coseyhomes

Chartered Surveyors

RICS

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chartered association
of building engineers

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

Head Office: St Helens, Merseyside T: 01744 412 700

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

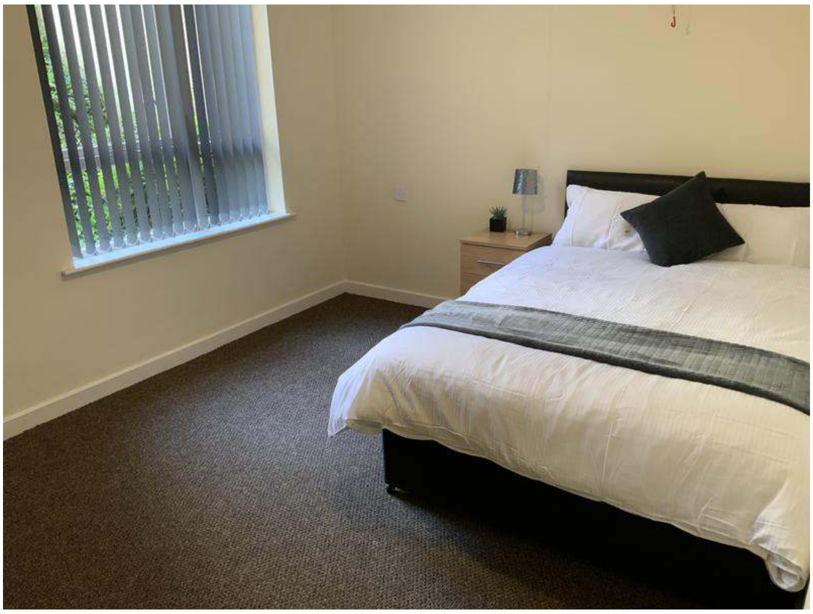
Identification and Status of the Valuer	This survey was carried out by Ian Purcell. I am a Chartered Builder with MCIOB and Associate Member of RICS (AssocRICS). I have twenty years surveying experience working in the Social Housing Sector and the building industry. I can confirm there is no conflict of interest in relation to this survey. This report has been checked and signed off by Mike Cosy FRICS Civil Eng. HND. BA. DipSurv FCABE, Registered Valuer.
Client	SPVY00019 Ltd
Purpose of Valuation	Sale.
Property to be valued	

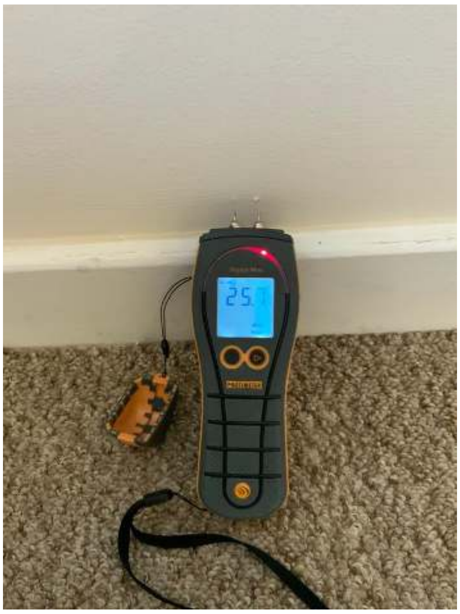
	 

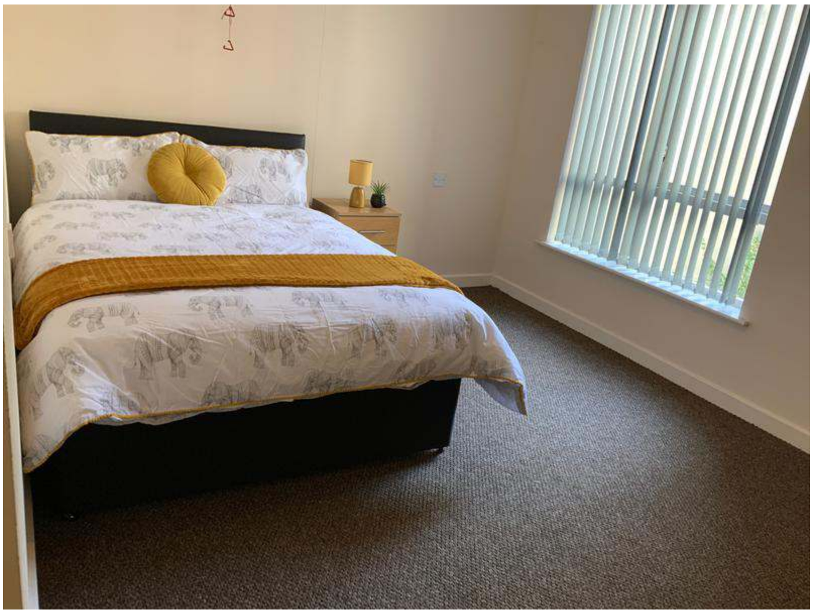
	 

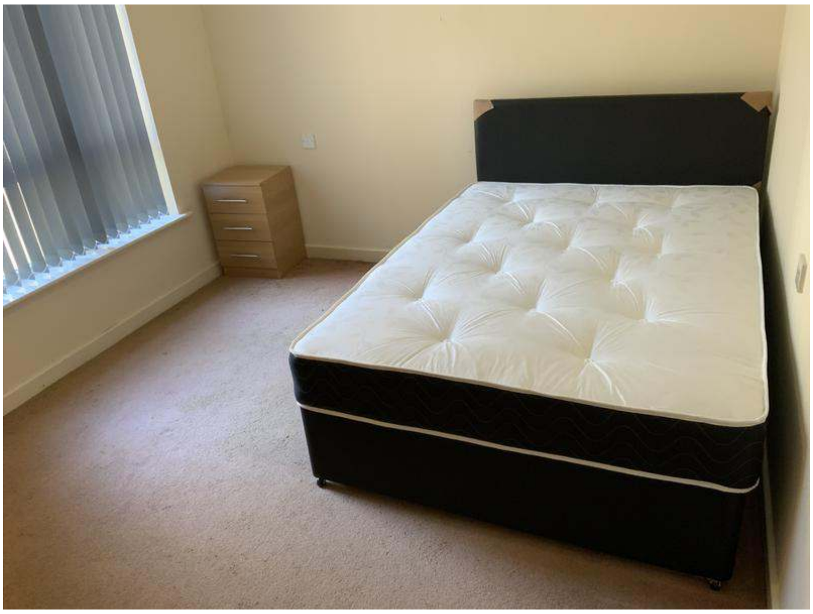
	39.6 

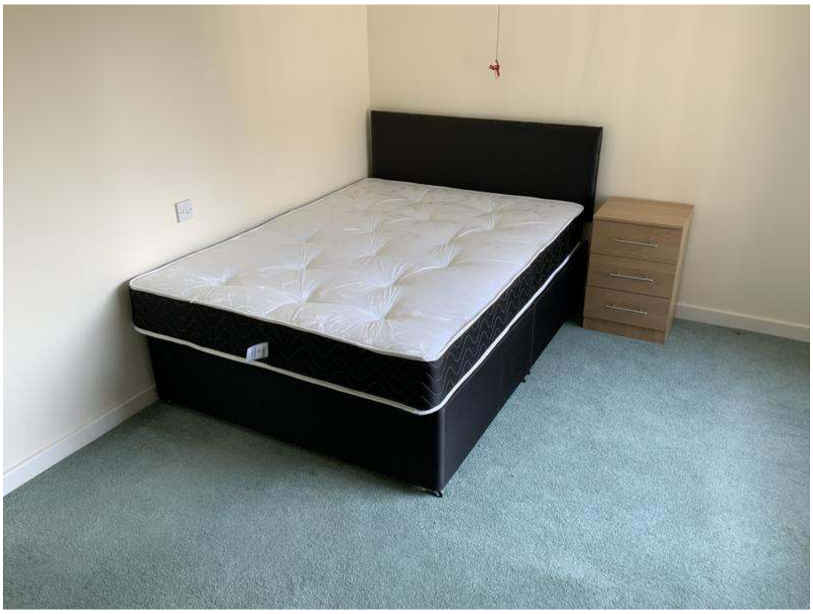
	 

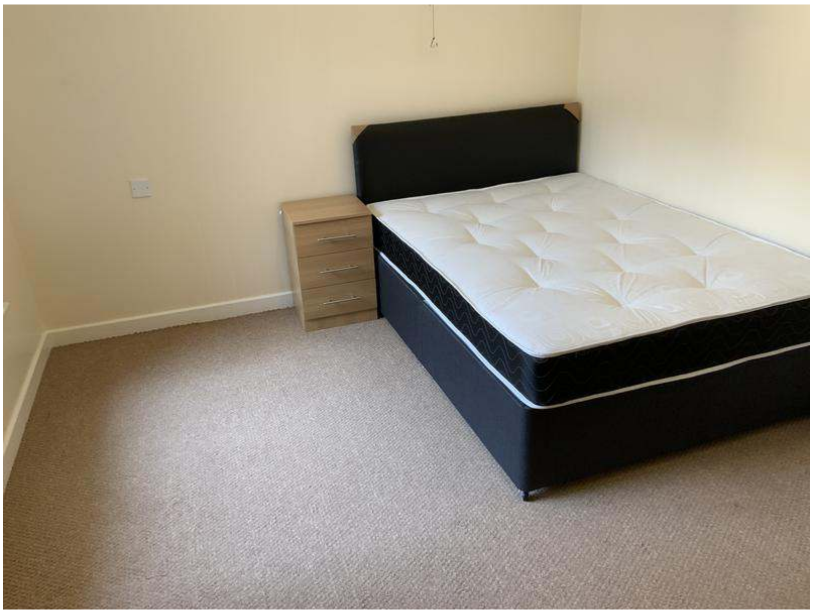
	 



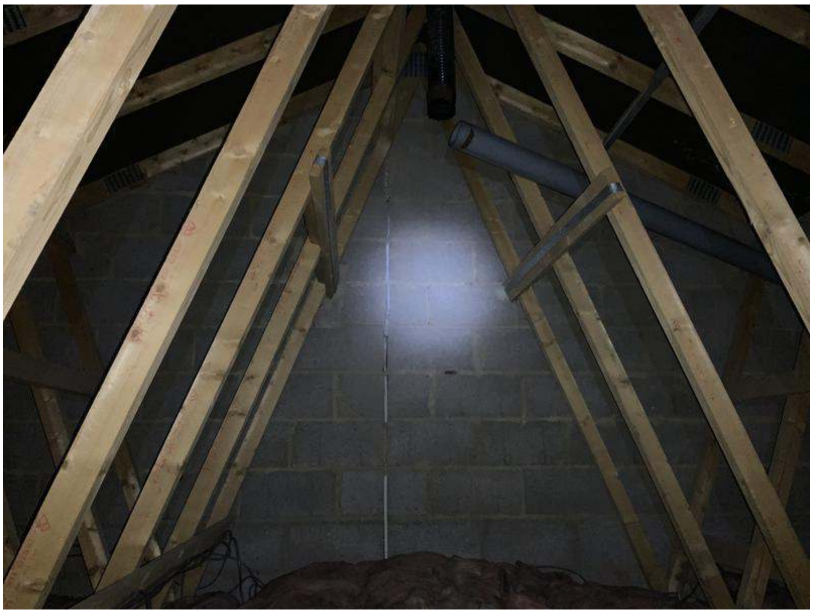
	 

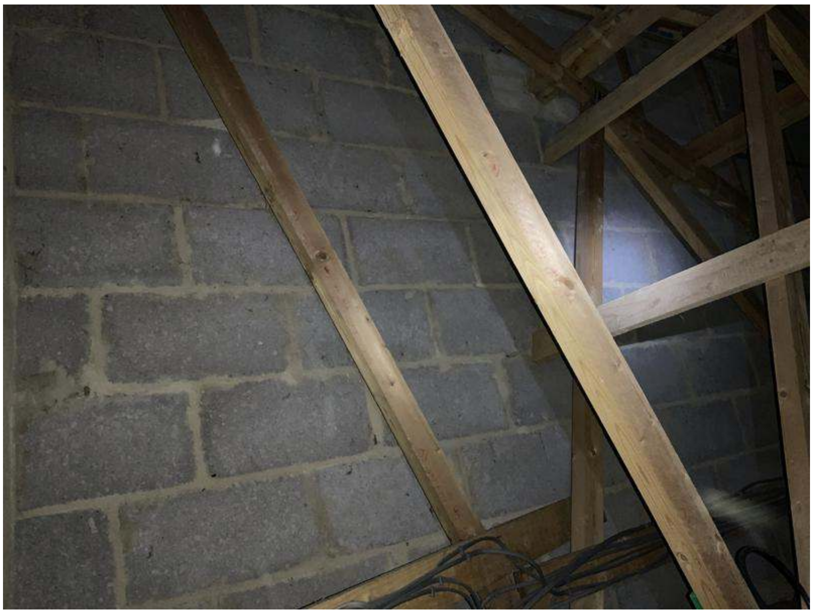
	 



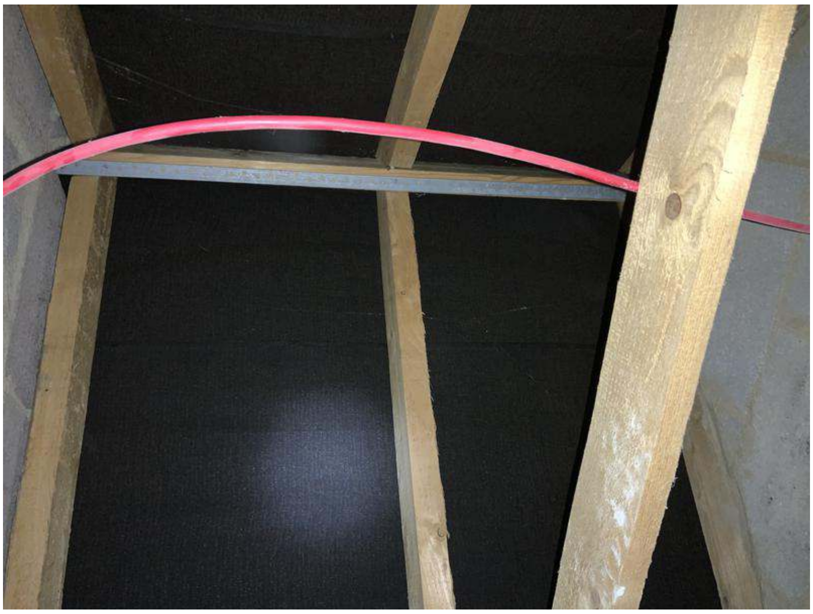
	FIRE EXIT



Address of Property to be Valued:
Flats 1-6,
9 Edmund Street,
Bradford,
BD5 0BH,
England.

Interests to be Valued:
Block of flats.

Tenancies:
Annual Rental Income: £36,000 (£6,000 per apartment).

5-year lease with Pentagon

Furnishing: Fully furnished with white goods.

Tenure:
Freehold

Type and use of Property:
Residential block of six one bedroom flats.

Location:
Within a half mile walk of Bradford town centre and train station.

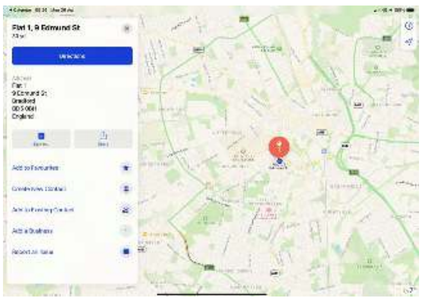


Photo 59

	Description: A stone built Victorian building containing six one bedroom flats. EPC certification confirms this building has cavity walls that are insulated. There is a communal lift and service staircase to first and second floors from the ground floor **Accomodation:** Each flat has a separate bedroom, living room and kitchen with a fully accessible level access shower room, with toilet and wash basin. **Gross Internal Floor Area:** 360 m sq Habitable space of flats = 262 m sq (for commercial Net internal floor area and Gross external floor area) **Site Area:** 245 m sq
Definition of Value	*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.*
Basis of Value	• Comparative method • Investment method
Valuation Date	26th April 2021
Special Assumptions	N/A
Assumptions and Extent of Investigations	Assumptions: 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, outgoings, 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. Vacant possession. If any of the assumptions are incorrect, we wish to reserve the right to alter 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. 8. We have not carried out any environmental audit or other environmental investigation. 9. We have not considered the cost implication in relation to compliance with disabled persons under the Disability Discrimination Act 1995. 10. We have taken no account of any other taxation liability that may arise on disposal, or acquisition. 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. 12. Our maximum liability for all advice and services provided in connection with this valuation is £1,000,000. 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.
Source of Information	• Rightmove plus • Rightmove • Nationwide price calculator • Zoopla.com • Information from Estate agents
Restrictions on Publication	*All rights reserved.* *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:* *- Sell or rent the report(s) to anyone;* *- Edit or otherwise modify any material within the report(s); or* *- Reproduce, duplicate, copy or otherwise exploit material from the report(s) for commercial purposes.*
Third Party Liability	*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.*
RICS Valuation Standards (and departures from those standards)	The Valuation and Report have been prepared in accordance with the RICS Red Book – Global Standards 2017.
Valuation	**Market Commentary:** Market has been reasonably strong following elections in December 2019, however, Coronavirus was expected to weaken market as economic growth reduced due to travel restrictions and uncertainty returns. This has only partially been the case. Financial markets have already see significant negative movement verging on a crash. The lockdown will result in weakening house prices significantly for an undetermined period of time. Estate agents have reported strong pent up interest since lifting of full lockdown, this may be a temporary situation until it is established whether we have entered a recession. The end of the furlough scheme is likely to trigger further redundancy in jobs market although the withdrawal of stamp duty has stimulated the housing market to some extent and brought some investors back to the market place. The raising of stamp duty threshold to £500,000 has also helped the housing

	market. Investors buying a second property are still liable for 3% tax. This is coming to an end shortly having been extended to June for £500,000 purchases and September for £250,000 purchases. Any new instructions are may struggle to completed prior to this date , conveyancing is currently taking between 16 to 20 weeks due to delays with searches. You should consider that you may be purchasing at the top of the house market for quite some time, this could potentially place you in negative mortgage equity if you have purchased with a small deposit.
	Summary of Comparables: City Exchange, 61 Hall Ings Bradford, BD1 5SG. 103, 104 and 105, each a one bedroom flat sold for £71,500 June 2020. 17 one bedroom flat sold for £70,000 December 2019. Flat 6, Melbourne House. One bedroom flat sold for £57,000. 27 The Empress. Two bedroom third floor flat with ensuite. Required light refurbishment. Floor area unknown but presumed to be 45 m sq or greater. No lift identified to this property. Sold for £37,000 September 2020. Flat 4, 10 Quebec Street, Bradford. Bed-sit with 1500mm kitchen facilities with separate shower room. Floor area undisclosed. Sold for £23,600. £375/ month tenancy, £460 qtr service charge, £300 ground rent per annum = £2316 profit before repair /£23,600. =9.8% yield Rental valuation comparables as follows: Apartment 39, The Empress, 27 Sunbridge Road, BRADFORD, West Yorkshire BD1 2AY One bedroom flat, let for £440/ month September 2020 Flat 8, Melbourne House, Melbourne Place, BRADFORD, West Yorkshire BD5 0BL one bedroom flat Let for £420, August 2020 Top Floor,Pemberton Drive, Bradford BD7 1RA One bedroom flat on second floor let for £450/ month January 2021. Apt 10, Century Building,111-117 Sunbridge Road, Bradford BD1 2NJ, one bedroom flat let for £525/ month April 2021 414, Woolston Warehouse, Grattan Road, BRADFORD, West Yorkshire BD1 2NG One bedroom flat let for £475/ month April 2021.
Rightmove Comparables:	Comparable information has been obtained via the Government Land Registry sold house prices, house prices from the For Sale sections of Zoopla or and or the Valuation function on Rightmove Plus. As well as discussion with Local estate agents. We have made adjustments and assumptions to the following three comparable when arriving at our adjusted valuation to allow for numbers of rooms, the plot, whether the property is detached or semi-detached, installations, general finish and for the general condition of the Moorings. To find out how much or if the value of the property we are valuing has changed, we use a House Price Calculator provided by the bank Nationwide, the information used by the bank, is updated shortly after the end of each quarter - March, June, September and December. The information we proved for each property is the price paid when it was last sold, the percentage of

change to date and the price as it would now be if the percentage of change was to be applied.

Please note: The Nationwide House Price Calculator is intended to illustrate general movement in prices only. The calculator is based on the Nationwide House Price Index. Results are based on movements in prices in the regions of the UK rather than in specific towns and cities. The data is based on movements in the price of a typical property in the region, and cannot take account of differences in quality of fittings, decoration etc. We are therefore required to take localised factors along with other assumptions when we assume an accurate Market Price for each property. each property and local factors are assessed on a individual basic.

Photo 60

Photo 61

Photo 62

Photo 63

Photo 64

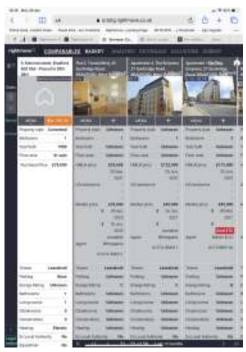


Photo 65

Photo 66

Photo 67

Photo 68

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Photo 70

Photo 71

Photo 72

Photo 73

	 Photo 74  Photo 75  Photo 76
Summary of Key Inputs into the Valuation and Reasoning	**Valuation:** £450,000 Four Hundred and Fifty Thousand Pounds
	Rationale: The best comparables are of the City Exchange building, 61 Hall Ings. There have been four flats sold since December 19 and present day offering similar facilities and floor area, these all sold between £70,000 in December 2019 and the last three £71,500 in June 2020. Todays valuation according to Nationwide Calculator is £77,600. There are several smaller apartments with combined kitchen, living, sleeping areas, and separate shower rooms that have sold for between £20,000 to £25,000 their internal finish has varied is quality. There are several comparable of a similar style to valuation property that have yet to be completed and verified by HMLR and are thus unusable at present. Based upon the closest comparable property type which is City Exchange having one bedroom flats rather than bed sits, I would accept the agreed price of £75,000 as a fair valuation for each flat included in this development. The wet floor shower facility may not be a favourite on the open market but they increase the client base to whom these flats can be let to and are likely to be more robust in the long term. Accepting that the lift facility in its self is not of significant value it does increase the value of the first and second floors as it increases the accessibility of these floors and puts them on a par with more prestigious buildings. On this basis, I would accept the agreed price of 6*£75,000 = £450,000 for this

	building. Accepting the £450,000 valuation for this property and the agreed rental of £36,000 this gives the building a yield of 8% per annum for the next five years. Having rented the property on a full repair and insuring lease there are no additional costs to deduct from this income. It is noted that the four flats on the first and second floor have EPC ratings of C, and ground floor flats have achieved a D rating. The two ground floor flats will require improvement to their thermal SAP rating before they can be let in 2027 when letting standards increase to C standard as a minimum. This will not affect the current lease but may affect reletting the property thereafter. In regards to the rental valuation, there is strong evidence that rents have increased significantly in the first four months of this year compared to the end of 2020. Where previously you could acquire an average one bedroom flat close to town centre for £420/£425, currently agreements are closer to £475. This is likely to reflect demand out stretching availability. The agreed lease of £500/month for the valuation property is at the very top of its potential in its present location and standard of finish. An open market value is likely to be closer to £475. However £500 is likely to be the normal standard AST agreement rental very soon.
Re-instatement Definition	*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 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.* *Reinstatement cost calculation:* *360m sq*£1700 = £612,000.* *An additional £20,000 is added for the lift replacement.* *Add £20% professional fees.* *Total = £758,400* *Rounded up to £760,000.*
Re-instatement Cost	£760,000 Seven Hundred and Sixty Thousand Pounds
Market Uncertainty	*The outbreak of COVID-19, declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, has and continues to impact many aspects of daily life and the global economy – with some real estate markets having experienced lower levels of transactional activity and liquidity. Travel, movement and operational restrictions have been implemented by many countries. In some cases, "lockdowns" have been applied to varying degrees and to reflect further "waves" of COVID-19; although these may imply a new stage of the crisis, they are not unprecedented in the same way as the initial impact.* *The pandemic and the measures taken to tackle COVID-19 continue to affect economies and real estate markets globally.* *As at the valuation date we continue to be faced with an unprecedented set of circumstances caused by COVID-19 and an absence of relevant/sufficient market*

	evidence on which to base our judgements. Our valuation is therefore reported as being subject to 'material valuation uncertainty' as set out in VPS 3 and VPGA 10 of the RICS Valuation – Global Standards. Consequently, in respect of these valuations less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. *For the avoidance of doubt this explanatory note, including the 'material valuation uncertainty' declaration, does not mean that the valuation cannot be relied upon. Rather, this explanatory note has been included to ensure transparency and to provide further insight as to the market context under which the valuation opinion was prepared. In recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of COVID-19 we highlight the importance of the valuation date.*
Limitations on Liability	Third parties. No liability will be accepted to any third parties who may wish to relay on the contents of this report. Insurance and Liability. 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. Conflicts of Interest and Confidentiality. 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. Please also see our Terms of Engagement document.
Validity Period	This valuation is valid for a period of 3 months.
Other Information	Useful information. Definition of Investment value: The value of an asset to a particular owner or prospective owner for individual investment or operational objectives 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. 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. 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. 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). 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. Our assumptions of what are 'appropriate lease terms' for this property will be set out in our report. 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.) 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) (b) a forced transaction with a shortened marketing period (see section 170) 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. 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. Valuations of residential property for mortgage purposes shall be in accordance with the RICS residential mortgage valuation specification (see UK appendix 10).

Name of Valuer	Ian Purcell
Name of Firm	Cosey Homes Ltd
Date of Report	26th April 2021
DISCLAIMER	*"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". *Please see our Terms & Conditions (also known as terms of engagement).*

Mike Cosy

Mike Cosy

26/04/2021

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