

REPORT AND VALUATION
IN RESPECT OF RESIDENTIAL PREMISES KNOWN AS



Property Address: High Road Leyton,
Leyton
E10 6FB.

Applicant:

Prepared by: A C Orah, BSc (Hons) MSc MRICS MFPWS

Our Ref: MS/GV/0803

Date of Inspection: 10th February 2025

The Report

1.0 Introduction

Acting in accordance with your instruction dated 5th February 2025 and our terms and conditions, we have inspected 404 High Road Leyton, Leyton, E10 6FB, (the Property) to advise you of our opinion of:

- The market value to redeem the Help-To-Buy loan.

The inspection and the due diligence enquiries were undertaken by A C Orah, BSc (Hons), MSc, MRICS, MFPW who is regulated by the RICS and a Registered Valuer under the RICS Valuer Registration Scheme, on 10th February 2025.

We confirm that this valuation is prepared in accordance with The RICS Global Standards 2020, published by The Royal Institution of Chartered Surveyors. We confirm that A C Orah is acting as an independent valuer as defined in the Standards.

2.0 Disclosure and Conflicts of Interest

We are not aware of any conflict of interest in undertaking this report and have no former association or links with the Applicant or the property.

3.0 Address of Property

404 High Road Leyton,
Leyton
E10 6FB

4.0 Tenure and Tenancies

Unless otherwise specifically stated, we have relied upon information, which has been provided to us by the instructing party.

We understand, and our valuation assumes that the interest to be valued is the unencumbered leasehold of the property with the benefit of vacant possession.

5.0 Property Type and Use

The property comprises a ground-floor, purpose-built flat which forms part of a three-storey block, built in 2020.

The property is assumed to have an established use as residential Class C3 within the meaning of the Town and Country Planning (Use Classes) Order 1987.

6.0 Location

The building is located within a recent development in a residential area close to usual local amenities.

The property is located on the ground floor of a three-storey building.

7.0 Construction

The property is constructed of cavity brickwork beneath a flat and unseen roof covering. The floor is concrete construction. The windows are of uPVC double glazing with internal walls of stud

partitions.

We cannot confirm that adequate fire protection has been incorporated into the construction. The building was built/converted some time ago and fire precautions may not be in accordance with modern regulations. For safety reasons, a fire risk assessment should be undertaken to ascertain what improvements are necessary (if any).

It is possible that one of these already exists within the management pack – legal advisers to confirm.

8.0 Accommodation

We would summarise the accommodation as follows.

Ground floor: Private entrance door, open plan lounge/kitchen, two bedrooms, and two bathrooms/toilets.

Outbuilding: N/A

External area: private patio.

9.0 Floor/Site Area

The Property has a gross internal area of approximately 85 square meters

10.0 Basis of Valuation

Market Value: The estimated amount for which an asset or liability should be exchanged on the valuation date 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.

11.0 Valuation Date

10th February 2025

12.0 Special assumptions

We understand, and our valuation assumes that the interest to be valued is the unencumbered leasehold interest of the property with the benefit of vacant possession.

13.0 Assumptions and Extent of Investigation

This report contains many assumptions, some of a general nature and some more specific. The valuation is based on certain information supplied to us by others. Some information we consider to be material may not have been provided to us.

We recommend that your solicitors satisfy themselves on all these points, either by verification of individual points or by the judgement of the relevance of each particular point in the context of the purpose of the valuation. The valuation should not be relied upon pending this verification process.

14.0 Contamination and Hazardous or Deleterious Materials

That the property is unaffected by any matters which will be revealed by a local search and replies

to the usual enquiries or by any statutory notice and that neither the property nor its use, nor its intended use gives rise to a contravention of any statutory requirements.

We have not carried out a building survey, nor have we inspected those parts of the property which are covered, unexposed or inaccessible and such parts have been assumed to be in good repair and condition. We cannot express an opinion about or advice on the condition of uninspected parts and this report should not be taken as making an implied representation or statement about such parts. No tests have been undertaken of the drains, electrical or gas installations, hot or cold-water systems or any other services.

We have not arranged for any investigation to be carried out to determine whether or not any deleterious or hazardous material has been used in the construction of this property or has since been incorporated and we are therefore unable to report that the property is free from risk in this respect. For this valuation, we have assumed that such an investigation would not disclose the presence of any such material to any significant extent.

That there is no contamination in or from the ground and it is not landfilled ground.

No allowance has been made for liability which may arise on disposal, whether notional or actual and unless specifically stated within the context of this report, this valuation does not reflect costs of realisation.

We have not carried out nor commissioned a site investigation or geographical or geophysical survey and can therefore give no assurance, opinion or guarantee that the ground has sufficient load-bearing strength to support the existing structures or any other structure or structures which may be erected upon it. We can also give no assurance, opinion or guarantee that there are no underground mineral or other workings within the site or in its vicinity, nor that there is any fault or disability underground.

15.0 Environmental Issues and Flood Risk

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, and which may draw attention to any contamination or the possibility of any such 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 into past or present uses, either of the property or of any neighbouring land, to establish whether there is any contamination or potential for contamination of the subject property from these uses or sites and therefore assume that none exists.

However, should it be established subsequently that contamination, seepage, or pollution exists on 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 now reported.

16.0 Condition of Property

We emphasise that we have not undertaken a building survey of the property, and should you require a more detailed report on its structural condition and state of repair, a further inspection and report will be necessary.

The general condition of the property appears consistent with its age and type of construction. No evidence of any significant movement was noted.

The inspection was limited to the subject flat and approach common areas only. It is not possible to comment on the condition of other parts of the building or any potential liability for defects in

such parts.

We understand the property was purchased using the government Help-To-Buy scheme. The valuation is based on the 100% interest with vacant possession of the property and assumes there will be no restrictions on resale. Legal adviser(s) to confirm that no unduly onerous covenants are included in the purchase agreement and lease.

The building insurance figure relates to the subject property only and is given solely as a guide as it is assumed that the whole building is insured under a single-block policy.

17.0 Services

Main gas, electricity, water, and drainage appear to be connected and the property benefits from full a heat exchange central heating system. Services were not tested, and no warranty is given.

18.0 Planning and Highways

We have not carried out an official search of the local planning authority and unless otherwise stated we have assumed the property has the benefit of valid planning consent or is considered to qualify as existing use and development and all regulations have been complied with and that no enforcement action can be taken.

The property is assumed to have an established use as residential Class C3 within the meaning of the Town and Country Planning (Use Classes) Order 1987.

We assume all work that has been carried out to the property has been carried out in accordance with the then-current Building Regulations and all other statutory and other regulations.

We assume there are no outstanding Enforcement Notices or proceedings in respect of the subject property.

19.0 Council Tax Band

From the Valuation Office Agency website, we have established that the property is listed for Council Tax Purposes: - Band: E

The billing authority is Waltham Forest Council

20.0 RICS Valuation Standards (and Departures from Those Standards)

The Valuation and Report have been prepared in accordance with the RICS Valuation – Global Standards 2020.

21.0 Valuation Methodology

The direct comparison method of valuation was adopted to arrive at the market valuation returned.

22.0 Market Commentary

According to the Halifax House Price Index, "UK property prices held up better than expected over the last year, falling by just -1.0% on an annual basis. According to the Office of National Statistics, "the average house price in England decreased by 1.4% over the 12 months to October 2023 (provisional estimate). This is down from a decrease of 0.8% (revised estimate) in Statistics

12 months to September 2023”.

This is mainly due to the shortage of available properties for sale rather than the strength of demand among buyers – which means average house prices end the year just 3% down in August 2022’s peak above pre-pandemic levels.

These mask fluctuations in the housing market throughout 2023. As the wider economic environment began to bite, coupled with the rising cost of living, house prices fell for six consecutive months between April and September, before rising again later in the year as prospects improved. It is a mixed picture across the country too, with some areas still seeing annual growth, such as Northern Ireland at +2.3%, while in regions like the Southeast of England house prices continued to drop (-5.7%).

London is the region with the lowest annual house price inflation, with average prices decreasing by 3.6% in the 12 months to October 2023. This is down from an annual inflation rate of negative 2.2% in the 12 months to September 2023 and is the lowest annual inflation rate since the 12 months to August 2009, when annual inflation was negative 7.0%. London’s annual inflation slowed in October 2023 because London prices fell more steeply between September and October 2023 than between the same months last year.

The impact of rising mortgage rates has also been partially offset by rapid pay growth, which accelerated to almost 8% across the middle of the year. In comparison to the rise in average pay, the real-term decline in house prices has been around 13% since August 2022, taking the average house price-to-income ratio down to its lowest since 2015.

Now that inflation is falling back, financial markets are pricing in cuts to the Base Rate during 2024. Mortgage rates are already falling, with a typical 5-year fixed 75% Loan-To-Value deal now below 5%, having been as high as 5.7% as recently as July. All being equal, these rates are expected to fall further over the coming months.

However, while pay growth is now above inflation – even though this does not ease the cost-of-living squeeze for some – many other factors will also continue to weigh on households’ spending power next year. Economic growth is expected to remain weak, with unemployment rising and frozen tax thresholds limiting any increase in take-home earnings.

Overall, with the combination of cost-of-living pressures and interest rate levels that are still much higher than even 5 years ago, we will likely see continued mild downward pressure on house prices. Halifax’s latest forecast suggests a fall of between -2% and -4% in 2024, though it should be noted, as with recent years, forecast uncertainty remains high given the current economic environment.

Now, with the uncertain economic environment as a result of the Russia/Ukraine and Palestine/Israel wars, the cost-of-living squeeze, their impact on the economy, the property market, and by extension property values are not readily ascertained, albeit Halifax forecast a modest upward trend throughout the remainder of the year.

According to Halifax’s study, “While there is always much scrutiny of monthly price changes – and a degree of volatility is to be expected given current market conditions – the reality is that average house prices have largely plateaued in the early part of 2024. “This reflects a housing market finding its feet in an era of higher interest rates. “While borrowing costs remain more expensive

than a few years ago, homebuyers are gaining confidence from a period of relative stability. "Activity and demand are improving, evidenced by greater numbers of mortgage applications so far this year, while at an industry level mortgage approvals have reached their highest point in 18 months.

In arriving at our opinion of value we have adopted the comparative method of valuation whereby we have sought to identify the sale of similar properties within the locality and adjusted to reflect the individual characteristics of each.

We have identified from the available evidence that there is quite a broad difference between the larger, medium, and smaller properties.

The following comparable evidence has been relied upon in arriving at the valuation returned. These include:

23.0 Summary of Comparable Evidence

	Comparable 1	Comparable 2	Comparable 3
Full address of the property	Apartment 44, Rookery Court, 80, Ruckholt Road, London, E10 5FA	39, Wyvern Court, 116 Oliver Road, London, E10 5UJ	Apartment 41, Rookery Court, 80, Ruckholt Road, London, E10 5FA
Type of property	Purpose-built flat	Purpose-built flat	Purpose-built flat
Number of bedrooms	2	2	2
Floor area	55 sq m	59 sq. m	54 sq m
Parking space	0	0	0
Condition	Good	Good	Good
Sale price achieved	£450,000	£480,000	£435,000
Date of sale	November 2024	October 2024	September 2024
Source	Land Registry	Land Registry	Land Registry
Proximity to subject	Within 0.5 mile	Within 0.5 mile	Within 0.5 mile
Type of location	Similar	Similar	Similar
Adjustment %	+15%	+10%	+15%
Adjusted value	£517,500	£528,000	£500,250
Comments	Smaller-sized 2-bedroom Purpose-built flat with 242 years lease, in a similar location and condition	6 th floor, Purpose-built flat with balcony, in a similar location and condition.	Smaller-sized 2-bedroom Purpose-built flat with 242 years lease, in a similar location and condition

24.0 Valuation Justification

This report has been based, to some extent, on information provided orally which should be checked by your solicitors. This includes information relating to tenure and planning.

We reserve the right to amend our valuation following any searches which provide information that differs from that previously provided.

25.0 Market Value

We are of the opinion that the Market Value of the leasehold interest in this property with the benefit of vacant possession and in the condition found at the time of our inspection as at the assumed date is in the region of £510,000 (Five Hundred and Ten Thousand Pounds).

26.0 Building Reinstatement

£240,000 (Two Hundred and Forty Thousand Pounds) based on a gross internal floor area of 85 square metres.

The building insurance figure relates to the subject property only and is given solely as a guide as it is assumed that the whole building is insured under a single-block policy.

27.0

Limitation of Liability

Neither the whole nor any part of this valuation report, nor any reference thereto may be included in a published document, circular or statement, nor published in any way without the prior written approval of Marlbrook Surveyors of the form or context in which it may appear.

This report is for the use of the party to whom it is addressed and should only be used within the context of the instructions under which it is prepared and these assumptions. It may be disclosed to other professional advisers assisting in respect of that purpose. No responsibility is accepted to any third party for the whole or any part of its contents.

This report will remain valid for 3 months from the assumed date of valuation. Marlbrook Surveyors accepts no responsibility for the reports, valuations, findings, and comments, following the expiry of the 3-month period. Any such parties rely on the Report at their own risk.

Valuer Signed



Name and qualifications of the surveyor

A C Orah, BSc (Hons) MSc MRICS, MFPWS
Chartered Surveyor & RICS Registered Valuer

Tel

07507984371

Date of report

10th February 2025.

Name and address of the firm

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Residential Property Valuation Report

SECTION 1 ~ TERMS AND CONDITIONS

It is important that you read these notes carefully, as they form the basis of the contract between us. The notes below should help you decide whether or not the Residential Property Valuation Report is appropriate for your requirements. Please contact us if you require further advice.

1 DESCRIPTION OF THE RESIDENTIAL PROPERTY VALUATION SERVICE

- 1.1 The Residential Property Valuation service comprises an INSPECTION of the property carried out by a VALUER, who then produces a concise REPORT which is subject to a number of ASSUMPTIONS. Each part of the service is described below in more detail.
- 1.2 The Residential Property Valuation Report is intended to provide a concise and economical report on the capital and/or rental value of the property using the valuation basis appropriate for the service required.
- 1.3 It is essential that we know the purpose for which you need the valuation so that you receive a report which meets your needs.
- 1.4 We are obliged to disclose any conflict of interest of which we are aware and to agree or confirm your instructions in writing before issuing the report.
- 1.5 The valuation will be undertaken in accordance with the RICS Global Valuation Standards 2017.

2 THE INSPECTION

- 2.1 It is important to appreciate that a valuation is not a detailed survey of any kind. The inspection will be a brief visual appraisal of the building during which we will have due regard to apparent obvious defects and issues relevant to value, but these matters may not be specifically detailed in the report. If you require specific advice on the condition of the various elements of the property, then this product may not be suitable for your needs.

- 2.2 The outside of the building will be assessed from ground level from within the property's boundaries and, where necessary, from adjoining public property.
- 2.3 The inside of the building will be assessed from floor level but none of the contents will be moved nor floor coverings lifted. We may use an electronic meter to test for dampness in selected areas. We will look into the roof space from the hatch provided that it is readily accessible and safe to do so.
- 2.4 We will visually identify the services but will not undertake any tests and drainage inspection chamber covers will not be lifted.
- 2.5 If the property is a flat or maisonette we will assess the shared areas serving the flat and the outside of the buildings in the immediate vicinity. The roof space will be checked if the hatch is located within the flat. Shared services will not be inspected.

3 THE VALUER

- 3.1 The Valuer will be an appropriately qualified member of the Royal Institution of Chartered Surveyors.
- 3.2 The Valuer will have sufficient current local knowledge of the particular market together with the skills and understanding to competently undertake a valuation on the property.

4 THE REPORT

- 4.1 The report will be in a standard format providing concise information relevant to the valuation.
- 4.2 We will rely on information provided by you and your legal or other professional advisers relating to tenure, tenancies and other relevant matters.
- 4.3 Your legal adviser should be asked to confirm the tenure details when they check the other assumptions made in the report.
- 4.4 The definition of Market Value is:
'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 wherein the parties had each acted knowledgeably, prudently and without compulsion'.

- 4.5 If this valuation is for CGT/IHT purposes the definition of MV is slightly different. The Basis of Valuation for CGT can be found in s.272, Taxation of Chargeable Gains Act 1992 and for IHT in s.160, Inheritance Act 1984. The definition of Market Value is:

The price which the property might reasonably be expected to fetch if sold in the open market at that time, but that price must 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.
In accordance with established case law we will make the following assumptions:

- 4.5.1 The sale is a hypothetical sale;
- 4.5.2 The vendor is a hypothetical, prudent and willing party to the transaction;
- 4.5.3 The purchaser is a hypothetical, prudent and willing party to the transaction (unless considered a 'special purchaser');
- 4.5.4 For the purposes of the hypothetical sale, the vendor would divide the property to be valued into whatever natural lots would achieve the best overall price;
- 4.5.5 All preliminary arrangements necessary for the sale to take place have been carried out prior to the valuation date;
- 4.5.6 The property is offered for sale on the open market by whichever method of sale will achieve the best price;
- 4.5.7 There is adequate publicity or advertisement before the sale takes place so that it is brought to the attention of all likely purchasers;
- 4.5.8 The valuation should reflect the bid of any 'special purchaser' in the market (provided they are willing and able to purchase).

- 4.6 The definition of Projected Market Value is:

The estimated amount for which a property is expected to exchange at a date, after the date of valuation and specified by the Valuer, 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.

A Projected Market Value will be supplied only when specifically instructed.

- 4.7 The definition of Market Rent is:

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.

5 THE ASSUMPTIONS

In preparing our valuation we will make various assumptions as contained within the Valuation Standards published by the Royal Institution of Chartered Surveyors, the principal assumptions and other relevant factors being as follows:

- 5.1 That good title can be shown and that the property is not subject to any unusual encumbrances, outgoing, debentures, mortgages or other charges or any unusual or onerous restrictions or covenants.
- 5.2 That the property is unaffected by any matters which will be revealed by a local search and replies to the usual enquiries or by any statutory notice and that neither the property nor its use, nor its intended use gives rise to a contravention of any statutory requirements. In addition, no detailed planning or other enquiries will be made by the Valuer including confirming planning restrictions such as Conservation Area or Listed Building status. The Valuer will not read the documents within an Energy Performance Certificate.
- 5.3 We will not carry out a survey of any kind, nor will we inspect those parts of the property which are covered, unexposed or inaccessible and such parts will be assumed to be in good repair and condition. We cannot express an opinion about or advice upon the condition of uninspected parts and the report should not be taken as making any implied representation or statement about such parts. No tests will be undertaken of the drains, electrical or gas installations, hot or cold-water systems or any other services.
- 5.4 We will not arrange for any investigation to be carried out to determine whether or not any deleterious or hazardous material has been used in the construction of this property or has since been incorporated and we are therefore unable to report that the property is free from risk in this respect. For the purpose of this valuation we will assume that such investigation would not disclose the presence of any such material to any significant extent.
- 5.5 We will assume that there is no contamination in or from the ground, and it is not landfilled ground.
- 5.6 We will not carry out or commission a site investigation or geographical or geophysical survey and can therefore give

no assurance, opinion or guarantee that the ground has sufficient load bearing strength to support the existing structures or any other structure or structures which may be erected upon it. We can also give no assurance, opinion or guarantee that there are no underground mineral or other workings within the site or in its vicinity, nor that there is any fault or disability underground.

5.7 Where we are instructed to provide a Rental Value per calendar month, this will be the estimated amount currently attainable on an unfurnished let based on a 6-month assured shorthold tenancy (AST). It will be assumed that the property is in lettable condition at the date of valuation unless otherwise stated in the report.

5.8 The Buildings Reinstatement Cost for insurance purposes will be calculated in accordance with the data provided by the Building Cost Information Service. It should not be confused with Market Value. The Buildings Reinstatement Cost will be calculated as at the date of report.

6 PAYMENT

6.1 You will pay the agreed fee as set out in the Acceptance of Terms and Conditions of Engagement. Under no circumstances will the valuation report be released to you until payment has been received. In addition, we reserve the right not to undertake our inspection or discuss the findings of any inspection carried out until such time as the fee has been paid. Payment is not protected by RICS Deposit Protection Scheme.

7 CANCELLATION

7.1 You are entitled to cancel the contract by notifying us before the day of the inspection.

7.2 In the event of cancellation we will:

7.2.1 Provide a full refund up to one full day prior to the date of the inspection.

7.2.2 Invoice for 50% of the fee if a cancellation request is received after completion of investigations, preparatory work and inspection but before release of report.

8 LEGAL LIABILITY

8.1 The Report will be for the stated purpose and for your sole use. It will be confidential to you and your professional advisers. We accept no responsibility to any parties other than you and any other 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 our written approval of the form and context in which it may appear.

9 ACCEPTANCE OF THESE TERMS AND CONDITIONS

9.1 If you wish to instruct us to carry out a valuation report in accordance with these Terms and Conditions and as specified in more detail in the Instruction Details (Section 2) please complete and return the enclosed Acceptance Form (Section 3) or confirm by return email confirming your acceptance.

9.2 If you require any further information or wish to negotiate any variations on these standard terms please contact us before you sign and return the Acceptance Form.

9.3 Please note that the report will be addressed only to the client(s) who have signed the Acceptance Form.

9.4 We are not able to release or discuss the report with you until we have received a signed Acceptance Form. In addition, we reserve the right not to undertake our inspection until we have received the signed Acceptance Form. We cannot discuss the contents of the report with anyone who has not signed the Acceptance Form.

10 The parties to this agreement do not intend that any of its terms will be enforceable by virtue of the Contracts (Rights of Third Parties) Act 1999 by any person not a party to it.

11 COMPLAINTS PROCEDURE

11.1 Marlbrooks Chartered Surveyors operate a complaints procedure in accordance with the requirements of the RICS and a copy of our complaints handling procedure is available on request.

11.2 Marlbrooks Chartered Surveyors is a member of the Surveyors Ombudsman Scheme and reference is made to this within the complaints handling procedure.

11.3 As part of the RICS Global Valuation Standards, RICS may investigate this valuation for the purposes of the administration of the Institutions conduct and disciplinary regulations.

12.0 Private Policy

All information is treated as sensitive and no information is shared with any individuals outside of staff and relevant panel managers, if any, whichever is applicable for each survey. Data is kept in a form which permits identification of data subjects for no longer than is necessary. Please visit our website's Private policy page for more details www.marlbrooks.com