

VALUATION REPORT

Undertaken by:- **MR PETER J. KENNY BSc (Hons) FRICS**
Peter Kenny Property Management
Suite 7
Church House
1 Hanover Street
Liverpool
L1 3DN

On Behalf of:- **Priest House Ltd**
9 Wimpole Street
London
W1G 9SR

In Respect of:- **Priest House**
14 Priest Street
Cradley Heath
Birmingham
B64 6JN

Dated:- **29/08/18**

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PRIVATE AND CONFIDENTIAL

Priest House Ltd
9 Wimpole Street
London
W1G 9SR

Our Ref:- PJK/SB
Your Ref:-

29th August 2018

Dear Sir,

Priest House, 14 Priest Street, Cradley Heath, Birmingham, B64 6JN

In accord with your instructions of 22/06/2018, and in your interests only, we have inspected the subject property on 22/06/2018 in order that a valuation may be of the apartments to provided within the building once converted in accordance with the plans and schedule enclosed.

We wish to report as follows:

1. BASIS OF VALUATION

After due consideration of the contents of our original instruction, we have prepared our valuation on the basis of the Market Value (as defined in the RICS Valuation Standards), which is:-

The estimated amount for which a property would 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.

Our valuation excludes any additional value attributable to goodwill or the value of any fixtures and fittings.

When advising upon market value we under the heading "Market" below advise upon the method of sale that should be adopted, market conditions that we believe are and will be applicable, and the time frame within which we believe that contractual completion of sale will occur from the date of commencement of a marketing campaign.

When valuing we have adopted the comparable basis of valuation based upon transactions conducted upon similar properties in the area. Our valuation has then been adjusted to reflect the different characteristics, location, layout, and standard of repair.

2. LIABILITIES TO THIRD PARTIES

We would confirm that the party undertaking the following valuation is Peter J. Kenny whose qualifications are B.Sc. Est Man (Hons), FRICS.

We would further confirm that Professional Indemnity Insurance Cover is available for the work following upon your behalf at a level of £1,000,000, with the same cover applicable on a per claim basis.

Our report has been prepared in your interests only, and as such no liability will be accepted for the contents of our report, to third parties. Nor may any part or the whole be published without the prior written consent of our Practice.

Please be also advised that our report is made without reference to any of your other interests and that as such it should be read in isolation.

3. CONTAMINATION

We are not aware 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. In undertaking our work, we have been instructed to assume that no contaminative or potentially contaminative uses have ever been carried out on the property.

We have not carried out any investigation as to past or present uses of either the property or of any neighbouring land to establish whether there is any potential for contamination from these uses or sites to the subject property and have therefore assumed that none exists, nor have we had regard to the contents of the register of land which may be subject to contamination.

Should it however be established subsequently that contamination exists at the property or on any neighbouring land or that the premises have been or are being put to a contaminative use, or that the property is on "the register", this might reduce the values now reported.

4. LOCATION AND DESCRIPTION

The subject property comprises a four storey brick built detached structure, presently being offered to the market to rent as offices by Messrs Cooke Rudling, with at ground floor level, a pharmacy.

Having a direct frontage to Priest Street, the property is located within the predominantly residential area of Cradley Heath, an area that is situated less than 10 miles west of Birmingham City Centre.

Cradley Heath as an area is well connected to surrounding parts by an extensive road and rail network, including the M42 and M5 motorways.

It is proposed to convert the property, as enclosed, so as to make available 21 apartments, of which 9 are 1 bed and 12 are 2 bed.

The apartments are to be sold by the developer with the benefit of a 12 month 7% net rental guarantee.

All apartments will have the benefit electrically powered radiators, and wooden flooring to the living/dining room and bedrooms, with tiled flooring to the kitchen corridors, stairs, and bathrooms.

The residential accommodation is to be made available over first, second, and third floor levels.

5. ACCOMMODATION

Our report has been prepared on the basis that the approximate net lettable accommodation available is as shown with the enclosed schedule under the heading "Priest House – 21 unit price list", and within the enclosed brochure under the heading "City Life in the Suburbs".

6. TENURE

We have not had sight of any title deeds relating to the above property, but we understand that each apartment is being offered to the market with the benefit of a leasehold interest of in excess of 99 years, on payment of an initial premium to lease, and that there are no restrictive covenants, way-leaves, or other encumbrances thereafter restricting future use.

It is upon this basis that we have prepared our report.

7. PLANNING

We have unfortunately been unable to obtain any form of advice from the local Planning Authority as to the proposed development or whether Town Planning Provisions/Compulsory Purchase Orders exist, likely to adversely effect the property and its future use.

For the purposes of our report then, we have assumed that planning consent without onerous conditions being imposed, having an adverse effect upon use/development cost/value, is freely available based upon that information presented so as to allow the property to be converted as proposed.

You may wish though to make formal enquiries of the Local Authority to obtain further details upon these matters, and in this respect, should you so wish it, then we will be happy to undertake the same.

8. MARKET

Our research has indicated that the property is located within a popular residential sales and letting area in close proximity to Birmingham City Centre and facilities contained therein.

It is an area where levels of demand have not only remained active, but have grown during the last 10 years or so.

The wide range of facilities in both the immediate vicinity of the subject property and the area as a whole, have also tended to increase the popularity of this particular area of West Midlands.

In respect of the letting market within the area, this is also strong through use of assured shorthold tenancy agreements.

In preparing our report we have assumed that an unconditional sale of each apartment will have contractually completed 6 months from the date of commencement of a marketing campaign, and that the method of sale adopted was one of private treaty.

It is upon this basis that we have prepared our report.

9. ADDITIONAL MATTERS

1. In preparing our report we have assumed that the occupants are responsible for the payment of Council Tax.
2. In preparing our report we have assumed that the each lettable area is separately metered in respect of the usage of mains services.

Furthermore we have assumed that the occupants are responsible for the payment of the same.

3. We have further assumed that a service charge will be payable by each apartment owner so as to maintain the fabric of the building, both internally and externally.

Should though you require clarification of any point, in respect of the above, or you require additional comment upon the same, then we look forward to being of assistance.

10. VALUATION

After giving the matter careful consideration, we have concluded that the Market Value of the premium to lease for a leasehold interest of in excess of 99 years in the property, with the benefit of vacant possession and planning consent, in accord with that information and those details within our possession, are figures in the order of:

Flat

- 1 - £87,500**
- 2 - £92,500**
- 3 - £115,500**
- 4 - £126,500**
- 5 - £95,500**
- 6 – £126,500**
- 7 – £95,500**
- 8 – £87,500**
- 9 – £92,500**
- 10 – £115,500**
- 11 – £125,500**
- 12 – £95,500**
- 13 – £125,500**
- 14 – £95,500**
- 15 – £87,500**
- 16 – £92,500**
- 17 – £115,500**
- 18 – £126,500**
- 19 – £95,000**
- 20 – £125,500**
- 21 - £95,500**

The above figures being exclusive of V.A.T.

We trust that we have covered all the points upon which you require our guidance but if any explanations are required, or if you need our further assistance, then please do not hesitate to contact Peter Kenny at the above address.

In the meantime on the presumption that our role has now ended in this matter, as we are required by our professional body, please find enclosed a note of discharge, which we would be obliged if you could complete and return, so that our files may be closed upon this particular matter.

Yours faithfully,

PETER J. KENNY B.Sc. Est Man (Hons), FRICS

Messrs Peter Kenny Property Management
Suite 7
Church House
1 Hanover Street
Liverpool
Merseyside
L1 3DN

Date: 2018

Dear Sir,

Re:- Priest House, 14 Priest Street, Cradley Heath, Birmingham B64 6JN

I would confirm that your report of 29/08/2018 is acceptable and that as such no further action is required by your practice.

Yours faithfully,

for and on behalf of

Priest House Ltd

Priest House Ltd
9 Wimpole Street
London
W1G 9SR

Date:- 29/08/2018

Invoice
Number:- T /PJK/SB/P

Order Ref:- Halsall

Re:- Priest House, 14 Priest Street, Cradley Heth, Birmingham B64 6JN

To: Professional Services.

Accepting your instructions, inspecting the subject property and issuing a report thereon.

FEE:	£500.00
VAT:	£100.00
TOTAL:	£600.00

With the compliments of: **PETER KENNY PROPERTY MANAGEMENT**

E&OE: The above account is issued on the understanding that full and final settlement will be made within 7 days of your receipt of this invoice