Carter Jonas

Valuation Report

Carter Jonas
One Station Square
Cambridge
CB1 2GA

T: 01223 368771

Land at Nene Waterfront
Wisbech
Cambridgeshire
PE13 3BT

On behalf of Fenland District Council
For the attention of Mark Greenwood, Head of Property, Assets and Major Projects

Purchase Order No.: 600025104

As at 1 September 2022

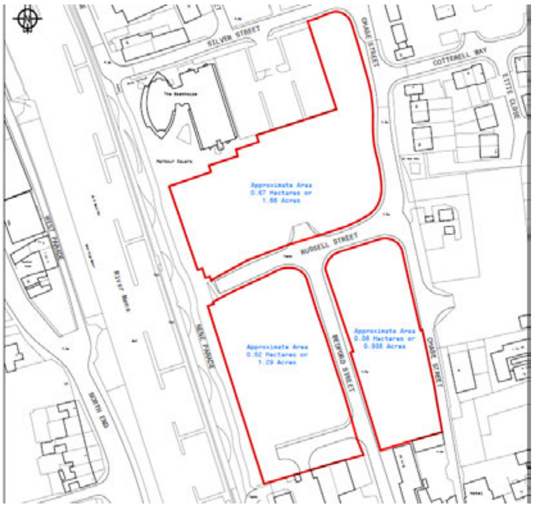
Contents

EXECUTIVE SUMMARY

Land at Nene Waterfront, Wisbech, Cambridgeshire, PE13 3BT

The following provides a brief synopsis only and should be read in conjunction with the main body of the Report, the Assumptions and Recommendations contained therein.

The Site



Site Plan

Summary Description	The Property comprises several plots of bare grassland which are proposed to be redeveloped to provide a mixed use scheme
Site Area	1.57 hectares (3.89 acres)
Proposed Development	There is a proposal to provide a total of 59 dwellings (30 flats and 29 houses), 8 commercial units and 70 extra care units
Tenure	Freehold with Vacant Possession
Planning Status	No planning permission in place

Special Assumptions

- Market Value is provided on the Special Assumption that suitable power is connected to the Property

Principal Valuation Considerations

Strengths	Weaknesses
• Located close to waterfront and town centre • Multiple access points to adopted highway • No affordable housing requirement	• Low commercial and residential values in the wider area significantly impact viability
Opportunities	**Threats**
• Significant cost controls may improve viability	• There is currently a high level of economic and geopoltical uncertainty which may impact the UK property market

Recommendations

- None.

Valuation as at 1 September 2022

Market Value 1 (MV1): £nil (nil pounds) Freehold with vacant possession subject to the Special Assumption that that suitable power is connected to the Property

Carter Jonas

INSTRUCTIONS & RICS COMPLIANCE

1 Client ('Client')

Fenland District Council
Fenland Hall
County Road
March
Cambridge
PE15 8NQ

Purchase Order No.: 600025104
For the attention of Mark Greenwood, Head of Property, Assets and Major Projects

Neither the whole nor any parts 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 content in which it may appear.

2 Instructions ('Instructions')

Our Report for potential disposal purposes is submitted on the basis of our Letter of Engagement agreed with you (**Appendix 1**).

Our Valuation Report is prepared in accordance with the appropriate sections of the current RICS Valuation – Global Standards incorporating the IVSC International Valuation Standards and the current UK National Supplement (the 'Red Book').

This Report may be investigated by the RICS for the purposes of the administration of the Institution's conduct and disciplinary regulations.

This Report is provided for the stated purpose and for the sole use of the named Client. It will be confidential to the Client and its professional advisors. The Valuer accepts responsibility to the Client alone that the Report has been prepared with the skill, care and diligence reasonably to be expected of a competent Chartered Surveyor but accepts no responsibility whatsoever to any parties other than the Client. Any such parties rely upon the Report at their own risk.

We shall rely upon information provided by the Client and / or the Client's legal or other professional advisors relating to tenure, leases and all other relevant matters.

Additional information, in respect of planning status (Fenland District Council), title (Land Registry) and flooding (Environment Agency), has been sourced by the Valuer.

3 Identification and Status of the Valuer ('Valuer')

This valuation has been undertaken [redacted] for and on behalf of Carter Jonas LLP.

We confirm that the Valuer has the following known material connection or involvement:

- Carter Jonas have previously provided development advice in relation to the Property

The Valuer is an RICS Registered Valuer and is in a position to provide an objective and unbiased valuation. The Valuer has sufficient current local knowledge of the particular market together with the skills and understanding required and is competent to undertake the valuation.

4 The Subject of the Valuation (the 'Property')

Land at Nene Waterfront
Wisbech
Cambridgeshire
PE13 3BT

The Property comprises several plots of bare grassland which are proposed to be redeveloped to provide a mixed use scheme.

We understand the Property is intended to be the subject of a development. Proposed Use Classes C3 (Dwellinghouse), C2 (Residential Institutions) and E (Business).

5 Basis of Value

Market Value (MV) as defined in VPS4 of the 'Red Book' being:

'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.'

6 Valuation Date

Our valuation is as at 1 September 2022.

It should be noted that values change over time and a valuation given on a particular date may not be valid on an earlier or later date.

7 Inspection

The Property was inspected on 7 October 2022 by [redacted]. The weather conditions were dry and partially cloudy. We were not accompanied during the inspection.

We have assumed there have been no changes in the physical characteristics of the Property between the valuation date and the publication of the Report.

8 Disclosure and Publication

The contents of this valuation Report must not be disclosed to any third parties without first obtaining our written approval to the form and context of the proposed disclosure. Our consent must be obtained even if we are not referred to by name or our valuation Report is to be combined with others. We will not approve any disclosure that does not refer sufficiently to any Special Assumptions or Departures that we have made.

We therefore confirm that the parties that may rely on this Report are Fenland District Council.

PROPERTY REPORT

Land at Nene Waterfront, Wisbech, Cambridgeshire, PE13 3BT

9 Location

The Fenland market town of Wisbech lies within the Fenland administrative area lying approximately 13 miles west of Kings Lynn and 21 miles west of Peterborough. In the 2011 Census (ONS, 2011) the population was recorded as approximately 31,500.

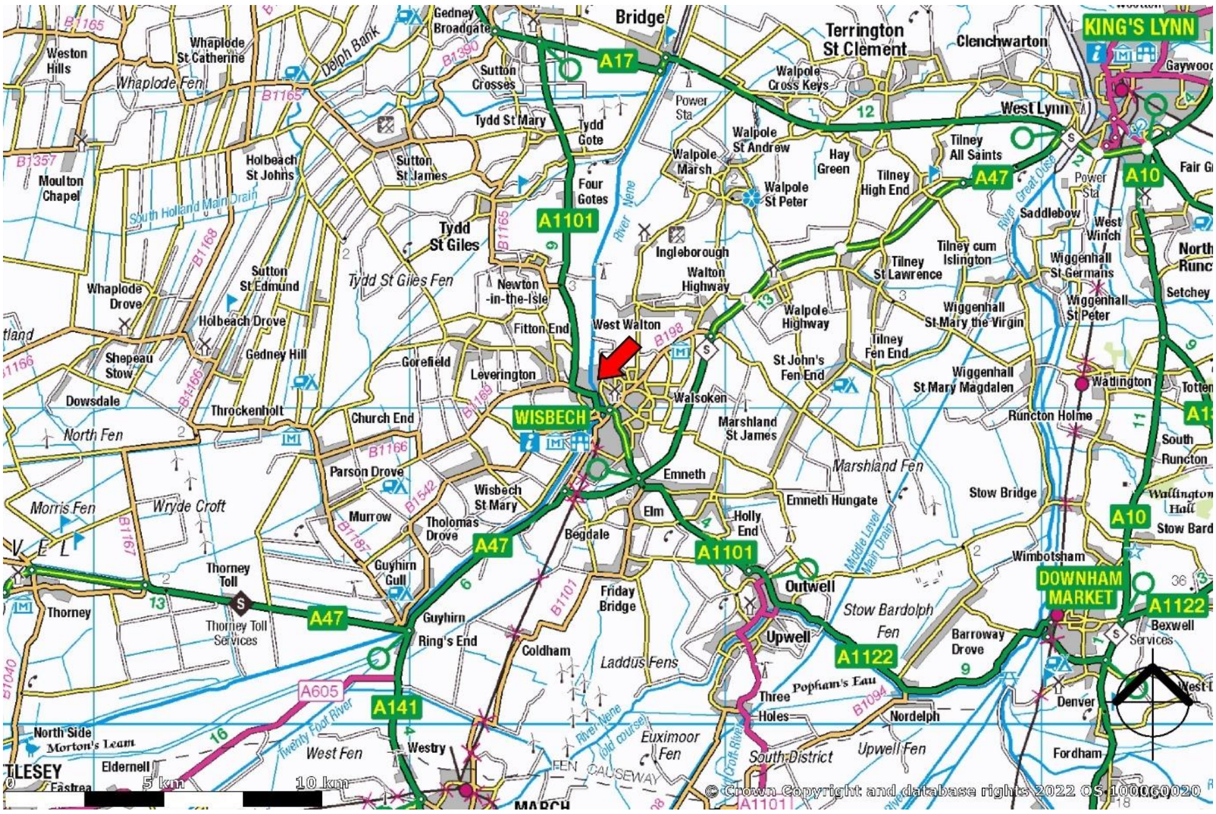
Wisbech has a variety of local amenities including, two cinemas, a Grammar school, public houses, takeaways, restaurants and retail.

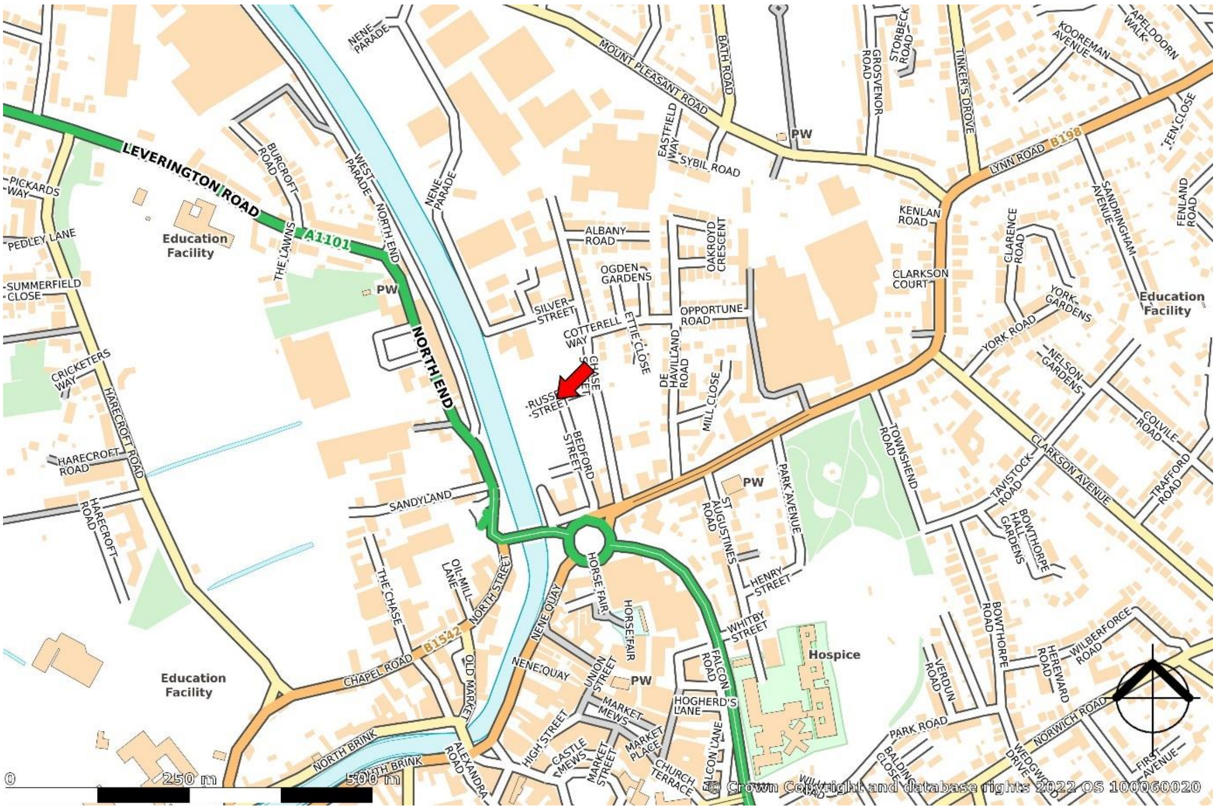
The main arterial road serving Wisbech is the A47 which leads to Peterborough in the west and to Norwich in the east.

The population within the Fenland District Council area are of below average means with 39% being classed as Major Groups 1-3 (Managers, Directors, Senior Officials / Professional Occupations / Associate Professional & Technical) compared to the national average of 51.4% (ONS Annual Population Survey, June 2022). This still represents the largest employment sector.

Approximately 19.4% of the population work within a skilled trade which is significantly higher than the national average of 9.4% (ONS Annual Population Survey, June 2022). The unemployment rate in Fenland is 2.9% which is below the national average of 3.8%.

The Property lies just north of the town centre, sitting adjacent to Chase Street and Nene Parade, a pedestrianised area to the east of the River Nene. Russell Street dissects the site. North of the subject Property is the Horsefair shopping centre, which acts as the main retail area for the town and leads through to Market Place.





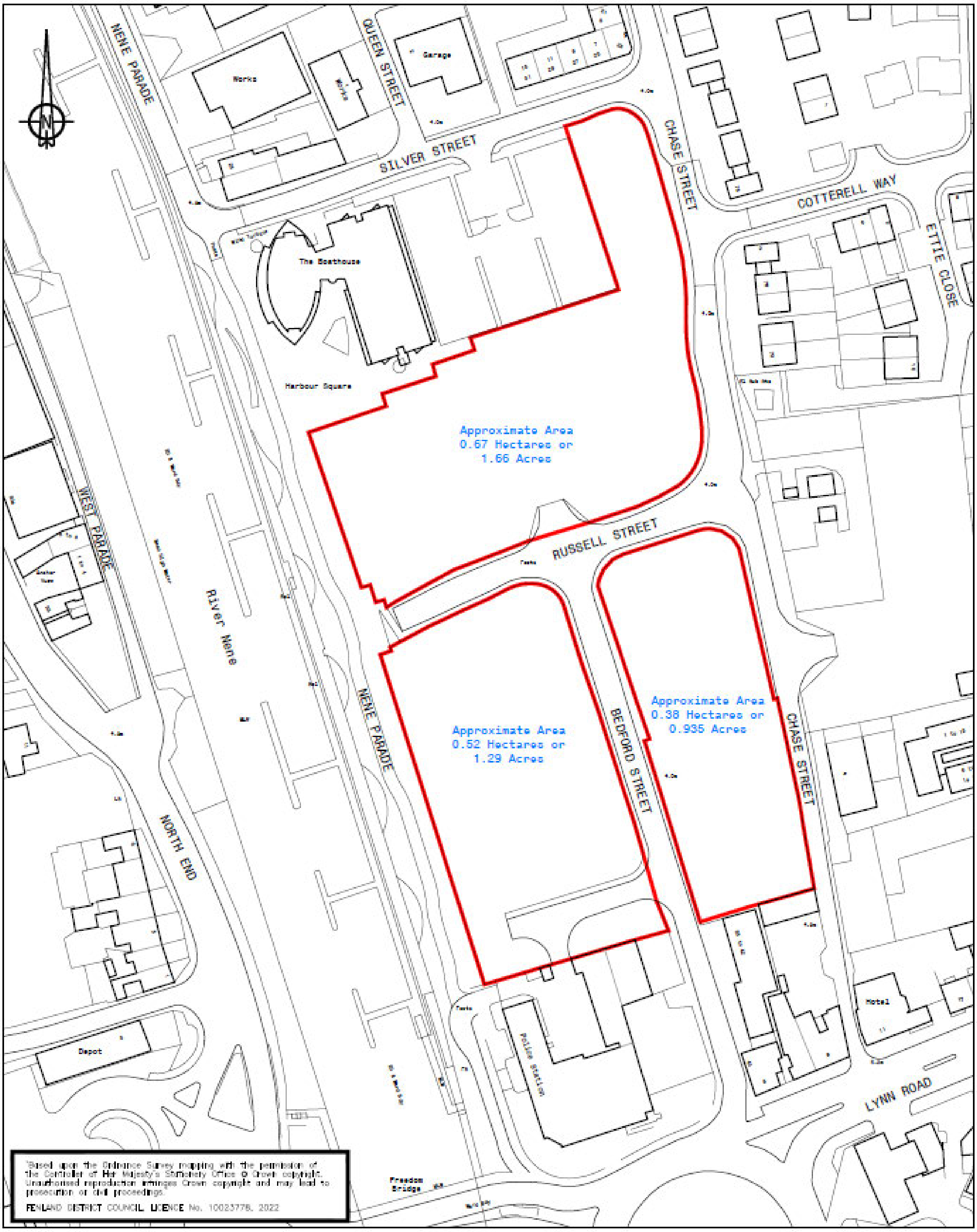
The Location Plans (Edozo) reproduced above are for context only; they are not to scale.

10 Site

The site is split into three parcels, two to the south and one to the north. The parcels are not secured, but there are some dirt bunds in places and some close board timber fencing. Where present, the fencing is in poor condition. There is a vehicular access gate from Russell Street providing access to the northern parcel.

All the parcels are broadly level, however, the Property is notably lower than Nene Parade.

The extent of the Property is indicated on the site plan (Edozo) produced below.



The site plan reproduced above is for context only; it is not to scale.

The total site area is 1.57 hectares (3.89 acres). The site area has been provided by the Client.

Photographs taken at the time of our inspection are reproduced below.


Site from Chase Street


Site from Nene Parade


Site from Russell Street


Access from Chase Street


Access from Russell Street


Russell Street


Access from Nene Parade


Nene Parade


Silver Street and Chase Street


Partial timber board fencing


Dirt bund adjacent to Chase Street

11 Proposed Development

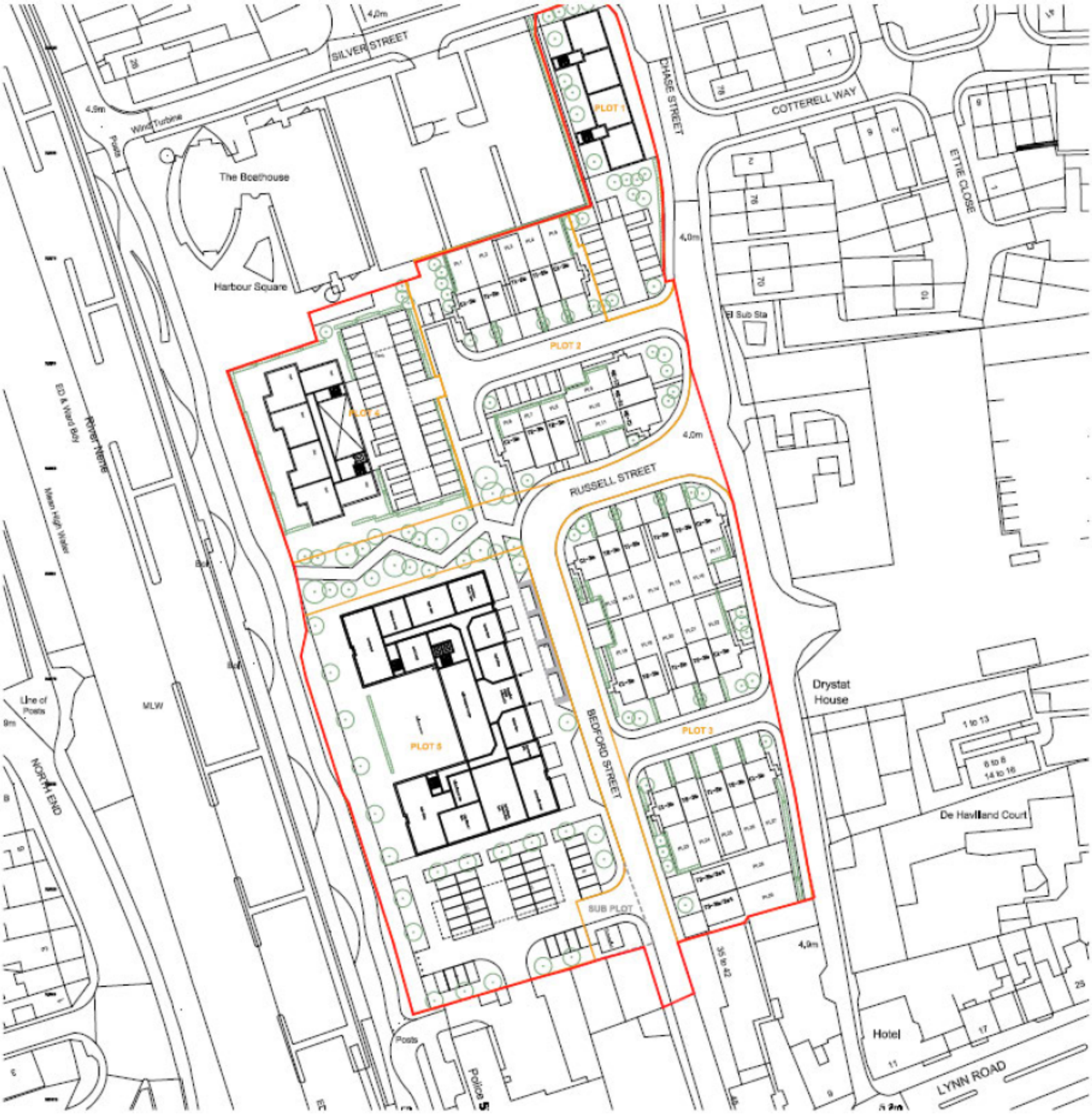
An indicative scheme of the proposed development has been produced and an outline planning application (reference: F/YR22/0914/FDL) was submitted 13 July 2022.

Proposed Units

We have been provided by the Client with the following indicative schedule and site layout plan:

Schedule of Areas

Plot 1 (Block D) - Retail and Flats	Retail – 70sqm – 4no. Flats - 73qm – 8no.
Plot 2 – Housing	Type C1 - 84sqm - 3B4P 5no. Type T1 - 73sqm - 3B3P 3no. Type T2 - 84sqm - 3B4P 3no.
Plot 3 – Housing	Type C1 - 84sqm - 3B4P 6no. Type T1 - 73sqm - 3B3P 4no. Type T2 - 84sqm - 3B4P 6no. Type T3 (3st) - 110sqm - 3B6P 2no.
Plot 4 - Apartments	1 bed(2P) flats - 10no. @ 50sqm ea 2 bed(4P) flats - 12no. @ 72sqm ea
Plot 5 - Extra Care	1 bed flats - 48no. @ 56sqm ea 2 bed flats - 12no. @ 71sqm ea Includes 225sqm cafe bistro (inc kitchen) Includes 100sqm commercial unit Includes 145sqm 'unit' - hairdresser Additional commercial130sqm unit tbc Different sized sub divisions are also possible



We have analysed and adopted this scheme as follows:

Unit Type / Description	No. of Units	Sq M	Sq Ft
Plot 1 Flat	8	73.00	786
Plot 2 House (1)	5	84.00	904
Plot 2 House (2)	3	73.00	786
Plot 2 House (3)	3	84.00	904
Plot 3 House (1)	6	84.00	904
Plot 3 House (2)	4	73.00	786
Plot 3 House (3)	6	84.00	904

Unit Type / Description	No. of Units	Sq M	Sq Ft
Plot 3 House (4)	2	110.00	1,184
Plot 4 Flat (1)	10	50.00	538
Plot 4 Flat (2)	12	72.00	775
Plot 1 Retail Unit 1	1	70.00	753
Plot 1 Retail Unit 2	1	70.00	753
Plot 1 Retail Unit 3	1	70.00	753
Plot 1 Retail Unit 4	1	70.00	753
Plot 5 Retail Unit 1	1	225.00	2,422
Plot 5 Retail Unit 2	1	100.00	1,076
Plot 5 Retail Unit 3	1	145.00	1,561
Plot 5 Retail Unit 4	1	130.00	1,399
Care Home	Up to 70		

This provides a total of 59 dwellings (30 flats and 29 houses), 8 commercial units and 70 extra care units. The residential accommodation totals 46,920 sq ft (excl. the extra care units) and the commercial accommodation totals 9,472 sq ft.

The above are derived from areas stated on a schedule of accommodation provided by the Client. They are assumed to be accurate.

Affordable Housing

We have been informed by the Client that there is no affordable housing requirement in Wisbech.

Section 106 and Community Infrastructure Levy

Due to the early stages of the proposed development the Section 106 liability has not been crystallised. Therefore, we have not made an allowance for the Section 106 liability.

Fenland District Council has not adopted a Community Infrastructure Levy.

Build Costs

To establish the likely build costs we have a consulted the BCIS database and adopted the following rates:

Building Type	Parameter	£/sq m	£/sq ft
Flats	BCIS Flats (General) Rebased to 4Q 2022 and Fenland - Mean	£1,677	£156
Houses	BCIS Estate Housing (General) Rebased to 4Q 2022 and Fenland - Mean	£1,427	£133
Houses	BCIS Estate Housing (3 Storey) Rebased to 4Q 2022 and Fenland - Mean	£1,492	£139
Shops	BCIS Shops (General) Rebased to 4Q 2022 and Fenland - Mean	£1,722	£160

12 Services

Electricity	Assumed connected
Water	Not connected
Foul Drainage	Not connected
Gas	Not connected
Broadband / Telephone	Not connected

Written confirmation has not been obtained from the service providers and we are unable to report on condition or offer any warranty.

13 Apparent State of Repair

This Report in no way relates to, or gives warranties as to, the condition of the structure, foundations, soil and services. Our valuation has taken account of the general condition of the Property as observed from the valuation inspection.

Due regard has been paid to the apparent state of repair and condition of the Property, but a building survey has not been undertaken. We have not inspected roof voids or those parts of the Property which are covered, unexposed or inaccessible. Therefore, we are unable to report that the Property is structurally sound or is free from any defects. We have made an assumption that the Property is free from structural faults, design defects, rot, infestation and adverse toxic chemical treatments other than as mentioned herein.

For the purposes of this Report we make the following observations where visible from this limited form of inspection:

- The site is not secured and elements of fence or gates that do exist are in poor condition

14 Contamination / Environmental Issues

14.1 Contamination

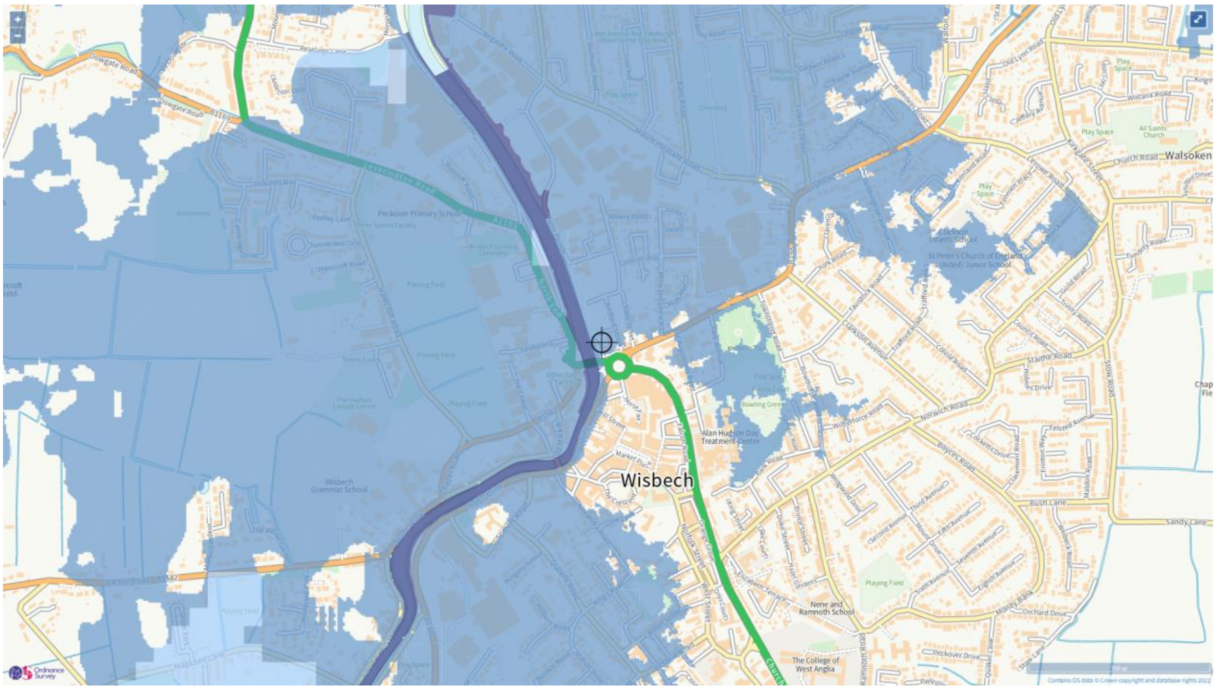
No indications of past or present contaminative land uses were noted during the inspection. Our inspection was only of a limited visual nature and we cannot give any assurances that previous uses on the site or in the surrounding areas have not contaminated subsoils or ground waters. In the event of contamination being discovered, further specialist advice should be obtained.

14.2 Other Environmental Factors

The Property is shown by the Environment Agency (www.flood-warning-information.service.gov.uk) to have a risk to flooding as follows:

Flooding Type	Risk
Rivers and Seas	Medium Risk - 1% - 3.3% chance of flooding annually
Surface Water	Very Low Risk - less than 0.1% chance of flooding annually

The flood map reproduced below is for context only; it is not to scale.



Radon gas is a naturally occurring radioactive gas which is normally associated with areas based upon granite rock subsoils. The area in which the subject Property is situated is identified by Public Health England as being one where the maximum radon potential is less than 1%.

Noting the limits to our inspection no Japanese Knotweed or Giant Hogweed was evident within the boundary of the Property.

14.3 Hazardous and Deleterious Materials

Many building components contain asbestos but these can be difficult to identify particularly if encapsulated. There are significant health hazards associated when ingesting dust containing asbestos fibres. Once asbestos based materials have been identified, care should be taken to avoid their disturbance or removal. Such work should only be undertaken by a licensed asbestos contractor and this can be a significant cost.

There are no existing structures on the Property, however as already noted we believe that part of one of the small agricultural buildings to the north east corner of the site previously was situated on the site, this element of building has been demolished and as revealed by the Intrusive Ground Survey Report this has resulted in fragments of asbestos cement being left on the ground.

As the proposed units will be newly constructed after 1999, when asbestos containing materials were banned, we have assumed that no asbestos will be used in their construction.

The valuation given in this Report assumes that no further specialist removal of asbestos material is required in the foreseeable future. If this proves not to be the case this could affect the value now reported.

We have assumed that no other deleterious or hazardous materials have been incorporated in the land.

15 Statutory Enquiries

15.1 Fire Risk Assessment

The Regulatory Reform (Fire Safety) Order 2005 (SI 2005 No. 1541) came into effect on 1 October 2006. This requires the responsible persons for all non-domestic properties to prepare a Fire Risk Assessment (FRA).

The Regulations are not thought to apply to the Property in its current use.

We are not specialists in cladding of buildings. We will inspect any cladding on the buildings being valued from the ground, as best as reasonable and practical, and comment on the apparent construction / composition. It is however often difficult to comment on the method of attachment / hanging and the actual materials used in the cladding's composition, particularly with regard to fire retardant properties. Our comment can only therefore be considered a cursory inspection. If we are uncertain regarding the composition of the cladding we may recommend a specialist report is commissioned. In the meantime we will complete our Report on the assumption the cladding is compliant with all statutory building and fire regulations and on the assumption there will be no future replacement or refurbishment costs, nor indeed liabilities.

15.2 Equality Act 2010

The Equality Act 2010 has replaced Part 3 of the Disability Act 2005. It imposes a duty on employers and businesses offering a service to the public to make reasonable changes to practices and procedures to enable disabled people to do their jobs, or remove or alter any feature that makes it impossible or unreasonably difficult for a disabled person to make use of the service provided. The duty of compliance rests with the occupier.

The Acts are not thought to apply to the Property in its current use.

16 Sustainability

16.1 Energy Performance Certificate

In England and Wales the Government has implemented the Energy Performance of Buildings Directive requiring Energy Performance Certificates (EPC) to be made available for all properties (with limited exceptions), residential and commercial, when bought, sold or rented. The Certificate is valid for ten years and includes an Energy Efficiency Rating between A (most efficient) and G.

We assume that upon completion of the proposed development that the proposed units will be assessed for EPC purposes and will benefit from an EPC rating in line with other new build properties of a similar specification.

16.2 Sustainability in Property

Achieving sustainability in property requires a combination of interdependent objectives which have environmental, social and economic benefits. It is difficult to establish the social and economic elements which would affect a property's overall sustainability. However, we are more able to assess the environmental factors, which are fast becoming one of the main considerations for occupiers when looking to acquire property.

The demands from occupiers when acquiring on a freehold or leasehold basis are starting to have a greater focus on sustainability in line with their adapting business strategies and the requirement to demonstrate green credentials and carbon offsetting. More specifically a focus on renewable / low carbon energy generation and reducing their carbon footprint. As green technology advances we are seeing more examples of these within commercial and residential property.

We are not aware that the completed units at the Property will benefit from any features which improve their sustainability.

17 Local Authority

Fenland District Council
https://www.fenland.gov.uk/

18 Planning

18.1 Planning Enquiries

We have made online enquiries of the Local Planning Authority and in so doing have assumed that all information obtained is correct and accurate.

- Current Use/Lawful Planning Use: Proposed C3 (Dwellinghouses), C2 (Residential Institutions) and E (Business)
- Listed Building Status: Not listed
- Conservation Area: No
- Outstanding Planning Applications: Yes

18.2 Local Planning Policy

Adopted Local Plan

The Fenland Local Plan was adopted on 8 May 2014. It contains the policies and broad locations for the growth and regeneration of Fenland over the following 20 years. The key aims of the Local Plan are listed as:

- Being underpinned by a desire to strengthen the health and wellbeing of Fenland's residents
- Aiming to build 11,000 new homes between now and 2031, with large new housing areas on the edge of Wisbech, March, Chatteris and Whittlesey
- To provide new land to attract new businesses and jobs
- To set out policies to ensure development is of high quality, sustainable and meets the needs of everyone
- To set out policies to ensure all the infrastructure, such as play areas, new schools and upgraded sewerage disposal, are provided at the same time as the new homes

The Proposals Map shows the Property to be undesignated except for lying within the Fenland District boundary.

The Council has decided not to introduce a Community Infrastructure Levy (CIL) for the time being due to a lack of development viability. This will be reviewed through the emerging Local Plan process.

Emerging Local Plan

Fenland District Council is preparing a new Local Plan. Once adopted, the new Local Plan will replace the current Fenland Local Plan (May 2014). Consultation on the new draft Local Plan was undertaken between 25 August 2019 and 19 October 2022. Any changes arising from the consultation will be made to the draft Local Plan.

A Proposed Submission version is due to be published in summer 2023 for public consultation. This version of the plan will then be submitted to central government who will appoint an independent Planning Inspector to carry out a public examination into the document.

The timetable for the Emerging Local Plan is as follows:

'Live' Timetable for Production of the Fenland Local Plan (October 2022)

The Covid-19 pandemic and second call for sites exercise has resulted in some delay to the timetable. A revised Local Development Scheme (LDS) was approved by Cabinet on 3rd February 2022 with target dates set out below.

No.	Stage	Description	LDS Target Date	Actual & Scheduled Dates
1	Consult on a Sustainability Appraisal (SA) scoping report	The SA scoping report sets out the sustainability objectives proposed to be used to appraise the economic, social and environmental effects of the emerging Local Plan policies. The SA scoping report is subject to consultation.	N/a	SA Consultation - 11th October to 21st November 2019
2	Public participation (Regulation 18)	Opportunities for interested parties and statutory consultees to consider the options for the plan before the final document is produced. This stage may involve one or more public consultation rounds. We intend two rounds for the new Local Plan: an Issues and Options Consultation and a Draft Local Plan Consultation.	October 2019 June/July 2022	Issues and Options Consultation - 11th October to 21st November 2019 Draft Local Plan approved for consultation by Cabinet (with amendments) on 13 June 2022. Consultation - 25th August to 19th October 2022
3	Pre-Submission Publication (Regulation 19)	The Council publishes the Local Plan which is followed by a 6-week period when formal representations can be made on the Local Plan.	January 2023	
4	Submission (Regulation 22)	The Council submits the Local Plan to the Secretary of State together with the representations received at Regulation 19 stage.	April 2023	
5	Independent Examination Hearing	Held by a Planning Inspector into objections raised on the Local Plan.	From the day it is 'submitted'	
6	Inspector's Report	This will report whether if the Plan is 'Sound' or 'Not Sound'. The Inspector may make recommendations to make the plan 'Sound'.	January 2024 (estimate – could be earlier or later, and subject to the examination)	
7	Adoption of DPD (Local Plan)	Final stage, the Council will formally need to adopt the Local Plan and it will then be used in making planning decisions.	March 2024 (estimate - could be earlier or later, and subject to the examination)	

18.3 Planning Permissions

We summarise below the relevant planning history as available on the Local Planning Authority website:

Application No.	Details	Decision Date	Decision
F/YR22/0914/FDL	Erect a care home for up to 70 apartments, a commercial unit (Class E) up to 900 square metres and up to 60 dwellings (outline application with all matters reserved)	N/a	Pending Consideration
F/YR04/0036/O	Residential Development and 640 sq. metres mixed use including A1, A2, A3, B1 and D2 uses (0.79 ha)	30 April 2004	Granted
F/YR03/0810/O	Residential Development (0.79 ha)	22 December 2003	Refused
F/YR02/1461/O	Residential Development (0.79 ha)	18 December 2002	Withdrawn
F/0751/89/F	Erection of 150 flats (33 elderly units, 49 x 2 bed, 68 x 1 bed in one part 3, part 4 storey block and one 3 storey block, together with 187 parking spaces (including a part 2, part 3 storey multi-level car park)	14 October 1992	Granted

The permission granted for residential development in April 2004 (reference: F/YR04/0036/O) expired in October 2005 as a condition of that consent was that Reserved Matters approval be made within 18 months. There is no record of such an application having been made.

We have assumed that the lawful proposed use of the Property is C3 (Dwellinghouses), C2 (Residential Institutions) and E (Business).

18.4 Listed Status

We are advised that the Property is not listed as a building of special architectural or historic interest and not within the curtilage of a building so listed.

18.5 Potential for Change of Use

We do not consider there to be an alternative use for which a planning consent would be forthcoming which would generate a value higher than that now reported.

19 Local Taxation

The Property will be assessed for council tax purposes on completion of construction / first occupation.

20 Highways

The Property appears to be accessed directly from the adopted highway, but we would recommend this be confirmed by your solicitor.

21 Tenure

We are instructed to value the freehold interest in the Property with vacant possession.

The Property is held freehold under part of Land Registry title CB105867. We assume that the title could be split to exclude any parts that do not form part of this valuation.

We have not inspected the deeds of the Property and for the purposes of our valuation have assumed that they contain no onerous terms, restrictions, covenants, encumbrances or outgoings that would adversely affect the usual value and that good title can be shown.

We have assumed that the Property and its value are 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 condition, nor its use, nor its intended use is or will be unlawful.

22 VAT and Taxation

We have not made any adjustments to reflect any liability to taxation that may arise on disposal, nor for any costs associated with disposal incurred by the owner. No allowance has been made to reflect any liability to repay any government or other grants, taxation allowance or lottery funding that may arise on disposal.

We have not been able to ascertain the VAT status of the Property and have accordingly assumed that VAT would not be payable on the values now reported.

23 Special Assumptions

As agreed with the Client the following Special Assumption(s) have been made:

- Market Value is provided on the Special Assumption that suitable power is connected to the Property

24 Summary of Recommendations

None.

25 Market Conditions

25.1 National Market Commentary

Market Overview

The recent turmoil in financial markets precipitated by the mini budget has calmed somewhat with the reversal of many of the proposed tax cutting measures and a renewed focus from the new Chancellor on balancing the government's books. However, the political turmoil is far from resolved, the UK economy is on the brink of recession, and further rises in the Bank of England base rate are inevitable.

All this is feeding through to consumer confidence, which remains at a near-record low, and is reflected in the latest gloomy retail sales figures. The labour market remains a bright spot, with a further fall in the unemployment rate to another record low.

In the residential market, house price growth is still robust, but the pace of growth is clearly decelerating. This is driven mainly by slowing buyer demand (in the face of rapidly rising mortgage rates) as the lack of supply is what is propping up price rises. The rental market is also showing strong rental growth and again, a lack of supply in this market is behind this and forcing many would-be tenants to wrestle over dwindling availability.

Executive Summary

GDP fell by an unexpected 0.3% in August with the main contribution to this decline coming from a 1.8% fall in production. Output from arts, entertainment and recreation also fell substantially suggesting that consumers are pulling back on preventable costs.

Retail sales volumes fell again in September, down 1.4% over August. This now marks the ninth month out of the last eleven that volumes have fallen, and they are still 1.3% below pre-COVID levels.

Consumer confidence remains well entrenched in negative territory even though it moved up two points to -47 in the last four weeks. The Major Purchase sub-Index fell a further three points, further enforcing a downward trend that began in July 2021.

The Manufacturing Purchasing Managers Index (PMI) contracted for the second month in a row while the Services PMI remained flat at '50'. Construction PMI on the other hand grew to 52.3 but this increase seems to be due to supply chains finally loosening after years of backlogs and long wait times, rather than any increase in demand.

Motor fuel and petrol price inflation continues to soften but it is still high and one of the main contributions to inflation in September, together with rising energy costs and food prices. Overall CPI inflation grew by 10.1% annually.

Unemployment fell to a record-low 3.5%, although job vacancies declined for the third quarter in a row. Wages also continue to grow, averaging 6.2% annually in the private sector, although this is wiped out by the record-high rates of inflation.

Average house price growth has now fallen slightly below the double-digits for the first time in many months. Nationwide and Halifax recorded 9.5% and 9.9% annual growth, respectively. For Nationwide, this was the lowest rate of growth since April 2021.

There was an unexpected jump in mortgage approvals in August, according to the Bank of England. But this was mainly as households rushed to secure mortgages before the expected jump in interest rates in the coming months.

Annual rental growth continued to climb in September, up 9.2% according to HomeLet. Demand in the lettings market in September is traditionally strong which may partly account for the rise, including monthly growth of 2.5% in London.

UK Economic Backdrop

GDP fell by 0.3% in August (month on month), below the consensus expectation of zero. The main contribution to the fall in growth came from production which declined 1.8% in August following a 1.1% fall in July. Manufacturing (a sub-sector of production) alone declined by 1.6%. Services also declined slightly, falling 0.1% on the month with arts, entertainment and recreation output declining by a sizable 5%, reflecting consumers who are reining in discretionary spending.

Retail sales volumes fell 1.4% month-on-month in September, little changed from last month's decline of 1.6%. This marks the ninth month out of the last eleven where sales volumes have fallen and clearly reflects consumers restricting their spending amid rapidly rising prices. Officially, the ONS has said that the added September Bank Holiday impacted retail trading but considering online retailing is so prevalent it seems the effect would have been negligible. Food store sales declined 1.8% while non-food spending declined 0.6%.

UK consumer confidence 'increased' just two points over the latest four weeks, moving from -49 in September to -47 currently. All five sub-measures remain firmly in negative territory with the Major Purchase Index the only measure that declined in the month, down three points to -41. This is further evidence that consumers are unwilling to make any unnecessary big spends while the current cost of living and economic / political uncertainty provides too many unknowns and turmoil.

The S&P Global / CIPS UK Manufacturing PMI pointed to the second month in a row of contraction, with a reading of 48.4 for September. New business orders dropped for the fourth month in a row while new exports fell by the strongest figure since May 2020. Exporters cite worries of rising inflation and the cost-of-living crisis as reasons for orders and new business declining. Employment, on the other hand, continued to rise with businesses saying they are now finding it slightly easier to fill vacancies.

The services PMI has only just avoided contraction by posting a flat '50' in September, down from 50.9 in August and now the lowest figure since March 2021. Feedback from the sector is that client demand is shrinking fast due to squeezed household budgets and rapidly rising external costs and inflation. The outlook for the economy is highly pessimistic and jobs growth slowed although input cost inflation in the sector has slowed now for the fourth consecutive month.

Construction output on the other hand is indicating a modest rise in September as the UK Construction sector PMI moved to 52.3, up from 49.2 in August. House building grew to a five-month high while commercial work also increased. Civil engineering work decreased for the third consecutive month. The key takeaway from this data is that rather than demand increasing it seems that supply chain issues are easing greatly, thereby reducing backlogs and increasing output. Indices are showing the shortest wait-times for raw materials in over 2½ years while staff shortages are also now easing.

CPI inflation rose again, reaching 10.1% in September, up from 9.9% in August. The largest upward contribution again came from electricity, gas, motor fuels, food and non-alcoholic beverages. And although still high, inflation from petrol has actually decreased recently, but its downward contribution was offset by rapidly rising food prices. Food price growth is linked to past import and producer price rises which are now feeding into consumer prices at the supermarkets.

There is no Monetary Policy Committee meeting in October, with the next one scheduled for 4 November. At time of publishing therefore interest rates remain at 2.25% however we expect rates to continue to rise over the coming months with a possible rise of up to 100 basis points in the November meeting (to 3.25%), before reaching a peak of around 4% late this year or early 2023.

Employment figures rose again in the three months to August, to 75.5%, while unemployment fell once again to its lowest level since 1974, to 3.5%. This is also now the third consecutive quarter where job vacancies have decreased (down by 46,000 on the quarter to September), but despite this the number of job vacancies remains at historically high levels.

Wages grew by an average of 5.4% (regular pay, excluding bonuses) in the three months to August, buoyed by a strong increase of 6.2% in the private sector compared with an average of 2.2% in the public sector. Despite these being some of the highest growth rates (outside of the pandemic period), in real terms regular pay has fallen by 2.9% when adjusted for inflation. This is now one of the largest falls in real incomes since records began in 2001.

We expect that into next year firms will be hiring less and possibly reducing employment to combat rising external costs. As a result, unemployment will probably rise but this will also mean less movement in the jobs market which will translate to less pressure on businesses to continue to raise wages.

Residential Property Market

Sale Prices and Rents

House prices grew by 9.5% on an annual basis, according to Nationwide's September data. This is down only very modestly over August's 10% figure but marks the first time growth has been under 10% since October 2021 and is the lowest figure since April 2021. On a monthly basis prices were unchanged. Regionally, the South West again remained the strongest performer with annual growth of 12.5% although this is down from 14.7% in the second quarter. This was followed by the East Midlands (12.3%), and Wales (12.1%) while London again recorded the lowest growth of 6.7% (although this marks an increase from 6.0% in Q2).

Halifax's September annual growth figure largely matched that from Nationwide at 9.9%. On a monthly basis prices fell by 0.1%, meaning a typical property in the UK is now £293,835. The report goes on to say that annual inflation slowed in all but one region (the North East) during September. Wales was top of the price growth table at 14.8% while London was at the bottom, showing the slowest rate of annual growth of 8.1%.

September's asking prices rose by an annual average of 8.7% according to Rightmove (four weeks to early September). This is up from 8.2% in August and reflects a 0.7% rise on a monthly basis. The report notes that it is the middle to high-end sectors that are driving price rises this month, with strong demand still coming from 'second-steppers' seeking larger homes and more space.

According to Rightmove, average asking prices have increased by around 7.8% over the same period last year, down from 8.7% last month. On a monthly basis, though, October prices were still rising, up by an average of 0.9% over September. Their report notes that there is no evidence that prices on existing properties for sale are declining.

Official house price growth figures from the ONS show that house prices grew by an average 13.6% in the 12 months to August, down from 16.0% in July. On a monthly basis prices grew by an average of 0.9%. The average UK house price is now £295,903, reflecting a nearly one-third increase since the start of the COVID pandemic in March 2020.

Regionally, there was double-digit price growth in every UK region and country apart from London, with the strongest growth yet again seen in the South West (17%) followed by the East Midlands (16.9%) the North West (15.3%) and the South East at 14.8%. London was again at the bottom of the table with average house price growth of 8.3%.

In our Carter Jonas locations house prices grew by an average of 14% in the year to August, with Devon recording 18% increases followed by Cambridgeshire (16.9%), Dorset (16.8%) and Harrogate at 16.5%. Harrogate also posted a punchy monthly growth figure of 4.6%. Of our 21 tracked locations there are now just two areas left where house prices average below £300,000: North Northamptonshire (£276,678) and Leeds (£240,854). Compare this with two years ago when 12 of our locations were posting average prices below £300,000.

There is little change in the house price growth story across London this month: the outer London suburban locations again posted stronger growth (9.7%) than those of the inner boroughs (5.7%). Harrow again topped the table at 15.9% growth followed by Southwark (14%), Barking and Dagenham (13.4%) and Bromley (12.4%). Four locations recorded falling house prices over the last 12 months (Westminster, Kensington and Chelsea, Hammersmith and Fulham, Camden) which are the same locations with the highest average London house prices.

Again, this month the RICS residential market survey notes that although activity seems to be losing steam, prices are still rising, albeit the pace of growth has slowed. The lack of supply is clearly underpinning prices, with a net balance of +32% of respondents saying prices had continued to rise over the last three months (although this is down substantially from a peak of +78% in April 2022). Going forward though the picture has turned negative with a net balance of -18% of survey participants expecting a fall in prices over the next 12 months.

HomeLet's September rental report indicates a national average rental growth rate of 9.2% over the last 12 months, a somewhat surprising increased from last month's 8.5%. Regionally, Northern Ireland has posted the highest annual rental growth of 14.6%, followed by Scotland (14.2%) and the South West (11.5%). Rents in London have grown by 11% annually and a strong 2.5% on the month.

Activity

There was a surprise jump in mortgage approvals in August, to 74,340 according to the Bank of England's latest data. This is an increase of nearly 17% over July's figure and is the highest number of approvals since January. However, rather than being a sign of any increase in demand this is rather reflective of the number of households rushing to get their mortgage approved before the expected rise in interest rates through the latter months of 2022.

Provisional figures for August found that property transactions reached 104,980, up marginally from July's figure of just under 104,000. This figure is still slightly above the pre-COVID long-run average, and while it seems that transaction activity is holding up well, these exchanges would have been negotiated and accepted months before.

The latest Rightmove House Price Index noted that demand from first time buyers is down 21% compared with the same two-week period last year as this group are more exposed to rising external cost pressures and interest rates. Having said that it is still 24% above the 2019 pre-pandemic average. Of all buyers, demand is still 20% higher than back in 2019 but is down 15% compared with the same two week-period last year (early October).

Buyer demand continues to decline according to the latest RICS residential survey, with a net balance of -36% citing a fall in enquiries. New instructions have also fallen to historic lows with an average of just 34 available properties available per agent / branch. Looking ahead the picture is no less austere with both sales expectations and market appraisals returning firmly negative responses at -30% and -20%, respectively.

Demand in the rental market is still robust according to the RICS survey, with a net balance of +42% of contributors noting a rise although this is down from +50% last month. Yet again though landlord instructions continued to fall with a reading of -13% of respondents (unchanged over September's reading).

The increase in rental growth in September recorded by HomeLet points to some early signs that there may be more households opting (or being forced) to stay in the rental market due to rising mortgage rates and the increasing unaffordability in the owner occupier market. This, coupled with more and more landlords choosing to leave the sector is resulting in yet further divergence in the supply demand imbalance.

The number of new tenant registrations per member branch rose yet again in August, to a new peak of 141 according to ARLA Propertymark's September Housing Insight. At the same time, the supply of available properties has remained flat for the last three months at just 11 properties per branch. This imbalance continues to put upward pressure on rents, with 77% of agents reporting rent prices increased during August.

HM Treasury Forecasts for the UK Economy, Oct 2022

	2022	2023	2024	2025	2026
Official Bank Rate (%)	3.4	4.3	2.63	2.71	2.75
House price inflation (annual, %)	7.1	-3.3	-0.8	1.0	2.8
CPI inflation rate (annual average, %)	10.3	4.7	2.5	2.6	2.5
Unemployment rate (%)	3.8	4.4	4.0	3.8	3.9
GDP (annual, %)	3.9	-0.3	1.5	1.8	1.8
Average earnings growth (annual, %)	6.0	4.5	3.6	3.4	3.4

Sources: HM Treasury Consensus Forecasts (2022 & 2023: Oct 2022, 2024-2026: August 2022)

Select Market Indicators, latest versus previous data

	Current	Previous	Direction of change
GDP monthly (month-on-month)	-0.3%	+0.1%	down
Retail sales volume (monthly % change)	-1.4%	-1.6%	up
GfK Consumer Confidence Index	-47	-49	up
S&P Global / CIPS Manufacturing PMI	48.4	47.3	up
S&P Global / CIPS Construction PMI	52.3	49.2	up
S&P Global / CIPS Services PMI	50.0	50.9	down
Inflation rate (CPI)	10.1%	9.9%	up
Interest rate	2.25%	2.25%	no change
Employment rate	75.5%	75.4%	up
Unemployment rate	3.5%	3.6%	down
Weekly earnings growth, regular pay (excl bonuses)	5.4%	5.2%	up
Nationwide annual house price inflation	9.5%	10.0%	down
Halifax annual house price inflation	9.9%	11.5%	down
Official UK House Price inflation (annual)	13.6%	16.0%	down
Rightmove House Price Index (annual, asking)	7.8%	8.7%	down
HomeLet Rental Index (annual growth, UK)	9.2%	8.5%	up
£ Sterling: $ USD	$1.13	$1.14	down
£ Sterling: € Euro	€1.15	€1.14	up
Brent Crude Oil (USD)	$89.47	$93.01	down
Gold (USD)	$1,645.92	$1,671.27	down
FTSE 100	6,932.38	7,229.69	down
UK 5 Year Gilt Yield	3.9195	3.2985	up

Sources: ONS (unless otherwise indicated) (final six indicators retrieved 24 October)

Commercial Property Market

The commercial property sector is operating within the context of the second economic contraction in three years, a rapid rise in the costs of debt, and high inflation, together with the ongoing long-term structural shifts in demand precipitated by the pandemic.

In its Q2 2022 UK Commercial Property Survey, the RICS reports an aggregate net balance of +17% of respondents seeing an increase in tenant demand during Q2, down from +32% in Q1. Occupier enquiries fell for retail space and only grew modestly for offices, whilst industrial demand remained very strong at +49%, albeit below recent highs. Both the office and retail sectors continued to see a rise in availability, with net balances of +22% and +27% respectively, but supply in the industrial market continued to tighten, with a balance of -35%.

Respondents to the RICS survey expect prime and secondary industrial rents, as well as prime office rents, to rise over the next 12 months (although expectations are less buoyant than in Q1). Unsurprisingly, secondary office rents, prime and secondary retail rents are expected to fall, and again, the outlook has deteriorated compared with Q1.

Overall, the commercial market remains characterised by a dearth of the quality supply that occupiers now require in sectors such as offices (key city centres), last mile delivery and distribution warehousing. With developers facing elevated building costs, supply chain challenges and economic uncertainty, we do not expect a significant increase in construction levels, and the lack of stock will continue to act as a constraint on take-up.

Retail Occupier Market

Retail sales volumes fell by 1.4% in September and are now 1.3% below their pre-pandemic level, according to the ONS. Whilst the September figure was impacted by the additional Bank Holiday, the overall trend over the last year has been downwards. In the three months to September 2022, sales volumes fell by 2.0% when compared with the previous three months.

UK consumer confidence ‘increased’ by two points over the latest four weeks, moving from -49 in September to -47 currently. All five sub-measures remain firmly in negative territory with the Major Purchase Index the only measure that declined in the month, down three points to -41. This is further evidence that consumers are currently unwilling to make any unnecessary expenditure.

The collapse in consumer confidence and falling retail sales reflects the rapid rise in inflation, which is creating the biggest fall in real household disposable incomes since records began in the 1960s, as well as rising interest rates (which will increasingly feed through to significantly higher mortgage payments for many homeowners), rising energy bills and a deteriorating economic outlook. With inflation set remain high for some time, confidence is likely to remain weak.

A further decline in real household incomes looks inevitable. Although the Government’s Energy Bills Support Scheme is helping, it is now scheduled to finish at the start of April 2023, which is likely to mean further significant rises in household energy bills next year.

This will inevitably impact consumer spending levels. Indeed, a recent ONS survey reported that just over 60% of households were already spending less on non-essentials, and almost 50% were spending less on food. On the positive side, consumer spending should fall by less than incomes, as some households (typically higher income ones) are able to tap into savings accumulated during the pandemic or reduce the proportion of their income that they save. Discretionary spending will be most under pressure, as households delay big-ticket and non-essential purchases.

The proportion of retail sales conducted online was 26.4% in September 2022, broadly unchanged since May 2022. It remains significantly above pre-coronavirus levels (19.8% in February 2020), and over the medium term, online sales are likely to resume their upward trend as a proportion of total sales.

UK town centre footfall remains below its pre-pandemic levels, due mainly to the higher level of the remote working. This now appears to be a structural shift, to which retailers will need to permanently adjust. On the positive side, many local high streets continue to benefit, but at the expense of larger town and city centres.

Average retail rental values had been declining for 18 months prior to the pandemic, a trend that accelerated sharply during the lockdowns, and rental values are now 17.4% below their 2018 peak (MSCI Monthly Index, September). However, the rate of decline has been moderating recently, and average all-retail rental values have seen a very modest rise over the last few months (+0.2% from March to September). This does mask significant variation, depending on the type of property and location.

The retail warehouse subsector has fared considerably better than most of the wider retail sector. Average rental values saw only a modest fall during the pandemic, and have been rising steadily, by 1.2% over the 12 months to September 2022 (MSCI).

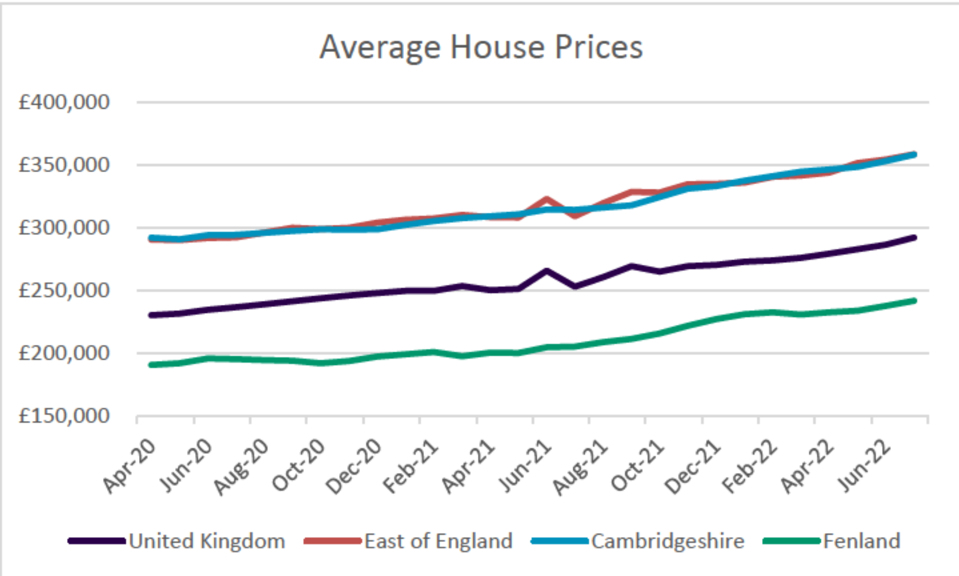
Average shopping centre rental values are 22% lower than five years ago (MSCI) but appear to have found a floor. Indeed, average rental values increased by 0.4% over the three months to September 2022. Average rental values for standard (high street) shops are still falling, by -3.8% over the last year (to September, MSCI) and by -0.6% over the last three months

25.2 Local Market Commentary

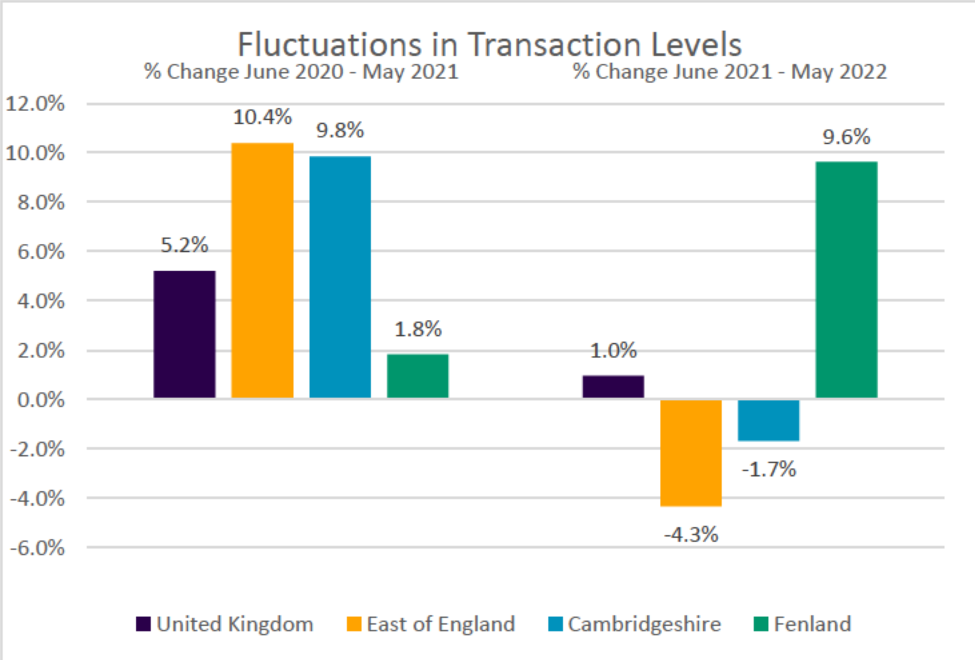
Local Residential Market

In terms of value, data from the Land Registry reveals the average residential property price in the Fenland administrative area, as at July 2022 was £241,769. This was 32% lower than the Cambridgeshire average price, 33% lower than the regional average and a significant 17% lower than the national average.

The price growth trend in Fenland was positive over the 12 months to June 2022 where the average price increased by 15%. This compares with a 12% increase in Cambridgeshire, 10% in the East of England and 9% nationally.



Transaction levels have increased significantly in Fenland in the last 12 months (May 2021 to May 2022) with a 9.6% increase, the United Kingdom also increased slightly by 1.0%. Both the East of England and Cambridgeshire saw decreased level of transactions. This is in stark contrast to the year before where all areas saw an increase.



There were 1,780 transactions in the Fenland administrative area in the 12 months up to May 2022 compared with 1,113 the year before.

Local Retail Market

Retail vacancies in Fenland were slightly elevated relative to the five-year average during the fourth quarter, but they compressed in the past year. The rate also comes in below the region's average. Meanwhile, retail rents have inched up by 0.3% on a year-over-year basis.

While some retail space has delivered over the past few years in Fenland, developers at present are not particularly active.

Retail investors are reasonably active in Fenland, and deal flow over the past year largely continued along that course. At £154 per sq ft, market pricing is considerably lower than the region's average pricing.

26 Valuation Considerations

26.1 Sale Price

The subject Property has not recently been sold, or marketed for sale.

26.2 Location / Situation and Competition

As demonstrated in the market commentary above Wisbech is a comparatively low value area in terms of residential and commercial values.

There is limited commercial development in the area, with the most recent example being the retail and leisure development on Cromwell Road.

There has been some residential development in the last few years including the former football ground, the land at Churchill Road and Sutton Park.

26.3 Proposed Building Design / Suitability

We have not been supplied details of the proposed specification, but have assumed that the completed units would be comparable to other newly built residential and commercial property in the area.

26.4 Site / Environmental Issues

None.

26.5 Planning / Statutory Issues

Outline planning consent for the erection of a care home for up to 70 apartments, a commercial unit (Class E) up to 900 square metres and up to 60 dwellings was submitted 13 July 2022 (reference: F/YR22/0914/FDL). As at the valuation date this consent has not been determined.

Former outline planning consent for Residential Development and 640 sq. metres mixed use including A1, A2, A3, B1 and D2 uses (0.79 ha) (reference: F/YR04/0036/O) was granted on 30 April 2004 (now lapsed).

26.6 Tenure

Freehold with vacant possession.

27 Valuation Approach and Reasoning

27.1 Market Value

In valuing the Property we have adopted the residual method of valuation. The methodology assesses the Gross Development Value (GDV) (i.e. the estimated values of the completed scheme) and deduct all development costs including the cost of construction, professional fees, finance costs and a developer’s profit. The GDV and development costs are incorporated into a cash flow over an appropriate development and sale period to calculate a residual land value, or Market Value.

The assessment of the GDV adopts the comparable and investment methods of valuation. For the residential element we have considered and analysed recent market transactions. For the care home we have adopted a similar approach through consideration and analysis of recent land transactions. For the commercial element we have adopted the speculative investor approach by establishing the likely Market Rent of the completed units which we have then capitalised using an appropriate yield, having allowed for void periods and associated costs, that is derived from comparable evidence. Each determination is supported by market knowledge derived from our valuation and agency experience.

In arriving at our opinion of value for the residential elements we have, through our research, identified 21 comparable new build house sales. These sales are all newly built dwellings that range from smaller, sub 10 dwelling developments, to larger 80 plus dwelling developments. The evidence is from sales between January 2021 and September 2022. The evidence shows and average achieved rate of £214 per sq ft.

For the flatted element of the development there is limited new build evidence in the area. We have therefore expanded our search to include second hand sales of comparable flats. This research has resulted in the identification of nine sales, six of which are comparable. The comparable units sold between March 2021 and January 2022 and demonstrate an average achieved rate of £188 per sq ft.

With residential property the capital value paid for each type of unit is often more prevalent than the rate per sq ft as this is the basis on which most buyers make their decision. We have reviewed the evidence for capital sums paid for each property that is comparable to the proposed dwelling type and considered this in line with the broader evidence.

For the care home element we note that there is no single model of extra care housing. The term extra care housing is used to describe developments that comprise self-contained homes with design features and support services available to enable self-care and independent living. Extra care housing is housing first with people living in their own self-contained homes.

The aspirations of older people are also changing with many older people preferring to stay living in their own home for as long as possible. There are, however, people who would like to move house and live in accommodation that is better located, more accessible and easier to maintain.

The UK care sector is considered favourable with a shortfall in care beds and living accommodation and an ageing population. Institutional and listed investors now account for a significant proportion of market activity.

In terms of evidence for senior living land sales, we are aware of the following:

- Waveney Place, Harleston, Norfolk IP20 9DN. A 1.184 acre site sold in June 2021 for £700,000. Land value equates to £591,000 per acre.

- Thomas Wolsey Place, Lower Brook Road, Ipswich IP4 1AQ. A 1.388 acre site sold in June 2021 for £1,680,000. Land value equates to £1,210,375 per acre

- 28 Mousehold Lane, Norwich. Site of 2.08 acres sold in October 2020 for £1,500,000 with the developer proposing to build a 78 bed care home and 40 assisted living units on site. Our analysis indicates a blended rate of £12,711 per unit and a land rate of £721,154 per acre.

- Homestead Place, Upper Staithe Road, Stalham, Norfolk NR12 9FZ. A site of 2.53 acres sold in October 2018 for £750,000 equating to £296,422 per acre.

- Foundry Place, Gosford Road, Beccles, Suffolk, NR34 9SQ. A site of 1.048 acre site sold in December 2019 for £604,275 equating to £576,598 per acre.

- Elliot Garwood Gardens, Beccles, Suffolk NR34 9RA. A site of 2.085 acres sold in December 2019 for £1,374,870 equating to £659,410 per acre.

The land sales for the flatted retirement/assisted living schemes indicate land values per acre of between circa £300,000 per acre, albeit slightly historic to more than £1.2 million per acre. These rates differ depending upon the nature and location of the sites. Excluding the historic sale and the Ipswich sale an average value of £637,000 per acre is derived.

Whilst the subject site overlooks the river, we believe the rates will be at the lower end of the value range at circa £500,000 per acre.

We also note that Fenland District Council are intending to sell a site of 0.67 acres with planning consents for 26 residential units and 22 units. In addition, there is public open space amounting to 1.32 acres, but which could be used to amend the layout subject to planning. The land has a guide price of £1 million equating to £500,000 per acre although this is a gross figure and includes public open space.

For the residential care element, we are of the opinion that a rounded value of £625,000 is appropriate assuming planning consent has been forthcoming for the development.

For the commercial elements we have reviewed the proposed uses and are of the opinion that they would all be developed as retail style units in order to appeal to a broad range of potential occupiers.

We have reviewed the market evidence for recent rents in Wisbech and have adopted a rate of £15 per sq ft, per annum. This assumes a minimum three year lease on usual market terms. We have then reviewed investment transactional evidence from the area which demonstrates an average of 8.19%. Considering the specifics of the proposed units and the location we have adopted a yield of 9.0% to reflect the inherent risk of vacant property.

The above results in a total gross development value of £12,125,000.

We have undertaken a residual valuation based on the proposed development. We have adopted BCIS build costs plus an additional 10% for plot externals and servicing. We have allowed for a contingency of 7.0% and professional fees of 7.0%. We have also adopted sales agent's fees of 1.0%, sales legal fees of 0.25%, marketing costs of 1.0%, finance costs at an interest rate of 7.5% and a developer's profit of 17.50% of Gross Development Value. We have adopted an 18 month pre-construction period, 18 month build period with an 18 month sales period commencing 12 months into construction.

Our appraisal produces a sensibly rounded residual land value of -£1,680,000 after allowing for the usual purchaser's costs. A copy of our valuation printout is attached at **Appendix 2**.

28 Valuations

Market Value 1 (MV1) – Freehold with vacant possession subject to the Special Assumption that that suitable power is connected to the Property

We are of the opinion that subject to the Assumptions and Special Assumptions in this Report the Market Value as at the valuation date was £nil (nil pounds) exclusive of VAT.

This Report and valuation has been carried out by [redacted], an RICS Registered Valuer ([redacted]) qualified for the purpose.

.... [redacted]

[redacted]

.... [redacted]

For and on behalf of Carter Jonas LLP
Date of Report: 26 October 2022
Carter Jonas LLP Reference: J0058243/1/