



VALUATION REPORT

**Example Flat
London
SW6 4UR**

PREPARED ON BEHALF OF:

Mr and Mrs Smith

JOB REF:

Example Valuation

PREPARED BY:

James Brook BA (Hons), MSc,
MRICS

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1.0 IDENTIFICATION

This valuation has been carried out by J.R.H. Brook, BA(Hons), MSc, MRICS for and on behalf of Harding Chartered Surveyors, who is experienced in carrying out valuations of this nature. Enquiries within Harding Chartered Surveyors have not revealed any conflict of interest.

James Brook is a registered valuer under the RICS Registered Valuer Scheme number 5608937.

2.0 CLIENT

Mr and Mrs Smith
Example Flat
London
SW6 4UR

3.0 PURPOSE OF VALUATION

The purpose of the valuation is to advise you of the Market Value of the interest set out below in the subject property for Annual Tax on Enveloped Dwellings (ATED) purposes.

4.0 PROPERTY TO BE VALUED

Example Flat
London
SW6 4UR

4.1 Date of Inspection

25th April 2018

4.2 Interest to be Valued

Leasehold with vacant possession.

4.3 Tenancies

Example Flat has been demised on a lease held for the term of 999 years from 1st November 2004 paying a £425 annual ground rent doubling every 20 years for the first 100 years.

4.4 Type and use of Property

Residential.

4.5 Location

The property is located in a private development of similar modern purpose built medium-rise flats and commercial units, along the river front with shared communal gardens.

The property is located in the London Borough of Hammersmith and Fulham.

There are a good selection of local convenience stores, café's, bars and restaurants within reasonable distance.

The nearby properties consist of residential and commercial properties.

Wandsworth Town Station is approximately 0.3 miles to the south west from the property, providing good transportation into Central London.

4.6 Description

Example House is a purpose built flat located on the Seventh floor of a 11 storey building formed from modern in-situ concrete frame clad externally with brickwork and cladding beneath a flat roof.

The building was originally constructed approximately in 2012.

There is communal gardens and gym facilities in the development.

We understand there is a right to park one car in the underground car park on a 'first come first serve' basis.

Room	Dimensions
Living Room	9.07m x 5.77m
Kitchen	2.45m x 5.02m
Bedroom 1	5.28m x 3.78m
Bedroom 2	5.64m x 2.75m
Bedroom 3	4.05m x 2.67m
Bathroom	2.32m x 1.66m
En-suite	3.25m x 1.72m

4.7 Floor Area

We have measured the property with a laser measurer to a gross internal area of approximately 164.72 m².

Gross internal area is defined in RICS Professional Statement – RICS Property Measurement – 1st Edition, May 2015

5.0 BASIS OF VALUE

The following definitions of Basis of Value will be used. They are derived from the International Valuation Standards.

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).

6.0 VALUATION DATE

1st April 2017.

7.0 SPECIAL ASSUMPTIONS

For the purposes of the valuation report we have assumed the property has vacant possession.

8.0 ASSUMPTIONS AND EXTENT OF INVESTIGATIONS

8.1 Title

It is assumed that there are no encumbrances on title and that there is good marketable title, that there are no unusual or onerous restrictions relating to the use of the property. That a local search would not reveal any unusual restrictions, encumbrances or outgoing. This should be checked by your legal advisers. No responsibility or liability will be accepted for the true interpretation of the legal title in the property or asset.

8.2 Condition of Buildings

A structural survey was beyond the scope of our instructions and accordingly one was not carried out. We have assumed that a detailed survey would not reveal any materials defects that would affect the value.

The property is assumed to be in satisfactory repair where the landlord and tenants have upheld their duties of maintenance and there are no structural issues.

8.3 Services

The property is assumed to benefit from mains electricity and water. Waste is presumably to the public sewer.

No tests of the services were carried.

We have also assumed that the services and any associated controls or software are in working order or free from defects and that there are rights to use all connected services without unusual restrictions or associated costs.

8.4 Planning

We assume that there are no outstanding planning, building control, or any other statutory restrictions.

We have not made any enquiries of the local Planning Authority as to the planning history of the buildings.

For the purposes of this valuation report we are assuming that the authorised use is the same as the actual use of the property and that there are no enforcement proceedings contemplated or pending. We are also assuming that the property complies with all other statutory requirements

8.5 Highways

It is assumed sewers, mains services and the roads giving access to the property have been adopted and any lease provides rights of access and egress over all communal estate roadways, pathways, corridors, stairways and use of communal grounds, parking areas and other facilities.

8.6 Contamination and Hazardous or Deleterious Materials

We are not aware of the presence of any hazardous or deleterious materials that may have been used in the construction of these buildings, or that may have subsequently been incorporated.

Given that such materials may be hidden in the structure in inaccessible places, and the restrictions on our inspection, we cannot guarantee that no such materials exist in this building.

The presence of such materials can result in very high levels of expenditure and inconvenience in stripping them out.

We are not aware of the content of any environmental audit or other environmental investigation or soil survey which may have been carried out on the property which may draw attention to any contamination or the possibility of any such contamination.

We have not carried out any investigation into past or present uses, either of the subject property or of any neighbouring land to establish whether there is any contamination or potential for contamination to the subject property from these uses or sites. We have therefore assumed that none exists but cannot guarantee that this is the case.

8.7 Rating

Enquiries of the Valuation Office Agency revealed that the property is H band for Council Tax purposes.

8.8 Environmental Matters

We have assumed that there are no environmental risks, such as flooding, energy efficiency and climate, as well as matters of design, configuration, accessibility, legislation, management and fiscal considerations.

8.9 Mining

We have assumed that there is no risk from mining in the area.

8.10 Flood Risk

Enquiries of the Environmental Agency's Flood Map for Planning revealed that the property is within Flood Zone 3.

Property in Flood Zone 3 have a high probability of flooding. This has been reflected in the valuation.

8.11 Radon

Enquiries of UK Radon revealed that the property is in a lowest risk area for Radon.

8.12 Sustainability

As of the 1st April 2018 the Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 better known as the Minimum Energy Efficiency Standards will require landlords to ensure property has received at least an E or above EPC rating before it can be let. Subject to certain exemptions.

This will apply to all new lets and renewals of tenancy with effect from 1st April 2018 and for all existing tenancies on the 1st April 2020.

Enquiries of the Department for Communities and Local Government revealed that the property has a B rated Energy Performance Certificate.

As the property meets the Minimum Energy Efficiency Standards, there will be no negative effect on the value reported.

9.0 SOURCE OF INFORMATION

The Valuer has relied upon the information provided by the Client or the Client's advisers and will assume that such information is accurate.

In arriving at our valuation, we have had reference to information provided from:

- Harding Surveyor's Internal Database;
- Rightmove Plus, Lonres EIG;
- HM Land Registry;
- Local Authority Websites;
- Environment Agency;
- DEFRA; and
- UK Radon.

The above list is not exhaustive.

10.0 RESTRICTIONS ON PUBLICATION

The Report will be provided for the stated purpose(s) and for the sole use of the named Client only. It will be confidential to the Client and the Client's professional advisers

The Valuer accepts responsibility to the Client alone that the report will be prepared with the skill, care and diligence reasonably to be expected of a competent Valuer but accepts no responsibility whatsoever to any parties other than the Client.

Any such parties rely upon the Report at their own risk. Neither the whole nor any part of the Report nor any reference to it may be included in any published document, circular or statement nor published in any way without the Valuer's written approval of the form and context in which it may appear.

11.0 THIRD PARTY LIABILITY

Our valuation is provided for your benefit alone and solely for the purposes of the instruction to which it relates. Our valuation may not, without our written consent, be used or relied upon by any third party, even if that third party pays all or part of our fees, or is permitted to see a copy of our valuation report. If we do provide written consent to a third party relying on our valuation, any such third party is deemed to have accepted the terms of our engagement.

The basis of valuation may not be appropriate for other purposes and should not be so used without prior consultation with us.

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

12.0 RICS VALUATION STANDARDS

The Valuation has been undertaken in accordance with the RICS Valuation – Global Standards, which incorporate the IVS (International Valuation Standards).

13.0 VALUATION

13.1 Method of Valuation

In arriving at our valuation, we have used the comparable method or the market approach. This method involves the direct comparison of recently sold comparable properties with the subject property.

We gathered comparable evidence from recently sold properties and analysed it in a spreadsheet matrix. The comparables were then quantitatively and qualitatively adjusted to make allowance for difference in the various factors that may affect value. These factors include location, building specification, condition, legal situation, timing of the transaction, etc. The comparables were then ranked and weighted.

The evidence was analysed and used to arrive at the valuation reported here.

13.2 Market Commentary

An analysis of the House Price Index figures published by HMLR show that the value of flats and maisonettes in the local Borough have decreased slightly by 3% between February 2017 and February 2018.

13.3 Summary of Comparables

While compiling the valuation we had reference to the following properties which have recently sold in the area:

- 1 Example Comparable, London, SW6 sold for £1,225,000 in March 2017
- 1 Example Comparable, London, SW6 sold for £1,250,000 in April 2017
- 1 Example Comparable, London, SW6 sold for £1,200,000 in January 2017
- 1 Example Comparable, London, SW6 sold for £1,080,000 in December 2017
- 1 Example Comparable, London, SW6 sold for £1,387,500 in October 2017

13.4 Amount of Valuation

In our opinion, the Market Value of the leasehold interest in Example Flat as at 1st April 2017 is £1,550,000 (One million five hundred and fifty thousand pounds).

14.0 MARKET UNCERTAINTY

Our valuations are opinions of value given all the facts, circumstances and market conditions known at the date of this report. Changes in market sentiment can occur without warning brought about by any number of external factors affecting confidence about stability or affordability, or fears about more prolonged market falls or even recession.

Following the EU referendum held on 23 June 2016 concerning the UK's membership of the EU, a decision was taken to exit. We are now in a period of uncertainty in relation to many factors that impact the property investment and letting markets.

Since the Referendum date it has not been possible to gauge the effect of this decision by reference to transactions in the market place.

The probability of our opinion of value exactly coinciding with the price achieved, were there to be a sale, has reduced.

We would, therefore, recommend that the valuation is kept under regular review and that specific market advice is obtained at the precise point that commitments are to be entered into or at a relevant decision date.

15.0 LIMITATIONS ON LIABILITY

The Royal Institution of Chartered Surveyors recommends the use of liability caps to members as a way in which to manage the risk in valuation work. Our aggregate liability arising out of, or in connection with this valuation, whether arising from negligence, breach of contract, or any other cause whatsoever, shall in no event exceed £100,000. This clause shall not exclude or limit our liability for actual fraud, and shall not limit our liability for death or personal injury caused by our negligence.

This report has been prepared by a surveyor ('the Employee') on behalf of a firm or company of surveyors ('the Employer'). The statements and opinions expressed in this report are expressed on behalf of the Employer, who accepts full responsibility for these. Without prejudice and separately to the above, the Employee will have no personal liability in respect of any statements and opinions contained in this report, which shall at all times remain the sole responsibility of the Employer to the exclusion of the Employee.



Signed:

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James Brook BA (Hons), MSc, MRICS
for & on behalf of Harding Chartered Surveyors

Dated:

30th July 2018
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