

Compliance Statement

If applicable, our reports shall be in accordance with the RICS Valuation – Global Standards (*The “Red Book”*) (June 2017, effective 1st July 2017) and the International Valuation Standards. Regard shall be had to the requirements of VPS 3 of the Red Book in relation to content. The principles of the Valuation Standards shall apply but their application is not mandatory, as the assumptions of the Leasehold Reform legislation apply and their valuation requirements can override those of these standards: RICS Guidance Note: Leasehold reform in England and Wales (3rd Edition, August 2015, effective 1st December 2015), Section 2, paragraph 2.2).

If an inspection is undertaken measurements shall be in accordance with the RICS Property Measurement (2nd Edition, January 2018) with reference to IPMS 2 (International Property Measurement Standard 2). However, regard has been had to the 1st Edition (May 2015, which incorporates the Code of Measuring Practice (6th edition) given that there is a common knowledge of reference to Gross Internal Floor Area (GIA)).

ELE confirm that the author of any report will be a qualified valuer experienced in valuing residential properties and qualified to provide an objective and unbiased valuation. The author of report and ELE will have the knowledge, skills and understanding to undertake the valuation competently, with independence and objectivity.

The extent of any investigations will be noted in the report and is set out in our terms of reference and business. Any assumptions shall be stated in the report and within the statement of assumptions and caveats as set out. As such we have notified you and drawn attention to elements of our valuation where we have to rely on restricted information and the possible valuation implications. This is a **limitation** particularly regarding **desktop appraisals** where we shall rely whole on the information that you provide.

We confirm that £500,000 Professional Indemnity Insurance cover is held on a per claim basis. In our opinion, this is sufficient for the service provided. We confirm we shall undertake conflicts of interest checks (either personal or relating to our firm). We shall notify you if there has been material involvement in relation to the flat to be valued.

In accordance with our company’s usual practice, any report will be for the sole use of the client to whom it is addressed, and it is not to be published or reproduced as a whole or in part without our prior consent. No report shall be intended or used for any form of secured lending or funding.

Agreed Assumptions and Caveats

Introduction

An *assumption* is made where it is reasonable for the valuer to accept that something is true without the need for specific investigation or verification. A *caveat* is a qualification or explanation. Assumptions and caveats are often linked to a limitation on the extent of the investigations or enquiries that are to be undertaken.

We reserve the right to amend our report, at the relevant time, subject to further fees, in the effect that any of the assumptions made materially affect our valuation.

The Report is totally dependent on the adequacy and accuracy of the information supplied and/or the assumptions made. Should these prove to be incorrect or inadequate, the accuracy of this Report and the valuations therein are likely to be affected.

Basis of Value

Unless overridden by the requirements of experts acting in proceedings, the following definitions apply:

VPS 4 Market Value: *“The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction, after proper marketing where parties had each acted knowledgeably, prudently and without compulsion.”*

By accepting our terms of business, you have acknowledged that you appreciate that there are **limitations** to our instructions.

*(a) **Title*** – We have stated what information has been relied on and what *assumptions* have been made. In order to assist you, we have referred to any *assumptions* made about the interpretation of legal documents. It is agreed that the interpretation of legal documents is a matter for lawyers and as such our comments under tenure must be checked by legal advisers and no responsibility or liability is accepted for the true interpretation of legal title in the property.

*(b) **Condition of buildings*** –We *assume* that a building survey would not reveal material defects or cause the valuer to alter the valuation materially. When a **desktop appraisal** is undertaken, we assumed in good condition and accommodation based on the information you supply.

*(c) **Services*** – We *assume* that the services, and any associated controls or software, are in working order or free from defect.

*(d) **Planning (zoning)*** – Reasonable online enquiries were made to establish if the necessary statutory consents for the current buildings and use we in place and to establish whether there were any policies or proposals by statutory authorities that could impact positively or adversely on the value. It was agreed that verification of the information is impractical within the context of the valuation but that any recommendation for its confirmation made. We *assume* that all required, valid planning permissions and statutory approvals for the building and its use, including any extensions or alterations, have been obtained and complied with. It was agreed that the valuer we were not obliged to search for statutory notices.

*(e) **Contamination and hazardous substances*** – We *assume* the property is free of contamination and hazardous substances. The valuer did not carry out an asbestos inspection as per our instructions.

*(f) **Environmental matters*** – We *assume* the property is free from environmental matters that could have an adverse effect on value.

*(g) **Sustainability*** – It was acknowledged and agreed that whilst sustainability may have an impact on property performance, investigations in relation to sustainability are agreed as outside of the scope of our report.

*(h) **Claims or Disputes*** – We *assume* that there are no on-going insurance claims or neighbour disputes that could affect value.

*(i) **Insurance*** – We *assume* that the property is and can be insured under all-risks cover for the current reinstatement cost and that this on normal terms.

*(j) **Statute*** – We *assume* that the property complies with all relevant Acts of Parliament.

*(k) **Licences*** – We *assume* that all required licences and statutory approvals for the property and its use, including any extensions or alterations, have been obtained and complied with.



No allowances shall be made for any liability for taxation which may arise on the disposal (whether actual or notional) e.g. Value Added Tax, Stamp Duty Land Tax Duty and Capital Gains Tax.