

Shobrook & Co.

Established. 1920.

TERMS OF ENGAGEMENT VALUATION (Market Value) GENERAL CONDITIONS

1. INTRODUCTION

- a. All fees, unless otherwise stated, are quoted net and disbursements and VAT will be added to the account.
- b. Payment of accounts is due on receipt and Shobrook & Co. Limited reserves the right to charge interest on overdue accounts at a rate of 2% per month calculated on a daily basis commencing 28 days from the invoice date.
- c. Advice and information contained in any report, correspondence or document is confidential to the client and the client's professional advisers and may not be published or reproduced, either in whole or in part; without the prior written approval of Shobrook & Co. Limited as to the form and context in which it may appear.
- d. Responsibility for the advice and information given will extend only to the contractual client.
- e. Unless otherwise agreed, our fee will be based on the time recorded by Directors and staff on behalf of the client. The hourly rate will vary according to qualifications and experience and will be related to the complexity of the matter involved.

2. Shobrook & Co. Limited operates a Complaints Handling Procedure in accordance with RICS Regulations and further details can be obtained upon written request.

3. ASSUMPTIONS

The following assumptions (which we shall be under no duty to verify) will be made:-

- a. That all information provided by the client, and/or his professional advisers, upon which our valuation will rely, is complete and correct.
- b. That information provided as to ownership is complete and correct, and that there are no encumbrances or unduly onerous or unusual easements, restrictions, outgoing or conditions attaching to the property of which we are not made aware. (Please note that Title Deeds will not be inspected).
- c. That all covenants either in head leases, underleases or derivative interests have been complied with and that there are no disputes with the lessors or lessees or notices received from the lessors or lessees which would adversely affect our valuation.
- d. That unless we are informed otherwise the property complies with all relevant Statutory Requirements.
- e. That the property has been constructed and is occupied in accordance with valid Planning and Building Regulations approval and that there are no outstanding Statutory or other Notices.
- f. That, unless we are otherwise advised no High Alumina Cement or any other deleterious materials or techniques have been used in the construction of or alterations to the property.

4. INSPECTION

We will not carry out a building survey nor examine the structure nor any part of the property for latent defects, inherently dangerous or unsuitable materials or techniques. We will not carry out any test of services. Our valuation will be based on the limited inspection which is all we undertake to carry out within the scope of our instructions.

5. We will not inspect any floor or roof voids, woodwork or other parts of the structure which are covered, unexposed or inaccessible and will therefore be unable to report that such parts of the property are free from rot, beetle or other defects.
6. Plant and machinery will not be included in the Valuation unless forming part of the structure and normally valued with the building.
7. Unless instructed we will not carry out or commission a site investigation or geographical or geophysical survey and therefore can give no opinion, assurance or guarantee that the ground has sufficient load bearing strength to support the existing structure or any other structure that may be erected upon it in the future. We cannot give any opinion or assurance or guarantee that there are no underground mineral or other workings or items subject to decomposition beneath the site or in its vicinity nor that there is any fault or disability underground which would or might affect the property or any construction thereon.

8. Unless otherwise stated we will not undertake site investigations nor examine ground conditions on this or any adjoining site with regard to contaminated land or other matters. Except where stated in our report we will not make any enquiries to verify the inclusion or otherwise of the property on the Contaminated Land Register. Should it be established subsequently that contamination exists at the property or nearby, or that the site has been or is being put to a contaminated use, this might have the effect of reducing our valuation. In extreme circumstances our valuation may have to be deferred pending site investigation.

9. AREAS

Superficial areas set out in our report will be approximate.

10. ENQUIRIES

Where appropriate Local Authority and other enquiries will be made verbally, unless otherwise directed. Unless we are specifically advised to the contrary, we will assume that the property and its value are unaffected by any matters which would be revealed by a full local search.

11. Any of the above matters can be investigated further and if you require more detailed information we will be pleased to discuss the preparation of an extended report.

12. VALUATION

The Valuation will be carried out in accordance with the RICS Appraisal and Valuation Standards.

13. Valuation figures take no account of marketing costs or capital taxation and are exclusive of VAT. Except where stated in our report we will assume that transactions affecting the property are not subject to VAT liability.

14. BASIS OF VALUATION

The valuation provided will be on the aforementioned assumptions in respect of individual subject properties (unless otherwise agreed) as inspected.

15. The valuation basis will be Market Value together with its interpretative commentary in accordance with the definition stated in the RICS Appraisal and Valuation Manual.

This is defined as:

"The estimated amount for which a property 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".

16. In respect of a property which is fully equipped as a trading entity and valued having regard to trading potential, Shobrook & Co. Limited will adopt the basis of Market Value subject to the following Special Assumptions:-

- a. The business has been closed.
- b. The inventory has been depleted or removed.
- c. Licences have been lost or been breached.
- d. That accounts or records of trade would not be available to a prospective purchaser.

17. The valuations will exclude any additional value attributable to personal goodwill or the value of any fixtures and fittings which are only of value in situ to the present or proposed occupier except in the case of property which is fully equipped and valued as an operational entity, where only personal goodwill is expected.

AUCTIONEERS, SURVEYORS, VALUERS, ESTATE AGENTS, PROPERTY CONSULTANTS

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