

**VALUATION REPORT ON:**

**81 Cecil Road  
Hounslow  
TW3 1NX**

Chatsworth House  
29 Broadway  
Maidenhead  
Berkshire | SL6 1LY

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**Name of client**

Pawel Kuzdak  
Propland Ltd  
7 Bell Yard  
London  
WC2A 2JR

**Date of inspection**

30<sup>th</sup> April 2021

**Weather conditions**

Overcast, dry

**Our Reference**

NH/Vals21/81CecilRd

**Name of surveyor**

Nathan Hall BSc(Hons) MRICS  
RICS Registered Valuer

## Valuation report summary



<b>Property:</b>	81 Cecil Road, Hounslow
<b>Location:</b>	Residential road in Hounslow
<b>Description:</b>	Freehold mid terrace house, divided into two flats
<b>Planning use:</b>	Residential
<b>Tenure:</b>	Freehold
<b>Valuation date:</b>	30 <sup>th</sup> April 2021
<b>Valuation basis:</b>	Market Value
<b>Market Value:</b>	£21,000
<b>Cost for the leaseholder of 81a to extend their lease under the Leasehold Reform, Housing and Urban Development Act 1993:</b>	£37,900
<b>Supported by Market Evidence:</b>	Yes

## 1 Special instructions and assumptions

- 1.1 This Valuation Report has been prepared for potential sale purposes.
- 1.2 The Market Value indicated within this report is dated 30<sup>th</sup> April 2021.
- 1.3 This Valuation Report has been prepared in accordance with our standard Conditions of Engagement – Residential Property and in accordance with the RICS Valuation – Global Standards 2019 and UK National Supplement.
- 1.4 In accordance with the RICS Valuation – Global Standards 2019 and UK National Supplement we set out below the special assumptions relied upon in regard to the preparation of this Valuation Report which have been agreed by the client.
  - 1.4.1 We have been asked to provide a valuation of the expected cost for the leaseholder of the first floor to extend their lease under the Leasehold Reform, Housing and Urban Development Act 1993. We have recorded this figure, which is in line with the Act and case law. It is not a Market Value, rather an expected premium the leaseholder would have to pay to extend their lease, as at the valuation date, should they serve Notice in line with the Act.
- 1.5 Within our report we have provided the following:
  - 1.5.1 A Market Value of the property on an investment basis.
  - 1.5.2 An estimate of the premium to be paid for the leaseholder to extend their lease under the LRHUD Act 1993.
- 1.6 In preparing our valuation here we have obtained what we consider to be adequate comparable valuation evidence to support the values provided. However, any effect on the value of the asset due to the recent outcome of the referendum of the UK's membership of the EU and the market uncertainty that may result from this decision has not been taken into account in the valuation given.
- 1.7 There are no, or no further, special assumptions that would affect our valuation.
- 1.8 We confirm that a conflict of interest check has been carried out and confirm that no conflict exists.

## 2 Date and extent of inspection

- 2.1 Our inspection of the above property was made on 30<sup>th</sup> April 2021 when the weather was overcast and dry.
- 2.2 The property was inspected by Nathan Hall BSc (Hons) MRICS.
- 2.3 An inspection for valuation purposes was possible to the ground floor flat and rear garden/yard. The first floor flat has not been inspected and we have made assumptions

as to the extent of the property.

2.4 At the time of inspection the property was occupied by a tenant.

### **3 Situation, communications and amenities**

- 3.1 The property is located in a residential road on the outskirts of Hounslow. The surrounding properties are all of a similar nature, being residential houses or converted houses.
- 3.2 Cecil Road is located in Lampton, an area of Hounslow, a suburb of London. Cecil Road leads onto Kingsley Road and in turn the High Street, the main retail area in Hounslow.
- 3.3 Being a suburb of London, Hounslow has a good array of banking, leisure and retail facilities.
- 3.4 Transport links are very good with the property being a short walk from Hounslow East tube station which lies on the Piccadilly line. Road links are also very good with the M4 Motorway being a short drive, leading onto the wider motorway network.

### **4 Description of property**

- 4.1 The property comprises a mid terraced house that has been converted into 2No one bedroom flats, although the ground floor flat uses the living room as a second bedroom.
- 4.2 At the rear of the property there is a yard and garage, demised to the ground floor flat.
- 4.3 Both flats are accessed by a communal front door, with a hallway leading into the ground floor flat and a stairway up to the top floor flat.
- 4.4 The property is believed to be of post war (WWII) construction, converted, we assume in the 1970's when the lease to the first floor was granted. We estimate the property has an economic life in excess of 50 years, provided regular maintenance and repairs are carried out.
- 4.5 The property sits on Cecil Road which we believe to be an adopted/private highway. There is also an access road to the rear of the property, servicing the houses in Cecil Road. We assume there exists rights of way over this land to access the rear yard and parking area.
- 4.6 Legal enquiries should confirm that vehicular and pedestrian access rights are allowed at all times in perpetuity.

### **5 Construction**

- 5.1 We have not arranged for an investigation to be carried out to determine whether or not high alumina cement concrete, calcium chloride additive or any other potentially deleterious or hazardous materials or techniques were used in the construction of this

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 this valuation we have assumed that such investigation would not disclose the presence of any such material to any significant extent.

- 5.2 The property is of an age whereby the use of asbestos containing materials in its construction cannot be ruled out. You are advised to obtain further advice upon the management of asbestos in premises and prior to considering the removal or modification of this material, we would refer you to the Health & Safety Executive's web site [www.hse.gov.uk/asbestos](http://www.hse.gov.uk/asbestos).
- 5.3 The property is of traditional design and construction with solid brick walls set beneath a pitched, concrete tiled roof. The rear projection has a flat felt roof over.
- 5.4 The ground and first floors are of timber construction.
- 5.5 Windows are of uPVC double glazed specification.
- 5.6 Heating is provided to the property via a gas fired boiler servicing radiators throughout.
- 5.7 All mains services are provided to the property.

## 6 EWS1 Forms and Fire Safety

- 6.1 The RICS have issued UK Guidance Note: Valuation of properties in multi-storey, multi-occupancy residential buildings with cladding, 1<sup>st</sup> Edition – issued March 2021, effective from 5<sup>th</sup> April 2021.
- 6.2 Kempton Carr Croft have not been provided with an EWS1 Form by the client. The RICS Guidance Note has set out circumstances where it is reasonable to expect a Form to have been completed. Below is a list of circumstances where the RICS have advised an EWS1 Form will be required:-

### 6.2.1 Buildings over six storeys

- There is cladding or curtain wall glazing on the building **or**
- There are balconies which stack vertically above each other and either both the balustrades and decking are constructed with combustible materials (e.g. timber) or the decking is constructed with combustible materials and the balconies are directly linked by combustible material.

### 6.2.2 Buildings of five or six storeys

- There is a significant amount of cladding on the building (for the purpose of this guidance, approximately one quarter of the whole elevation estimated from what is visible standing at ground level is a significant amount) **or**
- There are Aluminium Composite Material (ACM), Metal Composite Material (MCM) or High Pressure Laminate (HPL) panels on the building\* **or**
- There are balconies which stack vertically above each other and both the balustrades and decking are constructed with combustible materials (e.g.

timber), or the decking is constructed with combustible materials and the balconies are directly linked by combustible materials.

#### 6.2.3 **Building of four storeys or fewer**

- There are no ACM, MCM or HPL panels on the building.

\*Metal cladding and ACM/MCM are visually very similar, so if metal cladding is present, the valuer should confirm with the building owner or managing agent in writing that they are not ACM/MCM, or, if confirmation cannot be obtained, as EWS1 inspected should be requested.

6.4 Within the RICS Guidance Note the following materials have been excluded from the term cladding:-

- masonry construction (panels of solid brickwork, blockwork, or stonework)
- traditional cavity wall construction (with a brickwork, blockwork or stonework external leaf)
- timber framed buildings (with a brickwork, blockwork or stonework external leaf)
- concrete panels and
- stone panels.

Given the property has brick walls we do not consider a form will be necessary.

## 7 **Condition and state of repair**

7.1 We have not carried out a building survey, nor have we inspected those parts of the property which are covered, unexposed 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. For the purposes of this valuation we have assumed that an inspection of those parts that have not been inspected would neither reveal material defects nor cause the Valuer to alter the valuation materially.

7.2 At the time of inspection, the ground floor flat was in adequate condition with no major items of disrepair noted. We could not inspect the first floor flat but assume that an inspection would not reveal anything so onerous as to affect our valuation.

## 8 **Accommodation**

8.1 In accordance with the RICS Property Measurement 2<sup>nd</sup> edition, January 2018 all areas quoted herein have been calculated strictly on a Gross Internal Area (GIA) basis for the residential parts, in accordance with IPMS 3B.

8.2 The accommodation briefly comprises:-

Description	Dimensions in Metres
<b>Ground floor</b>	
Bedroom	3.52 x 3.77
Lounge/Bedroom	3.55 x 2.83
Kitchen	3.71 x 3.09
Bathroom	1.73 x 1.25
WC	
<b>First floor</b>	
Not inspected but assumed one bed flat from the floor plan within the long lease agreement.	

8.3 The total size of the ground floor flat is approximately 43.80 sq. m (471 sq. ft).

8.4 We have assumed that the first floor flat will be a similar size, with similar accommodation.

8.5 We have adopted a conversion multiplier of 10.764 between sq. m and sq. ft.

## 9 Tenure and tenancies

9.1 The property is freehold and subject to two long lease agreements, details of which are below.

9.2 We have assumed that good title can be shown and that the property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoing.

9.3 The ground floor is subject to a 999 year lease from the 1<sup>st</sup> July 1979. There is no ground rent payable.

9.4 The first floor is subject to a 99 year lease from 1<sup>st</sup> July 1979, with 57.16 years remaining. The ground rent is currently £50 per annum, increasing on the 66<sup>th</sup> anniversary to £100 per annum. The first floor lease demises the roof to the flat, it does not therefore remain in the freehold ownership.

## 10 Environmental factors

10.1 We are unaware of any environmental factors affecting the property which could adversely affect its occupation in the future or be detrimental to the value. Legal enquiries should verify that the property complies with all statutory requirements.

## 11 Radon Gas

11.1 Radon gas is a naturally-occurring substance, particularly, but not exclusive, prevalent in areas with granite sub-strata. We are unable to confirm whether or not the site is

affected by radon gas affecting the property or future occupants.

## **12 Flooding**

- 12.1 From informal enquiries of The Environment Agency's website the property does not lie in a recognised flood plain. Legal enquiries should verify and confirm that all the necessary insurance policies are in place, if required.

## **13 Invasive species**

- 13.1 There was no evidence of any Japanese Knotweed within the property or the immediate vicinity.

## **14 Energy Performance Certificates (EPC)**

- 14.1 As from the 1st April 2018 there will be a requirement for any properties rented out in the private rented sector to normally have a minimum energy performance rating of E on an Energy EPC. The regulations will come into force for new lets and renewals of tenancies with effect from 1st April 2018 and for all existing tenancies on 1st April 2020. It will be unlawful to rent a property which breaches the requirement for a minimum E rating, unless there is an applicable exemption. A civil penalty of up to £4,000 will be imposed for breaches. There are separate regulations effective from 1st April 2016 under which a tenant can apply for consent to carry out energy efficiency improvements in privately rented properties.
- 14.2 This means investors could face significant improvement costs in order to rent a property which does not meet the minimum requirements. For the purposes of our valuation we have assumed that the property has an energy rating of E or better and it will not be affected by the changes in legislation in the future.
- 14.3 No EPC Certificate was made available during our inspection and we have not conducted a calculation to assess the EPC rating.
- 14.4 There is an EPC lodged for the ground floor flat, on the government portal, which expired in 2020, registering a rating of C. The first floor has an EPC registered as E.

## **15 Contamination**

- 15.1 Our enquiries have not revealed any 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 that the premises have been or are being put to any contaminative use, this might reduce the values now reported.
- 15.2 We found no evidence on site during our inspection to indicate that the property has ever been used for a contaminating use in the past. If however, solicitors' searches



reveal that the site was previously under an ownership or a planning use considered likely to create chemical contamination, (e.g. asbestos production, petrochemical or paintworks), or that the site was used for the disposal of waste by land fill tipping this information should be referred back to us so that we can advise further.

## **16 Planning and use – planning consents and permitted use**

- 16.1 Solicitors' enquiries should undertake all the required searches on the property and refer back to us so that we can comment upon the effect, if any, these may have upon our valuation.
- 16.2 We could find no historic or active planning applications relating to the property. We assume that the property gained consent for conversion into two flats in the 1970's.

## **17 Council tax**

- 17.1 Our internet enquiry of the Valuation Office website reveals that both properties are in band C.

## **18 Market conditions and trends**

### March 2021: UK Residential Market Survey

Sales market activity rises firmly over the month

- Buyer enquiries and agreed sales gain significant impetus following stamp duty holiday extension
- House prices continue to move higher across the UK
- Forward looking indicators point to renewed momentum being sustained over the near term

The March 2021 RICS UK Residential Survey results show sales market activity picking up sharply over the month, with indicators on enquiries, sales and new instructions all improving noticeably compared to last time out. Survey participants highlight the extension of the Stamp Duty holiday as a significant driving force behind this renewed momentum, while a gradual loosening in lockdown restrictions is also said to be contributing to the rise in activity.

At the national level, a net balance of +42% of respondents cited an increase in new buyer enquiries during March. This is up from a reading of zero previously and marks the strongest return since September last year. Alongside this, new instructions coming onto the market also improved, albeit the pace of growth (in net balance terms) was not enough to match the pick-up in demand reported. Indeed, a common theme running through the comments left by contributors is that demand is running ahead of supply, and more new instructions will be needed to balance the market going forward. On that front, a net balance of +29% of respondents noted that appraisals were up on the same period last year (a turnaround on a reading of -19% in February), suggesting more new instructions should be in the pipeline over the next few months.

Agreed sales rose firmly during March, evidenced by a net balance of +50% of contributors reporting an increase. This marks a sharp acceleration compared to last month (net balance +7%) and is in fact the strongest reading since August last year. Looking ahead, near term sales expectations rose noticeably to post a net balance of +35%, up from a figure of +9% in February. What's more, the near term sales outlook is now the most upbeat since January 2020, with sales expectations positive across all parts of the UK. That said, this rise in sales looks set to be concentrated over the next few months, with the twelve-month expectations series consistent with more modest growth in sales further ahead.

With regards to house prices, a net balance of +59% of respondents cited an increase at the national level over the latest survey period. This indicator has now risen slightly in each of the last two months, although the latest reading is still slightly below the recent high of +66% posted back in October last year. In terms of the regional breakdown, prices are reportedly rising across all regions/countries of the UK, with the strongest momentum signalled by respondents in the North West, Yorkshire & the Humber, as well as Northern Ireland.

Given the recent excess of demand over supply, prices are expected to continue on a firmly upward trajectory over the coming three months. At the headline level, a net balance of +42% of survey participants expect prices to rise further in the near term, up from a reading of +16% previously. At the twelve month horizon, a net balance of +60% of contributors nationally anticipate higher prices in a year's time (an increase on +46% returned last month). Twelve-month price expectations are now pointing to significant growth across all parts of the UK, led by particularly elevated readings in Wales, Scotland, and Northern Ireland.

In the lettings market, tenant demand appears to be building a head of steam, as the latest net balance rose to +36% from +26% beforehand (non-seasonally adjusted monthly series). Set against this, landlord instructions continue to fall according to a net balance of -25% of contributors. Consequently, near term rental growth expectations rose sharply, posting a net balance of +47% (+37% last month). For the coming twelve months, respondents are now projecting rental growth to come in a little under 3% at the national level. On this measure, London is the only region where rents are not expected to rise over the year to come, with projections sitting in flat to marginally negative territory across the capital.

## 19 Market evidence

19.1 The following comparable evidence has been used in the preparation of our report and in determining our opinion of the Market Value

## 20 Sales comparables

### Flat 1, 69 Cecil Road

This two bed flat is currently on the market, set to be auctioned on the 12<sup>th</sup> April. The starting price is £272,000.

The flat has two bedrooms and total 659 sq ft. It is presented in good order throughout.

The sale is subject to the lease being extended.
<b>52 Stirling Grove, Hounslow</b>
<p>This one bed flat was recently marketed and we understand has sold for £235,000. The flat was a one bed, first floor flat in a purpose built block.</p> <p>The flat totalled 502 sq ft and was adequately presented although in need of some modernisation.</p>
<b>62 Estridge Close, Hounslow</b>
<p>This two bed maisonette sold in June 2020 for £240,000. The flat was in a purpose built block and generally well presented. The property totalled 700 sq ft, larger than the subject property.</p> <p>It was in a block rather than a conversion and would be arguably less desirable.</p>
<b>276 Hanworth Road, Hounslow</b>
<p>This two bed, period conversation flat sold in February 2021 for £300,000. The flat was adequately presented although in need of minor modernisation. The flat totalled 603 sq ft.</p> <p>The flat had two bedrooms as opposed to one and the benefit of a rear garden.</p>
<b>11 Carter Road, Wimbledon</b>
<p>This ground rent investment sold in May 2021 for £10,000. The property had two flats with leases of approximately 110 years. The ground rent for each was £100 per annum, increasing to £200, £300 and £400.</p> <p>The gross yield achieved was 2% on the passing rent.</p>
<b>Francesca Court, Francesca Grange and Francesca Lodge, Somerford Way, Christchurch, BH23 3QN</b>
<p>This residential investment sold at auction in March 2021 for £140,000. The properties comprised 32 flats, 13 of which had unextended leases with 54 years remaining. The other 19 flats had extended and the ground rent was removed.</p> <p>We estimate the flats to be worth approximately £150,000. Based on an Act approach the cost to extend would be £25,000. 13 flats, each costing £25,000 would equate to a value of £325,000. As can be seen, the sale price of £140,000 is approximately 43% of the predicted value should the leaseholders extend/enfranchise.</p>
<b>112 Cowley Mill Road Uxbridge</b>
<p>This ground rent investment sold in April 2021 for £8,000. The property had two flats with leases of approximately 124 years. The ground rent for each was £300 per annum, increasing to £600 and £900.</p> <p>The gross yield achieved was 7.5% on the passing rent.</p>

<p><b>21 and 21A Kettering Street, London</b></p> <p>This ground rent investment sold in December 2020 for £55,000. The property had two flat with leases of approximately 52 and 63 years. The ground rent for each was £100 per annum, increasing to £150 and £200 and £30 rising to £60 and £120.</p> <p>The gross yield achieved was 0.2% on the passing rent.</p> <p>Each flat would cost, in our estimate, £65,000 and £45,000 to extend, or £110,000 to enfranchise the block. The sale equated to 50% of this value.</p>
<p><b>5 Mareschal Road, Guildford, Surrey, GU2 4JF</b></p> <p>This freehold investment sold in December 2020 for £27,000. The property comprised two flats, one with an extended lease and the other with 58 years remaining.</p> <p>We estimate the flat with the unextended lease to be worth approximately £375,000 and the cost to extend £55,000. The sale is approximately half of the cost to extend, although there was a £250 ground rent income on the flat with a long lease.</p>
<p><b>1-4 Tate Court, Tate Road, Redbridge, Southampton, SO15 0NL</b></p> <p>This block of four flats sold in March 2021 for £22,000.</p> <p>The block had four flats, one with a 115 year lease in place, the other three had 65 years remaining. We estimate the flats to be worth £120,000 each, with a cost to extend of £14,000 per flat, or £42,000 in total. The sale price is approximately half of this amount.</p> <p>There was a ground rent income of £200 per annum from the long leasehold flat which would have made it more desirable.</p>

## 21 Comparables Analysis and Valuation Commentary

- 21.1 The ground floor flat adds no value to the freehold as it is sold on a 999 year lease with no rental income.
- 21.2 The first floor flat has 57.16 years remaining with a modest ground rent. Under the Leasehold Reform, Housing and Urban Development Act 1993, the leaseholder has the right to extend their lease for 90 years and remove the ground rent. We attach calculations showing the likely cost of extending the lease under The Act.
- 21.3 The first floor flat sold in 2006 for £149,950. The lease would have had approximately 72 years remaining at the time of sale.
- 21.4 There are few sales of converted one/two bedroom flats in the area. There are a lot of modern flats in blocks, selling for in excess of £300,000. The first floor flat could potentially be used as a two bedroom which will appeal.
- 21.5 We estimate the value of the flat to be approximately £250,000 based on the evidence

to hand.

- 21.6 Under the Leasehold Reform, Housing and Urban Development Act 1993 the leaseholders have the right to extend their leases by 90 years and for the ground rent to become zero. Alternatively the leaseholders could collectively enfranchise and acquire the freehold. Within this process the leaseholders must compensate the freeholder for their loss of ground rent, decrease in reversionary value, marriage value (if applicable) and any other losses such as development potential or insurance premiums, for example.
- 21.7 The leaseholder could therefore extend the lease at a cost of approximately £37,900 based on the calculations below. Once extended, this will remove almost all of the interest held within the freehold.
- 21.8 This is the value as per the Act. It is not a Market Value. Should the property be offered to the market, the most a purchaser can realise from the property, for definite, is the price payable should the leaseholders collectively enfranchise, or individually extend their leases.
- 21.9 Historically market transactions were typically 15-25% lower than the theoretical cost of enfranchisement/extension, to reflect the profit sought by an investor.
- 21.10 However, in January 2021 the government announced that they would be removing marriage value from the Act. Unfortunately there has been no further announcements on how this will be dealt with and more importantly, when.
- 21.11 If the government were to simply remove the marriage value element of the calculation then this would have a huge impact on landlords. Some speculate that it may remove £3bn of investment value from institutional landlords, pension funds, etc. It is expected that there will be a backlash and strong opposition from these wealthy landlords. It may be that the effect is watered down. This could result in decreasing the reversionary rate from the well known 5% documented in the Sportelli case. If the reversionary yields were dropped to 3 or 4% then the loss in marriage value would be largely offset by the reversionary value.
- 21.12 There are a lot of questions that need answering but the result is that confidence and appetite in the ground rent investment market will be, and has been, affected. Investors buying ground rents where there is a marriage value element will undoubtedly be more cautious. We have spoken with Allsop, a leading auction house that sells 100+ ground rent investments per year. They are firmly of the opinion that the market for types of investment has been affected. The sale in Somerford Way, Christchurch, above is testament to this. When discussing with the clients last year, to bring this to the market a guide price of £200,000-£250,000 was expected. £250,000 would equate to approximately 75% of the 'enfranchisement value'. In the end, it sold for £140,000 which is 43% of the 'enfranchisement value'. Allsop indicated it was a difficult sell even at this level. Confidence is clearly down for ground rent investments.
- 21.13 This is a block with only one interest however, the first floor flat. We estimate the cost to extend to be £37,900. This is made up of the ground rent and reversionary interest

of circa £16,000 and the marriage value of approximately £21,000. The first value will still be realisable even in the legislation removes marriage value. The latter element may not.

21.14 Under the current legislation a purchaser could buy the property but the leaseholder could extend their lease immediately. An investor will not therefore pay the full amount of £37,900 due to the risk of the leaseholder extending their lease immediately. We estimate that an investor would add caution to the marriage value element and reduce this by 75%.

21.15 We have therefore applied £21,000 as an investment value for the property.

21.16 When valuing this property we have utilised the "market approach" and "income approach" and have utilised our knowledge of transactions within the local area.

## 22 Material valuation uncertainty

22.1 In preparing our valuation here we have obtained what we consider to be adequate comparable valuation evidence to support the values provided.

## 23 Basis of valuation

23.1 This Valuation Report is prepared in accordance with the RICS Valuation – Global Standards 2019 and UK National Supplement.

## 24 Market Value

24.1 We confirm that the Interpretive Commentary within defined in IVS 104 paragraph 30.1 has been applied when within our valuation, defined as:-

24.1.1 *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.*

## 25 Valuations

25.1 Market Value:

**£21,000 (twenty-one thousand pounds)**

25.2 Estimate of the premium to extend the lease of the first floor flat in line with the Leasehold Reform, Housing and Urban Development Act 1993:-

**£37,900 (thirty-seven thousand nine hundred pounds)**

## 26 Legal enquiries

- 26.1 We strongly advise that Legal Enquiries must confirm the suitability of the following points and refer back to us if any are incorrect so we may amend our valuation accordingly.
- 26.2 Confirmation that the property will enjoy free and uninterrupted rights of vehicular and pedestrian access Cecil Road.
- 26.3 Local Searches should assess and verify the risk of flooding, contaminated land, radon and environmental concerns relating to the site.
- 26.4 Rights and obligations in respect of the boundary ownership and liabilities.
- 26.5 We are unaware of any adverse features affecting the subject property and for the purposes of this valuation have assumed that no such adverse features exist. If any adverse features are identified during solicitors' searches these should be notified to us as this may affect our valuation of the property.
- 26.6 We have assumed that a good title can be shown and that the property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoings.
- 26.7 Legal enquiries should confirm the property is held freehold. If long leasehold it should be confirmed the length of lease, service charges and ground rents and that there is nothing within the lease that would affect our valuation.
- 26.8 Legal enquiries should confirm, where appropriate, the requirement and validity of any EWS1 forms.

## 27 Sources, extent and non-disclosure of information

We set out herein the nature and source of information relied upon when producing our valuation in regard to the following areas. Should any of this information be inaccurate our valuation may change:-

- 27.1 Tenure/Title – HMLR documents consulted.
- 27.2 Planning consents – Internet based enquiry of Hounslow Borough Council.
- 27.3 Tenancies – Assumption made and documents consulted.
- 27.4 Planning proposals – Internet based enquiry of Hounslow Borough Council.
- 27.5 Licences, Permits, Consents, Approvals or Certificates to Operate – We have not assessed any of these and assume current use of the property benefits from the relevant approvals.

27.6 Building Regulations – We have not undertaken any investigations to assess whether the property is compliant with current Building Regulations.

## **28 Third party reference**

28.1 This Report is provided for the stated purpose and for the sole use of the named Client. It will be confidential to the Client and the Clients' professional advisers. The Valuer accepts responsibility to the Client alone that the Report will be prepared with the skill, care and diligence reasonably to be expected of a competent Chartered Surveyor and accepts no responsibility whatsoever to any party's other than the Client. Any such parties rely upon the Report at their own risk. Neither the whole nor any part of this Report, nor any reference to it, may be included in any published document, circular or statement, nor published in any way without the Valuer's written approval of the form and context in which it may appear.

## **29 Status of the valuer**

29.1 The valuer preparing this valuation is an External Valuer who has no current or presently foreseeable potential fee earning relationship concerning the subject property/properties apart from the valuation fee and who has disclosed in writing to you, the client, any present relationship, or a relationship within the past 2 years of receipt of the valuation instruction, with any of the interested parties and any previous involvement with the subject property/properties.

29.2 The valuer preparing this report has the knowledge, skills and understanding of the property and market in order to undertake the valuation competently.

## **30 Limitations on liability**

30.1 Liability Cap: The Royal Institution of Chartered Surveyors (RICS) recommends the use of liability caps to members as a way in which to manage the risk in survey and valuation work. Our aggregate liability arising out of, or in connection with this valuation, whether arising from negligence, breach of contract, or any other cause whatsoever, shall in no event exceed £2,000,000 (Two Million Pounds). This clause shall not exclude or limit our liability for actual fraud, and shall not limit our liability for death or personal injury caused by our negligence.

30.2 Contracting entity: for the avoidance of doubt, this report is provided by us as a corporate entity and accordingly no director, member, employee or consultant of Kempton Carr Croft assumes any personal responsibility for it, nor shall owe a duty of care in respect of it. You agree that you will not bring any claim against any such individuals personally on connection with our services.

30.3 Proportionate liability: if you suffer a loss as a result of our breach of contract or negligence, our liability shall be limited to a just and equitable proportion of your loss having regard to the extent of responsibility of any other party, whether that shortfall



arises from an agreement between you and them, your difficulty in enforcement, or any other cause.

- 30.4 Governing law and jurisdiction: our contract with you for the provision of this valuation is subject to English Law. Any dispute in relation to this contract, or any aspect of the valuation, shall be subject to the exclusive jurisdiction of the Courts of England and Wales, and shall be determined by the application of English Law, regardless of who initiates proceedings in relation to the valuation.

## 31 Certification

- 31.1 The valuation has been prepared in accordance with the RICS Valuation – Global Standards 2019 and UK National Supplement. During the preparation of our valuation we have made assumptions in regard to the property, which are set out within our Conditions of Engagement and these assumptions form an integral part of this report.



Nathan Hall BSc (Hons) MRICS

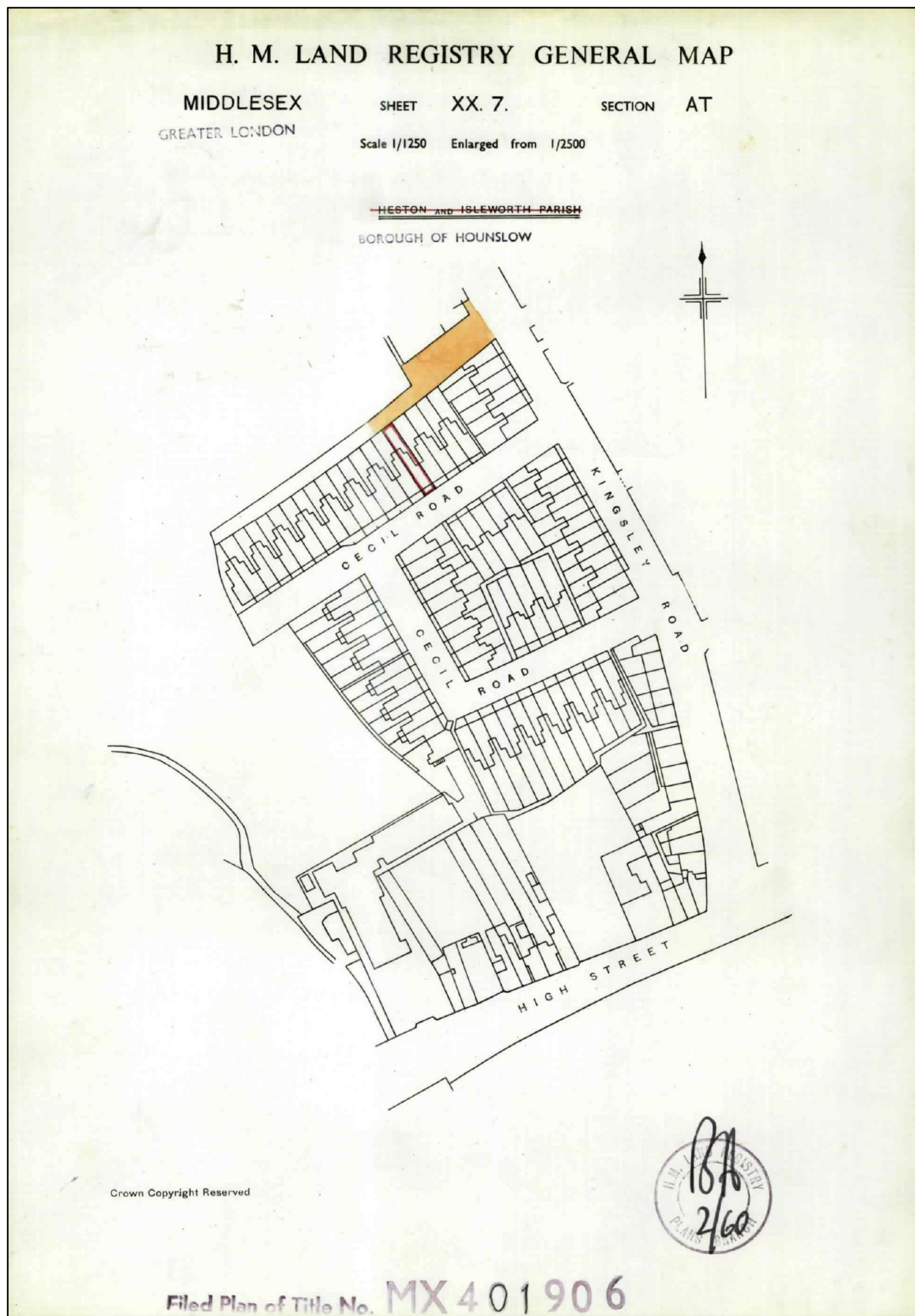
**RICS Registered Valuer**

**For and on behalf of Kempton Carr Croft**

12 May 2021

Encl: Photographs  
HMLR Plan  
Calculations to extend the lease of 81a







LEASEHOLD REFORM  
HOUSING & URBAN DEVELOPMENT ACT 1993

Valuation of Premium and Other Amounts Payable by Tenant on Grant of New  
Lease in accordance with Section 56(1) (b) and Schedule 13 as Revised by Section 136 of The Commonhold and Leasehold Reform Act 2002

Address 81a Cecil Road

Date of Valuation: 30th April 2021

**GENERAL NOTES**

Schedule 6 – Part II of the 1993 Act states:-

Para 2. ...the price payable by the nominee purchaser for the freehold of the specified premises shall be the aggregate of:-

- (a) The value of the freeholder's interest in the premises  
(b) The freeholder's share of the Marriage Value  
Any amount of compensation payable to the freeholder

**1 INPUT INFORMATION**

Number of years unexpired	57.16 years	99 years from 1st July 1979	
Number of years between reviews	33.00 years		
Number of years to 1 <sup>st</sup> review	24.16 years	Rent until 1 <sup>st</sup> review: £	50.00
Number of years to 2 <sup>nd</sup> review	57.16 years	Rent until 2 <sup>nd</sup> review: £	100.00
Capitalisation Rates : Term (%)	7.00 %		
Capitalisation Rates : Reversion (%)	5.00 %		
Value of existing lease	£ 190,575.00	Relativity %age	76.23%
Full Market Value (MV) of Property - Leasehold	£ 250,000.00		
Full Market Value (MV) of Property - "freehold" (MV + 1%)	£ 252,500.00		
Landlord's share of Marriage Value	50.00 %		

**A DIMINUTION IN VALUE OF FREEHOLDER'S INTEREST**

**FREEHOLDER'S INTEREST PRIOR TO PURCHASE**

**2 During Term of Existing Lease Unexpired**

<b>First Term</b>			
Ground Rent (£'s pa.)	£ 50.00	£ 50.00	
YP for term of	24.16 years	11.49965797	
	@ 7.00 %		£ 574.98
<b>Second Term</b>			
Ground Rent (£'s pa.)	£ 100.00	100.00	
YP for term of	33.00 years		
	@ 7.00 %	12.75	
Defer until end of First Term.	PV of £1 @ 7.00 %		
	: after 24.16 years	0.195023942	
			£ 248.73
<b>Therefore: Value of Terms</b>			£ 823.71

**3 Reversion to an Estate in Fee Simple**

Capital Value of Reversion	£ 252,500.00	£ 252,500.00	
Defer until end of lease term	PV of £1 @ 5.00 %		
	: after 57.16 years	0.061492148	
			£ 15,526.77
<b>Therefore: Value of Reversion</b>			£ 15,526.77

Value of Freeholder's Interest in Premises Before Extension	£ 16,350.48
Less Value of Freeholder's Interest in Premises After Extension	£ 192.33

**THUS: VALUE OF FREEHOLDER'S INTEREST**

£ 16,158.15

**B FREEHOLDER SHARE OF THE MARRIAGE VALUE**

**4 Value after 90 year extension**

Value of Lessee's new long leasehold interest	£ 250,000.00		
Value of Freeholder's interest after 90 year extension	£ 192.33		
		£ 250,192.33	
Less:			
Freeholder's Existing Interest	£ 16,158.15		
Tenant's Existing Interest	£ 190,575.00		
		£ 206,733.15	
Therefore: Gain on Marriage			£ 43,459.18
Freeholder's Share @			50.00 %

**THUS: FREEHOLDER'S SHARE OF MARRIAGE VALUE**

£ 21,729.59

**THUS: PREMIUM PAYABLE BY NOMINEE LESSEE**

SAY: £ 37,887.74  
£ 37,900.00