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Peter Cunningham
Director
KK4 Ltd
26/28 Lytton Road
London EN5 5BY

28 July 2022

Dear Mr Cunningham

12 WEST END LANE, LONDON, NW6 4NX VIABILITY ASSESSMENT

1. INTRODUCTION

The application site in West End Lane is located in a residential area (a mix of houses and flats, mostly three and four storeys in height) around 0.2 miles north of Kilburn High Road overground station and 0.3 miles north west of Kilburn Park underground station on the Bakerloo Line.

The site currently contains a vacant public house and associated uses, along with a five bed residential flat, as follows:

- **Basement:** A beer cellar and storage area with a net internal area (NIA) of 64 sqm.
- **Ground Floor:** A public house trading area, three toilets and kitchen with an NIA of 89.3 sqm.
- **First Floor:** a five bed flat with a gross internal area (GIA) of 94.2 sqm.

The property is semi-detached, brick built and with a pitched slate roof.

The application scheme will involve the demolition of the existing building and then the construction of nine residential flats and one residential house, with the following size mix:

- 4 x 1 bed flats @ 50 sqm each
- 3 x 2 bed flats @ 70 sqm each
- 1 x 2 bed flat @ 80 sqm
- 1 x 2 bed flat @ 82 sqm
- 1 x 3 bed house @ 191 sqm

The 'Camden Local Plan' (2017) sets out in Policy H4 that:

The Council expects in H4a. that an affordable housing contribution will be sought **“from all developments that provide one or more additional homes and involve a total addition to residential floorspace of 100 sqm GIA or more...**

“d. a sliding scale applies to developments that provide one or more additional homes and have capacity for fewer than 25 additional homes, starting at 2% for one home and increasing by 2% for each home added to capacity...

“g. where developments have capacity for fewer than 10 additional dwellings, the Council will accept a payment-in-lieu of affordable housing.”

There are nine additional residential units in the application scheme, as there is currently a five bed flat on the first floor, above the public house.

The maximum affordable housing in-lieu payment for the application scheme would therefore be 18% by unit number, i.e. the cash equivalent of 1.62 on-site affordable units (18% x 9 additional units).

Finally, Policy H4 states that: **“Where the development’s contribution to affordable housing falls significantly short of the Council’s targets due to financial viability and there is a prospect of viability improving prior to completion, the Council will seek a deferred contingent contribution, based on the initial shortfall and an updated assessment of viability when costs and receipts are known as far as possible.”**

Meanwhile, as part of the National Planning Policy Framework (NPPF) (2021), the separate viability in plan making and decision taking guidance (“NPPF Viability”) provides detailed clarification of how viability should be assessed.

In paragraph 010 of NPPF Viability, it is made clear that **“in plan making and decision making viability helps to strike a balance between the aspirations of developers and landowners, in terms of returns against risk and the aims of the planning system to secure maximum benefits in the public interest through the granting of planning permission.”**

Of the 10 paragraphs in the ‘Standardised inputs to viability assessment’ Section, five of them relate to the benchmark land value (BLV). The thrust of these paragraphs is that BLV in a viability assessment should be reflected through an existing use value (EUV).

EUV is defined in paragraph 015 as **“the value of the land in its existing use together with the right to implement any development for which there are policy compliant extant planning consents, including realistic deemed consents, but without regard to alternative uses.”**

The NPPF therefore continues to ensure that the level of planning obligations (including affordable housing) sought by a Council should be moderated when assessed against scheme viability, whilst EUV (with or without a land owner's premium) is the standard means of setting the BLV.

The purpose of this Viability Assessment (VA) is therefore to summarise the financial inputs of the scheme that enable it to optimise its planning contributions including an affordable housing in-lieu payment (if any) within the context of viability.

The following Section undertakes financial analyses using Homes England's Development Appraisal Tool ("DAT"), to establish the affordable housing and other planning obligations that can be provided by the scheme as part of viable residential schemes.

2. SCHEME VIABILITY

This VA uses the DAT, which has been accepted across London for more than 20 years when considering viability in relation to affordable housing contributions.

Each key input to the DAT is covered in turn in the following sub-sections. The DAT is attached to this letter as **Appendix 1**.

2.1 Residential Values

Kingsbury Stone New Homes has provided advice on the values of the 10 residential units, which is attached as **Appendix 2**.

A gross development value (GDV) of £6.783m is included in the appended DAT, equating to an average value of £763 per sqft.

This is a more than reasonable GDV, given that values across Camden are virtually unchanged since the start of 2020 (see the Land Registry House Price Index for Camden dated July 2022, which is attached as **Appendix 3**).

2.2 Ground Rents

After much discussion over the past three years, Robert Jenrick the then Secretary of State for Housing, Communities and Local Government announced on 7 January 2021 that ground rents for all leaseholders will be set to zero.

Indeed, given Government announcements, valuers have not included ground rents into their valuations of residential schemes since late 2018.

I have therefore not included any ground rents in the appended DAT for the application scheme, in accordance with all viability assessments over the past few years.

2.3 Development Cost

An elemental 'Cost Plan' of the proposed scheme has been produced. It is attached as **Appendix 4**.

The total build cost identified is £3.15m for the new flats and house, broken down as follows:

• Preliminaries	£ 328,793
• Demolition/site clearance	£ 25,000
• Substructure/drainage	£ 118,262
• Superstructure	£1,095,862
• Finishes	£ 403,664
• Services	£ 565,882
• Fittings	£ 155,776
• External/site works	£ 67,373
• Utilities	£ 27,000
• Contingency	£ 139,381
• Contractor's OHP	£ 223,009
Total Build Cost	£3,150,002

The scheme is assumed to start on site on 1 October 2022, with a 12 month construction period and a further three months to sell all of the units, with an interest rate of 6.5%.

With interest rates expected to continue rising over the next 12 months or more, an interest rate of 6.5% for this scheme is ambitious.

A threshold Developer's Return of between 17.5% and 20% on GDV has been observed in viability reviews over the past few years. The Developer's Return in the appended DAT is 13.3% on GDV, well below this threshold.

The modest level of Developer's Return for the application scheme means that no affordable housing in-lieu payment can currently be provided viably. Indeed, no such payment can be made until the scheme generates a Developer's Return of at least 17.5% on GDV.

The applicant hopes that viability will improve prior to scheme completion. It is therefore accepted that the Council will seek a deferred contingent contribution, following the production of an updated assessment of viability as will be required within the Section 106 Agreement, when there will be more factual evidence about scheme costs and receipts.

Otherwise, the Other Development Costs reflect the costs that the applicant expects to incur as part of the scheme.

2.4 Planning Obligations

The financial planning obligations have been estimated for the application scheme, covering Mayoral and Council Community Infrastructure Levy (CIL) (based on the charging schedules), carbon offset tax and Council legal/monitoring fees:

• Council CIL:	£370,000
• Mayoral CIL:	£ 46,000
• Carbon offset tax	£ 20,000
• Council monitoring/legals	£ 10,000
Total financial planning obligations	£446,000

The final financial planning obligations of the scheme (including any Section 106 requirements) will be agreed with the planning officer prior to determination of the application.

2.5 Benchmark Land Value (BLV)

As already noted, the site currently comprises a vacant public house and associated uses on the basement and ground floors, as well as a five bed residential flat on the first floor.

An existing use valuation (EUV) of the site by A3A4 Licensed Property Ltd, dated 24 June 2022, is attached as **Appendix 5**.

The value of the site in its existing uses is estimated to be £1.45m in the appended report, based on the trading performance of the public house and the value of the first floor flat, following an investment of £235,000 to bring the facilities back into productive use.

No land owner's premium has been added to the EUV, so a BLV of £1.45m is included in the appended DAT.

3. CONCLUSIONS

The key output from the DAT is that the application scheme generates a Developer's Return of 13.3% on GDV with a BLV of £1.45m and planning obligations totalling £446,000.

This makes clear that the application scheme is making more than the maximum planning obligations, given that it generates a Developer's Return of 13.3% on GDV, lower than the accepted threshold of 17.5%-20% on GDV.

Further, it will not be possible to provide an affordable housing in-lieu payment until the application scheme can generate the threshold level of at least 17.5% Developer's Return on GDV.

The application scheme will provide £446,000 of financial planning obligations, will generate a New Homes Bonus for the Council and will create employment during construction, then in the running, management and maintenance of the new residential units.

Yours sincerely



Dr Douglas Birt
Encs.

APPENDIX 1
[Bound Separately]

APPENDIX 2

KINGSBURY STONE

Bird in Hand, West End Lane, NW6 4NX						
Unit	Floor	Description	GIA sq.ft.	GIA sq.m.	Value	£/sq.ft.
Commercial						
1	Ground	House	2,053	191	£1,500,000	731
Residential						
1	Ground	2 Bedroom 4 Person Apartment	879	82	£700,000	796
2	First	2 Bedroom 4 Person Apartment	857	80	£700,000	817
3	First	1 Bedroom 2 Person Apartment	542	50	£475,000	876
4	Second	2 Bedroom 4 Person Apartment	750	70	£650,000	867
5	Second	1 Bedroom 2 Person Apartment	543	50	£477,500	879
6	Third	2 Bedroom 4 Person Apartment	750	70	£655,000	873
7	Third	1 Bedroom 2 Person Apartment	540	50	£480,000	889
8	Fourth	2 Bedroom 4 Person Apartment	750	70	£660,000	880
9	Fourth	1 Bedroom 2 Person Apartment	540	50	£485,000	898
Sub-Total			6,151	572	£5,282,500	£859
Grand Total			8,204	763	£6,782,500	£827

APPENDIX 3

- [browse](#) [compare locations](#)

- SPARQL query [user guide](#)

- [about UKHPI](#) [change history](#)

- [English](#) | [Cymraeg](#)

Quick links: [by property type](#) [by buyer status](#) > [by funding status](#) > [by property status](#)

House Price Statistics

[Watford](#) for [May 2020 to June 2022](#)

Type of property

Track the index, average price and both monthly and annual change for all property types or focus on one in particular.

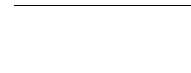
Average price by type of property in

Watford

[See data graph](#)
 [See data table](#)
 [Download this data](#)
 [Compare with location...](#)

Date	Flats and maisonettes
May 2020	267,493
Jun 2020	265,479
Jul 2020	262,328
Aug 2020	264,984
Sep 2020	266,873
Oct 2020	269,484
Nov 2020	265,103

Dec 2020	264,538
Jan 2021	267,622
Feb 2021	266,267
Mar 2021	265,701
Apr 2021	262,801
May 2021	267,045
Jun 2021	270,607
Jul 2021	266,876
Aug 2021	265,423
sep 2021	264,824
Oct 2021	270,030
Nov 2021	264,048
Dec 2021	263,788
Jan 2022	259,939
Feb 2022	269,168
Mar 2022	268,664
Apr 2022	270,529



APPENDIX 4

Bird in Hand - Cost Plan

Item	Element	Total
1.0	Preliminaries	£ 328,792.84
2.0	Demolition and site clearance works	£ 25,000.00
3.0	Substructure & Drainage	£ 118,261.69
4.0	SUPERSTRUCTURE	
4.1	External Walls	£ 317,099.27
4.2	Floors	£ 54,356.11
4.3	Stairs	£ 11,442.59
4.4	Frame	£ 593,266.53
4.5	Windows	£ 119,697.13
5.0	FINISHES	
5.1	Internal Walls & Ceilings	£ 111,573.75
5.2	Wall & Ceiling Finishes Internally	£ 123,173.29
5.3	Floor Finishes	£ 81,671.41
5.4	Roof finishes	£ 87,245.14
6.0	SERVICES	
6.1	Mechanical & Electrical Services	£ 531,686
6.2	Lifts	£ 34,196
7.0	FITTINGS	
7.1	Kitchens - Prov Sum	£ 60,750.00
7.2	Sanitary fittings	£ 95,026.09
8.0	EXTERNAL/SITE WORKS	
8.1	Site Services (Drainage, piped and ducted)	£ 14,625.47
8.2	Site Services (Piped & Ducted)	£ 10,864.83
8.3	Landscaping	£ 41,882.44
9.0	Design Fees - see above	excl.
10.0	Utilities - Provisional Sum	£ 27,000.00

	Sub-Total	£ 2,787,610.62
11.0	Design Development Procurement Contingency (5%)	£ 139,380.53
12.0	Bond	excl.
13.0	Overhead & Profits (8%)	£ 223,008.85
TOTAL		£ 3,150,000.00

APPENDIX 5

Open Market Value as a going concern public house



The Bird in Hand
12, West End Lane
London NW6 4NX

Contents

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6. Environmental & Ground Conditions
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11. Tenure
12. Viability of the Bird in Hand trading as a going concern
13. Marketability & Other Valuation Consideration Approach to Valuation
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Appendix 1 Report Assumptions, Conditions & Valuation Methodology

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Appendix 3 Comparable Sales of Public Houses

Appendix 4 Letter of Instruction

1. Location

The Bird in Hand is situated in a residential location, approximately 0.2 miles to the north of Kilburn High Road Overground Station and 0.3 of miles to the north west of Kilburn Park Underground Station on the Bakerloo line. In addition, the subject property is situated 0.1 of a mile to the south west of the St Mary's Kilburn Church of England Primary School. The closest significant public open space is afforded by Paddington Recreation Ground, situated 0.6 of a mile to the south of the subject property.

2. The Property

The property comprises of a semi-detached brick-built premises under a pitch slate roof. The building comprises of the basement, ground and one upper floor.

The accommodation:

- **Basement:** Net internal area of 63.97 sq. (689 sq. ft) beer cellar and storage.
- **Ground Floor:** Entered via a central entrance. Net internal area 89.29 sq.m (961 sq. ft) Public house trade area, three wc's and kitchen.
- **First Floor:** A five-bedroom flat. GIA :94.18 sq. m (962 sq. ft)

3. Services

We understand that all main services are connected to the premises.

4. Repair & condition

We have not undertaken a building or site survey of the property and our inspection was limited to accessible areas. We are unable to confirm whether the property is free from urgent or significant defects or items of disrepair. Apart from any matters specifically referred to below, we have assumed that it is in sound order and free from structural faults, rot, infestation or other defects.

5. Asbestos

All owners/occupiers of non-domestic properties and communal areas of domestic properties are required, under the Control of Asbestos Regulations (2012) to provide a record of inspection to verify whether any form of asbestos is present. If asbestos is detected, then an appropriate management plan must be implemented. We have not inspected for asbestos and, unless otherwise stated, our valuations exclude any costs relating to this management plan. It is assumed that the property is entirely free of asbestos and all other contaminated materials. We have not been provided with any information regarding asbestos and contaminative materials. We reserve the right to amend our opinion of value in the event of asbestos being present anywhere on the site.

6. Environmental & Ground Conditions

We are not aware of any evidence of subsidence heave or landslip at or near the property and have assumed that no such problems exist. We have not made detailed investigations in this regard. We are not aware of any difficulties regarding ground conditions. We reserve the right to amend our opinion of value if there are any potential structural difficulties. Flooding: It is assumed that full insurance cover against flooding is available in respect of the building. Radon: We have visited the UK Radon Map. This indicates that the risk of Radon is low. Japanese Knotweed: We did not note any evidence of Japanese knotweed at the site at the time of inspection. We reserve the right to amend our opinion of value in the event of Japanese Knotweed being present on any part of the property. Contaminated Land From our inspection of the premises there were no obvious signs of potential risk of contamination. We do not consider further investigations to be required.

7. Sustainability

There is growing interest in sustainability which in due course may have an impact on value. We have assumed that the property and business is sustainable in the immediate future but any commentary beyond that is outside the scope of this report.

8. Planning

We have been verbally informed by planning office, that the Bird in Hand has historic A4 planning user. We are now aware under the recent Government legislation introduced on the 1st September 2020 that this planning user has now been changed to “sue generis”.

https://www.planningportal.co.uk/info/200130/common_projects/9/change_of_use

The premises are neither listed or in a conservation area.

9. Licensing

We are unable to confirm with the Camden Licensing department as to whether there is a current premises liquor licence for the premises.

10. Statutory Regulations

Energy Performance Certificate. We have not been supplied with any EPCs.

Disabled Access It is assumed that all publicly accessible buildings are fully compliant with the Equality Act.

We reserve the right to amend our opinion of value in the event of additional works being required to ensure the property is fully compliant.

Fire Regulations Under the Regulatory Reform (Fire Safety) Order 2005, occupiers of non-domestic premises are responsible for ensuring adequate fire prevention and precautions are in place. We have not inspected the relevant fire safety policy documentation. It is assumed that the property has been subject to an appropriate Fire Risk Assessment audit and does not represent a significant risk. We have assumed that no significant works of a capital nature are required to comply with all fire authority requirements. We reserve the right to amend our advice if this is not the case.

Localism Act 2011 – List of Assets of Community Value. From our enquires with Camden council The Bird in Hand was not registered as an Asset of Community Value. If the property was registered for an ACV, then it is possible that a delay in achieving a sale could result.

11. Tenure

The property is held on a freehold title No. NGL71234

12. Viability of the Bird in Hand trading as a going concern

The Bird in Hand is not currently trading as a public house. We have been instructed to value with an investment of £235,000 in the current premises, which includes the basement cellar, ground floor trading area, kitchen, Ladies and gent's WC's and the first-floor managers/tenants flat with 4 available letting rooms with bathroom facilities. We have assumed the pub will be fully licensed (premises liquor licence) trading normal local pub hours 12 noon to 11 pm.

We would consider with this level of investment in an area of 2,664 sq. ft of producing a well fitted and equipped public house trading in an area which is densely populated with houses, flats, retail, offices and commercial premises. We this in mind we would expect under the guidance of good tenant /manager that a pub owner would expect to achieve a level of turnover in the region of £6 to 8,000 per week net of VAT.

Over a period of three years, we would expect a fair maintainable trade of £9,000 per week net of VAT with a split in trade of 70% wet, 20% food and 10 % accommodation/letting. A resulting gross profit of 68% for a wet led public house. We believe the resulting net profit/EBITDA in the region of £110,000 net of VAT.

13. Marketability & Other Valuation Considerations Approach to Valuation

If available for sale in its present form, this property is likely to appeal to an owner operator market or tenanted led pub companies.

We consider market demand is consistently strong in the London Villages since the Covid restrictions have been lifted. However, difficulties in the banking, lending and loan facilities currently available has restricted demand.

Method of Valuation

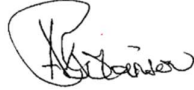
Method of Valuation: We have valued the bar as an operational entity and taking into consideration both residential and commercial property values in this location. Utilising our list of sales of comparable public houses and understanding the limited sales area of this premises. We have also taken into consideration the investment of £235,000 in this particular public house.

14. Letter of instruction

See Appendix 4

15. Valuation

We consider the Market Value of The Bird in Hand subject to the specific assumptions set out, as a fully equipped operational entity, having regard to trading potential to be:
£ 1,450,000 (one million four hundred & fifty thousand pounds)



Signature:

Andrew Robinson FAVLP

Registered Valuer For & On behalf of A3A4 Licensed Property

Date: 24th of June 2022

Appendix 1. Report Assumptions, Conditions & Valuation Methodology

Definition of Market Value Market Value is defined in the RICS Valuation – Professional Standards 2014’ (The Red Book) as:

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

The assessment of the value of the operational entity will usually include:

- The legal interest in the land and buildings;
- The trade inventory, usually comprising all trade fixtures, fittings, furnishings and equipment; and
- The market’s perception of the trading potential, together with an assumed ability to obtain/renew existing licences, consents, certificates and permits.

Consumables and stock in trade are normally excluded.

In our opinion, a reasonable period, having regard to the nature of the property and the state of the market, for the proper marketing of the interest, for the agreement of the price and terms and for the completion of the sale would be nine months.

Definition of Market Rent Market Rent is defined in the Red Book as:

The estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and willing lessee on appropriate lease terms in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

Assumptions & Conditions

The following applies to all properties forming part of this report.

Valuation date: Values change over time and as such a valuation provided as at a particular date may not be valid on either an earlier or later date.

Information: We have relied upon all information provided which is assumed to be complete and accurate.

It is the client’s responsibility to ensure that all trading information provided is substantiated by audited/certified accounts and where appropriate an accountant’s certificate. Any discrepancy arising from such documentation would be reported to us as soon as practicable in order that necessary adjustments can be considered.

Our report may point to further enquiries being necessary. Failure to make such enquiries will be taken as evidence of non-reliance upon the report and valuations therein.

We reserve the right to amend our advice in the event of additional material information becoming available.

Title: We recommend that a full report on title and/or lease is obtained. We have not inspected the title deeds or other legal documentation in relation to the property and we assume that there are no unusual or onerous restrictions or obligations attaching to the property and that it enjoys good marketable title.

We have relied upon documentation supplied but cannot guarantee to have seen all relevant documentation. We reserve the right to amend our advice in the event of additional documentation becoming available. Our understanding of the boundaries of the property is as noted in the report but should not be relied upon and should be verified. It is assumed that there are no current or past boundary disputes. It is assumed that the property has lawful unencumbered access.

All leases are assumed to be drawn up in a fully assignable commercially acceptable format unless otherwise stated.

Regulated Mortgages: If a loan is to be made, we have assumed that it would not be treated as a regulated mortgage contract by the Financial Services Authority.

Planning: All planning enquiries have been made of the relevant authority's website or made verbally. We have relied upon the information obtained and assume it to be comprehensive. We reserve the right to amend our advice in the event of the existing and/or proposed planning permissions being subject to any unusual or onerous conditions or undertakings of which we are not aware and which are not referred to in our report.

Our advice assumes:

- a) The property has formal planning permission and established use for its current use.
- b) There are no breaches of planning consent, building regulations or any outstanding Enforcement Notices in relation to the property.
- c) There are no outstanding planning applications in relation to the subject property or surrounding properties that are likely to have a detrimental impact on our opinion of value.

We recommend a detailed search is undertaken to establish the full planning history of the property together with details of any development proposals which could have an adverse effect on value. We reserve the right to amend our advice should such investigations reveal any matters that may materially impact on the property.

Trade Fixtures, Fittings, Furniture, Furnishings, Equipment & Services: We have assumed that the property would be sold with the benefit of an unencumbered and full trade inventory. It is assumed that all plant machinery, equipment, fixtures and fittings are in serviceable order adequate for the existing and proposed level of trade and shall remain so for the foreseeable future.

It is assumed that all items of decoration, bric a brac, works of art and the like have no additional inherent value over and above that attributable to them as part of the existing and/or proposed business. In the event of there being specific items of high value, we would recommend expert valuation advice is sought. Unless otherwise stated, any current or proposed hire purchase, leasing or rental costs, have however been excluded in our financial assessments.

Condition & Repair: Our inspection for valuation purposes does not constitute a building survey (known as a structural survey) of the property. We have assumed that the property is of sound design and construction and free from any inherent defects. We did not inspect woodwork, roof voids or any other parts of the property which were covered, unexposed or inaccessible at the time of our inspection and such parts are assumed to be in good repair and condition. Our report should not be taken therefore as expressing a definitive opinion as to the structural condition of any part of the property. Should a building survey be commissioned or any significant defects discovered, we reserve the right to amend our advice. Unless otherwise stated any signs of structural movement are assumed to be of an historic and non-progressive nature. We have not however undertaken any investigations and therefore we can make no assurances in this respect.

Environmental & Ground Conditions: Unless otherwise stated, we are not aware of the content of any environmental audit or other environmental investigation or soil survey which may have been carried out on the property and which may draw attention to any contamination or possibility of contamination. We have assumed that no contaminative or potentially contaminative uses have ever been carried out at the property. We have not carried out informal investigations into past or present uses either of the property or neighbouring land to establish whether there is any contamination or potential for contamination to exist and have therefore assumed that none exists. Should it be established subsequently that any contamination, seepage or pollution exists at the property or any neighbouring land, or that the property has been or is being put to a contaminative use, we reserve the right to amend our advice.

Hazardous Materials: We have not carried out investigations nor made arrangements for any investigations to be carried out to determine whether or not any deleterious or hazardous materials, substances or gases have been used in the construction of the property or have been stored on it at any time. We are therefore unable to report whether the property is free from risk in this respect. We have assumed that any such investigations would not disclose the presence of any such materials to any significant extent.

The Business: In the event of a change in trading potential or actual levels of trade from that indicated, our opinion of value could vary. Verification of the accounting information should be obtained as part of the due diligence process. It is assumed that;

- a) The business is competently managed or operated.
- b) The business is properly capitalised stocked and staffed.
- c) The nature, character and pricing structure of the business will not materially alter unless specifically stated to the contrary in our report.
- d) All proper and prudent insurance for the business is taken out and maintained.

- e) There is no suppression, deception or falsification of material facts by the vendor, proposed borrower, any advisor thereto or any other party.
- f) There are no known onerous features of the business against which the proposed borrower should make specific provision.
- g) That all accounting information supplied would be made available to a prospective purchaser and could be substantiated by independent audit.

These assumptions are not verified by A3A4 Licensed Property.

We do not accept responsibility for losses or damages of any nature whatsoever which may result directly or indirectly from mismanagement underfunding or under staffing of the business, market trends or fluctuations or any other factors which are outside our influence or control or changes in the nature character extent of pricing structure of the business, or the absence of adequate insurance cover for the business or for the suppression of material facts.

Whether stated in the report or not, if there is any qualification as to the source of any particular information, it remains the responsibility of the client and the proposed borrower (where appropriate) to ensure that all the usual prudent and appropriate enquiries are made prior to the offer of finance or purchase. Such enquiries shall include without limitation the taking of independent professional advice from solicitors and accountants, the entering into of a professionally drawn up acquisition agreement,

With the appropriate warranties being taken from the vendor or proprietor, the taking up of all necessary trade and bank references, the inspection of the accounts of the vendor or proprietor or proposed borrower, examinations of all necessary consents, regulations, permissions, licences, registrations and bye-laws, and all the usual searches and other precautions taken by a solicitor and accountant or other professional advisor in connection with the purchase or mortgage of a property and/or business. Our report is not intended to replace any of these investigations or enquiries and we do not accept responsibility for losses or changes of any nature whatsoever whether directly or indirectly out of the failure of the client and the proposed borrower where appropriate, to make such enquiries. The report may indeed point to further advice being necessary.

It is the client's responsibility to ensure that all trading information is substantiated by audited/certified accounts and, where appropriate, and accountant's certificate. We reserve the right to amend our advice upon receipt of additional information.

The report does not offer advice as to whether money should be advanced or lent or whether or not appropriate security should be taken or indeed whether the business itself should properly be acquired by the proposed borrower or purchaser.

Stock: We have disregarded the value of all consumable stock at the premises.

Taxation: Our advice does not reflect the incidence of VAT or other taxation of any type relating to the property or company other than those directly referred to in our report.

Appendix 2 Information

We have been supplied with and relied upon the following information listed below. We have also relied upon information supplied to us verbally.

We reserve to the right to amend our advice in the event of material additional information becoming available to us.

1. Land Registry Title Document



Title register for:

**Bird In The Hand Public House, 12 West End Lane, London, NW6 4NX
(Freehold)**

Title number: NGL712349

Accessed on 15 June 2022 at 18:04:38

This information can change if we receive an application. This service can not tell you if HM Land Registry are dealing with an application.



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Register summary

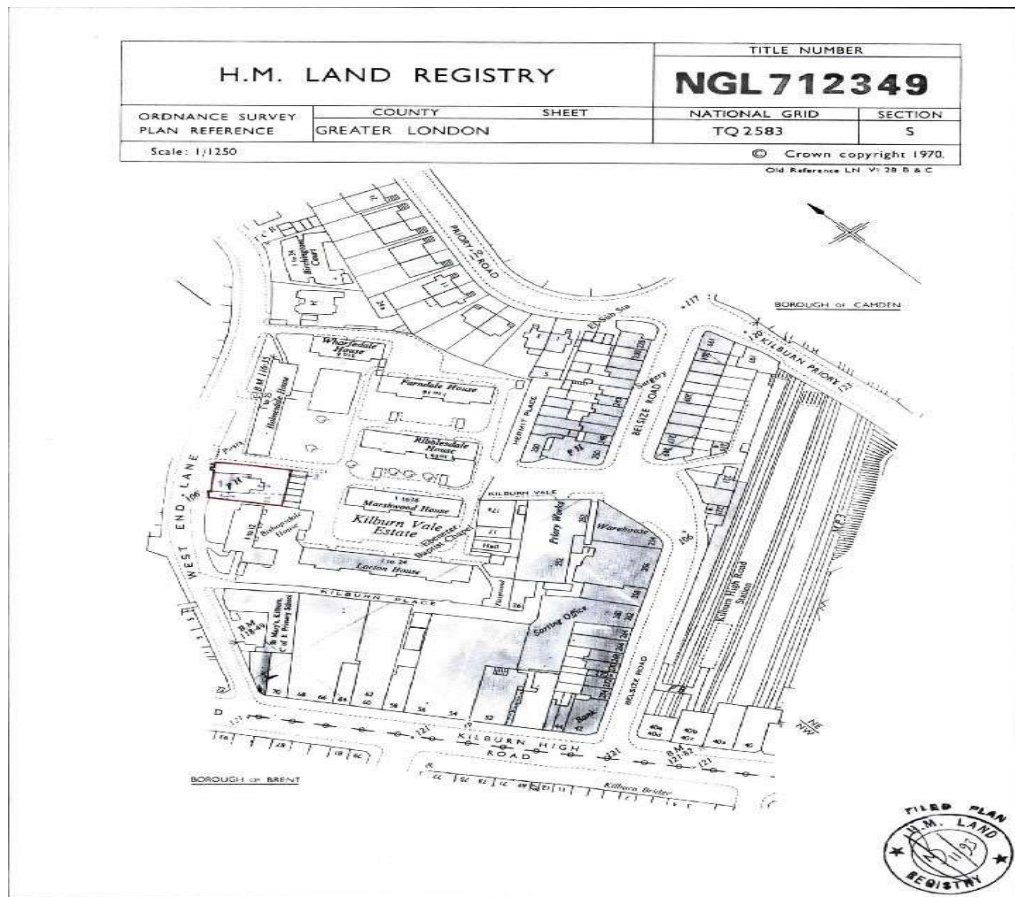
Title number	NGL712349
Registered owners	CALSTINE LIMITED Messrs Cheek Lesson & Co of 198A Northolt Road, South Harrow, Middx, HA2 OEN
Last sold for	No price recorded

A: Property Register

This register describes the land and estates comprised in this title.

Entry number	Entry date
1	CAMDEN

2. Land Registry Site Plan



This is a copy of the title plan on 15 JUN 2022 at 18:05:51. This copy does not take account of any application made after that time even if still pending in HM Land Registry when this copy was issued.

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Appendix 3 Comparable Sales of Public Houses

Property	Details
Lord Southampton 2, Southampton Rd London NW5 4HX	Freehold pub sold in March 2022 for £1,350,000. Closed corner public house, arranged on basement, ground floor bar and letting rooms above on 1 st and 2 nd floor.
Baring Arms 55 Baring Street Hoxton London N1 3DS	Freehold public house sold in December 2021 for £1,050,000. Detached corner pub in high valued residential location close to Essex Road station. Arrange on the basement, ground, and 2 upper floors.
Brendan the Navigator (Old Crown) 90, Highgate Hill Highgate N19 5NQ	Freehold public house sold for £1,950,000 in September 2021. Detached public house in high valued residential location close to Archway Underground Station. Arranged on basement, ground and two upper floors. Outside trade area.
The Bull 13, North Hill Highgate N6 4AB	Freehold public house sold for £3,650,000 in February 2022. Substantial detached public house in high valued residential area and trading as a successful managed gastro pub. Basement, ground and one upper floor. Trade garden and car park.

Appendix 4. Letter of Instruction:

Instructions from Calstine Ltd

We are instructing A3A4 Licensed Property to advise on an Open market value of the Bird in Hand public house 12, West End Lane, London NW6 4NX trading as a going concern with an investment of £235,000.

Peter Cunningham

Calstine Ltd.