

## **PREMIER VALUATION REPORT**

24 Tottenham Street  
London  
W1T 4RG



### **CLIENT**

Kaupthing Singer & Friedlander  
One Hanover Street  
London  
W1S 1AX

### **PREPARED BY**

Christopher L Key, BSc FRICS  
Head Of Premier Valuation Division

### **DATE OF INSPECTION**

13<sup>th</sup> December 2006

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External photographs and street scene

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Location Plan

Our Ref: MY011361/CK/jjh

13<sup>th</sup> December 2006

Kaupthing Singer & Friedlander  
One Hanover Street  
London  
W1S 1AX

Dear Sirs

**RE: 24 TOTTENHAM STREET, LONDON, W1T 4RG**

**CUSTOMER: MR G RITCHIE**

## **1. INSTRUCTIONS**

In accordance with the instructions received from you dated 6<sup>th</sup> December 2006 we have inspected the above property and made all relevant enquiries in order to provide you with our opinion of the current Market Value as at the date of inspection the Freehold interest, and with the benefit of full vacant possession.

We understand that our valuation is required for secured lending purposes for your customer Mr G Ritchie, who is proposing to purchase the property.

We confirm that we are not aware of any conflict of interest preventing us from providing you with an independent valuation of the property.

## **2. BASIS OF VALUATION**

Our valuation has been carried out in accordance with the Practice Statements and Guidance Notes of the Royal Institution of Chartered Surveyors' (RICS) Appraisal and Valuation Manual ("the Red Book") published in 1995, as subsequently amended in 2003. It has been undertaken by Independent Valuers, as defined in Practice Statement 5, and the property was inspected on 7<sup>th</sup> December 2006 by Christopher L Key, BSc FRICS and the date of valuation is the date of the inspection.

It is usual for a valuer to be asked to express an opinion as to the suitability of a property as security for a loan, debenture or mortgage. However, it is a matter for the lender to assess the risk involved and make his own assessment in fixing the terms of the loan, such as the percentage of value to be advanced, the provision for repayment of the capital, and the interest rate. We refer in our report to all matters which are within our knowledge and which may assist you in the assessment of the risk.

Our report and valuation in accordance with these requirements is set out below.

Our approach is not to forecast values unless there are clear trends in the market and values are demonstrably rising or falling as the case may be.

The valuation is subject to there being no unusual matters or factors not revealed to us and subject to the comments made in this report.

We confirm we have no financial interest in this transaction and that we have had no dealings with this property within the last twelve months.

We confirm that our insurance policy enables us to undertake residential valuations and our current sum insured is £7,000,000 (Seven Million Pounds), in respect of each and every claim.

We confirm the valuer is experienced in valuing properties of this type and is qualified to carry out the instructions. We confirm valuations under our Premier Valuation service are subject to internal audit.

### 3. VALUATION

Having carefully considered the property as described below, we are of the opinion that the valuation of the Freehold interest, with the benefit of full vacant possession is as follows:-

1. Market Value, in the order of:

£1,300,000

(One Million Three Hundred Thousand Pounds)

Market Value is defined as follows:

“The estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion”.

In the context of the RICS definition of market Value, we consider that a period of up to 6 months is a reasonable period within which to negotiate completion of a sale by private treaty of the property at the level of our valuation, taking into account the nature of the property state of the market.

Values in the prime London market have seen substantial increases this year. A prime market force is overseas demand from parties who are not permanently resident in the United Kingdom. This demand is vulnerable to world events and any reduction or withdrawal could result in a substantial reduction in price levels.

### 4. ESTIMATED RENTAL VALUE

A rental valuation has not been requested in your instructions.

### 5. LOCATION

We attach a General Location Map at Appendix 3

Tottenham Street is located between Tottenham Court Road and Cleveland Street in a mixed residential and commercial location to the South of the Euston Road and North of New Oxford Street.

#### Nearest transport links

Underground Station	Goodge Street Station	0.1 miles (0.1 km)
Railway Station	Euston Railway Station	0.5 miles (0.9 km)
Motorway Junction	M1 Junction 1	5.3 miles (8.5 km)
Airport	London City Airport	8.2 miles (13.2 km)
Airport	Heathrow Airport	12.6 miles (20.3 km)

## **6. DESCRIPTION**

The property comprises a mid terrace house built around 1870.

## **7. CONSTRUCTION**

The property is of traditional construction principally brick walls beneath zinc and asphalt clad roofs.

## **8. ACCOMMODATION**

The gross internal area of the property is 1937 sq ft (180 sqm) as measured under the RICS Code of Measuring Practice.

### **Lower Ground Floor**

Bedroom, kitchenette, shower room/wc (can be separately accessed from street or via staircase to main house).

### **Ground Floor**

Entrance hall, double reception room.

### **First Floor**

Cloakroom (wc), bedroom, kitchenette.

### **Second Floor**

Bedroom, bathroom/wc.

### **Third Floor**

Reception room, kitchen.

### **Fourth Floor**

Bedroom, access to roof terrace.

## **9. CONDITION**

As instructed, we have not carried out a building survey, nor have we tested any of the services. However, we would comment, without liability that during the course of our inspection for valuation purposes, we observed that the property is currently in average condition.

Should you require a more detailed report upon its structural condition, state of repair a further inspection report would be necessary.

We consider that the projected useful life of the building is no less than 25 years, assuming normal maintenance and repairs throughout this period.

## **10. SERVICES**

All mains services are connected including gas fired central heating.

## 11. ESSENTIAL REPAIRS

There are no essential repairs required at the date of inspection.

## 12. ENVIRONMENTAL CONSIDERATIONS

### Informal Enquiries

We are not aware of the content of any environmental investigation or soil survey which may have been carried out on the property and which may draw attention to any contamination or the possibility of any such contamination. In undertaking our work we have been instructed to assume that no contaminative or potentially contaminative uses have ever been carried out in the property. We have not carried out any investigation into past or present uses either of the property or of any neighbouring land to establish whether there is any contamination or potential contamination to the subject property from these uses or sites and have therefore assumed that none exist.

However should it be established subsequently that contamination, seepage or pollution exist at the property or on any neighbouring land or that the premises have been or are being put to a contaminative use this might reduce the values now reported.

## 13. TOWN PLANNING & HIGHWAYS

Our valuation is prepared on the basis that the property is currently residential.

We have not made enquiries of the local planning authority and have assumed that all necessary planning consents and approvals have been obtained.

We have not made enquiries but do not believe that the property is directly affected by any highway, town planning or other schemes or proposals.

The property is not believed to be Listed or to be within a Conservation Area.

We have valued the property on the basis that Tottenham Street is a made up road, which is adopted and maintained at public expense.

We are not aware of any alternative uses, for which consent has been obtained which would materially enhance the value although it would appear the property has recently been partially used for office purposes and is located in an area of mixed, residential and commercial properties. We have however valued the property on the basis of instructions as a single residential dwelling.

## 14. TENURE

We have valued the Freehold interest in the property subject to full vacant possession. We assume that full rights of access are enjoyed, and that no third parties enjoy any rights over the subject property. We confirm that no one was in occupation at the time of our inspection.

We have not been shown a copy of any Report on Title, nor have we made any enquiries of the Land Registry, and neither has our attention been drawn to the existence of any such restrictions. We are therefore unable to comment on any restrictive covenants, third party rights or easements, and have valued the property on the basis that none exist.

## 15. LEASE(S)

The property was vacant at the date of inspection.

## 16. VALUATION APPROACH

The property has been valued with vacant possession on a comparative basis with regard to transactions of similar properties in the neighbourhood.

### Comparative evidence includes:-

#### Market Value Comparables

- 1) **34 Molyneux Street, London W1**  
Mid terraced house, 1575 sq ft, Sold: June 2006  
£1,250,000, (£794 per sq ft)
- 2) **25 Harcourt Street, London W1**  
Mid terraced house, 2637 sq ft, Sold: September 2006  
£1,120,000, (£245 per sq ft)
- 3) **27 Enford Street, London W1**  
Mid terraced house, 2314 sq ft, Sold: July 2006  
£1,275,000, (£551 per sq ft)

## 17. COMMENTS

The property represents suitable security for mortgage lending purposes suitable to the bank's criteria.

## 18. INDICATION OF REINSTATEMENT COST

You have sought from us an indication for insurance purposes of the current reinstatement cost of the building in its present form. This we are pleased to provide below, but as stated in the RICS Appraisal and Valuation Manual, it is "given solely as a guide as a formal estimate for insurance purposes can only be given by a quantity surveyor or other person with sufficient current experience of replacement costs." We confirm that the property has not been inspected by such a person, and therefore the cost estimate below is provided without liability, and for guidance purposes only.

We would recommend that the subject property be insured for a minimum sum of **£600,000 (Six Hundred Thousand Pounds)**. This sum allows for full reinstatement, professional fees and VAT, but excludes any allowance for inflation or loss of rent, and should accordingly be updated on an annual basis to keep pace with rising costs. We would emphasise that the figure detailed above is our estimate of the costs of rebuilding the building and bears no direct relationship to current open market values.

## 19 GENERAL ASSUMPTIONS AND CONDITIONS

### **General Assumptions**

Our valuation has been carried out on the basis of the following General Assumptions. If any of them are subsequently found not to be valid, we may wish to review our valuation, as there may be an impact on it.

1. That the Freehold interest is not subject to any unusual or especially onerous restrictions, encumbrances or outgoing contained in the Freehold Title. Should there be any mortgages or charges, we have assumed that the property would be sold free of them. We have not inspected the Title Deeds or Land Registry Certificate.

2. That we have been supplied with all information likely to have an effect on the value of the property, and that the information supplied to us and summarised in this report is both complete and correct.
3. That the building has 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 (other than those points referred to above).
4. That the property is 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 (other than those points referred to above).
5. We have not carried out a building survey or opened up the construction in order to make a detailed examination and no tests have been made of the drains, electrical or gas installations, hot or cold water systems or other services. No inspection has been made of the woodwork or other parts of the structure which are covered, unexposed, or inaccessible and we are, therefore, unable to report that such parts of the property are free from rot, beetle and other defects.
6. That the property is connected, or capable of being connected without undue expense, to the public services of gas, electricity, water, telephones and sewerage.
7. 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 have not carried out any investigations into these matters.

For the purpose of this valuation we have assumed that such investigation would not disclose the presence of any such material in any adverse conditions.

No investigations have been carried out to ascertain the presence of Radon gas or emissions from power cables.

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

#### **General Conditions**

Our valuation has been carried out on the basis of the following general conditions:

1. We have made no allowance for any Capital Gains Tax or other taxation liability that might arise upon a sale of the property.
2. Our valuation is exclusive of VAT.
3. No allowance has been made for any expenses of realisation.
4. Excluded from our valuation is any additional value attributable to goodwill, or to fixtures and fittings which are only of value in situ to the present occupier.



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 EEC legislation.
7. Although the valuation figure takes into account current market conditions, its validity is limited for a period not exceeding six months from the date of the report. If the report and valuation figure is not relied upon within the above time scale a further inspection and valuation will be necessary.
8. The valuation has been carried out using comparable data of property transactions supplied to us verbally and assumed to be correct.

## 20. VERIFICATION

This report contains many assumptions, some of a general and some of a specific nature. Our valuation is based upon certain information supplied to us by others. Some information we consider material may not have been provided to us. All of these matters are referred to in the relevant sections of this report.

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

We confirm that we are not excluded under the Building Societies Act 1989 (Section 13) in carrying out this report. The surveyor who has completed this report has appropriate experience in valuations of this type.

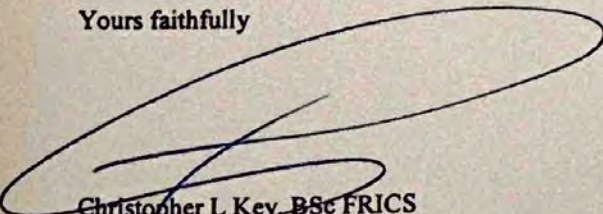
## 21. CONFIDENTIALITY

Finally, in accordance with the recommendations of the RICS, we would state that this report is provided solely for the purpose stated above. It is confidential to and for the use only of the party to whom it is addressed and no responsibility is accepted to any third party for the whole or any part of its contents.

Any such parties rely upon this report at their own risk. 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.

We trust that the above is satisfactory for your purposes, but if we can be of any further assistance then please do not hesitate to contact us.

Yours faithfully



Christopher L Key, BSc FRICS  
Head Of Premier Valuation Division  
Ashdown Lyons Central London

**APPENDIX 2**



**APPENDIX 2**



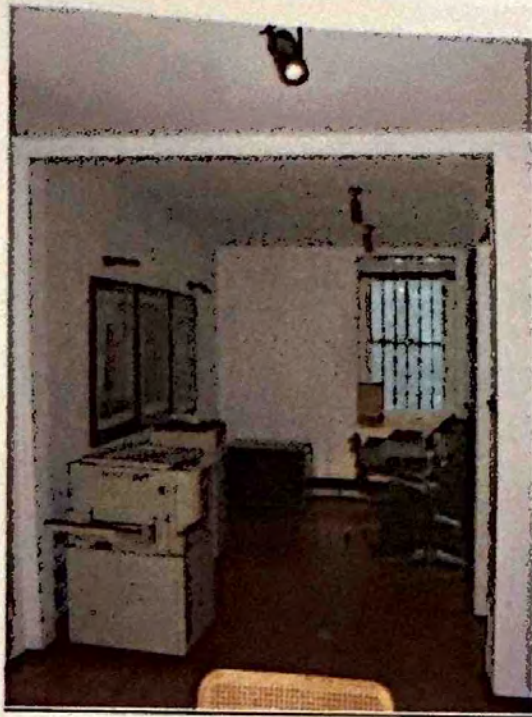
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APPENDIX 2



APPENDIX 3  
LOCATION MAP

