area	Rental Value Group	Rental Value Rate	% of Rate	% Position	+ / - % Adjust	Adjusted Rate/Year	Units	Unit Rent/Year	Rental Value
87 HS - ITZA	2,018.00		30.00	100%	0%	0%	30.00	0	0	60,540
	2,018									60,540

Base Rent Schedule

Date	Years	Months	Days	Event	Gross Rent	Revenue Costs	Ground Lease Expenses	Net Rent	Yield
24/06/2005	20	0	0	Base Rent	87,075	N/A	N/A	N/A	N/A

Capital Costs

Label	Timing	Initial Annual Amount	Discount Rate	Discounted Value
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Component Valuation

Start Date	Valuation Term	Slice Type	Yield	SF,Tax	Deferred	Gross Rent	Rental Value	Revenue Costs	Ground Rent	Net Rent	Less Froth Ded.	Valuation Rent	YP	PV	Gross Value
04/11/2024	In Perp	Fixed	8.0000%	2%,20%	0 Yrs 0 Mths	87,075	60,500	0	0	87,075	-26,575	60,500	12.5000	1.0000	756,250
24/06/2025	1 Yr 0 Mths	Void (Hardcore)	8.0000%	2%,20%	0 Yrs 7 Mths	0	60,500	0	0	0	0	-60,500	0.9259	0.9521	-53,334
24/06/2026	0 Yrs 6 Mths	Reversion (Hardcore)	8.0000%	2%,20%	1 Yr 7 Mths	0	60,500	0	0	0	0	-60,500	0.4719	0.8816	-25,167

Detailed Valuation

(Amounts in GBP, Measures in SF)

Valuation Date: 04/11/2024

Start Date	Valuation Term	Slice Type	Yield	SF.Tax	Deferred	Gross Rent	Rental Value	Revenue Costs	Ground Rent	Net Rent	Less Froth Ded.	Valuation Rent	YP	PV	Gross Value
04/11/2024	0 Yrs 7 Mths	Top Slice (Hardcore)	8.0000%	0%,0%	0 Yrs 0 Mths	26,575	60,500	0	0	26,575	0	26,575	0.5991	1.0000	15,920
															693,669

Detailed Valuation

(Amounts in GBP, Measures in SF)

Valuation Date: 04/11/2024

Freehold
Tenant - Jason Mee

Suite			
Lease Type	Retail		
Lease Status	Contract		
Lease	5 years from 07/09/2020		
	Expiring 06/09/2025		
Parent Tenure	Freehold		
Cap Group	Hardcore		
Current Rent	12,500		
Rental Value	11,900		
Valuation Method	Hardcore(8%)	Froth	8%
Initial Yield (Valuation Rent)	9.327%		
Initial Yield (Contracted Rent)	9.327%		
Equivalent Yield	8%		
Reversionary Yield	8.8793%	Note: Based on Initial tenant Rent / Gross Tenant Value	

Notes

Areas	Area	Rental Value Group	Rental Value Rate	% of Rate	% Position	+ / - % Adjust	Adjusted Rate/Year	Units	Unit Rent/Year	Rental Value
3 CA - ITZA	477.00		25.00	100%	0%	0%	25.00	0	0	11,925
	477									11,925

Base Rent Schedule

Date	Years	Months	Days	Event	Gross Rent	Revenue Costs	Ground Lease Expenses	Net Rent	Yield
07/09/2020	5	0	0	Base Rent	12,500	N/A	N/A	N/A	N/A

Capital Costs

Label	Timing	Initial Annual Amount	Discount Rate	Discounted Value
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Component Valuation

Start Date	Valuation Term	Slice Type	Yield	SF,Tax	Deferred	Gross Rent	Rental Value	Revenue Costs	Ground Rent	Net Rent	Less Froth Ded.	Valuation Rent	YP	PV	Gross Value
04/11/2024	In Perp	Fixed	8.0000%	2%,20%	0 Yrs 0 Mths	12,500	11,900	0	0	12,500	-600	11,900	12.5000	1.0000	148,750
07/09/2025	1 Yr 0 Mths	Void (Hardcore)	8.0000%	2%,20%	0 Yrs 10 Mths	0	11,900	0	0	0	0	-11,900	0.9259	0.9373	-10,328
07/09/2026	0 Yrs 6 Mths	Reversion (Hardcore)	8.0000%	2%,20%	1 Yr 10 Mths	0	11,900	0	0	0	0	-11,900	0.4719	0.8679	-4,873

Detailed Valuation

(Amounts in GBP, Measures in SF)

Valuation Date: 04/11/2024

Start Date	Valuation Term	Slice Type	Yield	SF.Tax	Deferred	Gross Rent	Rental Value	Revenue Costs	Ground Rent	Net Rent	Less Froth Ded.	Valuation Rent	YP	PV	Gross Value
04/11/2024	0 Yrs 10 Mths	Top Slice (Hardcore)	8.0000%	0%,0%	0 Yrs 0 Mths	600	11,900	0	0	600	0	600	0.7839	1.0000	470
															134,020

Detailed Valuation

(Amounts in GBP, Measures in SF)

Valuation Date: 04/11/2024

Freehold
Tenant - Jellis Seafoods

Suite			
Lease Type	Retail		
Lease Status	Contract		
Lease	5 years from 01/09/2020		
	Expiring 31/08/2025		
Parent Tenure	Freehold		
Cap Group	Hardcore		
Current Rent	12,500		
Rental Value	11,700		
Valuation Method	Hardcore(8%)	Froth	8%
Initial Yield (Valuation Rent)	9.4766%		
Initial Yield (Contracted Rent)	9.4766%		
Equivalent Yield	8%		
Reversionary Yield	8.8701%	Note: Based on Initial tenant Rent / Gross Tenant Value	

Notes

Areas	Area	Rental Value Group	Rental Value Rate	% of Rate	% Position	+ / - % Adjust	Adjusted Rate/Year	Units	Unit Rent/Year	Rental Value
5 CA - ITZA	466.00		25.00	100%	0%	0%	25.00	0	0	11,650
	466									11,650

Base Rent Schedule

Date	Years	Months	Days	Event	Gross Rent	Revenue Costs	Ground Lease Expenses	Net Rent	Yield
01/09/2020	5	0	0	Base Rent	12,500	N/A	N/A	N/A	N/A

Capital Costs

Label	Timing	Initial Annual Amount	Discount Rate	Discounted Value
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Component Valuation

Start Date	Valuation Term	Slice Type	Yield	SF,Tax	Deferred	Gross Rent	Rental Value	Revenue Costs	Ground Rent	Net Rent	Less Froth Ded.	Valuation Rent	YP	PV	Gross Value
04/11/2024	In Perp	Fixed	8.0000%	2%,20%	0 Yrs 0 Mths	12,500	11,700	0	0	12,500	-800	11,700	12.5000	1.0000	146,250
01/09/2025	1 Yr 0 Mths	Void (Hardcore)	8.0000%	2%,20%	0 Yrs 9 Mths	0	11,700	0	0	0	0	-11,700	0.9259	0.9384	-10,166
01/09/2026	0 Yrs 6 Mths	Reversion (Hardcore)	8.0000%	2%,20%	1 Yr 9 Mths	0	11,700	0	0	0	0	-11,700	0.4719	0.8688	-4,797

Detailed Valuation

(Amounts in GBP, Measures in SF)

Valuation Date: 04/11/2024

Start Date	Valuation Term	Slice Type	Yield	SF.Tax	Deferred	Gross Rent	Rental Value	Revenue Costs	Ground Rent	Net Rent	Less Froth Ded.	Valuation Rent	YP	PV	Gross Value
04/11/2024	0 Yrs 9 Mths	Top Slice (Hardcore)	8.0000%	0%,0%	0 Yrs 0 Mths	800	11,700	0	0	800	0	800	0.7705	1.0000	616
															131,904

APPENDIX 7

Appraisal

87 High Street, 1-5 Central Avenue
Sittingbourne, ME10 4AU

Development Appraisal
Prepared by Laura Gemmell
Licensed Copy
07 November 2024

APPRAISAL SUMMARY**LICENSED COPY**

87 High Street, 1-5 Central Avenue
Sittingbourne, ME10 4AU

Appraisal Summary for Phase 1

Currency in £

REVENUE

Sales Valuation	Units	ft ²	Sales Rate ft ²	Unit Price	Gross Sales
1st - 2B/3P	1	703	341.39	240,000	240,000
1st - 3B/5P	1	1,030	305.83	315,000	315,000
1st - 2B/3P	1	856	292.06	250,000	250,000
1st - 1B/2P	1	547	329.07	180,000	180,000
1st - 2B/3P	1	812	295.57	240,000	240,000
1st - 2B/3P	1	724	331.49	240,000	240,000
1st - 2B/3P	1	732	327.87	240,000	240,000
1st - 2B/3P	1	644	349.38	225,000	225,000
2nd - 2B/3P	1	701	349.50	245,000	245,000
2nd - 3B/5P	1	1,030	305.83	315,000	315,000
2nd - 3B/5P	1	1,017	309.73	315,000	315,000
2nd - 1B/2P	1	544	340.07	185,000	185,000
2nd - 2B/3P	1	817	299.88	245,000	245,000
2nd - 2B/3P	1	725	337.93	245,000	245,000
2nd - 2B/3P - AH	1	732	232.24	170,000	170,000
2nd - 2B/3P	1	664	368.98	245,000	245,000
3rd - 3B/4P	1	863	376.59	325,000	325,000
3rd - 3B/5P	1	981	331.29	325,000	325,000
3rd - 2B/3P	1	736	339.67	250,000	250,000
3rd - 2B/3P	1	668	374.25	250,000	250,000
3rd - 1B/2P - AH	1	556	242.81	135,000	135,000
3rd - 1B/2P - AH	1	563	239.79	135,000	135,000
Totals	22	16,645			5,315,000

Investment Valuation**Ground Floor Commercial Units**

Manual Value 900,000

GROSS DEVELOPMENT VALUE 6,215,000

NET REALISATION 6,215,000

OUTLAY**ACQUISITION COSTS**

Residualised Price	1,304,764	
Stamp Duty	52,738	1,304,764
Effective Stamp Duty Rate	4.04%	
Agent Fee	16,310	
Legal Fee	6,524	
		75,572

CONSTRUCTION COSTS

Construction	ft ²	Build Rate ft ²	Cost
1st - 2B/3P	703	150.00	105,450
1st - 3B/5P	1,030	150.00	154,500
1st - 2B/3P	856	150.00	128,400
1st - 1B/2P	547	150.00	82,050
1st - 2B/3P	812	150.00	121,800
1st - 2B/3P	724	150.00	108,600
1st - 2B/3P	732	175.00	128,100
1st - 2B/3P	644	175.00	112,700
2nd - 2B/3P	701	150.00	105,150
2nd - 3B/5P	1,030	150.00	154,500

APPRAISAL SUMMARY**LICENSED COPY****87 High Street, 1-5 Central Avenue
Sittingbourne, ME10 4AU**

2nd - 3B/5P	1,017	150.00	152,550	
2nd - 1B/2P	544	150.00	81,600	
2nd - 2B/3P	817	150.00	122,550	
2nd - 2B/3P	725	150.00	108,750	
2nd - 2B/3P - AH	732	175.00	128,100	
2nd - 2B/3P	664	175.00	116,200	
3rd - 3B/4P	863	175.00	151,025	
3rd - 3B/5P	981	175.00	171,675	
3rd - 2B/3P	736	175.00	128,800	
3rd - 2B/3P	668	175.00	116,900	
3rd - 1B/2P - AH	556	175.00	97,300	
3rd - 1B/2P - AH	563	175.00	98,525	
Common Parts	3,014	95.00	286,330	
Totals	19,659 ft²		2,961,555	
Contingency		5.00%	149,328	
Service Connection	22 un	2,000.00 /un	44,000	
Warranties	22 un	1,500.00 /un	33,000	
Externals & Parking			25,000	
S106			125,000	
				3,337,883

PROFESSIONAL FEES

Professional Fees		5.00%	156,794	156,794
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DISPOSAL FEES

Sales & Marketing		1.25%	66,438	
Sales Legal Fee	22 un	1,000.00 /un	22,000	88,438

TOTAL COSTS BEFORE FINANCE**4,963,450****FINANCE**

Timescale	Duration	Commences
Construction	12	Nov 2024
Sale	9	Aug 2025
Total Duration	18	

Debit Rate 8.0000%, Credit Rate 2.0000% (Nominal)
Total Finance Cost

215,716

TOTAL COSTS**5,179,166****PROFIT****1,035,834****Performance Measures**

Profit on Cost%	20.00%
Profit on GDV%	16.67%
Profit on NDV%	16.67%
IRR% (without Interest)	38.18%
Profit Erosion (finance rate 8.000)	2 yrs 4 mths

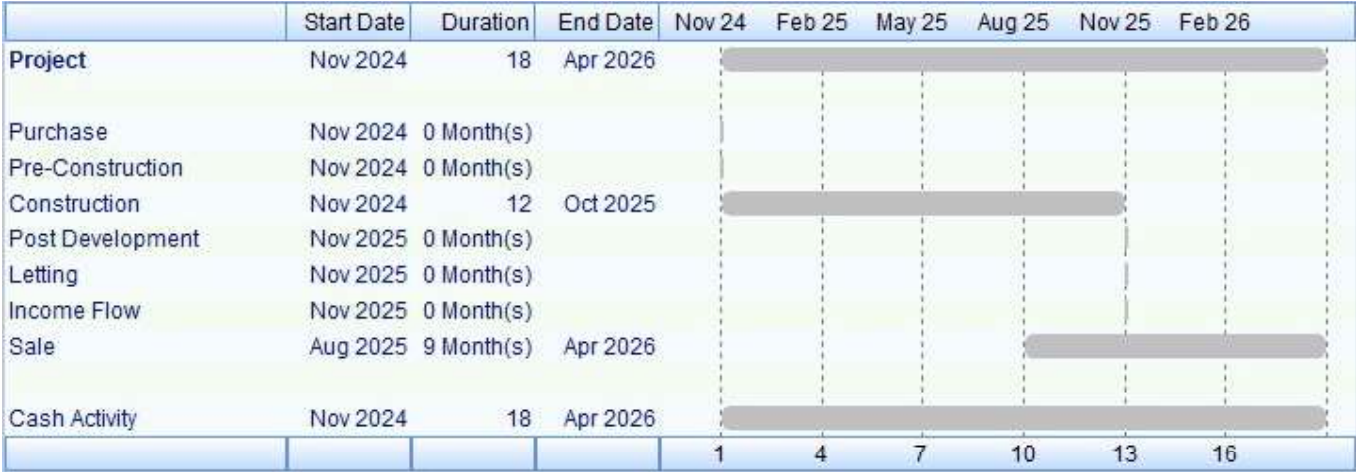
TIMESCALE AND PHASING CHART

LICENSED COPY

87 High Street, 1-5 Central Avenue
Sittingbourne, ME10 4AU

Project Timescale	
Project Start Date	Nov 2024
Project End Date	Apr 2026
Project Duration (Inc Exit Period)	18 months

Phase 1



SENSITIVITY ANALYSIS REPORT**LICENSED COPY**

87 High Street, 1-5 Central Avenue
Sittingbourne, ME10 4AU

Table of Gross Development Value and Land Cost

Construction: Rate /ft ²					
Sales: Gross Sales	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
	135.00 /ft ²	142.50 /ft ²	150.00 /ft ²	157.50 /ft ²	165.00 /ft ²
-10.000%	£5,683,500 -£1,219,670	£5,683,500 -£1,072,456	£5,683,500 -£925,242	£5,683,500 -£778,027	£5,683,500 -£630,812
-5.000%	£5,949,250 -£1,409,432	£5,949,250 -£1,262,217	£5,949,250 -£1,115,003	£5,949,250 -£967,789	£5,949,250 -£820,574
0.000%	£6,215,000 -£1,599,193	£6,215,000 -£1,451,979	£6,215,000 -£1,304,764	£6,215,000 -£1,157,550	£6,215,000 -£1,010,336
+5.000%	£6,480,750 -£1,788,955	£6,480,750 -£1,641,740	£6,480,750 -£1,494,524	£6,480,750 -£1,347,311	£6,480,750 -£1,200,097
+10.000%	£6,746,500 -£1,978,716	£6,746,500 -£1,831,502	£6,746,500 -£1,684,287	£6,746,500 -£1,537,071	£6,746,500 -£1,389,858

Sensitivity Analysis : Assumptions for Calculation**Construction: Rate /ft²**

Original Values are varied by Steps of 5.000%.

Heading	Phase	Rate	No. of Steps
1st - 2B/3P	1	£150.00	2.00 Up & Down
1st - 3B/5P	1	£150.00	2.00 Up & Down
1st - 2B/3P	1	£150.00	2.00 Up & Down
1st - 1B/2P	1	£150.00	2.00 Up & Down
1st - 2B/3P	1	£150.00	2.00 Up & Down
1st - 2B/3P	1	£150.00	2.00 Up & Down
1st - 2B/3P	1	£175.00	2.00 Up & Down
1st - 2B/3P	1	£175.00	2.00 Up & Down
2nd - 2B/3P	1	£150.00	2.00 Up & Down
2nd - 3B/5P	1	£150.00	2.00 Up & Down
2nd - 3B/5P	1	£150.00	2.00 Up & Down
2nd - 1B/2P	1	£150.00	2.00 Up & Down
2nd - 2B/3P	1	£150.00	2.00 Up & Down
2nd - 2B/3P	1	£150.00	2.00 Up & Down
2nd - 2B/3P - AH	1	£175.00	2.00 Up & Down
2nd - 2B/3P	1	£175.00	2.00 Up & Down
3rd - 3B/4P	1	£175.00	2.00 Up & Down
3rd - 3B/5P	1	£175.00	2.00 Up & Down
3rd - 2B/3P	1	£175.00	2.00 Up & Down
3rd - 2B/3P	1	£175.00	2.00 Up & Down
3rd - 1B/2P - AH	1	£175.00	2.00 Up & Down
3rd - 1B/2P - AH	1	£175.00	2.00 Up & Down
Common Parts	1	£95.00	2.00 Up & Down

Sales: Gross Sales

Original Values are varied by Steps of 5.000%.

Heading	Phase	Amount	No. of Steps
1st - 2B/3P	1	£240,000	2.00 Up & Down
1st - 3B/5P	1	£315,000	2.00 Up & Down
1st - 2B/3P	1	£250,000	2.00 Up & Down
1st - 1B/2P	1	£180,000	2.00 Up & Down
1st - 2B/3P	1	£240,000	2.00 Up & Down
1st - 2B/3P	1	£240,000	2.00 Up & Down
1st - 2B/3P	1	£240,000	2.00 Up & Down
1st - 2B/3P	1	£225,000	2.00 Up & Down
2nd - 2B/3P	1	£245,000	2.00 Up & Down
2nd - 3B/5P	1	£315,000	2.00 Up & Down
2nd - 3B/5P	1	£315,000	2.00 Up & Down
2nd - 1B/2P	1	£185,000	2.00 Up & Down
2nd - 2B/3P	1	£245,000	2.00 Up & Down

SENSITIVITY ANALYSIS REPORT

LICENSED COPY

87 High Street, 1-5 Central Avenue
Sittingbourne, ME10 4AU

2nd - 2B/3P	1	£245,000	2.00 Up & Down
2nd - 2B/3P - AH	1	£170,000	2.00 Up & Down
2nd - 2B/3P	1	£245,000	2.00 Up & Down
3rd - 3B/4P	1	£325,000	2.00 Up & Down
3rd - 3B/5P	1	£325,000	2.00 Up & Down
3rd - 2B/3P	1	£250,000	2.00 Up & Down
3rd - 2B/3P	1	£250,000	2.00 Up & Down
3rd - 1B/2P - AH	1	£135,000	2.00 Up & Down
3rd - 1B/2P - AH	1	£135,000	2.00 Up & Down

