

VALUATION REPORT

1 Park Lane
Poynton
Stockport
Cheshire
SK12 1RD

15 February 2023

The Stratagem FP SSAS

John Seed Chartered Surveyors - www.john-seed.com

TABLE OF CONTENTS

01

INSTRUCTIONS

02

LOCATION

03

PROPERTY

04

TITLE & TENURE

05

MARKET EVIDENCE

06

VALUATION METHODOLOGY

07

VALUATION

08

SIGNATORY

APPENDIX

APPENDIX 1

PHOTOGRAPHS

APPENDIX 2

LEASE SUMMARY

APPENDIX 3

COMPARABLE EVIDENCE

APPENDIX 4

INSTRUCTIONS

APPENDIX 5

APPENDIX 6

01 INSTRUCTIONS

01.1 - INSTRUCTIONS

To value on the basis of Market Value the Freehold interest in the property as at the valuation date.

This valuation has been carried out in accordance with our General Terms of Business for Valuations ("General Terms of Business"), as attached at Appendix 4.

01.2 - VALUATION DATE

26 May 2022

01.3 - CLIENT

Our client is The Stratagem FP SSAS

01.4 - PROPERTY

1 Park Lane
Poynton
Stockport
Cheshire
SK12 1RD

01.5 - PROPERTY DESCRIPTION

Office unit which is tenanted.

01.6 - PURPOSE OF VALUATION

Pension Review Purposes

01.7 - VALUATION STANDARDS

This valuation has been undertaken in accordance with the RICS Valuation – Global Standards (Effective from 31 January 2022).

01.8 - CONFLICT OF INTEREST

As you are aware we have previously valued the property on the behalf of Organon Pension Trustees, the most recent May 2022. We do not perceive this to be a conflict of interest.

01 INSTRUCTIONS

01.9 - RELIANCE

This report is for the use only of the party to whom it is addressed for the specific purpose set out herein and no responsibility is accepted to any third party for the whole or any part of its contents.

01.10 - PUBLICATION

Neither the whole nor any part of our report nor any references thereto may be included in any published document, circular or statement nor published in any way without our prior written approval of the form and context in which it will appear.

01.11 - LIMITATIONS ON LIABILITY

John Seed Chartered Surveyors maximum aggregate liability to all parties, howsoever arising under, in connection with or pursuant to reliance upon this Report, and whether in contract, tort, negligence or otherwise shall not exceed the lower of:

- (i) 25% of the value of the property to which the Instruction relates on the date of the Instruction; or
- (ii) £1 million (One Million Pounds); and

John Seed Chartered Surveyors shall not be liable for any indirect, special or consequential loss or damage howsoever caused, whether in contract, tort, negligence or otherwise, arising from or in connection with this Report. Nothing in this Report shall exclude liability which cannot be excluded by law.

01.12 - VALUER

The Property has been valued by John Seed MRICS who is qualified for the purpose of the valuation in accordance with the Red Book

SCOPE OF ENQUIRIES AND INVESTIGATIONS

01.13 - INSPECTION

Our inspection of the property was undertaken on the 26 September 2020 and subsequently on the 25 May 2022 by John Seed MRICS.

01.14 - ENQUIRIES

The extent of enquiries made is set out in our General Terms of Business. In carrying out this instruction we have undertaken verbal / web based enquiries referred to in the relevant sections of this report. We have relied upon this information as being accurate and complete.

01.15 - INFORMATION PROVIDED

We have relied upon information provided by David Shirley and have assumed it to be correct. The limitations that will apply to our investigations and report are set out in the Standard Terms of Business for Valuations.

02 Location



Manchester – 23.4 km (13.4 miles) to the north west.



Stockport – 8.3 km (5.1 miles) to the north.

Macclesfield – 13.9 km (8.7 miles) to the south.



Manchester Airport Eastern Link Road (A555) - 2.08 km (1.3 miles) to the north.



The subject is situated in Poynton town centre to the northern elevation of Park Lane approximately 30 metres to the east of its junction with London Road South.

Park Lane provides the main retail/leisure pitch for Poynton comprising a mixture of local and national covenants. The surrounding area, beyond the commercial occupiers along Park Lane and London Road South, is predominately residential.

03 DESCRIPTION

03.1 - DESCRIPTION

A two storey end of terrace period property constructed in 1896. Of traditional brick construction under a dual pitched slate clad roof. The property has been fitted out as an office and benefits from a glazed frontage to Park Lane. For the purposes of the report, we detail each element separately below:

Ground Floor

The ground floor is configured as an open plan office with kitchen and W.C to the rear. General specification comprises carpet to a solid floor, painted plastered walls and ceiling with recessed spot lighting. Heating is provided by way of gas fired, wall mounted pressed steel radiators.

Access to the first floor is by way of a suspended timber staircase. We would highlight that the stairs are particularly steep.

The kitchen to the rear has fitted base and wall units and specification comprises a vinyl floor, painted plastered walls and ceilings with pendant lighting. Heating is provided by way of gas fired wall mounted pressed steel radiators.

First Floor

The first floor is configured as No.2 offices and W.C to the rear. General specification comprises carpet to a suspended timber floor, painted plastered walls and ceiling with recessed spot lighting. Heating is provided by way of gas fired wall mounted pressed steel radiators.

External

The property has a small self-contained rear yard which can only be accessed from the side of the property on foot. The yard is bound by a brick wall. The property has No.1 parking space to the front elevation.

03 DESCRIPTION

03.2 – ACCOMMODATION

The property was measured by John Seed MRICS on 26 September 2020. The floor areas have been calculated on a Net Internal Area basis (N.I.A) in accordance with the RICS Code of Measuring Practice (6th Edition).

FLOOR	DESCRIPTION	SQ M	SQ FT
Ground	Office	33.94	365
Ground	Meeting	11.80	127
Ground	Kitchen	10.63	114
Ground	Store	1.21	13
<u>Sub Total</u>		<u>57.58</u>	<u>619</u>
First	Office (Front)	15.81	170
First	Office (Middle)	10.39	112
First	Kitchen	10.35	111
First	Reception	13.42	144
<u>Sub Total</u>		<u>49.87</u>	<u>537</u>
<u>TOTAL</u>		<u>107.55</u>	<u>1,156</u>

03.3 - RATEABLE VALUE

The 2017 Rating List entry for the property are as follows:

ADDRESS	DESCRIPTION	RATEABLE VALUE
1 Park Lane	Office and premises	£6,300
1a Park Lane	Office and premises	£2,450
TOTAL		£8,750

03 DESCRIPTION

03.4 - REPAIR

We have not undertaken a structural survey, nor tested the services. We have not been supplied with a survey report prepared by any other firm. We have undertaken only a limited inspection for valuation purposes.

At the date of inspection, the property was provided in a good state of repair and condition commensurate with its age and office use.

03.5 - ENVIRONMENTAL

We have been instructed not to make any investigations in relation to the presence or potential presence of contamination in land or buildings or the potential presence of other environmental risk factors and to assume that if investigations were made to an appropriate extent then nothing would be discovered sufficient to affect value.

We have not carried out investigation into past uses, either of the properties or of any adjacent lands, to establish whether there is any potential for contamination from such uses or sites, or other environmental risk factors and have therefore assumed that none exists.

03.6 - FLOODING

We have undertaken web-based enquiries of the Environment Agency website to establish the potential of flooding at the subject.

Our enquiries detail that the property is located in a Flood Zone 1. Land and property in a Flood Zone 1 have a low probability of flooding.

03 DESCRIPTION

03.7 - EPC

The property has an Energy Performance Certificate (Ref. 0290-2424-8730-6200-2803) prepared on 28 February 2018, which gives the subject a D-100 rating, this is a lower rating than the typical existing stock.

We would note the provisions of the Energy Act 2011 which came into force in April 2018. One of the provisions will result in it becoming unlawful to let or sell the most energy inefficient commercial buildings, principally those with EPC ratings below E. This will become an increasingly important issue for landlords moving forward and could potentially impact on lettability.

We have assumed that the existing EPC was undertaken prior to the initial sale of the property. The property has been refurbished and we would expect any new assessment to provide a higher EPC Rating.

04 TITLE & TENURE

04.1 - TITLE

The property is held Freehold under Title No: CH187881.

Should we be provided with any additional information we reserve the right to amend our valuation accordingly.

04.2 - TENURE

The property is let in its entirety to Stratagem Wealth Limited for a term of 5 years from February 2020. The lease is drawn on a Full Repairing and Insuring (FRI) terms at a passing rent of £16,000 per annum. At the date of valuation, the lease has circa 2 years 9 months years unexpired term.






We have been provided with a copy of the occupational lease and we attach a copy of the Lease Summary at Appendix 2.

05 MARKET EVIDENCE

05.1 FREEHOLD / INVESTMENT EVIDENCE

In arriving at our opinion of Market Value we have had regard to the transactional evidence detail at Appendix 3 – Comparable Evidence.

The evidence can be summarized as follows:

	TRANSACTIONS	No.9
	UNIT SIZE:	842 – 2,312 SQ FT
	PRICE	£176,000 - £485,000
	CAP VAL	£158.27 - £372.84 PER SQ FT
	INITIAL YIELD	4.28% - 6.80%

06 VALUATION METHODOLOGY

PROPERTY



- A two-storey mid terrace office property.
- The property has recently been refurbished and is provided to a good specification.
- The property has No.1 parking space to the front elevation.
- The property is in Poynton town centre and benefits from a prominent setting on an established pitch.
- Poynton is a popular, affluent, south Manchester residential suburb.

TENANCY



- The property is let to Stratagem Wealth Limited for a term of 5 years from February 2020 at a passing rent of £16,000 per annum.
- Unexpired term of circa 2 years 9 months.
- Analysis of the passing rent details £259.06 per sq m (£24.09 per sq ft) on an overall basis.

MARKET VALUE



- Valuation Date – **26 May 2022**
- A small, two storey period office located in the town of Poynton.
- The property is provided to a good specification and has recently been refurbished.
- Transactional evidence details lot sizes ranging between £176,000 - £485,000, reflecting Capital Values of £158.27 - £393.25 per sq ft.
- The property is let at a passing rent of £16,000 per annum with circa 2 years 9 months unexpired term.
- *The property is let to a connected party.*
- Whilst occupied and let as an investment we have looked to the underlying lot size and Capital Value.
- We have adopted the Investment Method and applied an All Risks Yield (ARY) that reflects the subject's investment whilst having regard to the underlying Capital Value and overall lot size.
- We have applied an ARY of 6.00% to the passing rent of £16,000 per annum which provides a Gross Value of £266,667.

06 VALUATION METHODOLOGY

- We have deducted purchasers' costs of Agent and Solicitors fees and Stamp Duty at the prevailing rate, inclusive of VAT where applicable.
 - Market Value of £260,000.
 - Analysis of Market Value details a Net Initial Yield of 6.00% and a Capital Value of £4,177.42 per sq m (£390.06 per sq ft).
 - The property provides good quality fundamentals of a smaller lot size in an established location whilst being income producing.
 - The lot size would appeal to owner occupiers, local and regional investors and the SIPP market.
-

07 VALUATION

07.1 - VALUATION DATE

26 May 2022

07.2 - MARKET VALUE

We are of the opinion that the Market Value of the Freehold interest in 1 Park Lane, Poynton Stockport, SK12 1RD, at the date of valuation is:

£260,000 (Two Hundred and Sixty Thousand Pounds)

08 SIGNATORY

08.1 – SIGNATORY

A handwritten signature in black ink, appearing to read 'J Seed', written in a cursive style.

John Seed MRICS

RICS Registered Valuer

For and on behalf of John Seed Chartered Surveyors

Appendix 1

1 Park Lane
Poynton
Stockport
Cheshire
SK12 1RD

Photographs



1 Park Lane



Side Elevation



Rear Yard



Access to rear of property



Ground Floor – Office



Ground Floor – Office



Ground Floor - Kitchen



First Floor - Office



First Floor – W.C



First Floor - Landing

Appendix 2

**1 Park Lane
Poynton
Stockport
Cheshire
SK12 1RD**

Lease Summary

LEASE SUMMARY

ORIGINAL LANDLORD

Organon Pension Trustees Ltd, Rachael Joan Almond, Olwyn Shirley and David Spencer Shirley as Trustees of The Almond Family SIPP

LANDLORD

Stratagem F P SSAS (Organon Pension Trustees)

TENANT

Stratagem Wealth Limited

START DATE

3rd February 2020.

Term

5 Years

PERMITTED USE

Offices within Use Class A2 of the Town and Country Planning (Use Classes) Order 1987 as at the date this lease is granted.

RENT

£16,000 per annum

INSURANCE

Landlord is obliged to insure the Property with the Tenant paying the premiums to the Landlord by way of insurance rent. Insured against fire, explosion, lightning, earthquake, storm, flood, bursting and overflowing of water tanks, apparatus or pipes, impact by aircraft and articles dropped from them, impact by vehicles, subsidence, ground slip, heave, riot, civil commotion and any other risks against which the Landlord decides to insure against from time to time and Insured Risk means any one of the Insured

REPAIR

The Tenant shall keep the Property clean and tidy and in good repair and condition and shall ensure that any service media within and exclusively serving the Property are kept in good working order. The Tenant shall not be liable to repair the Property to the extent that any disrepair has been caused by an Insured Risk. The Tenant shall decorate the inside of the Property as often as is reasonably

necessary.

ALTERATIONS

The Tenant shall not make any external or structural alterations or addition to the Property and shall not make any opening in any boundary structure of the Property. Any internal or non-structural alterations must receive consent from the Landlord and Superior Landlord which must not be unreasonably withheld.

ASSIGNMENT

The Tenant shall not assign the whole of the lease without consent of the Landlord, such consent not to be unreasonably withheld or delayed.

The Tenant shall not assign part only of the lease.

UNDERLETTING

The Tenant shall not underlet the whole or part of the Property except in accordance with this clause nor without the consent of the Landlord, such consent not to be unreasonably withheld. Terms of underletting the lease are outlined in Section 17.

Appendix 3

**1 Park Lane
Poynton
Stockport
Cheshire
SK12 1RD**

Comparable Evidence

SALES COMPARABLES

52 PARK LANE, POYNTON, SK12 1RE



DATE	May 2019
PRICE	£210,000
SIZE	476Sq M 816 Sq Ft
CAP VAL	£2,763.15 per Sq M £257.35 per Sq Ft
RENT	£9,000
YIELD	4.28%

Two storey, end of terrace, period retail unit with residential flat above. The property is part-let at a total passing rent of £9,000 per annum. The flat was vacant at the date of purchase. The transaction relates to a part-let, traditional mixed use asset in the wider vicinity and, although somewhat historic, provides good contextual evidence.

UNIT 1 THE BEECHES, BEECH LANE, WILMSLOW, SK9 5ER



DATE	August 2021
PRICE	£390,000
SIZE	97 Sq M 1,046 Sq Ft
CAP VAL	£4,013.58 per Sq M £372.84 per Sq Ft

The property provides small scale self-contained office accommodation with parking in Wilmslow a popular, affluent setting which is reflected in the sale price.

10A RAVENOAK ROAD, CHEADLE HULME, SK8 7DL



DATE	June 2021
PRICE	£185,000
SIZE	78 Sq M 842 Sq Ft
CAP VAL	£2,365.12 per Sq M £219.71 per Sq Ft

The transaction relates to a small scale retail unit in a broadly comparable setting, albeit single storey.

2 & 2A OLD MARKET PLACE, ALTRINCHAM, WA14 4NP



DATE	August 2021
PRICE	£425,000
SIZE	126 Sq M 1,357 Sq Ft
CAP VAL	£3,373.01 per Sq M £313.19 per Sq Ft
RENT	£27,000 per annum
YIELD	NIY – 6.09%

Three storey period property which is let at a passing rent of £27,000 per annum. The property is situated in Altrincham; a comparable, affluent location, albeit in an off-pitch setting. The transactional provides good contextual evidence for smaller scale income producing assets.

43 STAMFORD NEW ROAD, ALTRINCHAM, WA14 1EB



DATE	February 2021
PRICE	£243,000
SIZE	111 Sq M 1,200 Sq Ft
CAP VAL	£2,179.76 per Sq M £202.50 per Sq Ft
RENT	£17,000 per annum
YIELD	NIY – 6.80%

Ground floor and basement retail unit which is let at a passing rent of £17,000 per annum. The property is situated in Altrincham; a comparable, affluent location, albeit on a busy retail pitch. The transaction provides good contextual evidence for smaller scale income producing assets.

143 MANCHESTER ROAD BROADHEATH, ALTRINCHAM WA14 5NS



DATE	July 2021
PRICE	£240,000

This mid-terrace retail unit with residential accommodation was sold in July 2021 for £240,000 having initially been marketed for £215,000. Whilst not directly comparable it provides good contextual evidence for smaller scale assets from the wider vicinity. The property is situated in an inferior setting, although its mixed use nature would appeal to the market.

1 GILMORE STREET, SHAW HEATH STOCKPORT, SK3 8DN



DATE	January 2021
PRICE	£176,000
SIZE	103 Sq M 1,112Sq Ft
CAP VAL	£1,708.73 per Sq M £158.27 per Sq Ft

The transaction relates to a small scale office unit with parking. The property was provided to a good specification albeit in an inferior location.

9 WATER LANE, WILMSLOW, SK9 5AE



DATE	April 2021
PRICE	£485,000
SIZE	214 Sq M 2,312 Sq Ft
CAP VAL	£2,615.50 per Sq M £242.98 per Sq Ft

Two storey prominent mixed use property comprising ground floor retail unit with offices above, albeit it in the wider vicinity. Its inclusion provides good contextual evidence for assets in affluent settings. Our analysis of the Capital Value excludes the basement (276 sq ft).

20 WATER LANE, WILMSLOW, SK9 5AA



DATE	October 2020
PRICE	£485,000
SIZE	133 Sq M 1,432 Sq Ft
CAP VAL	£3,646.61 per Sq M £338.68 per Sq Ft

The transaction relates to a mid-terrace property on an established pitch in Wilmslow town centre. Its inclusion provides good contextual evidence for assets in affluent settings.

Appendix 4

1 Park Lane
Poynton
Stockport
Cheshire
SK12 1RD

Instructions

John Seed Chartered Surveyors
12 Town Lane
Charlesworth
Derbyshire
SK13 5HA

David Shirley
The Stratagem FP SSAS
1 Park Lane
Poynton
Stockport
Cheshire
SK12 1RD

14 February 2023

Dear David

Our Terms of Engagement Letter for Valuation: 1 Park Lane, Poynton, Stockport, SK12 1RD

Thank you for your email instruction of 10 February 2023 to value this property for Pension Review purposes. We are writing to confirm our appointment to provide a valuation of the above property as more specifically set out below.

The general terms upon which we accept this instruction are set out in the Standard Terms of Business for Valuations attached. Please countersign and return the copy of this letter to us when you have fully reviewed and considered these terms of engagement.

I look forward to working with you.

Kind Regards



John Seed MRICS

Director

T: 01457 868 248

M: 07714 956 863

E: john@john-seed.com

1.0	Client	The Stratagem FP SSAS
2.0	Valuation date:	26 May 2022.
3.0	Purposes of valuation:	We have been appointed to undertake a valuation for Pension Review purposes.
4.0	Property to be valued	1 Park Lane Poynton Stockport Cheshire SK12 1RD
5.0	Interest to be valued	You have asked us to value the Freehold interest in the property.
6.0	Property type and use:	Office unit which is tenanted.
7.0	Basis of valuation:	The valuation will be prepared on the basis of Market Value as defined in the current edition of the RICS Valuation – Professional standards, published by the Royal Institute of Chartered Surveyors (RICS).
8.0	Key assumptions and Special Assumptions:	<i>As to your instructions we will undertake the valuation as at 26 May 2022.</i>
9.0	Conflicts of Interest:	As you are aware we have previously valued the property on the behalf of Organon Pension Trustees, the most recent May 2022. We do not perceive this to be a conflict of interest.
10.0	Status of valuer	External valuer.
11.0	Valuer and Competence Disclosure:	We can confirm, that the valuation will be the responsibility of John Seed BSc (Hons) MRICS, RICS Registered Valuer. We can also confirm that the valuer has sufficient current knowledge, skills and understanding to undertake the valuation competently.
12.0	Inspections and Investigations:	Our Standard Terms of Business set out the scope of our onsite inspection and investigations. Unless prevented from doing so, we will inspect the property internally, as well as externally.
13.0	Information to be relied upon:	We will rely upon information provided by David Shirley and will assume it to be correct. The limitations that will apply to our investigations and report are set out in the Standard Terms of Business for Valuations.
14.0	Fees:	Our fee for undertaking this instruction will be £400.00 (+VAT).
15.0	Standard Terms of Business:	Our Standard Terms of Business, together with the Supplementary Terms for Valuation Appointments, are attached, which will apply to the services to be provided.

Please ensure that you review the attached Terms of Business carefully as these form part of the contract between us. In particular, please note the exclusions and limitations of liability set out at clause 3, including a cap on liability of £1 million.

Please will you sign and return the duplicate copy of this Terms of Engagement letter, signifying your agreement to the terms contained herein. We will be unable to proceed with this instruction until this letter has been counter-signed and returned to us.

Thank you for instructing John Seed Chartered Surveyors.

Yours faithfully,



John Seed MRICS

Director

T: 01457 868 248

M: 07714 956 863

E: john@john-seed.com

Enclosed: Standard Terms of Business for Valuations

.....

Signed for and on behalf of The Stratagem FP SSAS

.....

Date

Please print name /position

Standard Terms of Business - Valuation

1. Application

- 1.1 As it is in the interest of both parties that there is a full understanding of the terms of reference and the service to be provided, this document sets out our Standard Terms of Business for Valuations. We are pleased to discuss variations and to arrange the provision of extended or additional services, such as site, building or structural surveys.
- 1.2 The client appoints John Seed Chartered Surveyors to provide the agreed services exercising reasonable skill and care. This document and the acknowledgement letter are to be read together as a single document. Any variations to these terms agreed following the initial settlement of the terms are to be recorded in writing and agreed by all the relevant parties.

2. Performance Standards

- 2.1 We confirm that the valuations and appraisals will be carried out in accordance with the RICS Valuation – Global Standards (Effective from 31 January 2022). Compliance with the RICS Rules of Conduct and the Red Book is mandatory for chartered surveyors in the interests of maintaining high standards of service and for the protection of clients.

3. Liability and Duty of Care

- 3.1 John Seed Chartered Surveyors owes to the client a duty to act with reasonable skill and care in providing the service and complying with the client's instructions where those instructions do not conflict with these terms or applicable law and professional rules.
- 3.2 We have no liability for the consequences, including delay in or failure to provide the services, of any failure by the client or any agent of the client: promptly to provide information or other material reasonably requested, or where that material is inaccurate or incomplete, or to follow our advice or recommendations.
- 3.3 The contents of the valuation report are intended to be confidential to the party to whom it is addressed. Unless provided otherwise by law or regulation, we owe no duty of care and have no liability to any third party for the whole or any part of our valuation.
- 3.4 We confirm that John Seed Chartered Surveyors holds professional indemnity insurance in respect of the service to be provided.
- 3.5 Subject to condition 3.6 below, our maximum liability (in contract, tort, negligence or otherwise) to you howsoever arising in relation to any property to which the appointment relates, shall in no circumstances exceed 25% of the value (on the basis identified in the appointment or if no basis is expressed Market Value as defined by the RICS) on the date of this instruction of that property.
- 3.6 Our maximum aggregate liability to you arising from, or in relation to this appointment (in contract, tort or negligence or otherwise) howsoever arising shall not in any circumstances exceed £1 million.
- 3.7 You agree that you will not bring any claim relating to this appointment (in contract, tort or negligence or otherwise) personally against any John Seed Chartered Surveyors, director, employee, member or consultant.

4. The Client's Obligations

- 4.1 The client agrees to pay the fees for the work carried out in accordance with the rates or structure set out in the acknowledgement letter.
- 4.2 The client will be responsible for the timed provision of all information and cooperation reasonably, including

that from third parties engaged directly by the client, required by us to assist in the performance of the service. We will assume that the information provided is complete and correct.

- 4.3 The client will not make available to any third party or reproduce the whole or any part of the report, nor make reference to it, in any publication without our prior written approval of the form and context in which such disclosure may be made.
- 4.4 In the event of a termination of our services, our fees will be calculated on a quantum merit basis having regard to the agreed rates or fee structure.

5. Jurisdiction

- 5.1 English law shall apply in every respect in relation to the valuation and the agreement with the client which shall be deemed to have been made in England. In the event of any dispute arising in connection with the valuation, including any third party using the valuation, the parties will submit to the jurisdiction of the English courts only.

6. Regulated Purpose Valuations

- 6.1 RICS has established particular requirements where a valuation may be made available to third parties, such as part of a company's published financial statement. Such valuations, and the disclosures required within the report will be identified in the acknowledgement letter.

7. The Status of the Valuer

- 7.1 The valuation will be the responsibility of a named suitably qualified valuer who will be acting as an external valuer [John Seed MRICS]
- 7.2 Where the valuation is a Regulated Purpose Valuation, the acknowledgement letter will include a statement as to our policy on the rotation of the valuer having responsibility for the subject valuation. The report will also include statements in relation to the length of time the valuer has been continuously the signatory to valuations provided for you for the same purpose as the report, the extent and duration of the relationship of John Seed Chartered Surveyors with you, and an indication of the proportion of fees relative to the total income of John Seed Chartered Surveyors within a range of five percentage points.

8. Complaints

- 8.1 In the event that a complaint should arise, we confirm that we have a complaints handling procedure, a copy of which will be provided on request.

Supplementary Terms for Valuation

Valuation Conditions and Assumptions

1 RICS Valuation Standards

All valuations are carried out in accordance with the latest edition of the RICS Valuation – Professional standards published by the Royal Institution of Chartered Surveyors (“the Valuation Standards”) and are undertaken by appropriately qualified valuers as defined therein

2 Bases of valuation

The Red Book recognises four bases of value:

- Market Value
- Market Rent
- Investment Value (worth)
- Fair Value.

The acknowledgement letter will specify the basis to be adopted, together with any assumptions amending the definitions. The definitions of these terms are set out at the end of this document.

Subject to the comments in the following paragraphs, we shall make certain assumptions in relation to facts, conditions or situations affecting the subject of, or approach to, our valuations that we will not verify as part of the valuation process, but treat them as a ‘supposition taken to be true’. In the event these assumptions prove to be incorrect then our valuations will need to be reviewed.

3 Inspections

Inspections and investigations will be carried out to the extent necessary to produce a valuation which is professionally adequate for its purpose. Where valuations have to be made on restricted information, the nature of the restrictions will be set out in the acknowledgement letter and the report

4 Condition and repair

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

- Except for any defects specifically noted in our report, the property is in good condition;
- No construction materials have been used that are deleterious, or likely to give rise to structural defects;
- No hazardous materials are present;
- All relevant statutory requirements relating to use or construction have been complied with; and
- Any services, together with any associated computer hardware and software, are fully operational and free from impending breakdown or malfunction.

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

5 Ground conditions and environmental risks

Unless provided with information to the contrary, our valuation will assume that:

- The site is physically capable of development or redevelopment, when appropriate, and that no special or unusual costs will be incurred in providing foundations and infrastructure;
- There are no archaeological remains on or under the land which could adversely impact on value;
- The property is not adversely affected by any form of pollution or contamination; and
- There is no abnormal risk of flooding.

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

6 Title and Tenancies

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

7 Tenant Status

Although we reflect our general understanding of a tenant's status in our valuation, we will make no detailed enquiries about the financial status of tenants. We will assume that appropriate enquiries were made when leases were originally exchanged, or when consent was granted to any assignment or underletting.

8 Planning and Highway Enquiries

We shall make informal enquiries of the local planning and highway authorities and also rely on information that is publicly published or available free of charge. Any information obtained will be assumed to be correct. No local searches will be instigated. Except where stated to the contrary, we shall assume that there are no local authority planning or highway proposals that might involve the use of compulsory purchase powers or otherwise directly affect the property.

9 Floor Areas and Age

All measurements will be taken in accordance with the RICS *Code of Measuring Practice*. The floor areas in our report will be derived from measurements taken on site or that have been scaled from the drawings supplied and checked by sample measurements on site. Where the age of a building is estimated, this is for guidance only.

10 Plant and Equipment

We will include in our valuations those items of plant and equipment normally considered to be part of the service installations to a building and which would normally pass with the property on a sale or letting. We will exclude all items of process plant and machinery and equipment, together with their special foundations and supports, furniture and furnishings, vehicles, stock and loose tools, and tenants' fixtures and fittings.

11 Development properties

For properties in the course of development, we will reflect the stage reached in construction and the costs remaining to be spent at the date of valuation. We have regard to the contractual liabilities of the parties involved in the development and any cost estimates that have been prepared by the professional advisers to the project. For recently completed developments, we will take no account of any retentions, nor will we make allowance for any outstanding development costs, fees, or other expenditure for which there may be a liability.

12 Disposal costs and liabilities

No allowance will be made for expenses of realisation or for taxation which may arise in the event of a disposal and the valuation is expressed as exclusive of VAT or other tax that may be due on such a disposal. Mortgages and similar charges are disregarded.

13 Reinstatement assessments

We will not provide a reinstatement assessment for insurance purposes. Should this service be required, it will be as an additional service to these standard terms.

Definitions of bases of valuation

These definitions are reproduced from the 2014 Red Book:

Market Value

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

Market Rent

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

Investment Value (worth)

'The value of an asset to the owner or a prospective owner for individual investment or operational objectives.'

Fair Value (IVS)

'The estimated price for the transfer of an asset or liability between identified knowledgeable and willing parties that reflects the respective interests of those parties.'

OR

Fair Value (IFRS)

'The price that would be received to sell an asset, or paid to transfer