



Chartered Surveyors




We operate nationally and have offices and surveyors across the country.

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The headings contained in this report are based directly upon the list of mandatory required content set out in VPS 3 para 2.1, page 55 and the commentary which follows on pages 56 to 67 of RICS Valuation – Global Standards 2017.

VALUATION REPORT

Cosey Homes Ltd – Chartered Surveyors

Identification and Status of the Valuer	<p>This report was carried out by [REDACTED] PGDip, AssocRICS, Registered Valuer.</p> <p>I am not aware that there is any conflict of interest as defined in the RICS Valuation Standards and the RICS Rules of conduct.</p> <p>This report has been signed off [REDACTED] FRICS Civil Eng. HND. BA. DipSurv FCABE, Registered Valuer.</p>
Client	[REDACTED]
Purpose of Valuation	Market Valuation for Shared Ownership Scheme.
Property to be valued	



Address of Property to be Valued:

[REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]

Interests to be Valued:

Encumbered Title.

Tenancies:

Not applicable.

Tenure:

Leasehold

Type and use of Property:

Residential detached house.

Location:

The property is located on a busy main road in [REDACTED] on the outskirts of [REDACTED] town centre.

Description:

The property to be valued comprises a detached house. The property was built circa 1930's.

The property is traditionally built with cavity brick and outer rendered walls with a pitched tiled roof.

The property is situated on a sloping site with off-road parking at the front and tiered garden at the rear. The property is located on a busy main road, which detracts slightly from marketability.

The property is currently undergoing some refurbishment and is in below average condition.

Accommodation:

Ground floor:

Lounge, dining room, kitchen, WC, attached conservatory.

	<p>First floor:</p> <p>Three bedrooms, bathroom.</p> <p>Gross Internal Floor Area: 82sq.m NIA (net internal area) (for commercial Net internal floor area and Gross external floor area)</p> <p>Site Area: Not applicable.</p>
Definition of Value	<i>The estimated amount for which an asset or liability should exchange for 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.</i>
Basis of Value	<ul style="list-style-type: none"> • Comparative method
Valuation Date	██████████
Special Assumptions	The property was originally purchased on a shared ownership scheme. The valuation is provided on the basis of a 100% share of the leasehold interest.
Assumptions and Extent of Investigations	<p>Assumptions:</p> <ol style="list-style-type: none"> 1) No harmful or hazardous materials or techniques have been used and the land is not contaminated. 2) No high alumina cement concrete or calcium chloride additive or other potentially damaging material was used in the construction of the property or has since been incorporated. 3) There are no unusual or especially onerous covenants, restrictions, encumbrances, outgoing, or statutory notices which may adversely affect the value of the property. 4) The property has absolute freehold or leasehold title. 5) The value of the property is not affected by any matters, which would be revealed by a Local Search. 6) The payment for rates and services will be the responsibility of the occupier. 7) The property is not within a proximity of a landfill site, whereby health concerns may be raised and which may therefore adversely affect the value of the property. 8) Unless otherwise advised within the report, we have assumed there is no asbestos or any other form of hazardous material in the property. 9) The property is not adversely affected by flooding from surface water, rivers/ seas, or reservoirs. 10) Any previous repair works carried out have been done so to an acceptable standard and appropriate materials and methods were used by the workman. 11) Unless otherwise advised within the report, we have assumed that the condition of the electrical supply and its components are in an adequate condition and have been tested by a qualified electrician on a regular basis. 12) All information supplied to us by yourself, your agent(s), or anyone acting on your behalf is accurate. 13) Your legal advisors have checked the appropriate planning sites as to the impact of any highway improvement proposals, comprehensive development schemes or other planning matters that could affect property values, and the results have come back negative. 14) Unless our enquiries have indicated otherwise, it is assumed the property's use is duly authorised or established and no adverse planning conditions or restrictions apply. Formal searches should be carried out by your legal advisors in this respect. 15) The ground has sufficient load-bearing strength to support any of the

existing buildings and any other constructions that may be erected in the future.

16) There have been no contaminative or potentially contaminative uses ever carried out in the property. Should it be established 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, then this might affect the values stated in the report.

17) There are no abnormal ground conditions, archaeological remains, or hazardous or deleterious materials present which might adversely affect the present or future occupation, development or value of the property.

18) Unless otherwise advised within the report, we have assumed the property is free from rot, infestation, structural and/or design defects.

19) The property is not contaminated and is not adversely affected by the Environmental Protection Act 1990 or any other environmental law.

20) Any processes carried out on the property which are regulated by environmental legislation are properly licensed.

21) Any planning permissions and Building Regulation consents (including consents for alterations) have been obtained and complied with.

22) If leasehold, and unless advised otherwise by yourself, your agent, or anyone else acting on your behalf, we have assumed the property will have an unexpired lease term of at least 125 years.

23) Any further investigations recommended within this report will not lead to any onerous or excessive costs of repairs. If there are any significant costs associated with the repairs required, this should be reflected in your offer price.

24) Our valuation assumes that any potentially combustible cladding, including but not limited to ACM (aluminium composite material), identified to high rise buildings (approximately 11m or greater in height) has been, or will be, investigated by an appropriately qualified professional, likely in the form of an External Wall Fire Review (EWS1), and confirmed as being non-combustible or posing 'limited risk'. If any cladding to high rise buildings is found to be of a combustible type, this will invalidate the valuation provided; this is because the costs of removal and replacement of cladding will need to be deducted from our valuation figure.

If any of the assumptions are incorrect, we wish to reserve the right to alter the report and/or our opinion of valuation accordingly.

Statements:

- 1) All valuations are compliant with the latest edition of the RICS Red Book.
- 2) All valuations are carried out in accordance with the Practice Statements and Guidance Notes set out in the terms of the Valuation Standards, published by the RICS.
- 3) In the absence of any information to the contrary, no allowance has been made for rights, obligations or liabilities arising under the Defective Premises Act 1972.
- 4) Unless a RICS Level 3 Building Survey has been instructed in addition to this valuation, we have not undertaken a full building survey and not tested any services or inspected woodwork or other parts of the structure, which are covered, unexposed or inaccessible.
- 5) We have not undertaken any site investigation, geological, mining or geophysical survey and therefore cannot clarify whether the ground has sufficient load-bearing strength to support any of the existing buildings or any other constructions that may be erected in the future.
- 6) We have not included plant and machinery not forming part of the service installations of the building. Furniture and furnishings, fixtures, fittings, stock and loose tools are excluded.
- 7) No account of any goodwill that may arise from the present occupation of the property is allowed for in our valuation.

	<p>8) We have not carried out any environmental audit or other environmental investigation.</p> <p>9) We have not considered the cost implication in relation to any compliance with the Equality Act 2010.</p> <p>10) We have taken no account of any other taxation liability that may arise on disposal, or acquisition.</p> <p>11) No allowance has been made to reflect any liability to repay any government or other grants or taxation allowance that may arise on disposal.</p> <p>12) Our maximum liability for all advice and services provided in connection with this valuation is £1,000,000.</p> <p>13) Our reinstatement valuation is based on RICS, BCIS or another form of verifiable published data relating to building costs. The figure provided is therefore only a very broad estimate. No allowance is given to unusual ground conditions, removal of dangerous materials and therefore should be used only as a guide.</p>
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Restrictions on Publication	<p><i>All rights reserved.</i></p> <p><i>You may view, download, print pages, and make copies of this report for your own personal use; subject to the following restrictions. Unless you have the express written consent of Cosey Homes Ltd, you must not:</i></p> <ul style="list-style-type: none"> - <i>Sell or rent the report(s) to anyone;</i> - <i>Edit or otherwise modify any material within the report(s); or</i> - <i>Reproduce, duplicate, copy or otherwise exploit material from the report(s) for commercial purposes.</i>
Third Party Liability	<p><i>This report has been produced for the benefit of our client(s) and their legal representatives, no liability will be accepted to any third parties who may wish to rely on its contents.</i></p>
RICS Valuation Standards (and departures from those standards)	<p>The Valuation and Report have been prepared in accordance with the RICS Valuation – Global Standards 2020.</p> <p>This valuation has been prepared on the basis of ‘market value’ which is defined as follows:-</p> <p>An opinion of the best price at which the sale of an interest in property would have been completed unconditionally for cash consideration on the date of valuation, assuming:</p> <ul style="list-style-type: none"> (a) a willing seller; (b) that prior to the date of valuation had been a reasonable period (having regard to the nature of the property and the state of the market) for the proper marketing of the interest, for the agreement of the price and the terms for the completion of the sale; (c) that the state of the market, level of values and the other circumstances were, on any earlier assumed date of exchange of contracts the same as on the date of valuation; (d) that no account is taken of any additional bid by a prospective with a special interest; and (e) that both parties to the transactions had acted knowledgeably, prudently and without compulsion.

	<p>Purpose of valuation and method used</p> <p>In accordance with RICS Red Book guidelines an open market valuation has been conducted using the comparable method of valuation in order to create a capital value of the subject property.</p>
Valuation	<p>Market Commentary: Average UK house prices climbed 10% year on year in 2021 the highest growth rate for 14 years, according to a major high street lender. Housing demand has been buoyed by a raft of policy measures and changing preferences due to the pandemic.</p> <p>As such, these price increases may reflect a range of factors including pent-up demand, some possible changes in housing preferences since the pandemic and a response to the changes made to property transaction taxes across the nations. The response to the latter may have stimulated demand, by bringing forward peoples' home-moving plans.</p>
	<p>Summary of Comparables: I have used six comparables due to the location of the subject property and the good supply of recent transactions within the area.</p> <p>All comparable chosen are located within 500m of the subject property in residential areas.</p> <p>All properties are other detached houses with similar levels of accommodation on offer. Some comparables would benefit from internal modernisation.</p>
Rightmove Comparables:	<p>Comparable one:</p> <p>██████████ Three bedroom detached house Exchanged@£298k (January 2021) with Frost Estate Agents Very dated condition throughout- needs work Smaller plot Opposite traffic light junction - worse location Worse overall</p> <p>Comparable two:</p> <p>██████████ Three bedroom detached house SSTC@£318k (March 2021) Very dated condition Opposite traffic light junction - worse location Worse overall</p> <p>Comparable three:</p> <p>██████████ Three bedroom detached house SSTC@£335k (February 2021) with ██████ Estate Agents Modern fittings Average plot Quieter road</p> <p>Comparable four:</p>

	<p>██████████</p> <p>Three bedroom detached house Completed sale@£345k (September 2020) with ██████████ Estate Agents Some uplift since sale Modern fittings Average plot Quieter road</p> <p>Comparable five:</p> <p>██████████</p> <p>Three bedroom detached house Completed sale@£354k (October 2020) with ██████████ Estate Agents Some uplift since sale Refurbished throughout Single storey extension with open plan kitchen/ diner Considered slightly better</p> <p>Comparable six:</p> <p>██████████</p> <p>Four bedroom detached house SSTC@£390k (August 2020) Some uplift since sale Modern fittings Full roof conversion With 4/5 bedrooms Larger property Much Better</p>
Summary of Key Inputs into the Valuation and Reasoning	<p>Valuation: £350,000 Three Hundred and Fifty Thousand Pounds</p>
	<p>Rationale: The property was last sold in 2017 for £285,000. We have referred to the House Price Indices, and using Acadata, have adjusted the price to £350,000 to reflect market changes. This is an indicator of current value relative to price movements in the postcode area, but it cannot reflect any changes to the specific property. These may not only be structural alterations but could be a change in demand for that type of property due to other factors, such as a planning decision locally.</p> <p>According to Rightmove, the average price relating to the subject property type is between approximately £330,000 to £360,000 dependant on floor area, overall condition, plot size and parking arrangements etc.</p> <p>Therefore taking into consideration what properties have sold for in the area, specification of comparables and the applied weighting, this property has been valued at £350,000 in accordance with RICS guidelines. This reflects the current buoyant property market, but also accounts for the overall current condition of the subject property.</p>
Re-instatement Definition	<p><i>Reinstatement Cost Assessment (RCA) is the basis adopted by the Royal Institution of Chartered Surveyors (RICS) for undertaking an appraisal of property for insurance purposes. The term reinstatement indicates to repair, reconstruct or renew assets to a condition equal to but not better than when new. This assessment is all-encompassing and can often include inspection and reporting on a wide range of properties of differing size, type and use incorporating complex structures and installations. Reinstatement</i></p>

	<i>costs are calculated to rebuild the property, with costs of demolition, professional fees, any statutory authority fees and the relevance of current statute which could impact on the reinstatement cost assessment itself.</i>
Re-instatement Cost	£170,000 One Hundred and Seventy Thousand Pounds
Market Uncertainty	(see guidance in VPGA 10 – Red Book).
Limitations on Liability	<p>Third parties.</p> <p>No liability will be accepted to any third parties who may wish to relay on the contents of this report.</p> <p>Insurance and Liability.</p> <p>Cosey Homes Chartered Surveyors shall have and keep in effect professional indemnity insurance for an insured sum that is no less than the minimum sum as from time to time prescribed by RICS in relation to the nature of the Services being performed by Cosey Homes under the Contract. Evidence that appropriate professional indemnity insurance has been effected and remains in effect is available on request. Our current professional indemnity limit is £1m and employers liability is £5m.</p> <p>Conflicts of Interest and Confidentiality.</p> <p>It is Cosey Homes Chartered Surveyors practice to check for conflicts of interest before accepting instructions. You accept however that Cosey Homes Chartered Surveyors provides a range of professional services to clients and that there may be no certainty that all situations where a conflict of interest may arise will be identified. You therefore undertake to notify Cosey Homes Chartered Surveyors promptly of any conflict or potential conflict of interest relating to the provision of the Services of which you are or become aware. Where a conflict or potential conflict is identified by either party and Cosey Homes Chartered Surveyors believes that your interests can be properly safeguarded by the implementation of appropriate procedures, Cosey Homes Chartered Surveyors will discuss and seek to agree such procedures with you.</p> <p>Please also see our Terms of Engagement document.</p>
Validity Period	This valuation is valid for three months only.
Other Information	<p>Useful information.</p> <p>Definition of Investment value: The value of an asset to a particular owner or prospective owner for individual investment or operational objectives</p> <p>Definition of Fair value (equitable value): The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.</p> <p>Depreciated replacement cost (DRC) The current cost of replacing an asset with its modern equivalent asset, less deductions for physical deterioration and all relevant forms of obsolescence and optimisation.</p> <p>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.</p>

	<p>Statutory definition of Market Value (capital gains tax, inheritance tax and stamp duty land tax). Summary definition derived from legislation: 'The price which the property might reasonably be expected to fetch if sold in the open market at that time, but that price shall not be assumed to be reduced on the grounds that the whole property is to be placed on the market at one and the same time.' (Source: section 272 Taxation and Chargeable Gains Act 1992. Section 160 Inheritance Tax Act 1984, Section 118 Finance Act 2003).</p> <p>Market Rent: The estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.</p> <p>Our assumptions of what are 'appropriate lease terms' for this property will be set out in our report.</p> <p>Synergistic value or marriage value An additional element of value created by the combination of two or more interests where the combined value is more than the sum of the separate values. (May also be known as marriage value.)</p> <p>Liquidation Value is the amount that would be realised when an asset or group of assets are sold on a piecemeal basis. Liquidation Value should take into account the costs of getting the assets into saleable condition as well as those of the disposal activity. Liquidation Value can be determined under two different premises of value: (a) an orderly transaction with a typical marketing period (see section 160), or (b) a forced transaction with a shortened marketing period (see section 170)</p> <p>If property is leasehold: We assume that the lease will have an unexpired length of at least 125 years, if this assumption is incorrect then my valuation is not accurate.</p> <p>Cost of repairs: We are assuming that the cost of the repair will be met by the buyer and not by the seller and therefore the property is valued based on its existing condition and based on the assumption that no further defect will surface following our recommendations for further investigation.</p> <p>Valuations of residential property for mortgage purposes shall be in accordance with the RICS residential mortgage valuation specification (see UK appendix 10).</p>
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Name of Valuer	██████████ RICS Registered Valuer
Name of Firm	Cosey Homes Chartered Surveyors
Date of Report	██████████
DISCLAIMER	<p><i>"This framework assists our qualified valuation practitioners to comply with the requirement for minimum content of terms of engagement and valuation reports specified in VPS 1 and VPS 3 of RICS Valuation – Global Standards 2017. RICS makes no representation as to their suitability to any particular situation or set of circumstances. The practitioner shall need to exercise their own skill and judgment to form a view as to their suitability to a given situation and will need to tailor them as they see fit in each case".</i></p> <p><i>Please see our Terms & Conditions (also known as terms of engagement).</i></p>





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