



MARKET REPORT AND VALUATION

IN RESPECT OF:

LEASEHOLD INTEREST IN:

UNIT 1 MOORE HOUSE, MILLFIELDS ROAD, LONDON E5 0BF

PREPARED FOR:

**Whitecliff Pension Scheme
3rd Floor 229 The Broadway Wimbledon London SW19 1SD
VAT: 301307465**

PREPARED BY:

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1. **INTRODUCTION**

I have been instructed to undertake and prepare a Market Valuation for tax return purposes in order to determine the estimated Market Value of the leasehold interest in the property as at 1 December 2021. The subject property has not been inspected and the valuation is being undertaken on a desktop basis only, based on information provided to me and obtained online.

The following specific terms and conditions apply:-

- i. Information provided in this Report is for the attention of the client to whom it is addressed and their professional advisers. No liability is accepted to any third party nor should the Report be relied upon by any third party unless prior approval is sought from the client to whom it is addressed and consent has been obtained from this firm.
- ii. The valuation has been carried out in accordance with the Guidance Notes issued by The Royal Institution of Chartered Surveyors and in accordance with the RICS Appraisal and Valuation Manual (the “red book”).
- iii. The valuation is effective as of **1 December 2021**.

The Report and Valuation is also subject to our Standard Conditions of Engagement and Bases of Valuation which are set out at the end of this Report and which are based upon the Model Conditions of Engagement as recommended in The Royal Institution of Chartered Surveyors Appraisal and Valuation Manual.

2. LOCATION

Moore House is situated on the north side of Millfields Road.

The property is situated within a satisfactory radius of Clapton Station and Hackney Downs Station.

Road communications are satisfactory with the A10 located close by to the west and the A12 located to the east both of which lead to the A406 North Circular Road, and M25 thereafter.

Shopping facilities are situated in Clapton and also Hackney to the south.

Parking directly outside the property is generally restricted to permit holders only.

In summary, the property is situated within a satisfactory mixed commercial/residential location with relatively easy access to public transport facilities, road communications and other local amenities including schools, places of worship and recreation grounds.

3. DESCRIPTION

The subject property comprises a mixed use property, with the ground floor being part commercial use used as office premises with the remainder of the ground floor and the 1st, 2nd and 3rd floors being residential arranged as 9 flats.

The office unit has its own private entrance.

The property is constructed, I believe, in traditional solid brickwork set under a main flat roof. The property was completed I believe in 2017.

Floors internally are believed to be solid. Walls are generally solid or plasterboard.

4. ACCOMMODATION

The property comprises the following:

At Ground Floor Level:

The ground floor office unit has not been measured but is believed to have a Net Internal Area of approximately 290 sq ft (27.04 sq m).

Amenities

The property is assumed to have central heating and double glazing, with mains services connected including water, electricity and drainage are connected.

5. TOWN PLANNING AND RATING

Town Planning

For the purpose of this Valuation it is assumed that there are no matters relating to Town Planning, so far as either the subject property or the area in general is concerned, which would have a materially adverse or otherwise effect upon the value of the property.

It is assumed the ground floor premises have a planning use of E (c) or E (g) under the new Use Classes updated in September 2020. Previously B1.

Rating

The property will fall within a band for council tax purposes. The current RV is £8,000 based on a 1 April 2017 valuation.

6. CONDITION AND STATE OF REPAIR

I would emphasise that no Building Survey has been carried out and neither has an inspection been carried out to parts of the property which were concealed, inaccessible or in areas where there was restricted access. I would point out that there are a number of areas where the inspection was curtailed due to restricted access and a number of poor vantage points around the perimeter of the building.

From a general inspection, the property externally appears to be in fair structural condition having regard to the property being completed in 2017.

I am not aware of any defects or any other issues which may affect the value such as cladding.

7. ENVIRONMENTAL MATTERS

The building was originally constructed, I believe, in approximately 2017. We have based our Valuation on the land not having suffered from any contamination affecting either the subject property or the neighbouring properties. We reserve the right to revise our Valuation should any contamination of land come to light in the future.

Having regard to the mode of Construction and the age of the property, we cannot confirm whether there is any higher alumina cement concrete and/or the deleterious materials. However, I will point out that given the age of the property it is unlikely that these materials would have originally been used or been incorporated later. We cannot confirm whether there is any concealed asbestos material within the property however given the age of the property it is unlikely that asbestos materials have been used.

I do not consider an environmental audit is required. It is assumed that the property including the building complies with the Disability Discrimination Act.

8. TENURE AND TENANCY

Tenure

It is assumed that the subject property is owned on a leasehold basis. I have received a copy of a draft lease subject to a 999 year lease term from 2018 at a ground rent of £1.00 per annum.

Tenancy

The property is being valued on the basis of the long leasehold interest however it is assumed there are no other underleases in respect of Unit 1.

9. VALUATION CONSIDERATIONS AND MARKET VALUE

Valuation Considerations

In order to consider the value of this property, a detailed investigation has been undertaken of comparable transactions which have taken place in the immediate vicinity. I would emphasise that comparable evidence is often obtained from verbal enquiries and details can be at variance with the actual terms agreed between the parties. Nevertheless, from my own knowledge of the area and by collecting and analysing details of a number of transactions, it is possible to gain an indication of the level of activity in the area and sale prices and rental levels which have been achieved.

Market Value

In order to consider the Market Value and Market Rental Value, comparable evidence has been obtained in respect of properties which have been sold or let, or are available on the market on terms which have been agreed and these comparables have wherever possible, been taken from transactions in and around Clapton, E5.

In summary the property is located in a satisfactory location in respect of road communications and public transport facilities and other local amenities.

In this location we would apply an initial investment yield of around **5%**.

In our opinion the Market Rental Value of the property, would be in the region of **£9,000** (Nine Thousand Pounds). This equates to £30 per sq ft (£323 per sqm).

In our opinion the Market Value of the leasehold interest in the property, as at 1 December 2021, would be in the region of **£180,000 (One Hundred and Eighty Thousand Pounds)**.

This is taking into account the location, accommodation, condition and also the current prevailing market conditions.

10. **CONCLUSION**

In our opinion the Market Value of the leasehold interest in the property, as at 1 December 2021, would be in the region of **£180,000 (One Hundred and Eighty Thousand Pounds)**.

This Report and Valuation is prepared by Jonathan M Cooper BSc (Hons), MRICS.

Signed :

A handwritten signature in black ink, appearing to read 'Jonathan M Cooper', written in a cursive style.

Date : 2 December 2021

STANDARD CONDITIONS OF ENGAGEMENT AND BASES OF VALUATION

Unless agreed otherwise in writing, or stated otherwise in our Valuation Report, the following Standard Conditions of Engagement shall apply :-

1. In preparing the Valuation and Report, the following assumptions will be made, which the Valuer shall be under no duty to verify :-
 - a) That all information provided to the Valuer by the Client, and/or his professional advisors or any other named party, upon which the Valuer will rely, is complete and correct.
 - b) That all information provided as to ownership is complete and correct and that there are no encumbrances or unduly onerous or unusual easements, restrictions, outgoing or conditions, likely to have an adverse effect upon the value of the property, attaching to the relevant interest in the property of which we have not been made aware and that a good and marketable title to the relevant interest is held.
 - c) That all covenants in any head lease have been complied with and that there are no disputes with the lessors or notices received from the lessors or lessees which would adversely affect the valuation.
 - d) That, unless we are informed otherwise, each property complies with all relevant statutory requirements (including, but not limited to, Fire Regulations, Bye-Laws and Health and Safety at Work).
 - e) That each property has been constructed, and is occupied, in accordance with valid Town Planning Consents and Building Regulations Approvals, and that it complies with any other relevant Statutory and Bye-Law requirements and that there are no outstanding Statutory or other notices in connection with the property or its current use.
 - f) That, unless we are notified otherwise, the presence of high alumina cement, calcium chloride additive, blue asbestos or any other deleterious or hazardous material has not been determined and our valuation will be arrived at on the basis that these materials have not been used in the construction of any of the buildings or subsequently added.
2. No Building Surveys (Structural Surveys) will be carried out, nor will we test any services or inspect roof voids, woodwork or any parts of the structures which are covered, unexposed or inaccessible, and, therefore, such parts will be assumed to be in good repair and condition and the services will be assumed to be in full working order. Any obvious defects or items of disrepair will be taken into account, but we will not be able to give any assurance that any property is free from defect.

3. Plant and machinery will not be included in the valuation unless forming part of the structure and normally valued with the building.
4. We will not carry out or commission a site investigation or geographical or geophysical survey and, therefore, we will not be able to give any opinion or assurance or guarantee that the ground has sufficient load bearing strength to support any of the existing constructions or any other constructions that may be erected in the future. We also cannot give any opinion or assurance or guarantee that there are no underground mineral or other workings beneath the site or in its vicinity nor that there is any fault or disability underground including, but not limited to, any contamination which could or might affect the property or any construction thereon.

In respect of contamination and environmental factors, we will not be provided with details of the contents of any environmental audit or other environmental investigation or soil survey which may have been carried out on the property and which may draw attention to any contamination or the possibility of any such contamination. Therefore, in undertaking our work, we will assume that no contaminative or potentially contaminative uses have ever been carried out in the property.

We will not carry out any investigation into past or present uses, either of the property or of any neighbouring land, to establish whether there is any contamination to the subject property from these uses or sites, and we will, therefore, assume that none exists.

Should it be established subsequently that contamination, seepage or pollution exists at the property or on any neighbouring land, or that the premises have been or are being put to a contaminative use, this might reduce the values set out in our Valuation Report.

5. All measurements will be carried out in accordance with the joint Code of Measuring Practice issued by the Royal Institution of Chartered Surveyors and the Incorporated Society of Valuers and Auctioneers, unless stated otherwise in our Report.
6. We shall make informal oral enquiries of the relevant local planning and rating authorities and we will take into account the information received in the preparation of our valuation. No searches will be carried out and, therefore, unless we are specifically advised to the contrary, we will assume that the property and its value are unaffected by any matters which would be revealed by a full Local Search.
7. No account will be taken of any liability for taxation which may arise upon the disposal of the property, nor will we deduct the likely costs of such disposal. However, normal purchaser's costs will be reflected in our valuations.
8. The valuation date will be as at the date of our Valuation Report, unless specified otherwise.
10. Unless specified otherwise, our valuations will be carried out in accordance with the RICS Valuation Standards – Global Edition dated January 2017 and in particular, the definitions of the valuation bases set out therein, which is reproduced below as follows :-

Market Value

VS 3.2 defines Market Value as “The estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion”.

11. Unless stated otherwise, Michael Charles Chartered Surveyors in its capacity as Independent (or External) Valuer, conforms to the requirements of the Valuation Standards referred to in 10 above.
12. If an informal estimate of current reinstatement cost for insurance purposes is required, our standard conditions in respect of such estimates, a copy of which is enclosed herewith (if relevant), shall apply.
13. The Valuation Report will be provided only for the purpose agreed with the instructing Client and will be for the sole use of that Client. As such, it is confidential to the Client and his professional advisors.

We accept responsibility to the client alone that the Report will be prepared with the skill, care and diligence which can reasonably be expected of a competent Valuer but accept no responsibility whatsoever to any other person, who relies upon the Report at his own risk.

14. Neither the whole nor any part of the Valuation Report 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.
15. Michael Charles Chartered Surveyors undertakes all services only on the basis of these terms which shall apply to the exclusion of any other terms and conditions which the Client may seek to impose.

No variation of these terms shall be binding unless agreed in writing between the authorised representative of Michael Charles Chartered Surveyors and the Client.

Our Valuation report will be prepared based on these assumptions and any further assumptions sated therein. If any such assumptions are subsequently found to be incorrect or inappropriate, we reserve the right to revise our opinions of value accordingly.

In accordance with the the RICS Valuation Standards Global edition dated January 2014 the following terms of engagement also apply:

- a) The client will be as identified in the letter/email from this firm confirming instructions with which this document is enclosed.
- b) The purpose of the valuation will be to ascertain the market value.
- c) The subject of the valuation will be the property in the condition as it is described in the report from this firm.
- d) The interest to be valued will be that stated in the letter/email from this firm confirming instructions with which this document is enclosed.
- e) The relevant property will be as identified in the letter/email from this firm confirming instructions with which this document is enclosed.
- f) The basis of valuation will be the market value.

- g) The date of valuation will be the date stated on the report from this firm.
- h) The valuer has not had any previous material involvement with the property or interest to be valued, unless stated otherwise in the letter from this firm confirming instructions with which this document is enclosed.
- i) The valuation will be undertaken on the assumption that there are no encumbrances or otherwise there is no material information which has not been provided to the valuer and otherwise is subject to such assumptions and reservations as are stated elsewhere in these terms of engagement, the letter from this firm confirming instructions with which this document is enclosed, or the report from this firm.
- j) Prior to reporting, the valuer will attend at the premises, take notes, inspect copies of the lease/s (if appropriate and if provided) and seek comparable evidence of recent similar sales.
- k) Comparable evidence may be sourced by consultation with local agents, research on the internet, our own data base or by other means.
- l) The report will be subject to restriction on disclosure as stated elsewhere in these terms of engagement, or the letter from this firm confirming instructions with which this document is enclosed.
- m) The valuer is employed as a consultant to this firm and has the knowledge, skills and understanding sufficient to undertake the valuation competently.
- n) The fee to this firm will be as stated, in the letter from this firm confirming instructions with which this document is enclosed. Where fees are payable in advance in accordance with the letter of instruction, or prior to the inspection or prior to the Report being released, these fees will not be protected by the RICS client money protection scheme. Fees will normally be payable in advance, unless otherwise agreed.
- o) The firm has a complaints handling procedure. A copy of the Surveyors Complaints Handling Procedure is available upon request. This firm operates a CHP redress scheme operated which is for consumers, the Ombudsman Services: Property or for business to business the RICS Dispute Resolution Service (DRS).
- p) Compliance with these standards may be subject to monitoring under the RICS conduct and disciplinary regulations.
- q) With regard to cancellation fees, once we have received instructions, we reserve the right to charge for cancellation or postponement by client as follows: Day of the inspection: 75% of the full fee. Day before inspection 50% of the full fee. 2 days before inspection or earlier: No charge.

