Valuation Report

Prepared for: **Shawbrook Bank Ltd**

Property address: **53 Warminster Road, South Norwood, London**

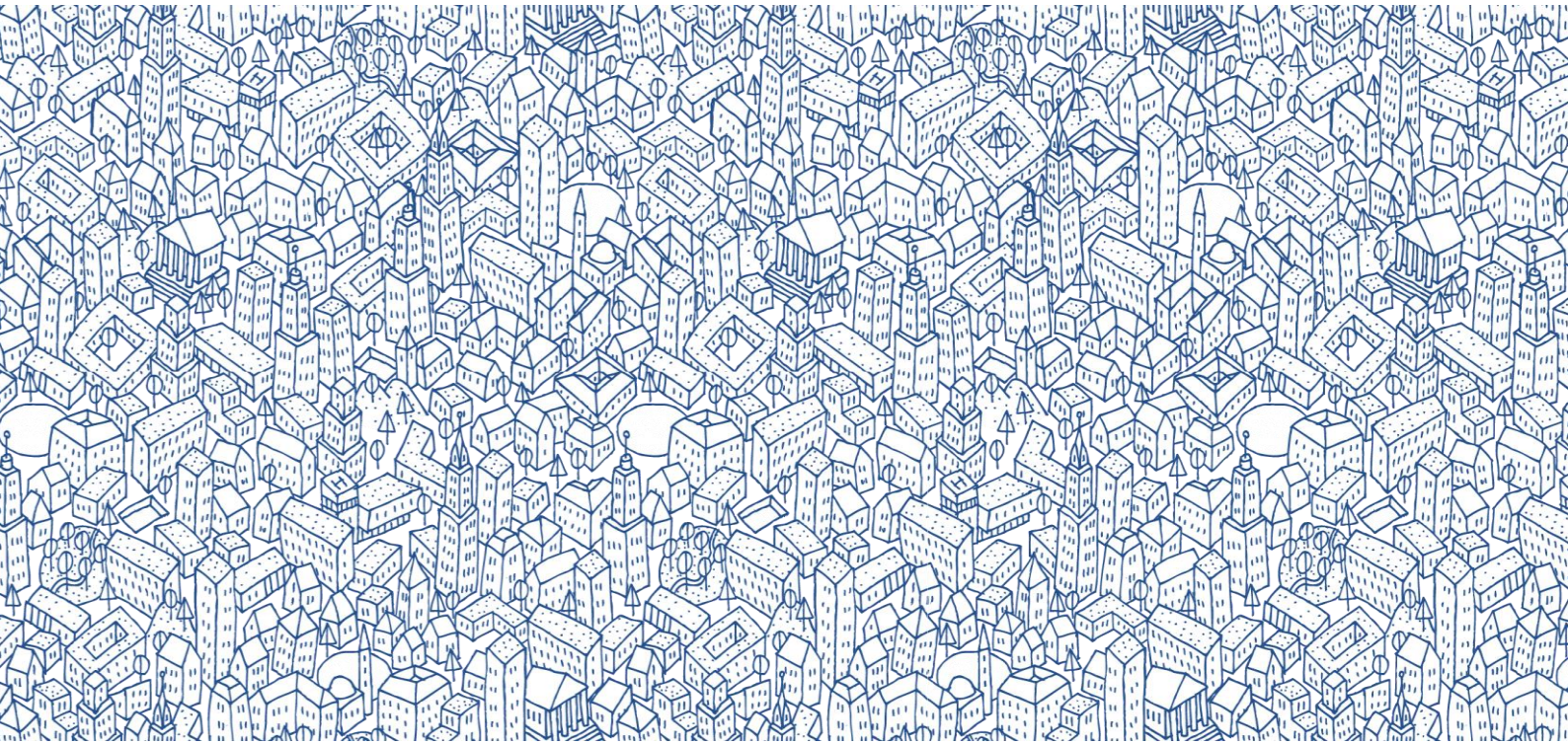
Postcode: **SE25 4DQ**

Client's ref: **2024030087/37054**

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Reviewer: Russell Bowers, LLB (Hons) IRRV ACI Arb (Hons) MRICS RICS No: 0094139 RICS Registered Valuer



Date of Inspection: 22 March 2024 Date of Report: 28 March 2024

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Client: **Shawbrook Bank Ltd**

The Directors of Shawbrook Bank Ltd and its subsidiary companies (the Bank) and any other party to which its rights in any loan agreement are disposed of, transferred or charged, subject to the terms and conditions referred to herein.

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

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1 EXECUTIVE SUMMARY and VALUATION

1.1 THE ASSET (subject of this valuation) comprises real estate at:

Address: 53 Warminster Road, South Norwood, London
Postcode: SE25 4DQ

referred to herein as 'The Property'.

1.2 BRIEF SUMMARY

1.2.1 Type of security

Residential investment comprising a total of eight units, x 6 one-bedroom flats, and x 2 two-bedroom flats.

1.2.2 Location

Established location in South Norwood, London. The property fronts on to Warminster Road, this a popular residential area well placed for local amenities and public transport facilities.

1.2.3 Description

The subject property comprises a substantial detached house, this having been converted into eight self-contained flats.

1.2.4 Construction type

Traditional – main walls are of solid brick construction. The main roof is pitched with slate coverings. There are flat areas to the main roof, these inaccessible and unseen.

The property has suspended floors throughout. Gutters and downpipes are PVC. Windows are uPVC, double glazed and in relatively good condition.

1.2.5 Age

We understand the property was constructed in circa 1900.

1.2.6 Planning Use

C3 (residential) x 8.

1.2.7 Size/Floor Area

The overall floor area of the property extends to approximately 470 m² GIA.

The accommodation is set out in section 3.6 below. The floor area for each unit is as follows:

Flat A	55.70 m²
Flat B	57.20 m²
Flat C	50.76 m²
Flat D	57.86 m²
Flat E	50.76 m²
Flat F	72.41 m²
Flat G	54.15 m²
Flat H	51.45 m²

1.2.8 Tenure

We understand all eight units are held on one freehold title (title number SGL642124) known as 53 Warminster Road, London SE25 4DQ.

At the time of inspection all eight units were understood to be tenanted (see section 5).

1.2.9 Overall condition

Internally, each unit presents to a relatively good standard throughout.

Externally the property presents in average condition although no signs of any significant deficiencies were noted.

1.2.10 Market Factors

Tenant demand in this area has been comparatively strong while demand from owner occupiers/ investors is satisfactory.

The general comments in section 6 and 8 should be noted.

1.2.11 Valuation Date

22 March 2024 – the date of inspection.

1.3 VALUATION FIGURES

As prescribed by the RICS, we confirm that the Valuation Approach and Reasoning in order to arrive at the valuations figures is as follows:

The market approach will be used. 'The market approach provides an indication of value by comparing the subject asset with identical or similar assets for which price information is available.' This method compares similar property which has changed hands in the open market and makes appropriate adjustment to enable accurate comparison.

However, in the event of an investment property, the valuer may also consider an income approach which takes account of the potential income stream on such property as Houses in Multiple Occupation (depending on the local market). Definitions of bases of valuation are set out below.

1.3.1 **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.'

We consider the Market Value of the property in its present condition, **freehold** and subject to vacant possession to be in the sum of **£1,900,000 (One Million Nine Hundred Thousand Pounds).**

1.3.2 **Market Rent**

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

We are of the opinion the property, in its present condition will command a market rental value in the sum **£123,600 (One Hundred and Twenty-Three Thousand Six Hundred Pounds)** per annum, based on the aggregate sum of the eight units if each is let on an assured shorthold tenancy for a term of 6 to 12 months.

The individual rent for each unit is set out in section 7.2 below.

1.3.3 **Market Value subject to Special Assumption 1** (MV but with VP)

If the property is subject to a tenancy or otherwise occupied (as reflected in MV above), this valuation is provided on the assumption that the property in its present condition is available with vacant possession.

As in Market Value, above in 1.3.1.

1.3.4 **Market Value subject to Special Assumption 2** (180-day VP)

Assuming vacant possession and that there has been a restricted period of marketing between the inception of marketing and exchange of contracts, taking place at the date of the valuation, which may not necessarily have been a reasonable period for proper marketing. (The assumption is that the stated marketing period, albeit inadequate, has run its course and thus the date of exchange of contracts is the date of the valuation.)

As in Market Value, above in 1.3.1.

1.3.5 **Market Value subject to Special Assumption 3** (180-day subject to tenancy)

As in Market Value subject to special assumption 2, ***except that there is the further assumption that vacant possession is not available and the property remains subject to any existing tenancies or other adverse possession, as stated.***

As in Market Value, above in 1.3.1.

1.3.6 **Market Value subject to Special Assumption 4** (after works)

This is a hypothetical figure which is an indication of what the current Market Value would be if specified works or conditions had been satisfactorily completed at the date of the valuation. Such works could be in respect of essential repairs or completion of construction but could be in respect of evidence being provided in respect of satisfactory title or leases or such matters as certificates/licences/consents to confirm lawful use.

Not applicable as no works proposed.

1.3.7 **Reinstatement Cost for Insurance Purposes**

The reinstatement cost figure for the permanent buildings is provided for insurance purposes and is not directly related to the market value of the property. Unless the Valuer has access to particular cost information relating to the property or the locality, the reinstatement cost will be calculated by reference to the indices and guidance published by the Building Costs Information Service (BCIS). The figure stated will only include Value Added Tax on professional fees (not on building costs) and will not take into account other potential or consequential losses such as costs of alternative accommodation.

The reinstatement cost figure should be revised annually or when any significant alterations or extensions are undertaken. Any reinstatement cost figure is provided for guidance purposes only: it will not follow a detailed elemental cost analysis. In the event of destruction and rebuilding, such figure may not necessarily be the upper limit of costs incurred. Should insurers require a definitive assessment then specialist advice should be obtained from a suitably qualified professional such as a chartered quantity surveyor.

We recommend the property as a whole should be insured on a reinstatement basis for a minimum of **£1,950,000 (One Million Nine Hundred and Fifty Thousand Pounds)**.

It should be noted that the reinstatement value provided is for all eight flats in the building and is given solely as a guide.

1.4 LENDER ACTION POINTS

- The property has been subject to significant alterations and conversion in the recent past, confirmation is required that the relevant Planning Permission is in place as well as a Building Control Completion Certificate.

- At the time of inspection, the property was tenanted. We have not seen a copy of the AST's therefore legal advisors should confirm that the rents detailed in the AST agreements are being achieved, and further that the agreements in place are in an acceptable form for the lender's own purposes.

- It should be confirmed that the appropriate electrical and gas safety certificates are in place. Solicitor to confirm.

- The sum of the individual unit values has been used to arrive at the valuation provided. Allowances have been made for creating separate titles, setting up management arrangements, extended sales period and profit. It is assumed that there are no known restrictions that would prevent the sale of the individual units including any services that may require separation. The solicitor must advise prior to competition should this assumption be incorrect.

- It was not possible to gain access to Flat E (upper ground floor) as the tenant was not present, and the keys held by the agent would not function. It is assumed to be in similar condition to others in the building, although this cannot be confirmed.

1.5 SPECIALIST REPORTS

Some above average readings for damp were recorded within Flat G (rear – lower ground floor), and a more detailed examination of the whole property should be undertaken by a damp-proofing and timber preservation specialist, and a report and estimate should be obtained for any necessary remedial works, which should be implemented subject to long term insurance backed guarantee at the earliest opportunity.

1.6 SECURITY

This report may be used by a lender as part of its underwriting process to establish whether the property will provide suitable security for bank overdraft or for loan purposes for a normal commercial mortgage after consideration of all issues relevant to good banking practice and following the usual legal due diligence enquiries, determining the suitability of the security, the covenant of the borrower and the prevailing market conditions.

Therefore, this report is to be taken as providing information to the client to enable it to consider the suitability of the security and not as advice as to whether the advance should be made.

On the assumption that following due diligence enquiries in respect of the above issues, an application is found to fall within reasonable commercial lending criteria, then we are pleased to confirm that the property offers suitable security at our valuation.

1.7 ENTIRE REPORT

This 'Summary and Valuation' should not be considered or relied on other than as part of the entire report of which there are nine sections plus appendices.

2 INSTRUCTIONS, PURPOSE AND TERMS OF ENGAGEMENT

2.1 INSTRUCTIONS

We acknowledge with thanks the email instructions dated 14 March 2024 from AUK – Shawbrook Bank Ltd. The inspection and report have been carried out by Ian Cousins, an External Valuer an External Valuer who conforms to the requirements of the current edition of the RICS Red Book.

2.2 PURPOSE OF THIS REPORT

We understand this report is required for secured lending purposes.

2.3 TERMS AND CONDITIONS OR SERVICE AGREEMENT ARRANGEMENTS

This report is subject to the Terms and Conditions as set out in Appendix I, except where there are terms set out in a Service Agreement for the Provision of Survey and Valuation Services between the Client and Allied Surveyors & Valuers, in which case the Allied Terms and Conditions are subordinate to such Service Agreement and only apply where the latter is silent.

2.4 CONFLICTS

We confirm that neither the firm, nor the valuer has any conflict of interest in this matter and that the property was valued in an objective and unbiased way.

2.5 DATA PROTECTION (GDPR)

We confirm that the firm and the valuer will comply with the provisions of GDPR (the General Data Protection Regulation) and associated Data Protection Laws.

3 THE PROPERTY/SUBJECT OF THE VALUATION

3.1 LOCATION

The subject property occupies a prominent position on Warminster Road, an established road located in South Norwood, London, SE25. Warminster Road itself is a horseshoe shaped road this commencing at the southeast corner junction with Lancaster Road, and preceding to the northwest, whereas it swings sharply to the left rejoining Lancaster Road further to the north. Properties within the area are mixed being both houses and flats, of various periods. The subject property is overall well suited to its surroundings and is suitable for its current use.

Regarding general amenities and transport facilities the property is well positioned. The centre of South Norwood is located close by to the southeast, there being a short walking distance between the property and the nearby Norwood Junction mainline railway station.

A location plan has been included in the appendices for reference.

3.2 DESCRIPTION (and Existing Use)

The subject property comprises a substantial four-storey (lower ground, upper ground, first and second) detached block, converted and currently arranged as eight self-contained units, x 6 one-bedroom and x 2 two-bedroom flats.

There are two separate access routes to the block, with the lower ground floor flats accessed via a communal entrance hallway at the left-hand side of the block, the other six flats accessed via the main communal entrance hall at upper ground floor level at the front. The property has the benefit of a communal garden surrounding the block, with off-road parking available at the front for up to six cars.

Internally, each unit presents to a relatively good standard throughout. Externally, the property presents to an average standard, although there was no evidence of any significant deficiencies noted.

Photographs of the property have been included in the appendices for reference.

3.3 CONSTRUCTION

Traditional – main walls to the property are of solid brick. The main roof is principally pitched with slate coverings, although there are areas of flat roof, these inaccessible, the covering type unknown.

The property has suspended floors throughout. Gutters and downpipes are PVC. Windows are uPVC, double glazed and in relatively good condition.

3.4 AGE

We understand the property was constructed in circa 1900. The date of conversion to individual flats is unknown.

3.5 SITE

The subject property occupies a broadly rectangular shaped plot which is level and well defined.

A copy of the Land Registry plan is included in the appendices. The extent of the property valued corresponds with the area of the plan tinted red.

Off-road parking is available on site it is understood for approximately six cars.

The site is suitable for the property's current use.

3.6 ACCOMMODATION

The property was measured on site with a laser 'Leica Disto' electronic measuring device, in accordance with RICS Property Measurement 2nd Edition and in accordance with client's instructions converted to Gross Internal Area (GIA).

The overall floor area of the property extends to approximately 470 m² GIA.

The floor area for each unit is as follows:

Flat A	55.70 m²
Flat B	57.20 m²
Flat C	50.76 m²
Flat D	57.86 m²
Flat E	50.76 m²
Flat F	72.41 m²
Flat G	54.15 m²
Flat H	51.45 m²

The accommodation for the property is as follows:

Lower Ground Floor

Flat G - Entrance Hall, bedroom, living room, kitchen, bathroom/wc – 54.15 m².

Flat H - Entrance Hall, bedroom, living room, kitchen, bathroom/wc – 51.45 m².

Upper Ground Floor

Flat E - Entrance Hall, bedroom, living room, kitchen, bathroom/wc - 50.76 m² (Estimated)

Flat F - Entrance Hall, 2 bedrooms, living room, kitchen, bathroom/wc – 72.41 m².

First Floor

Flat C - Entrance Hall, bedroom, living room, kitchen, bathroom/wc - 50.76 m².

Flat D - Entrance Hall, 2 bedrooms, living room, kitchen, bathroom/wc - 54.15 m².

Second Floor

Flat A - Entrance Hall, bedroom, living room, kitchen, bathroom/wc - 55.70 m².

Flat B - Entrance Hall, bedroom, living room, kitchen, bathroom/wc - 57.20 m².

3.7 SERVICES

Mains supplies of gas, electricity, water and drainage are connected to each flat.

The flats are heated via gas fired radiators throughout.

The services have not been tested.

4 LOCAL AUTHORITY, STATUTORY AND ENVIRONMENTAL ISSUES

Local Authority: London Borough of Croydon

4.1 COUNCIL TAX ASSESSMENT

We have checked the valuation office agency website (for which we can accept no responsibility for accuracy) and noted 8 assessments for the subject property at 53 Warminster Road, London SE25 4DQ. 53A, 53C, 53E, 53G and 53H have been assessed in band B, and 53B, 53D and 53F have been assessed in band C.

The actual liability may be subject to relief or phasing in respect of which regulations are made from time to time. A change in use of the premises could also affect the assessment or the amount payable. We have not investigated the amount actually payable in respect of the subject property.

4.2 TOWN PLANNING

We have checked the website of London Borough of Croydon Planning Department and noted the following planning applications/ decisions for the subject property:

Reference:	20/03634/FUL
Address:	53A – 53H Warminster Road, South Norwood, London SE25 4DQ
Proposal:	Erection of a two storey side addition providing two flats with associated site alterations.
Decision:	Permission granted 27 November 2020

No other significant planning applications or decisions were noted for the subject property, with the date of original conversion unknown. Legal advisors should investigate.

No works have commenced with regard to the proposed extension.

In arriving at our valuation, it has been assumed that each and every building enjoys permanent planning consent for their existing use or enjoys, or would be entitled to enjoy, the benefit of a "Lawful Development" Certificate under the Town & Country Planning Acts, or where it is reasonable to make such an assumption with continuing user rights for their existing use purposes, subject to specific comments.

We understand the property is **not** listed as a building of architectural or historic interest.

We note the property is situated in the South Norwood Conservation Area.

4.3 DEVELOPMENT/CHANGE OF USE

We are not aware of any potential development or change of use of the property or properties in the locality which would materially affect our valuation.

4.4 HIGHWAYS AND RIGHTS OF ACCESS

We believe that Warminster Road is an adopted highway maintainable at public expense, but we have not made enquiries.

4.5 LICENCES, HMO's AND IMMIGRATION STATUS CHECKS

The location and condition of the subject property does not depend on there being a licence for any particular use in place.

The property is not an HMO and therefore would not require HMO licencing.

The Client is advised to ensure that the applicant has made, and will continue make, the necessary immigration checks in respect of the tenants under the "right to rent" provisions.

4.6 THE FIRE REGULATORY REFORM (FIRE SAFETY) ORDER 2005

Under this legislation, the 'responsible person' must now carry out a 'Fire Risk Assessment' (or more particularly ensure one is carried out by a suitably qualified person). Unlike the old Fire Certificates, the Fire Risk Assessment is in respect of the way the premises are used and thus this is not something which runs with property or is transferred to a new occupier. Lenders are advised to ensure that occupiers are required to obtain Fire Risk Safety Assessment which should be kept under review.

The landlord was not able to confirm that a Fire Risk Safety Assessment has been undertaken and, therefore, we recommend that the need to commission such an assessment and the implementation of its recommendations should be drawn to the attention of the applicant.

4.7 HEALTH AND SAFETY

In respect of the residential premises, it is important that the landlord should maintain the property in good condition and free from health and safety or other hazards. We recommend that they adopt the Government's Housing Health and Safety Rating System (HHSRS).

The landlord will have responsibilities to maintain the property in good repair and safe condition under the Housing Act 2004, the Homes (Fitness for Human Habitation) Act 2018, Landlord and Tenant Act 1985.

The landlord will also have specific responsibility to maintain the electrical system, the gas supply and appliances in a safe condition, commission safety inspections yearly by a suitably qualified "competent person" and provide certificates to tenants.

We have not carried out any risk assessment or detailed survey. Generally, we find the property gives us no cause for concern. However, appropriate completion/inspection certificates in respect of the services together with the final Building Regulation completion certificate should be produced by the applicant before proceeding.

4.8 CONTROL OF ASBESTOS REGULATIONS 2012

These Regulations require every 'duty holder' of non-domestic premises to assess whether one is, or is liable to be, present; to prepare and implement a plan for managing any risks arising; and to review and revise the plan as necessary. A 'duty holder' is any person with any extent of responsibility for the maintenance or control of the whole or part of the premises however given the age of the property, it is highly unlikely that any asbestos will be present on site.

We have made verbal enquiries on site during the course of the inspection regarding the assessment of the property in accordance with these Regulations. The occupier was not able to confirm that an Asbestos Report or similar document is available, therefore, we recommend that the legal requirement to commission such a report in accordance with the Regulations from a suitably qualified and insured professional individual or company and the implementation of its recommendations should be drawn to the attention of the applicant.

4.9 EQUALITY ACT 2010 (DISABILITY DISCRIMINATION ACTS 1995 and 2005)

This legislation (which embraces the provisions of the Disability Discrimination Acts) imposes obligations on service providers and employers to make reasonable provision for disabled people. We have not carried out an access audit and therefore we do not speculate as to whether any alterations/adaptations would be required by a service provider or employer.

Landlords of residential properties may be required to consent to alterations of common parts, for example to facilitate access for disabled occupiers. Costly alterations/adaptations to physical features of the building, car parking, grounds etc. may be necessary as a result and this could impact on the value of the property.

4.10 MORTGAGE REGULATION

The property is in over 40% residential use, however we believe the mortgage would not be required to be 'regulated' as the applicant(s) or connected party do not intend occupying the residential property and it will be let to third party tenants, although this should be confirmed.

4.11 ENVIRONMENTAL ISSUES

4.11.1 **Contamination**

We have considered the question of whether the property could be affected by contamination. However, we are not environmental auditors, we have not made any detailed enquiries as to historic land use and any contamination arising there from and our inspection has been for valuation purposes and we have not made any contamination investigations, invasive or otherwise.

However, from our non-specialist observations, we are not aware of any significant contamination affecting the property or neighbouring property which would affect our valuation. However, should it be established subsequently that contamination exists at the property or on any neighbouring land or the premises have been or are being put to any contaminative use, this might reduce the values now reported.

4.11.2 Flooding

We have not made specific enquiries but we have checked the Environment Agency website (www.environment-agency.gov.uk) which indicates that the subject property is in an area with a low risk from flooding by surface water. Low risk means the chance of flooding is between 0.1% and 1% each year. The risk of flooding from rivers and the sea is recorded as very low risk which means each year this area has a chance of flooding of less than 0.1%.

N.B. the Environment Agency website is not definitive and does not offer any form of guarantee as to accuracy. If it transpires that the property is more at risk to flooding than the Environment website indicates, we should be informed as this may affect our valuation.

To the best of our knowledge, recent flooding affecting the property has not occurred.

4.11.3 Archaeological Remains

We saw no evidence of such remains, but we have not made enquiries. Sometimes, however, protection or investigation of such remains is required by relevant authorities, and this can result in major expenditure, inconvenience and delay as well as having a detrimental effect to the value of the property. Our opinion of value assumes no such remains exist but if you are concerned and your further prudent enquiries reveal new information, then this should be referred to us as the value could be affected.

4.11.4 Invasive Vegetation (e.g. Japanese Knotweed) and Trees

We did not identify any Japanese Knotweed or other particularly prevalent invasive species at the property. No trees were noted within an influencing distance which could cause damage in the short-term.

4.11.5 Radon

The property is not in a part of the country where there is an increased likelihood of Radon potentially posing a risk to health. Radon is a naturally occurring radioactive gas and is linked to increased incidences of lung cancer. The Ionising Radiations Regulations impose a duty on employers to protect workers from exposure to Radon. Further information may be obtained from the Health Protection Agency, www.hpa.org.uk (search 'Radon'). In the event of the level of Radon at the property being discovered to be sufficiently high to require remedial works, significant costs could be incurred. For the purpose of our valuation, we have assumed that no such works are necessary.

4.11.6 **Environmental Issues: Energy Performance Certificates**

We have checked the Department for Communities and Local Government website for EPCs and note the following assessments for the subject property:

Address:	Flat A, 53 Warminster Road, South Norwood, London SE25 4DQ
Energy Rating:	Band C
Valid Until:	19 September 2033

Address:	Flat B, 53 Warminster Road, South Norwood, London SE25 4DQ
Energy Rating:	Band C
Valid Until:	19 September 2033

Address:	Flat C, 53 Warminster Road, South Norwood, London SE25 4DQ
Energy Rating:	Band C
Valid Until:	13 November 2033

Address:	Flat D, 53 Warminster Road, South Norwood, London SE25 4DQ
Energy Rating:	Band C
Valid Until:	5 February 2030

Address:	Flat E, 53 Warminster Road, South Norwood, London SE25 4DQ
Energy Rating:	Band C
Valid Until:	13 November 2029

Address:	Flat F, 53 Warminster Road, South Norwood, London SE25 4DQ
Energy Rating:	Band C
Valid Until:	13 November 2020

Address:	Flat G, 53 Warminster Road, South Norwood, London SE25 4DQ
Energy Rating:	Band C
Valid Until:	19 September 2033

Address:	Flat H, 53 Warminster Road, South Norwood, London SE25 4DQ
Energy Rating:	Band C
Valid Until:	19 September 2033

Accordingly, the minimum standards have been achieved.

5 TENURE AND TENANCIES

We understand all eight units are held on one freehold title (title number SGL642124) known as 53 Warminster Road, London SE25 4DQ.

A copy of the Land Registry plan is included in the appendices. The extent of the property valued corresponds with the area of the plan tinted red.

As the property is freehold and no leases have been created, we have valued the property on the assumption that separate leaseholds can be created at some point in the future and that there

are no covenants or restrictions preventing this. The assumed lease terms for the subject flats which are to be retained and which form the basis of the valuation are as follows:

1. The property is held on a long lease with at least 125 years unexpired.
2. The Ground Rent does not exceed £250 and there is a minimum of 25 years between review periods.
3. The Annual Service Charge does not exceed £2,500 per annum.
4. There an adequate Reserve Fund will be created as soon as a separate sale of any flat is proposed, which would be required for maintenance and future repairs.
5. There is no provision in the lease for the Ground Rent to escalate more than RPI/CPI.
6. There is no provision in the lease for index linked or fixed increases to Service Charge/s or other unfair charges.
7. Building insurance is up to date.
8. Management agents appointed/management arrangements in place.
9. There are no known disputes or claims.
10. There are no unduly onerous restrictive covenants or costly charges for consents.
11. Necessary rights over common parts are preserved.
12. All future leases in the block contain adequately enforceable covenants.

Please ensure the legal advisor reverts to us should any of these assumptions be incorrect as we have not interrogated the lease or management company accounts etc."

At the time of inspection seven units were confirmed to be tenanted. Flat E was not accessible, and it has not been possible to confirm whether or not this unit is occupied, therefore, legal advisors should investigate. It is understood that each property is let on 8 separate ASTs, none of which have been seen, and no information has been forthcoming regarding the passing rents.

Legal advisors should confirm that any rents detailed in the AST agreements are being achieved and further that the tenancy agreements in place are in an acceptable form for the lender's own purposes.

Unless otherwise stated we have assumed the title is free from encumbrances and that Solicitors' local searches and usual enquiries would not reveal the existence of statutory notices or other matters which would materially affect our valuation.

We are unaware of any rights of way, easements or restrictive covenants which affect the property; however, we would recommend that the solicitors investigate the title in order to ensure this is correct.

NB: All aspects of tenure/title should be checked by the client's legal representatives prior to exchange of contract/granting of funds and insofar as any assumption made within the body of this report is proved to be incorrect then the matter should be referred back to the valuer in order to ensure the valuation is not adversely affected.

6 VALUATION CONSIDERATIONS

6.1 CONDITION/GENERAL STATE OF REPAIR

We have not carried out a building survey or tested services, nor have we inspected those parts of the property which are covered, unexposed as much soon or inaccessible and such parts have been assumed to be in good repair and condition. We cannot express an opinion about or advise upon the condition of uninspected parts and this report should not be taken as making any implied representation or statement about such parts.

The property presents to a relatively good condition both internally and externally, although previous comment has been made regarding damp identified within the rear flat at lower ground floor level, for which further investigation and remedial attention is required. There are no other significant outstanding repair or maintenance issues identified.

Evidence of past movement was observed, this taking the form of old repair to historic cracks, with signs of past distortion. Tie bars and plates have been installed at the front and rear to provide additional lateral restraint to the front and rear elevations. The evidence of movement noted, and the past repairs are all considered to be historic, with no signs of any recent movement apparent. Adequate insurance cover should be maintained in the future.

The electrical and mechanical components appear to be satisfactory. However, these have not been tested by a specialist contractor and we are therefore unable to confirm whether they are in safe working order. Our valuation assumes only general maintenance works would be required for such components and fittings to be useable.

6.2 PROPERTY MANAGEMENT ISSUES

We understand the property is let out on multiple ASTs. We have assumed that these will be standard ASTs and therefore the landlord will be responsible for some costs, such as overall upkeep of the building, cleaning of common areas etc. Therefore, the level of management and associated costs is likely to be high if these tasks are carried out to a proper standard.

The landlord has a duty and responsibility to maintain the common areas and exterior of the structure in good repair. It is essential that this is carried out on a regular basis, for the well-being of the tenants and to achieve premium rents and reduced void levels. From our inspection it would appear that the landlord is meeting their responsibilities.

6.3 ECONOMIC LIFE

In our opinion, the property has a functional and economic life of at least 25 years providing that general maintenance and repair works continue to be undertaken. Therefore, the marketability of the property should be sustainable during this period.

6.4 MARRIAGE/SPECIAL PURCHASER VALUE

As far as we are aware, there is no hope, synergistic/marriage or special purchaser value attributable to the property now, or likely to arise in the near future and no allowance has been made for such enhancement in value.

6.5 MARKET CONDITIONS AND DEMAND

6.5.1 Macro-economic conditions:

The economy has now moved out of the recessionary phase designated by the Bank of England in November 2022. The economy nevertheless remained moribund in the 1st quarter of 2023, with GDP increasing by 0.1% for the 1st quarter, with only a slight improvement to 0.2% in the 2nd quarter (www.ons.gov.uk).

The Bank of England are predicting GDP growth of 0.5% for 2024 and 0.25% for 2025. Therefore, the prospects for future economic growth are conservative and indeed the OECD forecast UK growth will be 0.6% in 2024, less than other G7 nations with the exception of Germany. However, against this prediction the latest growth figures published for December 2023 showed a 0.3% increase for the month.

Although the Bank's monetary policy report had previously produced less pessimistic forecasts for inflation, they have now recognised that it will be a continuing challenge to bring inflation to its target 2% within 10 years. However there have been significant improvements, with the current rate being 3.9% (November 2023).

However, this is not feeding through yet to less interventionist policy. As a result, interest rates, continue to be the bank's primary tool to reduce inflation. These rose to 5.25% in August but have been held at that level, the latest review being this month, December 2023. This is a positive sign recognising the easing of pressure from inflation and with commentators predicting that rates will begin to fall in the New Year (2024).

6.5.2 Residential Market:

The RICS in its February 2024 Economy and Property Market Update confirmed that the residential market may now be moving out of its downward trend. There is some evidence of modest gains in value on the Nationwide and Rightmove current statistics. The Land Registry data continues to show downward movement in prices, but this is derived from completed transactions which will be 3 months or so behind the current market.

Bank Of England Data for mortgage approvals for new house purchase climbed from 44k in September to over 50k in December. This is supported by the RICS new buyer enquiries data which indicated a +7% net balance improvement for January.

In respect of the rental market the February RICS data shows rental demand may be slowing due to elevated rental costs. However, this is from a firmly positive position, slowing from an increase of 61% last quarter to a 53% increase. In annual terms, Zoopla published data predicts rental growth slowing from 9% in 2023 to 5 – 6% in 2024.

6.5.3 Local Market Conditions

The Land Registry UK House Price Index had seen property prices (all property types residential index) in the Croydon area decline over the past one year (January 2023 to January 2024).

The latest figures indicate the average property index stood at 147.1 in January 2023 and closed at 135.9 in January 2024, a decrease of approximately 7.6%.

Similarly, the average price on the "all property" index stood at an average of £424,768 in January 2023 and closed in January 2024 at £392,498. The market performed consistently throughout the year, with only minor peaks and troughs.

That being said, future trends are difficult to predict however we would anticipate the value of the property to remain fairy static over the foreseeable future.

6.6 TIME SCALES

Assuming that each flat present to a good standard as at the date of inspection, the entire block should let in 6 months or less.

In respect of the sale of the whole property as a fully let investment or with vacant possession, we would anticipate it would require a period of 6 months to achieve a sale subject to contract.

6.7 INCENTIVES

No incentives required to sell the block as a whole.

No incentives required to sell the flats individually assuming title deeds have been split.

No incentives required to let any of the flats individually.

6.8 COSTS OF VOIDS

Voids can be anticipated from time to time, but no significant voids are anticipated. Potential for future void periods have been taken into account.

6.9 SWOT ANALYSIS

STRENGTHS	**WEAKNESSES**
• Well-presented and desirable units. • Good condition with modern fixtures and fittings.	• No significant weaknesses identified.
OPPORTUNITIES	**THREATS**
• Continued long term regional growth in population and demand. • Title deeds could be split to allow the sale of the flats individually.	• No significant threats identified.

7 COMPARABLES AND ANALYSIS

7.1 COMPARABLES

In considering the value of the property, we have analysed information relating to recent transactions as follows:

Sales Comparables:

One-bedroom sales:

Flat 5, 59 Warminster Road, London SE25 4DQ
Sold for £271,000 in January 2024
46,8 m^2 @ £5,791 per m^2.
One-bedroom flat forming part of a similar converted residential block. Good condition. Located within the same postcode.

Flat 2, 93 Penge Road, London SE20 7UN
Sold for £233,000 in August 2023
49.92 m^2 @ £4,668 per m^2.
One-bedroom first floor conversion flat in a mixed commercial and retail block. Broadly similar order. Located less than 400 metres distant.

Flat 5, 13 Sunnybank, London SE25 4TQ
Sold for £267,500 in August 2023
55.95 m^2 @ £4,781 per m^2.
One-bedroom first floor conversion flat. Similar condition. Located less than 500 metres distant.

Flat 2, 59 Warminster Road, London SE25 4DQ
Sold for £270,000 in January 2024
50.9 m^2 @ £5,305 per m^2.
One-bedroom ground floor converted flat. Similar condition. Located within the same postcode.

Flat 1, 5 Lancaster Road, SE25 4BJ
Sold for £242,000 in June 2023
47 m^2 @ £5,149 per m^2.
One-bedroom ground floor conversion flat. Similar condition. Located less than 200 metres distant.

Two-bedroom sales:

38 Lancaster Road, London SE25 4AF
Sold for £365,000 in December 2023
75.96 m^2 @ £4,805 per m^2.
Two-bedroom ground floor conversion flat. Similar condition. Located less than 400 metres distant.

Flat 4, 59 Warminster Road, London SE25 4DQ
Sold for £310,000 in January 2024
61.7 m^2 @ £5,024 per m^2.
One-bedroom first floor conversion flat. Similar condition. Located within the same postcode.

Flat 1, 14 Chalfont Road, London SE25 4AA
Sold for £395,000 in September 2023
74 m² @ £5,338 per m².
Two-bedroom ground floor conversion flat. Overall better condition. Located less than 300 metres distant.

Flat 3, 1 Suffolk Road, London SE25 6EY
Sold for £290,000 in August 2023
53 m² @ £5,472 per m².
Two-bedroom first floor converted flat. Similar condition. Located less than 500 metres distant.

Rental Comparables:

One-bedroom rentals:

Flat 2, 5 Lancaster Road, London SE25 4BJ
Rent agreed at £1,250 pcm in September 2023
One-bedroom first floor conversion flat. Similar condition. Located less than 200 metres distant.

18 Northwood House, 15-17 Warminster Road, London SE25 4DQ
Rent agreed at £1,300 pcm in December 2023
One-bedroom second floor purpose built flat. Similar condition. Located less than 400 metres distant.

Flat 7, 20 Penge Road, London SE25 4BF
Rent agreed at £1,150 pcm in November 2023
One-bedroom second floor conversion flat. Similar condition. Located less than 300 metres distant.

Two-bedroom rentals:

4 Bevill Close, London SE25 4TX
Rent agreed at £1,800 pcm in October 2023
Two-bedroom first floor purpose built flat. Similar condition. Located within 500 metres distant.

Flat 5, 68 Warminster Road, London SE25 4DQ
Rent agreed at £1,750 pcm in August 2023
Two-bedroom second floor converted flat. Similar condition. Located within the same postcode.

11B Warminster Road, London SE25 4DQ
Rent agreed at £1,650 pcm in March 2024
Two-bedroom purpose built flat. Similar condition. Located less than 400 metres distant.

Investment Comparables

2 Stanton Road, Croydon CR0 2UN
Detached house converted into 2 x 1 bedroom, 1 x 2 bedroom and 1 x 3 bedroom flats.
Sold at £971,000 with a rent of £64,800 pa, giving a yield of 6.67%.

7.2 ANALYSIS OF COMPARABLES/ VALUATION CALCULATION AND RATIONALE

In arriving at the valuation, we have adopted the comparable method of valuation, we have had regard to evidence of recent sales of similar properties and adjusted to reflect, differences in age, size, condition, location etc.

Some of comparable evidence are over 6 months old, however, they have been included into our report due to their directly comparable condition, location, and position within the area. Data from the Land Registry House Price Index indicate values in the Croydon area have declined over this time. This has been factored into our analysis and they are still considered to be good comparables.

We set out our opinion of values as follows:

Market Rent:

Rental evidence gathered for similar units in the area is a range from £1,150 pcm to £1,300 pcm for one-bedroom flats, and from £1,650 pcm to £1,800 pcm for two-bedroom flats. Based on the available evidence, as well as feed back from local agents, we are of the opinion that the current rents for the individual flats are as follows:

Flat A, Warminster Road, London SE25 4DQ		£1,150 pcm (£13,800 pa)
Flat B, Warminster Road, London SE25 4DQ		£1,150 pcm (£13,800 pa)
Flat C, Warminster Road, London SE25 4DQ		£1,150 pcm (£13,800 pa)
Flat D, Warminster Road, London SE25 4DQ		£1,650 pcm (£19,800 pa)
Flat E, Warminster Road, London SE25 4DQ		£1,150 pcm (£13,800 pa)
Flat F, Warminster Road, London SE25 4DQ		£1,750 pcm (£21,000 pa)
Flat G, Warminster Road, London SE25 4DQ		£1,150 pcm (£13,800 pa)
Flat H, Warminster Road, London SE25 4DQ		£1,150 pcm (£13,800 pa)
Total:	-	**£10,300 pcm (£123,600 pa)**

Market Value:

Regarding market value, we have considered the break-up of each individual unit. We have analysed data from comparables of similar flats and houses in the nearby area as well as consulting local agents.

The tone of values for similar flats within a 500-metre radius is from £233,000 to £271,000 (£4,668 to £5,791 pm^2) for one-bedroom flats, and £290,000 to £395,000 (£4,805 to £5,472 pm^2) for two-bedroom flats. The subject flats should sit within the ranges demonstrated.

Based on the available data, the general consensus of opinion and feedback received from local agents, we are of the opinion that (if sold separately on individual leasehold titles for a term of 125 years or similar) the current market value for each unit will be as follows:

Flat A, 53 Warminster Road, London SE25 4DQ	£270,000
Flat B, 53 Warminster Road, London SE25 4DQ	£275,000
Flat C, 53 Warminster Road, London SE25 4DQ	£250,000
Flat D, 53 Warminster Road, London SE25 4DQ	£275,000

Flat E, 53 Warminster Road, London SE25 4DQ	£250,000
Flat F, 53 Warminster Road, London SE25 4DQ	£335,000
Flat G, 53 Warminster Road, London SE25 4DQ	£265,000
Flat H, 53 Warminster Road, London SE25 4DQ	£255.000
Total	**£2,175,000**

It should be noted that the value of the single freehold interest on the special assumption of no separate leasehold interests is at a discount to the aggregate value unit-by-unit. The discount is to reflect quantum, possibility of sale to an investor only (or cost of break up plus an element of profit). Typically, a 10% -15% discount can be expected to reflect the cost of the breakup for this type of investment.

Therefore, once the appropriate discount has been reflected, the market value is reduced to:

£1,900,000 (One Million Nine Hundred Thousand Pounds).

The sum of the individual unit values has been used to arrive at the valuation provided. Allowances have been made for creating separate titles, setting up management arrangements, extended sales period and profit. It is assumed that there are no known restrictions that would prevent the sale of the individual units including any services that may require separation. The solicitor must advise prior to competition should this assumption be incorrect.

8 GENERAL REMARKS AND RECOMMENDATIONS

In arriving at the valuation, we have adopted the comparable method of valuation and investment method valuation. We have had regard to evidence of recent sales of similar properties and adjusted to reflect, differences in age, size, condition, location etc.

Subject to the comments in this report and in particular the caveats summarised in section 1.6, we would confirm that subject property provides suitable security for the loan facility at the valuation figure.

The property has been valued at the agreed purchase price (£1,900,000).

9 SIGNATURE AND DATE OF REPORT

The property was inspected on 22 March 2024 and the report prepared by Ian R Cousins, an external valuer, who has the relevant experience and national and local knowledge to undertake the valuation of this type of property.

We confirm that neither the firm nor the valuer has any conflict of interest in this matter and that the property was valued in an objective and unbiased way.



Signed - Valuer:

Name: Ian Cousins

Qualification: BSc (Hons) FRICS RICS Registered Valuer RICS No: 0085579
Allied Surveyors & Valuers Ltd



Signed -

Name: Russell Bowers

Qualification: LLB (Hons) MRICS RICS Registered Valuer RICS No: 0094139
Signing as the Approving Officer on behalf of Allied Surveyors & Valuers Ltd

for and on behalf of

Suite 5, 4th Floor, AMP House
4 Dingwall Road, Croydon, CR0 2LX

Date of Valuation: 26 March 2024
Date of Report: 26 March 2024

APPENDIX I

ALLIED SURVEYORS TERMS, LIMITATIONS, ASSUMPTIONS AND CONDITIONS OF ENGAGEMENT FOR THE VALUATION OF RESIDENTIAL, BUSINESS AND INVESTMENT PROPERTY

Name of Client / Client Company: Shawbrook Bank Ltd

The Client's attention is drawn particularly to the provisions of Clause 5

1. **Interpretations**

1.1 **Definitions**:

a) **Client**

The person or corporate body to whom the Valuation Report is to be addressed and such other parties as specifically prescribed in writing who may place reliance on the Valuation Report.

b) **Firm**

The Valuation Company which is contractually responsible for the provision of the Valuation Service, is:

Allied Surveyors & Valuers Ltd

Registered Office and Administration Centre address: Building 2, Riverside Court, Bowling Hill, Chipping Sodbury, Bristol BS37 6JX (Telephone: 0333 666 7778)

Company No: 6936426

c) **RICS**

The Royal Institution of Chartered Surveyors

d) **RICS Red Book** (The minimum professional standards as prescribed and published by the Royal Institution of Chartered Surveyors – reference being made to current publication at the date of the instruction)

The Red Book sets out the professional standards as codified by the RICS under which each Valuation or similar service and the Valuation Report are required to be undertaken. The Firm will conform to the latest version of these professional standards and unless stated otherwise, will also conform to the requirements of the Residential Mortgage Valuation Specification contained therein, where relevant.

e) **Valuer (External Valuer)**

The Valuer selected by the Firm will be an appropriately qualified RICS member and registered under the RICS Valuer Registration Scheme. The Valuer will be an employee of the Firm or an owner of the Firm or an employee or associate of an owner. The Valuer will have a reasonably sufficient level of skill, experience and local knowledge to undertake the instruction, and will be adequately equipped to inspect the property and to produce and sign the Report. Being external to and independent of the Client, the Valuer is also referred to as an 'External Valuer'.

f) **Business and Investment Property**

Real estate property owned for business or investment purposes which may include residential property not intended for occupation by the owner. Unless otherwise stated, any value which may be attributable to the goodwill of a business trading at the property is excluded from the valuation.

g) **Market Value or MV** (as prescribed by the RICS):

'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.'

h) **Market Rent or MR** (as prescribed by the RICS):

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

i) **Market Value subject to Special Assumption 1 - vacant possession value of a property subject to tenancy**

If the property is subject to a tenancy or otherwise occupied (as reflected in MV above), a valuation is also required on the assumption that the property in its present condition is available with vacant possession.

j) **Market Value subject to Special Assumptions 2 - restricted marketing period**

Market value with vacant possession but assuming there has been a restricted period of marketing (the Valuation Report will refer to the period, usually 90 days or 180 days) between the inception of marketing and exchange of contracts, taking place at the date of the valuation, which may not necessarily have been a reasonable period for proper marketing. (The assumption is that the stated marketing period, albeit inadequate, has run its course and thus the date of exchange of contracts is the date of the valuation.)

k) **Market Value 'After Works'**

This is a hypothetical figure which is an indication of what the current Market Value would be if specified works or conditions had been satisfactorily completed at the date of the valuation. Such works could be in respect of essential repairs or completion of construction but could be in respect of evidence being provided in respect of satisfactory title or leases or such matters as certificates/licences/consents to confirm lawful use.

l) **Valuation Approach and Reasoning (as prescribed by the RICS)**

The market approach (as defined below) will be used.

'The market approach provides an indication of value by comparing the subject asset with identical or similar assets for which price information is available.'

This method compares similar property which has changed hands in the open market and makes appropriate adjustment to enable accurate comparison.

However in the event that the Property is for investment purposes, the Valuer may also consider an income approach which takes account of the potential income stream on such property as Houses in Multiple Occupation (depending on the local market).

Similarly, the value of offices, shops, industrial and other commercial property is usually assessed by applying evidence as to yields, in the investment market for that type property, to the Market Rent and/or the passing rent (ie, the rent currently contractually payable) both of which will be reported.

m) **Reinstatement Cost for Insurance Purposes**

If the Client requests a Reinstatement Figure, this will be provided on the following basis:

The reinstatement cost figure for the permanent buildings is provided for insurance purposes and is not directly related to the market value of the property. Unless the Valuer has access to

particular cost information relating to the property or the locality, the reinstatement cost will be calculated by reference to the indices and guidance published by the Building Costs Information Service (BCIS). The figure stated will only include Value Added Tax on professional fees (not on building costs) and will not take into account other potential or consequential losses such as costs of alternative accommodation.

The reinstatement cost figure should be revised annually or when any significant alterations or extensions are undertaken.

Any reinstatement cost figure is provided for guidance purposes only: it will not follow a detailed elemental cost analysis. In the event of destruction and rebuilding, such figure may not necessarily be the upper limit of costs incurred. Should insurers require a definitive assessment then specialist advice should be obtained from a suitably qualified professional such as a chartered quantity surveyor.

n) **Valuation Report**

Pursuant to the Client's instructions, the Report that is prepared by the Valuer on the Property as part of the Valuation Service, in which the Valuer will have regard to the apparent state of repair and condition of the Property but will be under no duty to carry out a building survey nor inspect those parts of the Property which are covered, unexposed or inaccessible. Such parts will be assumed to be in good repair and condition. The Valuer is not an expert in other disciplines and therefore will not be able to provide advice which should be relied upon in respect of environmental inspection, Equality Act (disability discrimination) auditing, or Fire Risk Safety Assessment and Asbestos surveying. The Valuer will not be under a duty to arrange for the testing of electrical, heating, plant or other services.

The format of the Valuation Report will follow a template prescribed by the Client, or the Firm's own report template. However, for the avoidance of doubt, these Terms & Conditions set out in full the matters that need to be addressed within the Valuation Report so that it complies with the requirements of the current edition of the RICS Red Book.

The Valuation Report will be made available to the Client in either hard copy or electronic format, depending on the Client's instructions.

o) **Valuation**

The valuation of the Property to be undertaken by the Valuer in accordance with the provisions at clauses 1.1 (g) (h) (i) (j) (k) of these Terms and Conditions and forming part of the Valuation Service.

p) **Valuation Date**

The date upon which the Valuation or Advice applies which shall be the date of the inspection of the property unless otherwise stated in the Valuation Report.

q) **Mortgage Specification**

Means the RICS Residential Mortgage Valuation Specification contained in UK Appendix 10 of the January 2014 (revised April 2015) edition of RICS Valuation – Professional Standards UK.

r) **Property**

Means the property set out in the instruction.

s) **Data Protection Legislation (including GDPR)**

This means all applicable law relating to the processing, privacy and use of personal data including Regulation (EU) 2016/679 (the "General Data Protection Regulation" or the "GDPR") and Data Protection Act 2018 (or, in the event that the UK leaves the European Union, all legislation enacted in the UK in respect of the protection of personal data) and the Privacy and Electronic Communications (EC Directive) Regulations 2003.

The terms “controller”, "personal data”, “process” and “processing” shall have the meanings set out in the Data Protection Legislation.

t) **Valuation Service**

Means the Valuation and the Valuation Report to be completed by the Valuer on the instructions of the Client and in accordance with these Terms and Conditions.

u) **Inspection**

Means the physical inspection of the Property by the Valuer to be undertaken as part of the Valuation Service that will form the basis of the Valuation and the Valuation Report.

v) **Contract**

Means these Terms and Conditions and the Client’s instructions, received from the date of this Contract onwards.

1.2 **Verbal Construction**

In these conditions, the following rules apply:

a) A reference to ‘writing’ or ‘in writing’ includes faxes and emails but excludes text messages.

b) A reference to a party includes its successors or permitted assigns.

c) Any phrase introduced by the terms ‘including’, ‘include’, ‘in particular’, ‘ie’, ‘eg’, or any similar expression, shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

1.3 **Currency**

Monetary amounts shall be reported in Pounds Sterling unless otherwise agreed in writing by the Firm.

2. **Purpose of the Valuation Report**

The purpose for which this Valuation Report is required will be to provide an opinion of the value of the Freehold/Leasehold interest in real estate, as specified by the Client/Client’s representative and the Firm in the Valuation Report.

3. **Third Party Reliance**

a) The Valuation Service provided by the Firm is for the benefit of the Client as named on the Valuation Report alone and solely for the purposes of the instruction to which it relates. The RICS Minimum Terms for Professional Indemnity Insurance permit insurers to place limitations on the cover available for claims brought by third parties even if the valuation contract permits some form of assignment. Therefore, the Valuation Service may not be used or relied upon without the Firm’s written consent, by any third party, even if that third party pays all or part of the Firm’s fees, or is permitted to see a copy of a Valuation Report.

b) If the Firm provides written consent to a third party permitting it to rely on the Valuation, any such third party is deemed to have accepted these Terms and Conditions.

c) The Firm may, at its absolute discretion, agree to an assignment of the benefit of the Valuation Report to a third party (whether a private individual or mortgage lender) provided the Client identifies the requested assignee to the Firm in writing within 28 days from the date of the Valuation Report.

d) Neither the whole nor any part of the Valuation Report including any reference to it or any other output from the Valuation Service may be included in any published document, circular or statement nor published in any way without the Firm’s written approval of the form and context in which it may appear.

4. Instruction, Inspection and Reporting Assumptions

4.1 In advance of proceeding with the valuation, the Valuer will:

a) Agree and confirm in writing the purpose of the valuation.

b) Notify the Client of any conflict of interest in relation to the Firm, its employees or its associates (especially the Valuer) or the property. Acceptance by the Client of any conflict or potential conflict shall be recorded in writing.

c) Agree with the Client details of the scope of the valuation, including treatment of fixtures, fittings, plant and machinery and details relating to tenure (Freehold/Leasehold) and any tenancies/adverse rights.

d) Agree and confirm in writing the definition of the basis/bases of valuation, other than MV and MR, as required by the Client. For example, Special Assumptions are not defined by the RICS and thus an agreement of definition, including marketing time period, is required.

4.2 Before the Valuation Report is issued, the Valuer shall agree any special assumptions which are necessary and confirm same in writing to the Client.

4.3 The Valuer will carry out such inspections as are, in the Valuer's professional judgment, appropriate and possible in the particular circumstances, subject to 4.5 and 4.6 below.

4.4 The Valuer will, unless otherwise expressly agreed, rely upon information provided by the Client and/or Client's legal or other professional advisers relating to tenure, tenancies, and other relevant matters (together 'Client Information'). It is specifically acknowledged that the Firm may safely rely on the Client Information. It is the responsibility of the Lender/Client to ensure this information is accurate and promptly to advise the Valuer if it is not.

4.5 It is stressed that the Client has required the Firm to provide a Valuation Report only.

4.6 In reporting, the Valuer will meet the relevant requirement of the current edition of the RICS Red Book and will make the following assumptions in respect of the Property. If any of these assumptions are incorrect then these should be discussed with the Valuer before the Valuation Service is undertaken:

a) no harmful or hazardous material, such as asbestos, has been used in the construction of the property or has since been incorporated. Asbestos becomes a particular health hazard when its fibres are released into the air. Therefore it should not be disturbed, drilled, cut, sanded ready for decorating, etc and should only be removed by experts.

b) there is no contamination in or from the ground, and is not landfilled ground or affected by mineral extraction. In the event of there being significant visual evidence of contamination and a completed Contamination/ Environmental Observation Checklist being included with the Valuation Report, it is emphasized that this is a non-specialist checklist to help a specialist Environmental Surveyor to consider the next step to be taken.

c) no high alumina cement concrete or calcium chloride additive or other potentially deleterious material was used in the construction of the property or has since been incorporated;

d) the property is not susceptible to radon gas pollution;

e) inspection of those parts which have not been inspected would neither reveal defects nor cause the Valuer to alter the valuation materially;

f) good title can be shown and that the property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoings;

g) the property and its value are unaffected by any matters which would be revealed by local or environmental searches and replies to the local enquiries, or by any statutory notice, and that neither the property, nor its condition, nor its use, nor its intended use, is or will be unlawful;

h) unless otherwise stated, roads, sewers and services outside the curtilage of the property are the responsibility of the Local Authority or other statutory body and are available under normal terms;

i) further investigation into Planning Permission, Building Regulation, hazardous materials, onerous restrictions etc, will not reveal anything sufficiently adverse as to materially affect the Valuation;

j) any other assumptions will be stated clearly in the Valuation Report.

The Valuer will be under no duty to verify these assumptions and the Client should ensure the assumptions are correct.

4.7 **External Panels**

Composite external panels which sandwich insulating material (including polyurethane/polystyrene types of material) between inner and outer plastic-coated/painted aluminium/steel sheeting (frequently referred to as MCM or ACM panels – metal or aluminium composite material panels) have been extensively used in recent years in both the refurbishment of existing buildings and in the construction of new buildings.

Some panel cladding systems have been shown to increase fire and health risks due to the combustibility of the panels, the cyanide and other toxins which are carried in the thick black smoke when the panels burn, and by aiding the spread of fire due to the chimney effect caused by the gap between the panels and the main structure. These hazards also make fire-fighting more dangerous, increasing risk to life and damage to buildings. Consequently, insurance companies may decline to insure unless modifications are made and/or increase insurance premiums, all of which could impact on the value of the building.

Unfortunately, the type of insulant and fire checking of the panel system cannot be identified from a visual inspection. Thus where the existence of such panels has been reported, it is strongly recommended that purchasers and lenders should make further enquiries to satisfy themselves as to the type and suitability of the panel system as this is outside the scope of this Valuation. For residential buildings with this type of cladding it is essential that the Fire Safety Certificate, from an assessor registered with a Fire Risk Assessment Competency Council approved body, includes confirmation of the satisfactory nature of the panel system as installed, which requires successful completion of a BS8414 test resulting in BR135 classification.

4.8 **Boundaries, grounds and outbuildings particularly relating to residential property and normal domestic gardens:**

a) The Inspection will take into account such boundaries, grounds and permanent outbuildings, it will not include constructions or equipment with a specific leisure purpose including, without limit, swimming pools or tennis courts.

b) The Inspection will include the immediate gardens that belong to the Property, but the Inspection specifically excludes any additional land such as pasture or amenity land. The client is recommended to seek separate advice in respect of any additional land to ascertain (among other things) the extent and condition of boundaries, the presence of any invasive species, quality of the land, possible land contamination, flood risk or any other liabilities in respect of river bank maintenance, culverts and ditches and any other specific concerns, to the Client's satisfaction.

c) For the avoidance of doubt, the Valuation will include the full extent of the Property's title, however for areas that have not been included within the Inspection, the Report and the Valuation will assume that no material issues exist.

4.9 **Sustainability**

a) If we have not been provided, or cannot obtain, an up to date EPC rating for this property our valuation will be based on the assumption that the subject property will meet the minimum requirements laid down by legislation and that there will be no adverse impact on value and marketability. It is advisable to obtain an expert's opinion to advise whether an EPC should be commissioned and if the building is likely to meet with the legislative requirements.

b) If the EPC certificate that has been provided indicates that the subject property will fall within the acceptable energy performance range for the purposes of the Energy Act 2011, the method of assessment may have changed since the EPC certificate was issued. Although the legislation is not expected to be reviewed again until 2020, it is advisable to obtain an expert's opinion on whether the building would still comply with the minimum standard if the building were re-certified under the current methodology.

c) If the EPC certificate that has been provided indicates that this property does not meet the minimum acceptable energy performance standard for the purposes of the Act, unless the property qualifies as exempt, capital expenditure may be required to upgrade the property to an acceptable EPC rating standard. Failure to do this may result in it being unlawful to rent the property, with an associated impact on marketability and value. It is therefore advisable to obtain an expert's opinion on the status of the property. Our valuation will be based on the assumption that the property is not exempt and will reflect the fact that improvement will be required in order to bring the property up to the minimum acceptable energy performance standard.

4.10 It is confirmed that the Valuer shall, to the reasonable knowledge of the Firm, have no known interest in the property or any other conflict that will prevent the Valuation Service from being undertaken in an objective and unbiased way. If the Valuer has had a previous involvement with the Property or the other parties to this transaction which impacts upon the Valuation Service, this will be disclosed to the Client before the Valuation Service is commenced. The Valuer chosen to undertake this work has reasonable knowledge of this area and the appropriate expertise for the Valuation Service required. If the Client has provided additional information or advised the Valuer to contact a third party for further information, it is specifically acknowledged that the Firm may safely rely on that information.

5. **Limitation of liability THE CLIENT'S ATTENTION IS DRAWN PARTICULARLY TO THIS CLAUSE**

5.1 Nothing in these conditions shall limit or exclude the Firm's liability for:

a) Death or personal injury caused by its negligence, or the negligence of its employees, agents or subcontractors;

b) Fraud or fraudulent misrepresentation; or

c) Breach of the terms implied by Section 2 of the Supply of Goods and Services Act 1982 (Title and Quiet Possession).

5.2 Subject to Clause 5.1:

a) The Firm shall under no circumstances whatsoever be liable to the Client, whether in contract, tort (including negligence), breach of statutory duty, or otherwise, for any loss of profit or any indirect or consequential loss arising under or in connection with the Contract; and

b) The Firm's total liability to the Client in respect of all other losses arising under or in connection with the Contract, whether in contract, tort (including negligence), breach of statutory duty, or otherwise, shall in no circumstances exceed the Market Value as stated in the Firm's Valuation Report for the Property or £5,000,000 (five million pounds), whichever is the lower.

c) The Firm will cease to carry any liabilities for any alleged loss unless the Client has notified the Firm in writing within six years of the date of the Valuation.

d) The Client hereby accepts that it is the Firm which is the contracting party and thus none of the Firm's employees which, for the purpose of this clause, means its owners or an employee or associate of an owner, directors, servants, partners, affiliates or consultants, has a contract with the Client or has personal liability in owing the Client or the prospective purchaser or any other party a duty of care. Therefore, the Client agrees (on behalf of itself and any permitted assignees) not to bring any claim against any such individuals personally in connection with the Valuation Service provided.

e) Whilst the Firm's employees are protected by this clause under the Contracts (Rights of Third Parties) Act 1999, it is agreed between the Client and the Firm that these terms and conditions (including this clause) may be varied by mutual consent at any time without the need for the Firm to seek leave or permission from its employees.

f) These Terms of Engagement do not include any warranties, conditions and other terms except as stated herein and as required by law. The Valuation will be provided after diligent consideration and research but property values are subject to fluctuation and the valuation process is inexact and thus the Valuer's opinion is subject to a degree of tolerance depending on the property and the availability of comparable evidence. Valuations for mortgage purposes are provided to assist the Client in making a prudent lending decision: they are not provided as some form of guarantee of value.

g) Where loss is suffered by the Client for which the Firm and a third party or any other party are jointly responsible, any recoverable loss by the Client from the Firm will be proportionate to the Firm's relative contribution to the loss suffered and subject to the provisions of clause 5.2(b).

h) Where the Client comprises more than one entity, then the Client's liability will be joint and several with such other entity or entities

i) The Client acknowledges that the Firm shall have no liability for any inaccuracy in the Valuation Service where this is due to an inaccuracy in the Client Information.

5.3 The terms implied by Sections 3 to 5 of the Supply of Goods and Services Act 1982 are, to the fullest extent permitted by law, excluded from the Contract.

5.4 This Clause 5 shall survive termination of the Contract.

5.5 The Client's failure to follow the requirements set out in these Terms and Conditions will invalidate the Valuation Service.

6. **Fees**

a) The Client shall pay the Firm in respect of the Valuation Service a fee to be agreed in advance between the Client and the Firm. In addition, the Client will reimburse the Firm the cost of all reasonable out-of-pocket expenses which may be incurred and pay the amount of any Value Added Tax on the fee and expenses.

b) Unless credit terms have been separately agreed in writing with the Firm's Accounts Department, the fee will be paid in advance when it will be credited to the Firm's Clients' Account: Allied Surveyors Diligence Ltd – Client Account, Barclays Bank, 1 North End, Croydon, Surrey, CR9 1SX. This account is non-interest bearing.

c) If the Client has agreed to accept reimbursement of the fee paid, or the Firm's fee account has not been settled within three months of the date of the invoice, then it is agreed that the Client has placed no reliance on the Valuation Report and thus the Client or any permitted assignees will not be entitled to pursue any action for alleged negligence, breach of contract or breach of duty. This does not limit the Firm's entitlement to the agreed fee.

7. General Terms

7.1 Severance

a) If a court or any other competent authority finds that any provision of the Contract (or part of any provision) is invalid, illegal or unenforceable, that provision or part-provision shall, to the extent required, be deemed deleted, and the validity and enforceability of the other provisions of the Contract shall not be affected.

b) If any invalid, unenforceable or illegal provision of the Contract would be valid, enforceable and legal if some part of it were deleted, the provision shall apply with the minimum modification necessary to make it legal, valid and enforceable.

7.2 Variation

Except as set out in these conditions, any variation, including the introduction of any additional terms and conditions to the Contract, shall only be binding when agreed in writing and signed by the Firm.

7.3 No waiver

a) A waiver of any right under the Contract is only effective if it is in writing and shall not be deemed to be a waiver of any subsequent breach or default. No failure or delay by a party in exercising any right or remedy under the Contract or by law shall constitute a waiver of that or any other right or remedy, nor preclude or restrict its further exercise. No single or partial exercise of such right or remedy shall preclude or restrict the further exercise of that or any other right or remedy.

b) Unless specifically provided otherwise, rights arising under the Contract are cumulative and do not exclude rights provided by law.

7.4 Force Majeure

a) For the purposes of the Contract, a Force Majeure Event means an event beyond the reasonable control of the Firm including but not limited to strikes, lock-outs or other industrial disputes (whether involving the workforce of the Firm or any other party), failure of a utility service or transport network, act of God, war, riot, civil commotion, malicious damage, compliance with any law or governmental order, rule, regulation or direction, accident, breakdown of plant or machinery, fire, flood, storm or default of suppliers or subcontractors.

b) The Firm shall not be liable to the Client as a result of any delay or failure to perform its obligations under the Contract as a result of a Force Majeure Event. If the Force Majeure Event prevents the Firm from providing any of its obligations for more than one month, the Firm shall, without limiting its other rights or remedies, have the right to terminate the Contract immediately by giving written notice to the Client.

7.5 Termination

a) This Agreement may be terminated at any time by all parties to the Agreement subject to 28 days written notice.

b) In the event of a material breach of any of the conditions contained in this Agreement, by any party, the Agreement shall be terminated forthwith.

c) Termination shall not prejudice any of the accrued rights within the Agreement.

d) If the ownership of Allied Surveyors & Valuers changes the Client reserves the right to terminate the agreement forthwith.

e) Should any party become bankrupt or insolvent or trade in administration the Agreement will be terminated forthwith.

7.6 **Intellectual Property**

All intellectual property rights arising out of the Valuation Service ('Deliverables') shall be owned by the Firm excluding the Customer Information. The Firm grants the Client, or shall procure the direct grant to the Client of, a fully paid-up, worldwide, non-exclusive, royalty-free licence for the duration of the Valuation Service to use the Deliverables for the purpose of receiving and using the Valuation Service and the Deliverables in its business.

7.7 **Complaints**

If the Client has any dissatisfaction with the Valuation Service provided, the Firm has a Complaints Procedure in accordance with the requirements of the RICS. A copy of this will be provided to the Client on request. (Tel: 0333 666 7778 or email: complaints@alliedsurveyors.com).

7.8 **Governing Law and Jurisdiction**

The Contract, and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims), shall be governed by, and construed in accordance with, English law, and the parties irrevocably submit to the exclusive jurisdiction of the courts of England and Wales.

7.9 **Data Protection**

The parties acknowledge that for the purposes of the UK Data Protection Legislation, the Client is the Controller and the Firm is the Processor.

Both parties will comply with all applicable requirements of the UK Data Protection Legislation.

The Firm agrees that it shall only process personal data for the purposes of providing the Valuation Service.

The Client agrees that it shall inform or, where the Client uses an agent, procure that the agent informs any data subject (as defined in the Data Protection Legislation) whose personal data is processed under the Contract that the data subject's personal data is being provided to the Firm and the Valuer for the purposes of the provision of the Valuation Service, and shall notify the data subject of the Firm's privacy notice which is available at www.alliedsurveyors.com – see Privacy Policy.

7.10 **RICS Regulation**

The Firm is regulated by the RICS and it is advised that the RICS may, as part of its Regulatory function, check the Valuation Report for compliance with the current version of the RICS Red Book.

APPENDIX II
Photographs/Digital Images



Street View



Front



Rear



Typical Kitchen 1



Typical Kitchen 2



Typical Bathroom 1



Typical Bathroom 2



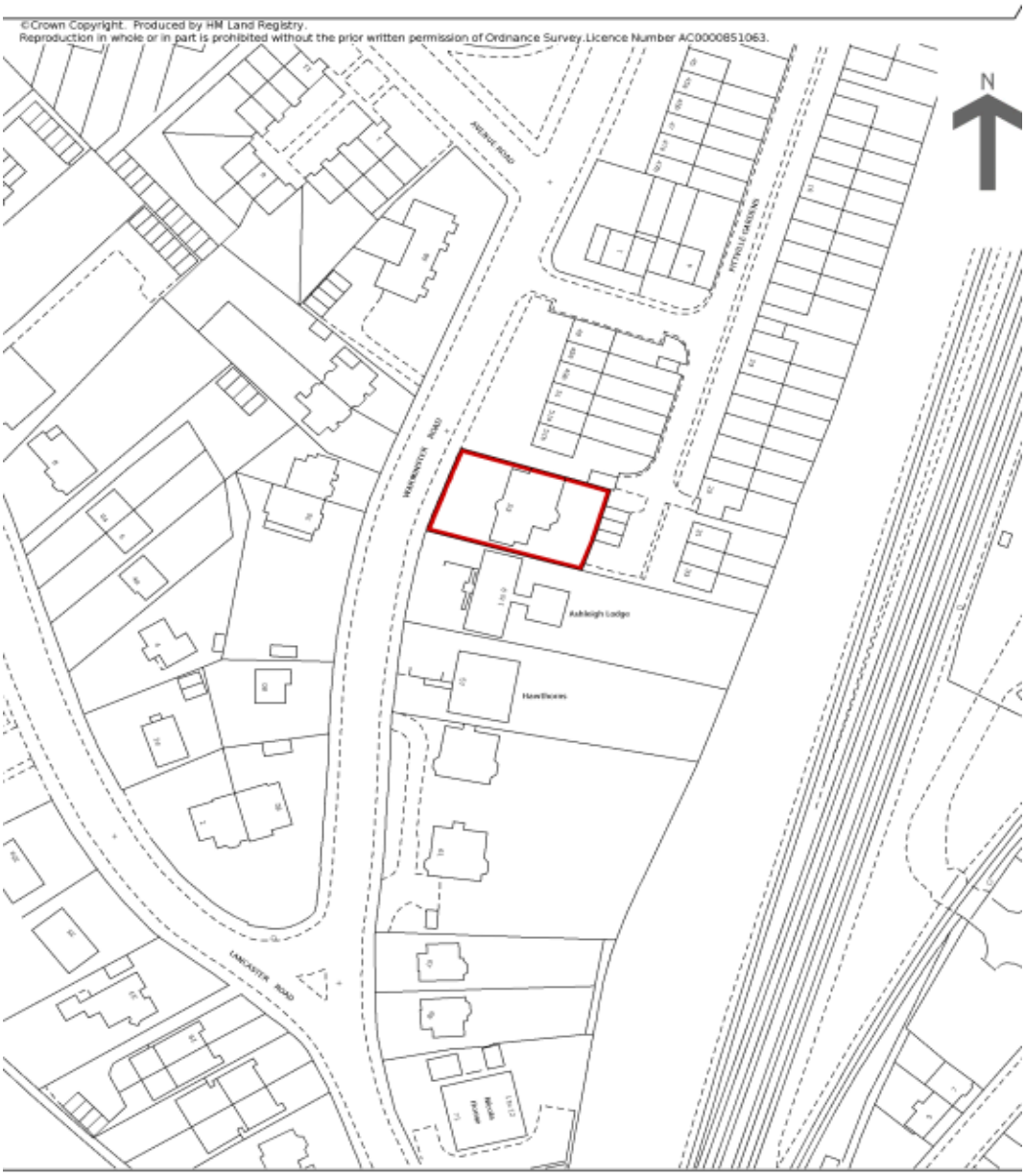
Fire Alarm

APPENDIX III

HM Land Registry Plan and Location Plan

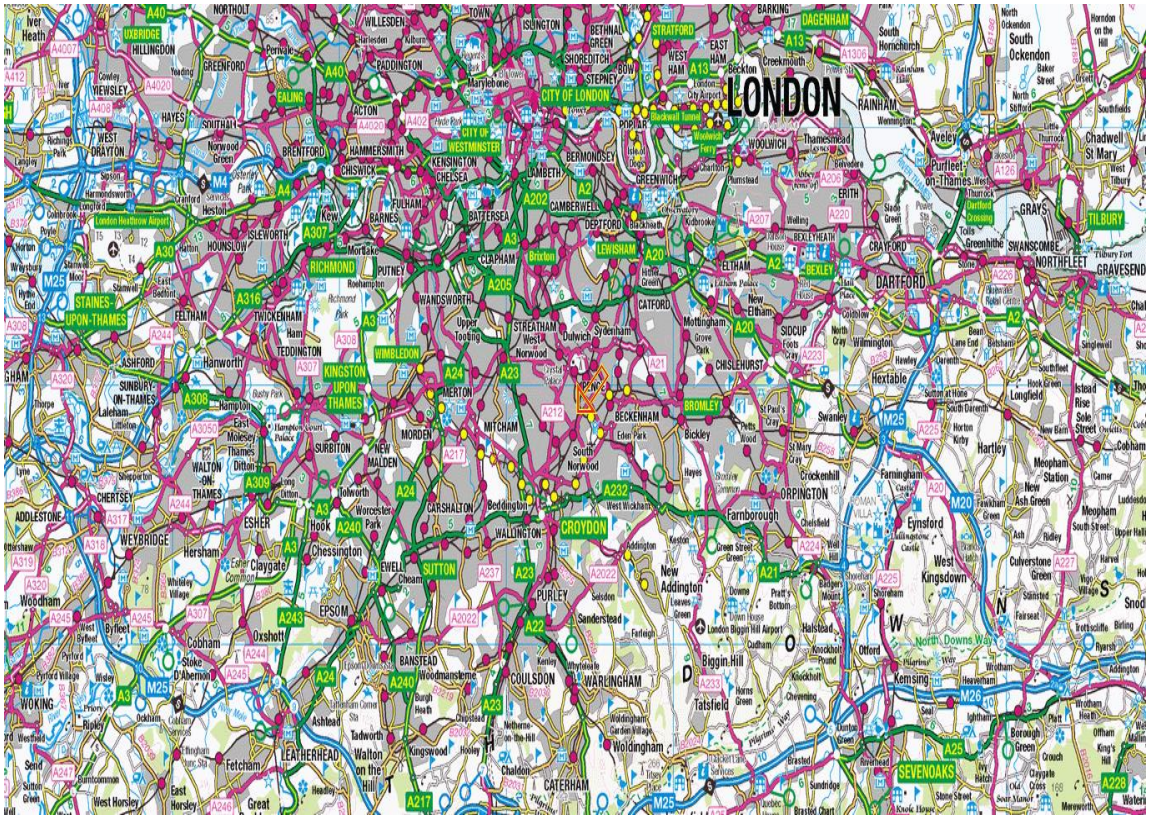
HM Land Registry
Official copy of title plan

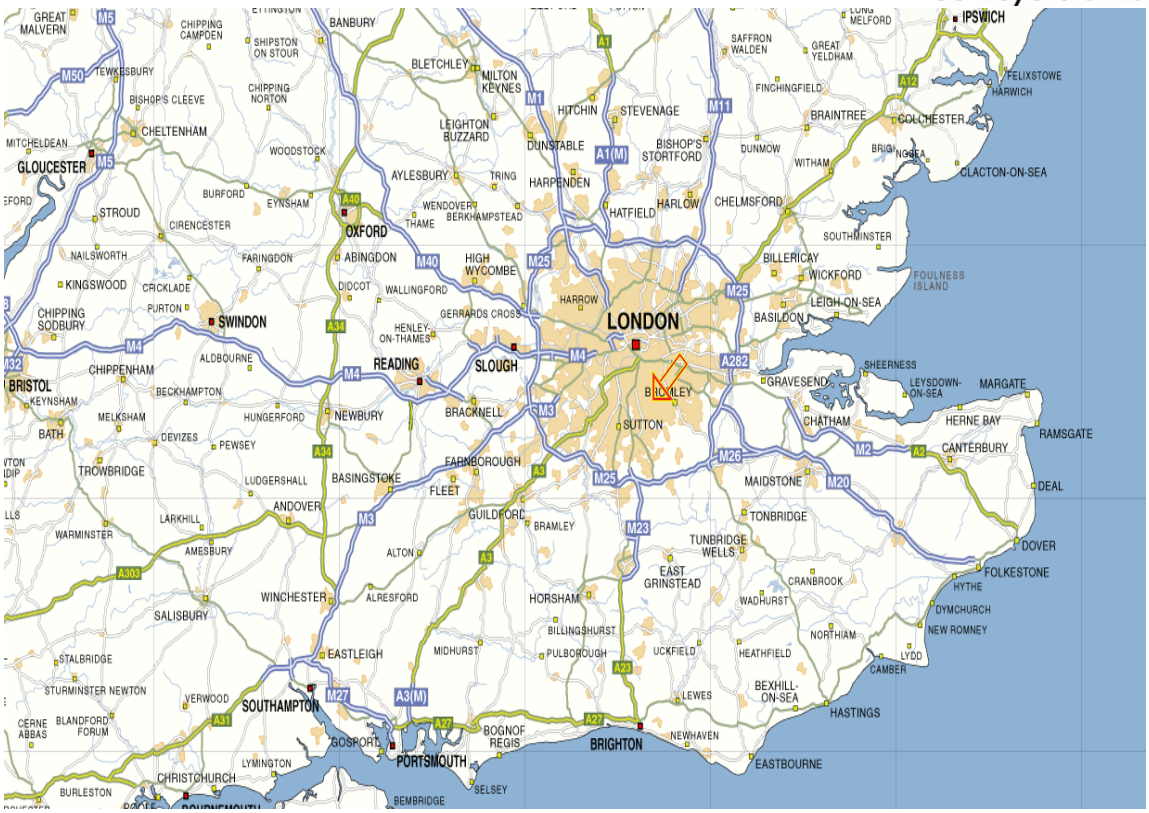
Title number **SGL642124**
Ordnance Survey map reference **TQ3468NW**
Scale **1:1250**
Administrative area **Croydon**



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Anerley
South Norwood
Harrington Road
Birkbeck
Education Facility
South Norwood Lake


LONDON
CROYDON
KINGSTON UPON THAMES
RICHMOND
WIMBLEDON
SUTTON
BROMLEY
DARTFORD
GRAVESEND
TILBURY
SEVENOAKS
WOKING
CATERHAM
WARLINGHAM
EPSOM
WEYBRIDGE
STAINES UPON-THAMES


LONDON
BRISTOL
BATH
SWINDON
OXFORD
READING
SLOUGH
BRACKNELL
NEWBURY
BASINGSTOKE
WINCHESTER
SOUTHAMPTON
PORTSMOUTH
BRIGHTON
GLOUCESTER
CHELTENHAM
BANBURY
MILTON KEYNES
LUTON
IPSWICH
COLCHESTER
CANTERBURY
MAIDSTONE
TUNBRIDGE WELLS
DOVER
FOLKESTONE
HASTINGS
EASTBOURNE
GUILDFORD
WOKING
HORSHAM
CROYDON
SUTTON
BROMLEY
GRAVESEND
CHATHAM
MARGATE
RAMSGATE
SOUTHEND-ON-SEA
CHELMSFORD
HARLOW
STEVENAGE
HITCHIN
LETCHWORTH
HARPENDEN
HATFIELD
WATFORD
HIGH WYCOMBE
READING
ABINGDON
DIDCOT
WALLINGFORD
HENLEY-ON-THAMES
GERRARDS CROSS
HARROW
BASILDON
SOUTHEND-ON-SEA
CLACTON-ON-SEA
FELIXSTOWE
HARWICH
BRAINTREE
BISHOP'S STORTFORD
DUNSTABLE
LEIGHTON BUZZARD
AYLESBURY
WENDOVER
BERKHAMPSTEAD
THAME
HIGH WYCOMBE
BILLERICAY
WICKFORD
FOULNESS ISLAND
SOUTHMINSTER
SHEERNESS
LEYSDOWN-ON-SEA
HERNE BAY
FARNBOROUGH
FLEET
BASINGSTOKE
ANDOVER
LUDGERSHALL
PEWSEY
DEVIZES
MELKSHAM
HUNGERFORD
BECKHAMPTON
CHIPPENHAM
CORSHAM
CHIPPING SODBURY
KINGSWOOD
NAILSWORTH
STROUD
CIRENCESTER
BURFORD
EYNSHAM
WOODSTOCK
CHIPPING NORTON
BISHOP'S CLEEVE
TEWKESBURY
MALVERN
MITCHELDEAN
ALTON
ALRESFORD
WINCHESTER
SALISBURY
AMESBURY
WARMINSTER
LARKHILL
TROWBRIDGE
STALBRIDGE
STURMINSTER NEWTON
BLANDFORD FORUM
CERNE ABBAS
VERWOOD
CHRISTCHURCH
LYMINGTON
BURLESTON
BEMBRIDGE
SELSEY
GOSPORT
BOGNOR REGIS
MIDHURST
EASTLEIGH
PULBOROUGH
BILLINGSHURST
UCKFIELD
HEATHFIELD
LEWES
NEWHAVEN
BEXHILL-ON-SEA
CAMBER
LYDD
NEW ROMNEY
DYMCHURCH
HYTHE
CRANBROOK
WADHURST
NORTHIAM
EAST GRINSTEAD
TONBRIDGE
M1
M2
M3
M4
M5
M11
M20
M23
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A1(M)
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A3
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A34
A40
A282
A303

APPENDIX IV: COPY OF INSTRUCTION

APPRAISERS UK - PANEL TEAM

NEW INSTRUCTION FOR - Shawbrook - Trinity Financial Ltd

PANEL VALUER - Allied Surveyors & Valuers Ltd

PLEASE COMPLETE AND RETURN THE FOLLOWING INFORMATION AS SOON AS AVAILABLE:

NAME OF SURVEYOR UNDERTAKING VALUATION:

DATE OF INSPECTION:

Property To Be Inspected:

53 Warminster Road

London SE25 4DQ

Lender Ref: 2024030087/37054

Instruction Type:
VAL01:RES VAL. 5 DAY SLA (FM-LL2 FS-A CP-X)

Notes:

Case Reference - AP116545 / X3201563 | **Fee (Gross):** | **Inst Date:** 14/03/2024 00:00:00

Applicant:
Mr A ERTURK

Agent: owner
Tel 1: 07448407917 **Tel 2:** **Tel 3:**
Access:

Price: 1,900,000 - PP **Advance Required:** 1243238
Property Type:

Instruction Requirements:

These instructions require a report in accordance with the Tripartite Agreement between your firm, Appraisers UK and the Lender (this agreement overrides your own firm's T&Cs). The lender's Reporting Requirements must be complied with and we would draw you attention to the following:

- Turnaround times for short form residential reports on Quest are strictly 5 working days (or 2 working days from appointment date).
- Turnaround times for small HMO reports on Quest are strictly 7 working days (or 5 working days from appointment date).
- Turnaround times for free-script/commercial reports are strictly 10 working days (or 10 working days from appointment date).
- If you feel at any time that you will not be able to achieve the above service level requirements, please can I ask you to email panelteam@appraisersuk.com with the reasons why.
- Please do not mention any outstanding works that are not detrimental to value.
- The client requires all areas and all units of the property to be inspected.

Please update us via email/quest within 24 hrs
PLEASE NOTE: HARD COPY REPORTS ARE NO LONGER REQUIRED. PLEASE DO NOT SEND.
PLEASE DO NOT SEND ZIP FILES AS WE ARE UNABLE TO RECEIVE THESE.