

Project Utah

Report and Valuation

1 February 2024

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1. Valuation Report

- 1.1. Addressees**
- Custodian Property Income REIT plc (“Custodian REIT”)
1 New Walk Place
Leicester
LE1 6RU
- Numis Securities Limited (“Deutsche Numis”)
45 Gresham Street
London
EC2V 7BF
- abrdn Property Income Trust Limited (“API”)
PO Box 255
Trafalgar Court, Les Banques
St Peter Port
Guernsey
- Lazard & Co Limited (“Lazard”)
50 Stratton Street
London
W1J 8LL
- FAO: [REDACTED]
- 1.2. Project Name**
- Project Utah
- 1.3. Instructions and Purpose of Valuation**
- In accordance with our instructions received from Custodian Property Income REIT plc (“Custodian REIT”) and our terms of engagement dated 15 January 2024 with Custodian REIT, we have undertaken valuations (the “Valuations”) of the freehold and leasehold interests in the properties described in Schedule 2 (the “Properties” and each being a “Property”) (together, the “Portfolio”) in connection with a recommended all-share offer by Custodian REIT for API (the “Transaction”). Custodian REIT has expressly instructed us not to disclose certain information which is considered commercially sensitive, namely the individual values of the properties.
- This report (the “Report”) has been prepared in accordance with the RICS Valuation – Global Standards (incorporating the IVSC International Valuation Standards) effective from 31 January 2022 together with the UK National Supplement effective 14 January 2019, together the “Red Book”. The Report has been prepared in accordance with and complies with: (a) the requirements of Rule 29 of the City Code on Takeovers and Mergers (the “Code”); (b) Rules 5.4.5G and 5.4.6G of the prospectus regulation rules made by the Financial Conduct Authority (“FCA”) for the purposes of Part 6 of the Financial Services and Markets Act 2000 (the “Prospectus Regulation Rules”); and (c) paragraphs 128-130 of the FCA Primary Market Technical Note 619.1 (the “FCA Technical Note”). We understand that this Report is required for: (i) inclusion in an announcement proposed to be made by Custodian REIT and API pursuant to Rule 2.7 of the Code in connection the “Transaction (the “Announcement”);(ii) inclusion in a scheme circular to be published by API in connection with the Transaction (the “Scheme Document”); (iii) inclusion in a combined prospectus and circular to be published by Custodian REIT in connection with the Transaction and the issue and allotment of new shares in the capital of Custodian REIT pursuant to the terms of the Transaction (the “Combined Prospectus and Circular”); (iv).inclusion and/or reference to it in any other announcements, documents and/or supplementary documents

required to be released by Custodian REIT and/or API pursuant to the Code and which directly relate to the Transaction (each a "Code Document"); and (v) publication on Custodian REIT's website and API's website in accordance with the requirements of the Code and the Prospectus Regulation Rules

1.4. Terms of Reference

The Portfolio comprises 80 Properties, fifteen of which are held on a leasehold basis, whilst the remainder are held on a freehold / heritable basis. The Properties are all held for investment purposes and are located throughout the UK. The properties have been inspected within the last 12 months. All the Properties are identified on the attached schedule at **Section 2** of this Report.

Custodian REIT has provided us with floor areas for the Properties, which we understand were calculated in accordance with the current RICS Property Measurement and upon which we have relied. We have not remeasured the office properties in the portfolio in accordance with International Property Measurement Standard (IPMS) 3 – Offices and therefore our Valuations are based on Net Internal Areas as defined in the RICS Property Measurement. We have been provided with legal documents for the Properties and tenancy schedules provided by Custodian REIT. In addition to this, we have received updates from Custodian REIT specialist advisors. We confirm that we have considered sustainability features relevant to the Properties and the implications these could have on our Valuations.

1.5. Conflicts of Interest

In accordance with the RICS professional statement on Conflicts of Interest (1st Edition, March 2017), we are not aware of any conflict of interest preventing us from providing you with an independent valuation of the properties in accordance with the RICS Red Book. We confirm that we undertake valuations of the Properties on behalf of Custodian REIT for accounts purposes on a quarterly basis, the last of which was as at 30 September 2023. We confirm we are acting as an "external valuer" as defined in the RICS Red Book.

1.6. Date of Valuation and Changes to Value since the Valuation Date

Our opinions of value are as at 31 December 2023 (the "Valuation Date"). The importance of the Valuation Date must be stressed as property values can change over a relatively short period. We note the following between the Valuation Date and the date of this Report:

- 1 Pride Place, Pride Park, Derby sold on 5 January 2024.
- Milton Keynes – Massmould, Bradbourne Drive, Milton Keynes sold on 19 January 2024.

These properties have been included in this Report. However, we note that both properties have now been removed from the portfolio.

For the purposes of Rule 29.5 of the Code, and with the exception of the sale of the two above properties, we confirm that there is no material difference between the values of the remaining properties stated in this Report and the values that would be stated were the Valuation Date the date of this Report. Nor do we believe that market conditions have changed sufficiently to materially alter the Valuations reported as at the Valuation Date. As a result, we confirm for the purpose of Rule 29.5 of the Code and paragraph 130(iv) of the FCA Technical Note that an updated valuation as at the date of this Report would not be materially different from the Valuations as at the Valuation Date.

1.7. Valuer Details

These Valuations have been prepared by a number of valuers under the supervision of Tom Priest MRICS and James Daffern MRICS (the "Lead Valuers"), both of whom are RICS Registered Valuers. We confirm that the Lead Valuers are appropriately qualified for the purposes of the Valuation as required by Rule 29.3(a)(ii) of the Code, meet the requirements of the Red Book and Rule 29.3(a)(iii) of the Code in having sufficient current knowledge of the relevant markets and the necessary skills and understanding to undertake the Valuations competently in accordance with Rule 29 of the Code and Rules 5.4.5G and 5.4.6G of the Prospectus Regulation Rules. We confirm that the Lead Valuers are independent of the parties to the Transaction as required by Rule 29.3(a)(i) of the Code, and confirm that we are not aware of any reason why we would not satisfy the requirements of Rule 29.3(a)(i) of the Code.

We are required by RICS regulations to disclose the following:

- Tom Priest MRICS and James Daffern MRICS commenced supervision of the Valuation of this Portfolio in June 2021, when Savills (UK) Limited was instructed to provide quarterly valuations;
- In the financial year ending 31 December 2023, the total fees earned from the Addressees, and connected parties, was less than 5% of Savills (UK) Limited's turnover.

1.8. Basis of Valuation

Our Valuations have been prepared on the basis of Market Value, the definition of which is as follows:

"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."

Our Valuations have been arrived at predominantly by reference to market evidence for comparable property. We have made no allowance for any Capital Gains Tax or other taxation liability that might arise upon a sale of the property, nor have we allowed for any adjustment to any of the properties' income streams to take into account any tax liabilities that may arise. Our Valuations are exclusive of VAT (if applicable). We have excluded from our Valuations any additional value attributable to goodwill, or to fixtures and fittings which are only of value in situ to the present occupiers.

No allowance has been made for rights, obligations or liabilities arising in relation to fixed plant and machinery, and it has been assumed that all fixed plant and machinery and the installation thereof complies with the relevant EEC legislation, insofar that the latter is applicable.

We have made no variation from standard assumptions.

1.9. Market Conditions

The UK economy continues to maintain a watch over inflationary pressures amid sluggish economic growth. In the first half of 2023, the UK witnessed a modest expansion, leading the IMF to upgrade their forecasts and dismiss the possibility of a recession in 2023, however, to combat inflation, the Bank of England consistently raised interest rates from late 2021, reaching a high of 5.25% in August 2023. Concerns remain as to whether the economy will fall into recession in 2024, and despite the economy growing by 0.3% in November 2023, if overall the economy shrinks between October and December 2023, it will be deemed to be in recession.

Whilst further increases cannot be ruled out, the prospect of further interest rate hikes in the short term appear to have subsided as inflation has gradually reduced over the course of the year, with UK inflation rate for November 2023 being its lowest level in 2 years, at 3.9%, albeit this remains above the Government and Bank of England target. As a result of these increases, borrowing costs have increased, surpassing prime real estate yields although the financial markets have begun to price in an anticipated reduction in interest rates, which is considered to indicate a turning point in the market.

The commercial real estate market felt the impact of these developments and experienced a sharp correction in prices. Many sales were withdrawn as vendors' price expectations were not met, while buyers have adopted an opportunistic pricing approach. Real estate lenders continue to exercise caution when it comes to financing new lending opportunities, except for the most exceptional assets and sponsors. In the meantime, in several commercial real estate sectors there is a positive occupational market which has offered encouragement to investors in seeking out properties with good underlying fundamentals and where there is the opportunity to deliver attractive returns in the medium to longer term.

Consequently, transactional volumes and liquidity significantly declined over 2022 and 2023, leading to a scarcity of comparable evidence to inform the valuation process. Market sentiment has gained increased importance in making informed assessments, given the limited availability of data. Notably, a divided market is emerging, differentiating "best in class" properties from those facing challenges due to locational factors and the overall quality of the real estate. Stakeholders in the market, including occupiers, investors, and lenders, are attaching heightened significance to environmental, social, and governance (ESG) considerations and the associated costs, in their decision making.

While there is still liquidity in the market, ongoing geopolitical uncertainties, economic challenges, and the cost and accessibility of debt finance are expected to further impact pricing. As a result, the potential for future value erosion cannot be discounted, particularly for secondary properties and those outside prime markets where more significant declines can be anticipated as real estate markets and values continue to recalibrate to elevated levels in the of cost of capital, subdued transaction volumes and a cautious lending environment. We anticipate improved market sentiment during H1 2024, albeit the planned General Election curtails the prospects for a sustained return to growth this year.

It is therefore important to recognise that our valuation has been prepared against the backdrop outlined above. Moreover, investor behaviour can change quickly during such periods of heightened volatility. As such, the conclusions set out in this report are only valid at the valuation date and we would recommend that the value of the property is kept under regular review. For the avoidance of doubt, our valuation is not reported as being subject to 'material valuation uncertainty' as defined in the RICS Valuation – Global Standards.

1.10. Market Value

We are of the opinion that the aggregate Market Value of the Properties in the Portfolio, as at 31 December 2023, is:

TOTAL	£281,940,000
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(TWO HUNDRED AND EIGHTY ONE MILLION NINE HUNDRED AND FORTY THOUSAND POUNDS)

The total valuation figure reported is the aggregate total of the individual Properties and not necessarily a figure that could be achieved if the Portfolio was sold as a single holding. Our Valuations include standard purchaser's costs but do not include costs of realisation.

For the purposes of paragraph 130(vi) of the FCA Technical Note, we are required to comment on any differences between the valuation figure in this Report and the valuation figures reported in Custodian REIT's latest published annual or consolidated accounts.

For the purposes of paragraph 130(vi) of the FCA Technical Note, we are required to comment on any differences between the valuation figure in this Report and the valuation figures reported in Custodian REIT's latest published annual or consolidated accounts. The Company's properties were valued as at 31 March 2023 for the annual report valuation of the Company. The difference between the 31 March 2023 valuation and this Valuation is attributed to changes in the market value of the Properties and the disposal of assets between that date and the date of this Report.

The Market Value of the Properties split by property type (based on Custodian REIT categorisations) is as follows:

	Valuation 31 December 2023 (£m)	Valuation 31 December 2023 (%)
Retail	£25,540,000	9.06%
Retail Warehouse	£43,775,000	15.53%
Offices	£34,925,000	12.39%
Industrial	£143,325,000	50.84%
Other	£34,375,000	12.19%
Total	£281,940,000	100%

The Market Value of the Properties split by region (based on Custodian REIT categorisations) is as follows:

	Valuation 31 December 2023 (£m)	Valuation 31 December 2023 (%)
East Anglia	£16,130,000	5.72%
East Midlands	£35,900,000	12.73%
North East	£31,950,000	11.33%
North West	£41,640,000	14.77%
Scotland	£35,470,000	12.58%
South East	£47,750,000	16.94%
South West	£16,850,000	5.98%
Wales	£1,850,000	0.66%

West Midlands	£54,400,000	19.29%
Total	£281,940,000	100%

The tenure of the Properties held by Custodian REIT as at the Valuation Date comprises the following:

	No. of Properties	Market Value
Freehold	65	£243,565,000
Leasehold	15	£38,375,000
Total	80	281,940,000

1.11. Confidentiality

In accordance with the recommendations of the RICS, this Report is provided solely for the purpose stated in this Report. It is confidential to and for the use only of the parties to whom it is addressed, and no responsibility is accepted to any third party for the whole nor any part of its contents. Any such parties rely upon this Report at their own risk. Save as referred to in this Report neither the whole nor any part of this Report or any reference to it may be included now, or at any time in the future, in any published document, circular or statement, nor published, referred to or used in any way without our written approval of the form and context in which it may appear.

Notwithstanding the above, we understand that the Report is for inclusion in the Announcement, Scheme Document and the Combined Prospectus and Circular and any further documents or announcements to be published by Custodian REIT and/or API in accordance with the Transaction. We consent to the publication and reproduction of the Report as required (including in the Announcement, the Scheme Document and the Combined Prospectus and Circular) subject to the provisions of our Terms of Engagement.

1.12. Portfolio Valuation General Assumptions and Conditions

All valuation advice has been carried out on the basis of the *General Assumptions and Conditions* set out in Section 3.

1.13. Reliance

This Report is addressed to and capable of being relied upon by:

- Custodian REIT
- Deutsche Numis
- API
- Lazard

(together, the **Addressees**) provided that, in relying on this Report, each of the Addressees acknowledges and agrees that our liability under or in connection with this report to any one, or more, or all of the Addressees and any other party who becomes entitled to rely on the report is limited to £20,000,000 (Twenty Million Pounds) in the aggregate (the "Aggregate Limit"). Further and without prejudice to the above, our maximum liability with respect to any single property contained in this report shall be limited to an amount equal to 20% (twenty percent) of the reported Value of that property (the "Per Property Limit"). For the avoidance of doubt, the Per Property Limit is not in addition to the Aggregate Limit, rather, where claims relate to multiple

properties, the Per Property Limit for each Property will apply until the Aggregate Limit is reached, above which we will have no further liability.

Notwithstanding the above, we acknowledge that this Report will also be for the use of the shareholders of Custodian REIT and API for the specific Purpose set out in this Valuation.

This Report is subject to the terms and conditions set out in our Terms of Engagement dated 15 January 2024.

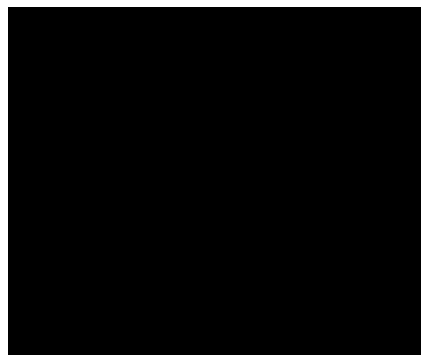
1.14. Responsibility

For the purposes of the Code, we are responsible for this Report and accept responsibility for the information contained in this Report and confirm that to the best of our knowledge (having taken all reasonable care to ensure that such is the case), the information contained in this Report is in accordance with the facts and contains no omissions likely to affect its import. This Report complies with, and is prepared in accordance with, and on the basis of, the Code. We authorise its contents for the purpose of Rule 29 of the Code. We understand that the publication or reproduction by Custodian REIT and/or API of this Report and/or the information contained herein as required by Rules 26 and 29 of the Code is necessary, including in the Announcement, the Scheme Document and any other announcements, documents and/or supplementary documents required to be released by Custodian REIT and/or API pursuant to the Code and which directly relate to the Transaction.

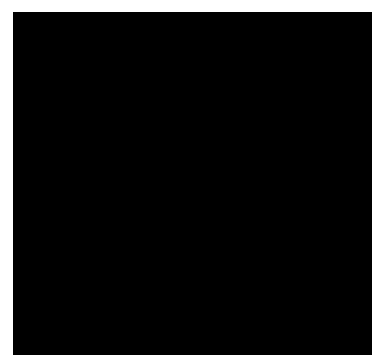
We accept responsibility (including for the purpose of Rule 5.3.2R(2)(f) of the UK Prospectus Regulation Rules) for the information contained in this Report and to the best of our knowledge, the information contained in this Report is in accordance with the facts and this Report makes no omission likely to affect its import.

We confirm that we are not aware, as a result of our role as an External Valuer of the Properties of any matter which would affect the Market Value of the properties which is not disclosed in this Report (subject to any assumptions set out in this Report) in order to make this Report materially accurate and not misleading and we are not aware of any matter in relation to this Report that we believe should be and has not yet been brought to the attention of the Addressees of this Report.

1.15. Signatories



RICS Registered Valuer
Director



RICS Registered Valuer
Director

For and on behalf of Savills Advisory Services Limited, a subsidiary of Savills Plc

Regulated by RICS
Registered in England No. 06215875
Registered Office: 33 Margaret Street, London, W1G 0JD

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1.16. Date of Report

1 February 2024

2. Schedule of Properties

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Known as	Description	Tenure	Date of inspection
Pride Park	1 Pride Place, Pride Park, Derby, DE24 8QR	Freehold	24/05/2023
Bardon	Units E/F, Bardon, Coalville, LE67 1FL	Freehold	01/06/2023
Avonmouth	Unit M3, RD Park, BS11 0QL - Ref:1100-CU197	Freehold	24/05/2023
Sheffield	Unit 2 Sheffield, 3 Europa Drive, S9 1XT	Long Leasehold	04/08/2023
Triangle Retail Park	Triangle Retail Park (HUT 341), Lubbesthorpe	Long Leasehold	09/06/2023
Crewe	Counterpoint, Crewe, CW1 6EH	Freehold	10/02/2023
Oldbury	Brades Road, Oldbury	Freehold	04/06/2023
Ermine Business Park	Lancaster Way, Ermine Business Park, PE29 6XU	Freehold	16/10/2023
Jewellery Quarter	37/38 Frederick St, Jewellery Quarter, B1 3HH	Long Leasehold	04/06/2023
Portsmouth	109 Commercial Road, Portsmouth, PO	Freehold	20/10/2023
Redhill	105-107 Brighton Road, Redhill, RH1 6PS	Freehold	13/05/2023
Glasgow	98 Argyle Street, Glasgow, G2 9BQ	Freehold	31/05/2023
Bath	GF Bath, Bluecoat House, Bath, BA1 1EY	Long Leasehold	02/08/2023
Speke - PSL	PSL, Unit C Estuary Commerce Park, L24 8RF	Long Leasehold	26/05/2023
Castleford - MKM	Castleford - MKM	Freehold	01/06/2023
Colchester	2 Long Wyre Street, Colchester	Freehold	27/06/2023
Southampton	54 Above Bar Street, Southampton	Long Leasehold	07/02/2023
High Wycombe	46/50a High Street, Frogmoor, High Wycombe	Freehold	24/10/2023
Milton Keynes	Staples Unit, Milton Keynes, MK9 1AN	Freehold	28/02/2023
Doncaster	3 Carriage Way, White Rose Way, DN4 5NT	Freehold	01/06/2023
Gillingham	Beechings Way, Gillingham, ME8 6PS	Long Leasehold	22/06/2023
Leeds - Cardinal House	9 Manor Road, Leeds, LS11 9AH	Freehold	01/06/2023
Leeds - David Street	40 David Street, Leeds, LS11 5QJ	Freehold	01/06/2023
Milton Keynes - Massmould	Bradbourne Drive, Milton Keynes, MK7 8AT	Freehold	28/02/2023
Salford - Zeus	Zeus Building, Unit 4, Salford, M27 8UJ	Freehold	10/02/2023
Grantham	Discovery Retail Park, London Road	Freehold	19/05/2023
Plymouth	Unit 2, Langage Science Park, PL7 5BQ	Freehold	30/07/2023
Glasgow - West George St	250 West George St, Lower Ground Floor	Freehold	31/05/2023
Normanton	Unit B, Centre 31, Foxbridge Way, WF6 1TN	Freehold	01/06/2023
Ashby	Unit 16, Ashby Park, LE65 1JF	Freehold	09/06/2023
Warwick - Tournament Fields	Warwick - Tournament Fields	Freehold	01/06/2023
Chester - Eastgate	6 Eastgate Row South, CH1 1LF	Freehold	11/11/2023
Farnborough	21/21A Invincible Road, Farnborough, GU14 7QU	Long Leasehold	01/11/2023
St Albans	37 Market Place, St Albans, AL3 5DL	Freehold	29/03/2023
Taunton	61 East Street, Taunton, TA1 3LX	Freehold	28/09/2023
Cannock	Kingswood Lakeside, Cannock, WS11 8LD	Freehold	04/06/2023

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Birmingham - Lancaster House	Lancaster House, Birmingham	Freehold	05/07/2023
Stevenage	Cromer House, Caxton Way, Stevenage, SG1 2DF	Freehold	29/03/2023
Crewe - Phoenix Leisure Park	Phoenix Leisure Park, Crewe, CW1 3AJ	Freehold	29/05/2023
Colchester	High Street/Trinity Square, Colchester	Freehold	27/06/2023
Redditch - Ravensbank Business Park	Ravens Eight, Redditch, B98 9EX	Freehold	01/06/2023
Winnersh	Unit 2, Gazelle Close, Reading, RG41 5HH	Freehold	01/04/2023
Perth	Unit 1, St Catherines Leisure Park, PH1 5XA	Freehold	25/05/2023
Chester	4 Eastgate Row	Freehold	11/11/2023
Warrington - Life Tech	Unit 4 Kingsland Grange, Warrington, WA1 4KW	Freehold	05/06/2023
Irlam, Manchester	Irlam Wharf Road, Irlam, M44 5PN	Freehold	26/05/2023
Atherstone	Units 18-39 Holly Lane Ind Est CV9 2QX	Long Leasehold	09/06/2023
Kettering - Venture Business Park	Unit 2200, Kettering Venture Park, NN15 6XR	Freehold	09/06/2023
Leighton Buzzard	Vimy Road, LU7 1ER	Freehold	16/10/2023
Bedford - Telford Way	Window Ware Unit, Telford Way, MK42 0PQ	Freehold	03/06/2023
Stoke	George Eastham Avenue, Stoke	Freehold	03/05/2023
Shrewsbury	Pride Hill, Shrewsbury, SY1 1DN	Freehold	29/06/2023
Chester Ernest/Lakeland	10 Eastgate Street	Freehold	11/11/2023
York	Units 5 & 6 Centurion Park, YO30 4WW	Freehold	28/03/2023
Langley Mill	Warburtons Unit, Access 26, Langley Mill	Freehold	24/05/2023
Eurocentral	Plot L, Woodrow, Eurocentral, ML1 4YG	Freehold	31/05/2023
Sheldon	Unit A, Wells Green Retail Park, B26 3JA	Freehold	09/06/2023
Plymouth - Transit Way	Unit A, Transit Way, Plymouth	Freehold	30/07/2023
Maypole	Druids Lane, Maypole	Freehold	01/06/2023
Worcester	55&56 High St&4/5 St Swithin's St -0257-CU264	Freehold	18/11/2023
Leicester - Matalan	Beaumont Way, Beaumont Leys, Leicester	Long Leasehold	09/06/2023
Team Valley	401 Princesway, Team Valley Trading Estate	Long Leasehold	11/05/2023
Bellshill	4 Rosehall Road, Bellshill Industrial Estate	Freehold	31/05/2023
Hilton - Derby	1 Lowman Way, Hilton, Derby, DE65 5LJ	Freehold	03/06/2023
Stratford	Ground Floor, The Grove, Stratford, E15 1EL	Long Leasehold	18/11/2023
Evesham	Unit 1, Evesham Shopping Centre, Worcester Rd	Freehold	02/06/2023
Ipswich - Menzies	Bluestem Road, Ransomes Europark, IP3 9RR	Freehold	22/02/2023
Norwich - Menzies	Memorial Way, Broadlands Business Park	Freehold	22/02/2023
Swansea - Menzies	Mill Stream Way, Central Business Park	Long Leasehold	04/07/2023
Weybridge - Menzies	Units 1-3 Campbell Centre, Avro Way	Freehold	30/09/2023
Dundee - Menzies	Lockheed Close, Preston Farm Industrial Estate	Freehold	25/05/2023
Mayflower House	Mayflower House, Team Valley Trading Estate, Gateshead	Long Leasehold	11/05/2023
Duloch Park	Duloch Park, Dumfermline, KY11 4QX	Freehold	25/05/2023

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Monteith House	Monteith House, 11 George Square, Glasgow	Freehold	25/05/2023
Lakeside 5500	Lakeside 5500, Cheadle	Long Leasehold	26/05/2023
Arthur House, Manchester	Arthur House, Chorlton Street, Manchester	Freehold	26/05/2023
Gloucester	108 Eastern Avenue Retail Park, Gloucester	Freehold	02/06/2023
Lochside House	Lochside House, Edinburgh	Freehold	01/06/2023
Burnside Industrial Centre	Burnside Industrial Centre, Aberdeen	Freehold	25/05/2023
Kew Retail Park	Kew Retail Park, Southport	Freehold	05/07/2023

3. Portfolio Valuation General Assumptions and Conditions

General Assumptions

Our reports and valuations are carried out on the basis of the following General Assumptions:

Tenure and Tenancies

That the properties are not subject to any unusual or especially onerous restrictions, encumbrances or outgoing contained in the Freehold Title. We will not inspect the Title Deeds or Land Registry Certificate and shall rely upon information provided by you or your solicitor relating to both tenure and tenancy data. Should there be any mortgages or charges, we have assumed that the Properties would be sold free of them.

Condition and Repair

That the buildings are structurally sound, and that there are no structural, latent or other material defects, including rot and inherently dangerous or unsuitable materials or techniques, whether in parts of the building we have inspected or not, that would cause us to make allowance by way of capital repair. Our inspection of the properties and this report do not constitute a building survey. Our Valuation is on the basis that a building survey would not reveal material defects or cause us to alter our Valuation materially.

That in the construction or alteration of the building no use was made of any deleterious or hazardous materials or techniques, such as high alumina cement, calcium chloride additives, woodwool slabs used as permanent shuttering and the like (other than those points referred to above). We will not carry out any investigations into these matters.

That the properties are not adversely affected, nor is likely to become adversely affected, by any highway, town planning or other schemes or proposals, and that there are no matters adversely affecting value that might be revealed by a local search, replies to usual enquiries, or by any statutory notice.

That the buildings have been constructed and is used in accordance with all statutory and bye-law requirements, and that there are no breaches of planning control. Likewise, that any future construction or use will be lawful.

That the properties are connected or capable of being connected without undue expense, to the public services of gas, electricity, water, telephones and sewerage. Sewers, mains services and roads giving access to the Properties have been adopted, and any lease provides rights of access and egress over all communal estate roadways, pathways, corridors, stairways and the use of communal grounds, parking areas and other facilities.

Environmental Risks

That the properties have not suffered any land contamination in the past, nor is it likely to become so contaminated in the foreseeable future. We have not carried out any soil tests or made any other investigations in this respect, and we cannot assess the likelihood of any such contamination.

That there are no adverse site or soil conditions, that the properties are not adversely affected by the Town and Country Planning (Assessment of Environmental Effects) Regulations 1988, that the ground does not contain any archaeological remains, nor that there is any other matter that would cause us to make any allowance for exceptional delay or site or construction costs in our valuation.

That the properties are free from environmental hazards, including infestation from invasive plants such as Japanese Knotweed. This assumption is made in recognition of the fact that identifying Japanese knotweed is problematic and cannot be guaranteed. This is partly because during the early stages of its annual life cycle some of the classic visual characteristics are not distinctive and during the winter months the plant sheds its leaves and suffers die back. It is also possible that Japanese knotweed has

received a herbicide-based treatment which has removed all visible above ground signs but may not have killed the below ground rhizome (root) which, in turn, may lead to new growth and the spread of the plant in time.

Floor Areas

That any floor areas provided by a third party and assigned to Savills (UK) Limited, have been measured in accordance with the current RICS Property Measurement. This is the basis on which we will carry out measured surveys as instructed.

Development Opportunity

In situations where a property is in the course of development, we reflect its physical condition and the costs remaining to be spent at the valuation date. We have considered the cost estimates provided by the professional advisors involved in the project.

In the case of properties where we have been asked to value the site under the special assumption that the properties will be developed, there are no adverse site or soil conditions, that the properties are not adversely affected by the Town and Country Planning (Environmental Impact Assessment) Regulations 2017 that the ground does not contain any archaeological remains, nor that there is any other matter that would cause us to make any allowance for exceptional delay or site or construction costs in our Valuation.

General Conditions

Our reports and valuations are carried out on the basis of the following General Conditions:

1. We have not made any allowance for any Capital Gains Tax or other taxation liability that might arise upon a sale of the properties. No allowance has been made for any expenses of realisation.
2. Our valuations are exclusive of VAT (if applicable).
3. Excluded from our valuations is any additional value attributable to goodwill, or to fixtures and fittings which are only of value in situ to the present occupier.
4. Our valuations are prepared in accordance with the latest edition of the RICS Valuation – Professional Standards (“the Red Book”) on the basis of Market Value, unless instructed otherwise. Any such deviation is expressly stated in our terms of engagement.
5. Each property has been valued individually and no allowance has been made, either positive or negative, should it form part of a larger disposal. The total stated is the aggregate of the individual Market Values.
6. No allowance has been made for rights, obligations or liabilities arising under the Defective Premises Act 1972, and it has been assumed that all fixed plant and machinery and the installation thereof complies with the relevant UK and EEU legislation, insofar that the latter is applicable.
7. That we have been supplied with all information likely to have an effect on the value of the properties and that the information supplied to us and summarised in this report is both complete and correct.
8. Our valuations are based on market evidence which has come into our possession from numerous sources. That from other agents and valuers is given in good faith but without liability. It is often provided in verbal form. Some comes from databases such as the Land Registry or computer databases to which Savills subscribes. In all cases, other than where we have had a direct involvement with the transactions, we are unable to warrant that the information on which we have relied is correct although we believe it to be so.
9. The files which we hold relating to all of our property valuations may be subject to monitor and audit by the RICS under its conduct and disciplinary regulations.

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