


DM HALL
CHARTERED SURVEYORS
COMMERCIAL

REPORT & VALUATION

**GRACEMOUNT HOUSE
GRACEMOUNT HOUSE DRIVE
EDINBURGH
EH16 6UA**



INDEX

1. LOCATION
 2. DESCRIPTION
 3. ACCOMMODATION
 4. CONDITION
 5. STATUTORY OBLIGATIONS
 6. SERVICES
 7. SITE AND GROUND CONDITIONS
 8. ENVIRONMENTAL ISSUES
 9. TENURE
 10. TENANCIES
 11. MARKET TRENDS AND GENERAL COMMENTS
 12. CAPITAL VALUE
 13. LOCATION PLAN
 14. TERMS AND CONDITIONS
- 

3 May 2023

Gracemount Mansion Development Trust
32 Little Road
Edinburgh
EH16 6SQ

Our Ref.: JGM/ES230165

Dear Sirs

VALUATION STATEMENT

In accordance with your instructions, we have attended at the undernoted subjects in order to advise as to our opinion of value for the required purposes. Our report is prepared in accordance with the Conditions of Engagement for the Valuation and Appraisal of Commercial Land and Buildings, a copy of which is appended hereto.

Jonathan G. Mitchell BSc MRICS, Registered Valuer, inspected the subjects on 23 March 2023.

We would confirm that we do not have a conflict of interest in accepting these instructions and that we currently carry appropriate Professional Indemnity Insurance cover.

Having carried out our inspection and completed relevant enquiries, we would now report on our opinions and findings as follows:-

PROPERTY

Gracemount House, Gracemount House Drive, Edinburgh, EH16 6UA

CLIENT

Gracemount Mansion Development Trust

INTEREST

Heritable

DATE OF VALUATION

23 March 2023



DM Hall LLP, a Limited Liability Partnership registered in Scotland with Registration number SO301144
Registered office, 17 Corstorphine Road, Edinburgh, EH12 6DD.

A full list of members can be obtained from the Head Office, 17 Corstorphine Road, Edinburgh, EH12 6DD. Tel: 0131 477 6000. Fax: 0131 477 6016.

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Hamilton, Inverness, Inverurie, Irvine, Kirkcaldy, Livingston, Musselburgh, Oban, Paisley, Perth, Peterhead, Stirling.

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Regulated by RICS

1. LOCATION

Overview

Edinburgh, the capital city of Scotland, has a population of circa 510,000 people, and benefits from a substantial catchment area. The city is a recognised financial centre and is the home of the Scottish Parliament, as well as being a popular tourist destination, particularly during the peak summer months. The city is situated on the East Coast of Scotland and has excellent transport links via road, rail and air.

Edinburgh boasts a significant number of tourist attractions and draws visitors on a year round basis from all over the world, particularly in the period around Hogmanay and the month of August when the Edinburgh Festivals take place.

Gracemount House Drive

The subjects are located at the end of Gracemount House Drive, accessed from Lasswade Road, approximately four miles to the south east of Edinburgh city centre. The area is predominantly residential in nature interspersed with low density commercial activity. Indeed, substantial development has taken place in recent years with the area being a popular commuter destination due to its easy access to Edinburgh city centre and to The City of Edinburgh bypass, approximately 1.5 miles to south.

Also in the immediate area is Gracemount Primary School, Gracemount High School, St Catherines RC Primary School, Gracemount Leisure Centre and Liberton Hospital.

The subjects occupy mature grounds which extend to approximately 1.6 hectares (4.0 acres), including a wall garden area. The grounds are laid to lawn, mature shrubbery and well-established trees. There is also outdoor sports facilities and car parking.

The exact location of the subjects is shown on the appended plan.

3. DESCRIPTION

As the subjects are well known to you, we do not intend to provide a detail descriptive comment, however, for identification purposes, we would confirm that subjects comprise the former rectory of St Catherines Chapel of Kaims, built in c. 1780. It is of solid stone construction beneath a complex multi-pitched slate roof, incorporating flat sections.

The building has been altered and adapted over many years to provide the current layout, most recently being utilised a community hub/youth club.

We provide below photographs of the external elevations.

Front Elevation



Source: DM Hall Site Inspection

Rear Elevation



Source: DM Hall Site Inspection

The subjects are entered into an impressive reception hallway off which is a variety of cellular office style accommodation. Also at ground floor are a variety of stores, WC's and a small prep kitchen.

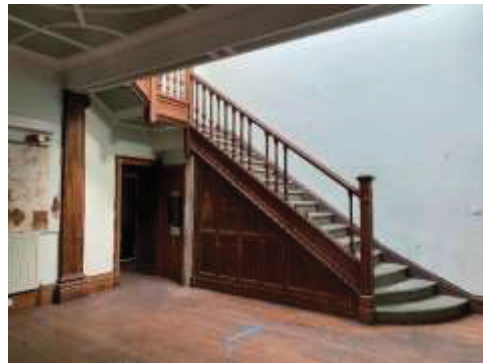
We provide below a selection of photographs showing the ground floor of the subjects.

Ground Floor (1)



Source: DM Hall Site Inspection

Ground Floor (2)



Source: DM Hall Site Inspection

Ground Floor (3)



Source: DM Hall Site Inspection

Ground Floor (4)



Source: DM Hall Site Inspection

An internal staircase in the reception hallway leads to the first floor which is again laid out to provide cellular offices, stores and WC's. It is finished to a more basic standard than that of the ground floor.

We provide below photographs showing the first floor.

Front Elevation



Source: DM Hall Site Inspection

Rear Elevation



Source: DM Hall Site Inspection

Also accessed via a staircase off the main reception hallway is a large basement area which can be accessed externally from ground level due to the topography of the site. Again, there is a provision of basic office accommodation, storage and WC's.

We provide below photographs of the basement area.

Basement (1)



Source: DM Hall Site Inspection

Basement (2)



Source: DM Hall Site Inspection

The property retains much of its original grandeur and original features albeit the building has been subject to neglect and vandalism over the last few years and will require substantial refurbishment.

3. **ACCOMMODATION**

For valuation purposes, we would summarise the accommodation as follows –

Floor	Accommodation
Basement	Various stores, offices and WC's
Ground	Vestibule, reception hallway, three open plan offices, dining room with kitchen/prep area off, stores and WC's
First	Seven offices, various stores and boiler/plant room.

In accordance with the RICS Code of Measuring Practice, we have calculated the subjects to have a gross internal area of 826.79 sq. m. (8,899 sq. ft.). This has been calculated for valuation purposes only and should be used for no other reason whatsoever.

4. **CONDITION**

This is a property appraisal report, the purpose of which is to determine the Market Value of the subjects and is not a report on the condition of the building fabric. In accordance with the RICS Valuation – Global Standards 2022, we have carried out a sufficient inspection to enable us to form an opinion as to value, and any comments as to the condition are of a general indicative nature only.

We would, however, note that at the date of inspection, the subjects were found to be in a relatively poor state of repair and were in need of full refurbishment to bring them back into a wind and watertight condition. The cost of any remedial works should be factored into any offer made to purchase the subjects.

Our inspection of the roofs, their parts and pertinents was restricted to ground level only, rendering limited views thereof and we cannot comment fully thereon. Part of the roof is of a flat design. We would comment that roofs of this nature are regarded as having a limited life expectancy and will require higher than normal maintenance to ensure that they remain in a wind and watertight condition.

At the date of our inspection, we noted evidence to suggest that there were any issues in this regard and we would strongly recommend that a competent roofing contractor be instructed to carry out an inspection of the roof structures with any works found necessary carried out timeously to ensure that the subjects are wind and water tight. The cost of any remedial works should be factored into any offer made to purchase the subjects.

The subjects are of an age where damp or timber issues maybe evident, especially in areas that were not accessible during our inspection. We would strongly recommend that the entire property be inspected by a specialist contractor with any works found necessary being carried out under guarantee. The cost of any remedial works should be factored into any offer made to purchase the subjects.

Evidence of structural movement was noted to the subjects, however, this appeared to be historic with no evidence of this being recent or progressive. We note this for your information purposes only. Should further comment in this regard be necessary, we would recommend a suitably qualified Structural Engineer be instructed to inspect the subjects.

For the avoidance of doubt, our opinions of value make no allowance for the cost of implementing any necessary remedial works. In the event that the recommended report(s) disclose any work that would be significant in cost to implement, we would reserve the right to reconsider our opinions of value reported.

5. STATUTORY OBLIGATIONS

Town Planning

Local Authority	The City of Edinburgh Council
Local Plan	Edinburgh Local Development Plan
Development Controls	The property is located within the settlement boundary of Edinburgh. The property itself merits no specific mention within the LDP, however, the garden grounds are identified as an Open Space which will impact on potential future development. We have taken this into consideration when establishing our opinion of Market Value.
Listed Building	Category B
Conservation Area	The property is not located in a conservation area.
Other Major Developments or Infrastructure Plans	We are not aware of any other major developments or infrastructure plans that would have a negative impact upon our opinion of Market Value.
Roads & Footpaths	We have assumed that the roads and footpaths, ex adverso the subjects, have been taken over and are maintained by the Local Authority.

Planning Applications

We have made enquires of The City of Edinburgh planning portal which indicates that no pertinent extant planning applications exist which would impact upon our opinion of Market Value.

Planning Authorities will no longer discuss queries with members of the public or professional enquirers. The information contained within this report has therefore been researched from Local Authority websites and Local Plan documentation therefore; the solicitor acting on behalf of the bank should deal with all of the above matters on a formal basis. If there are any issues identified as a result of these reasonable formal enquiries, we will require to consider the effect these may have on the value/marketability in consultation with the legal agent.

Fire (Scotland) Act 2005

The introduction of the Fire (Scotland) Act 2005 appears to have removed the necessity for a Fire Certificate and replaced it with a system of self regulated audit. This requires those parties responsible for a property to undertake a risk assessment to demonstrate that the fire precautions within premises are adequate for its use. We would recommend that further advice in this regard be sought from an appointed legal adviser and/or local fire officer.

Energy Performance Certificate

With reference to the Scottish EPC Register, we have been unable to confirm whether a valid Energy Performance Certificate (EPC) has been prepared in respect of the subjects. Notwithstanding, we would advise that The Energy Performance of Buildings (Scotland) Regulations 2008, as amended, requires that an EPC be prepared in respect of any property or part thereof which is intended to be made available for sale or let, and that the Energy Rating be stated on all property advertisements. It is the responsibility of the vendor or landlord to comply with these regulations. Failure to do so may result in summary fines being imposed. If required, DM Hall can provide further guidance in respect of the regulations and, where necessary, prepare an EPC.

Under provisions contained within Section 63 of the Climate Change (Scotland) Act 2009, the Scottish Government has brought forward regulations to require property owners to improve the energy efficiency and greenhouse gas emissions of their buildings. The Assessment of Energy Performance of Non-Domestic Buildings (Scotland) Regulations 2016, requires owners of non-domestic buildings to both assess and improve the emissions and energy performance of their buildings. These regulations are effective from 1st September 2016.

The regulations currently apply only to buildings with a floor area of more than 1,000 sq. m. The total floor area of the subjects under report does not exceed 1,000 sq. m., and therefore the property is not currently subject to these new regulations.

Rateable Value

Reference to the Assessor's website has shown that the subjects are entered in the current Valuation Roll at Rateable Value £32,600.

We would advise you that, under existing legislation a new owner or occupier has the right to appeal against the assessment for a period of 6 months from the date of acquiring their interest in the property.

The Uniform Business Rate in Scotland for the year 2023/24 is 49.8p in the pound, known as the basic property rate. Where a Rateable Value is greater than £51,000 and less than £100,000 there is a supplement of 1.3p, bringing the total amount payable to 51.1p, known as the intermediate property rate. Where a Rateable Value is greater than £100,000 there is a further supplement of 1.3p, bringing the total amount payable to 52.4p, known as the higher property rate. The Small Business Bonus Scheme gives reliefs up to 100% of liability (depending on circumstances) for most properties in active use with a Rateable Value of £20,000 or less. Further details of the Scheme can be obtained from the Scottish Government website.

6. SERVICES

We have been advised that the subjects, have mains supplies of water, electricity and gas with drainage being to the public sewerage system.

The property has been subject to break-ins in recent years with substantial damage being caused to the plumbing installation and sanitary fitments. As such, we would recommend that a suitably qualified contractor be instructed to inspect the subjects with any repair works necessary carried out as a matter of urgency. The cost of such works should be reflected in offer made to purchase the subjects.

The electrical installation is a of mixed age and design. We would strongly recommend that an appropriately qualified contractor be instructed to inspect the subjects with any repair works necessary carried out as a matter of urgency. The cost of such works should be reflected in offer made to purchase the subjects.

For the avoidance of doubt, no allowance has been made in our opinion of Market Value for essential works required to the services.

7. SITE AND GROUND CONDITIONS

We have no information regarding the exact site area, and though the boundaries appear obvious, the full extent of the site should be checked by reference to relevant Title Deed documentation.

We would not expect there to be any adverse or abnormal site/subsoil conditions affecting the subjects.

8. ENVIRONMENTAL ISSUES

Given the age, nature and location of the property, it is unlikely that the premises will be subject to any material or significant environmental/contamination risk. However, no assurances can be given in this regard and any further comment is outwith the scope of our remit/expertise.

9. TENURE

We have not had the opportunity of inspecting the Title Deeds, and for the purposes of our valuation we have assumed that the subjects are held on Heritable Tenure. We have further assumed that the property is free from encumbrances, restrictions or outgoings of an onerous nature which would affect the value.

10. TENANCIES

We have been advised that there are no tenancies or other such agreements in place at the subjects and our opinion of Market Value specifically assumes that vacant possession was available at the date of inspection.

11. MARKET TRENDS AND GENERAL COMMENTS

The subjects have most recently been utilised as a youth centre before its closure in 2018. We understand that it is being purchased by the Gracemount Mansion Development Trust whose intentions are to reinvigorate the building, making it once again a focal point for the local community.

We understand that the subjects are being purchased from The City of Edinburgh Council, however, to ensure that the subjects are maintained for community use, there are a number of restrictive covenants in the Title Deeds which prevent the redevelopment of the site for alternative use such as residential.

Future development is also likely to be impeded as the garden grounds are identified as Gracemount Community Park and are classified as an Open Space within the Local Development Plan. We have reflected the aforementioned restrictive covenants and limited future development potential in our opinion of Market Value below.

The condition of the subjects will also clearly detract from demand from potential purchasers as well. Whilst our opinion of Market Value does not reflect the cost of essential repairs required to make the property wind and watertight, and to bring it up to an occupiable standard, it does make an allowance for the overall condition of the building as evidenced at the date of inspection.

Commercial finance is also likely to be difficult to obtain for an asset such as this given the restrictive covenants and its current condition. Any potential purchaser is therefore likely to be a cash buyer, government funded body or special interest group. This again will restrict any value achievable if presented to the open market.

The vast majority of this type of asset are either sold off market to a special purchaser i.e. a community trust, as is the case in this instance, or are transferred at nominal value (£1 for example) where the cost of repairs, excluding any costs associated with the end users specific fitout, are likely to exceed the Market Value.

12. CAPITAL VALUE

Valuation Methodology

When establishing our opinion of Market Value, we have adopted the comparable method. There is, however, very little evidence available on which to rely as very few assets of this nature actually transact on the open market. Therefore, we have had to employ substantial valuer judgement on this occasion. This introduces a greater than would normally be expected level of uncertainty into the opinion of Market Value reported.

Market Evidence

As previously noted, there are few transactions of such assets on the open market, however, we have made reference to the following when establishing our opinion of value.

Address	Date	Sale Price	Rate Per Sq. Ft.
Leith Methodist Church Junction Place Edinburgh	Jan-22	£520,000	£58.04
The Corn Exchange New Market Road Edinburgh	Feb-21	£2,750,000	£56.98
St Andrew's in the Square Merchant City Glasgow	Jan-20	£800,000	£39.16
Former Church & Halls Easter Road Edinburgh	Mar-18	£600,000	£43.80

Market Value

Having regard to the content of this report, including the Terms and Conditions attached hereto, we are of the opinion that the current values can be fairly stated on the required bases as undernoted:-

1. Market Value

£350,000 (THREE HUNDRED AND FIFTY THOUSAND POUNDS)

Should any of the assumptions contained within this report prove incorrect, we reserve the right to reconsider our opinion of value(s) if appropriate.

We trust the foregoing is sufficient for your purposes but should you require any further information, please do not hesitate to contact us.

Yours faithfully



Jonathan G. Mitchell BSc MRICS
RICS Registered Valuer
Director for DM Hall LLP

APPENDIX 1
LOCATION PLAN

Gracemount House
Gracemount House Drive
Edinburgh
EH16 6UA



APPENDIX 2
TERMS AND CONDITIONS



Introduction

Unless specified to the contrary in the body of the Report, our valuations are carried out in accordance with the following terms and conditions.

1. THE SERVICE

- 1.1. Unless otherwise stated, the Valuer is an External Valuer as defined in the latest edition of the RICS Valuation – Professional Standards (Red Book).

The Valuer provides directly to the Client a Report based on an inspection as described below, and either:-

(a) in respect of the particular type of property, has sufficient current local, national and international (as appropriate) knowledge of the particular market and the skills and understanding necessary to undertake the valuation competently; or

(b) where he satisfies (a) above, except that he has insufficient current knowledge, he will be or has been assisted by a person(s) who has (have) such knowledge and the skills and understanding necessary to provide the assistance required;

Unless previously agreed in writing and set out in the Confirmation of Instructions, the Report will cover the following points:

- 1.1.1. A description of the property, its location and its readily apparent state of repair;
- 1.1.2. The Valuer's opinion(s) of value of the Property on the basis stated in the Confirmation of Instructions. These may include Market Value, Market Rent, Building Reinstatement Cost Assessment and/or such other basis as may have been agreed in writing;
- 1.1.3. Where the valuation(s) has (have) been affected by the existence of an unimplemented planning consent for change of use or other development, the Valuer will so report and advise as to the amount(s) of the increase reported in consequence.
- 1.1.4. In the case of Property to be held as an investment:
- (a) An opinion of Market Rent at the reporting date, representing the rental income that the owner will be entitled to from the Property if it becomes or remains fully occupied;
- (b) An opinion on the effects on value of the quality and terms of the lease(s) and relevant implications upon the valuation; and
- (c) the Valuer's view of the market's opinion of tenant covenants for the class of the subject Property in the subject locality.
- 1.1.5. Advice, if the Valuer considers it relevant, on whether there is significant prospect of or potential for change of use or other development of the Property, or those in the vicinity, which would materially affect the value of the Property.
- 1.1.6. Advice, if the Valuer considers it relevant, on any other factors that may materially affect the status or value of the Property as security.
- 1.1.7. Comment upon the proposed purchase price if this has been notified in writing to the Valuer.

- 1.1.8. A statement of any special assumptions which the Valuer has made.
- 1.1.9. If appropriate, the Valuer's opinion of the suitability of the Property as a lending security having regard to the criteria typically applied by mainstream lenders.
- 1.1.10. If appropriate, the Valuer's opinion (without liability on the part of the Valuer) of current market conditions and/or trends in respect of this type of property in the area.
- 1.1.11. A statement as to the valuation method adopted, and an indication as to the extent to which the Valuer has been able to have regard to comparable market transactions:
- (a) in the case of Property valued for the existing use as an operational entity having regard to trading potential, the opinion which the Valuer has formed as to the future trading potential, including the gross income and profitability likely to be achieved; and
 - (b) in the case of Property valued on a residual basis, the significant material figures and assumptions made and the consequences of changes thereto.
- 1.1.12. Where specifically agreed in writing at the time of instruction, an indicative Building Reinstatement Cost Assessment, this is given solely as a guide. A formal Buildings Reinstatement Cost Assessment for insurance purposes can only be given by a quantity surveyor, building surveyor or similarly qualified professional. The Client is advised to obtain a formal Buildings Reinstatement Cost Assessment for insurance purposes
- 1.1.13. Any other aspects, other than the usual legal investigations, which the Valuer considers require further consideration or investigations.

-
- 1.2. Following provision of the Report, the Valuer will be prepared to discuss its contents.
- 1.3. The Valuer shall, unless otherwise expressly agreed, rely upon information provided by the Client and/or the Client's legal or other professional advisers relating to the Property, tenure, leases and all other relevant matters.
- 1.4. Subject to Paragraph 2.1 below, the Valuer shall carry out such inspections and investigations as are, in the Valuer's professional judgement, appropriate and possible in the particular circumstances.
- 1.5. If the Valuer's inspection suggests that there may be material hidden defects to the Property the Valuer will so advise and may defer submitting a final Report until the results of further investigations are available.
- 1.6. The Report will not seek to identify the existence of contamination. If, however, the Valuer in the course of the inspection or investigations learns that there may be contamination, the Valuer will report this to the Client.
- 1.7. In preparing the Report, unless otherwise stated by the Valuer, the following assumptions will be made that the Valuer shall be under no duty to verify:
- (a) that no deleterious or hazardous materials or techniques were used in the construction of the Property or have since been incorporated;
 - (b) that good title can be shown and that the Property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoings;
 - (c) that the Property and its value are unaffected by any matters which would be revealed by a local search and replies to the usual enquiries, or by any statutory notice, and that neither the Property, its condition, its use, nor its intended use, is or will be unlawful;

(d) that all required valid planning permissions and statutory approvals for the buildings and for their use, including any recent or significant extensions or alterations, have been obtained and complied with and that works not requiring consents meet the standards required by the building regulations or are exempt;

(e) that inspection of those parts of the Property that have not been inspected would neither reveal material defects nor cause the Valuer to alter the valuation(s) materially;

(f) unless otherwise stated, that no contaminative or potentially contaminative uses have ever been carried out on the Property and that there is no potential for contamination of the Property from past or present uses of the Property or from any neighbouring property;

(g) that no notices have been issued by the Statutory Authorities or by the Fire Master and that no significant capital expenditure is required to comply with the provisions of inter alia the Offices, Shops and Railway Premises Act, Health and Safety at Work etc Act, Fire Precautions Act, Disability Discrimination Act, Equality Act and the Factories Acts; and

(h) that the flank walls of the Property are party walls and that the liability for mutual repairs, including the roof, its parts and pertinents, is on an equitable basis between the proprietors of the various floors.

- 1.8. Unless otherwise specifically stated the Report does not take VAT into account. The client is advised to obtain specialist advice in this regard. Similarly, unless specifically stated, the Report makes no allowance for the costs of acquisition or disposal or for any tax which might arise.
- 1.9. In providing the Services the Valuer will have regard to relevant contents of the latest edition of the RICS Valuation – Professional Standards (Red Book) as published by The Royal Institution of Chartered Surveyors.
- 1.10. The Report will be provided for the stated purpose and for the sole use of the named Client. DM Hall accepts responsibility to the Client alone that the Report will be prepared with the skill, care and diligence reasonably to be expected of a competent Valuer, and accept no responsibility whatsoever to any parties other than the Client. Any such parties rely upon the Report at their own risk. Neither the whole nor any part of the Report, nor any reference to it, may be included in any published document, circular or statement, or published in any way, without DM Hall's prior written approval of the form and context in which it may appear. In the event that the Report is presented to your Lender, we cannot guarantee that it will be acceptable to them. The Client is advised that if a Lender seeks to rely on this Report they do so at their own risk.
- 1.11. DM Hall has a Complaints Procedure in accordance with The Royal Institution of Chartered Surveyors Rules of Conduct. A copy of this procedure is available on request.
- 1.12. Compliance with the RICS Valuation – Professional Standards (Red Book) may be subject to monitoring under the Institution's conduct and disciplinary regulations and the Valuer Registration Scheme.

2. THE INSPECTION

- 2.1. The Valuer will undertake a visual inspection of so much of the exterior and interior of the Property as is accessible with safety and without undue difficulty, as can be seen whilst standing at ground level within the boundaries of the Property and adjacent public/communal areas and whilst standing at the various floor levels, which the Valuer considers reasonably necessary to provide the Services, having regard to its purpose. The Valuer is under no duty to carry out a building survey or to inspect those parts of the Property which are covered, unexposed or inaccessible, or to raise boards, move anything, use a moisture detecting meter, or to arrange for the testing of electrical heating or other services. Roof voids and attics are not inspected. In some instances or types of property only selected or representative parts of the Property may be inspected.

- 2.2. The purpose of the inspection is to provide an opinion of value. Comments may be made on the readily apparent state of repair of the Property. The inspection is not a building or structural survey and the Report will not detail defects that do not materially affect value. Where defects are mentioned in the Report, they should be regarded as indicative and not exhaustive.
- 2.3. The Valuer will not carry out an asbestos inspection and will not be acting as an inspector in completing a valuation inspection of properties that may fall within the Control of Asbestos Regulations 2012. No enquiry of the duty holder, as defined in the Control of Asbestos Regulations 2012, of the existence of an asbestos register, or of any plan for the management of asbestos will be made. The Client's legal adviser/conveyancer should confirm the duty holder under these regulations, the availability of an Asbestos Register and the existence and management of any asbestos containing materials. For the purposes of this valuation, it is assumed that there is a duty holder, as defined in the Control of Asbestos Regulations 2012, and that a Register of Asbestos and effective Management Plan is in place which does not require any immediate expenditure or pose a significant risk to health or breach the HSE Regulations.
- 2.4. The Valuer will not carry out an inspection for Japanese Knotweed or other infestations by invasive species. Unless otherwise stated it is assumed that there is no Japanese Knotweed or other infestations by invasive species within the boundaries of the Property or in neighboring properties. The identification of infestations of this type should be made by a specialist contractor. It must be removed by specialist contractors and removal may be expensive. Where the Valuer does report the presence of Japanese Knotweed or invasive species, further investigations may be recommended.

3. THE REPORT

- 3.1. If it is not reasonably possible to carry out a substantial part of the Inspection this will be stated in the Report.
- 3.2. Where the Valuer relies on information provided, this will be indicated in the Report, together with the source of the information.
- 3.3. The Report will state the existence of any apparent, recent significant alterations and extensions so as to alert the Client's legal advisers.

4. VALUATION

- 4.1. The valuations provided will be on the assumptions set out in section 1.7 in respect of individual subject properties (unless otherwise agreed) as inspected. The valuations will be provided on the bases of value stated in the Confirmation of Instructions and as defined in the latest edition of the RICS Valuation – Professional Standards (Red Book) as published by The Royal Institution of Chartered Surveyors. Any special assumptions or reference to a particular buyer will be clearly stated.
- 4.2. 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 a Property which is fully equipped and valued as an operational entity, where only personal goodwill is excluded.
- 4.3. Unless otherwise stated, in the valuation of portfolios, each Property is valued separately and not as part of the portfolio. Accordingly, no allowance, either positive or negative, is made in the aggregate value reported to reflect the possibility of the whole or part of the portfolio being put on the market at any one time.

5. INSTRUCTIONS AND CHARGES

- 5.1. All instructions from the Client will be made directly by the Client and confirmed in writing.
- 5.2. The Client will pay to DM Hall the fee initially agreed between them, subject to any amendment thereto to be agreed if the Valuer's instructions are subsequently modified. In addition, the Client will reimburse DM Hall the cost of all reasonable out-of-pocket expenses which may be incurred and pay the amount of any Value Added Tax on the fee and expenses.
- 5.3. Unless otherwise agreed in writing, and subject to condition 5.4 below, the maximum liability of DM Hall and the Valuer (in contract, delict, negligence or otherwise) howsoever arising, in relation to the Property, shall be 20% of the value of the Property on the basis identified in the Confirmation of Instructions or, if no basis is expressed, Market Value as defined by the RICS, on the date of the instruction.
- 5.4. The maximum aggregate liability in contract, delict, negligence or otherwise, howsoever arising, of DM Hall and the Valuer in respect of any one claim or series of claims arising from, or in relation to, this Report shall not in any circumstances exceed £10,000,000 or the limit of liability stated in the professional indemnity insurance policy of DM Hall, whichever is the lower. A copy of the policy certificate is available on request.

This maximum aggregate liability is irrespective of how many separate and individual claims may be presented or their total and the Client expressly in advance frees, relieves and holds harmless DM Hall and its members as members and as individuals, past and present, from any such claims past, present and future in excess of the limitation of liability set out in this clause.

6. PRIVACY AND DATA PROTECTION

- 6.1. Processing of personal data is regulated in the United Kingdom by the General Data Protection Regulation EU 2016/679 ("GDPR") as supplemented by the Data Protection Act 2018 as well as other laws which relate to privacy and electronic communications. In this Paragraph 6, these laws are called "**Data Protection Law**". Terms which are defined in Data Protection Law bear the same meanings when used in this Paragraph 6.
- 6.2. In processing any personal data which DM Hall may receive or collect in the ordinary course of acting for the Client, DM Hall acts as an independent controller and not a processor or sub processor. This means that DM Hall is responsible for complying with Data Protection Law in respect of any personal data it processes in providing Services to the Client. Where the Client (or third parties on behalf of the Client) disclose personal information to DM Hall for the purposes of providing Services it is the Client's responsibility to make sure that such disclosure to DM Hall for these purposes will be fair and lawful and will not contravene Data Protection Law. Where appropriate, the Client (and any third party disclosing personal data to DM Hall on the Client's behalf) should draw the attention of any affected individuals to DM Hall's privacy statement (see Paragraph 6.5 below)
- 6.3. In general terms, DM Hall uses any personal data that is disclosed to it by or on behalf of the Client for the purposes of:
 - 6.3.1 providing services to the Client;
 - 6.3.2 meeting legal requirements upon it – such as in relation to anti-money laundering and;
 - 6.3.3 internal administrative purposes arising from the surveyor/client relationship.

- 6.4. To the extent that the Valuer processes personal data for the purposes of providing his/her Report, the Valuer acts as a processor of the personal data on behalf of DM Hall.
- 6.5. Further information about how DM hall handles personal data that is disclosed to it by (or on behalf of) the client, the reasons it relies on to do so and the rights that individuals have under Data Protection Law can be found in DM Hall's privacy statement which can be viewed at www.dmhall.co.uk. A copy of the privacy statement can be made available at any time on request. To obtain a copy of the privacy statement or to discuss any aspect of the privacy statement or this Paragraph 6, then please e-mail us at data@dmhall.co.uk.

7. DEFINITIONS

- 7.1. The "Valuer" is the author of the Report on the Property.
- 7.2. The "Report" is the report of the kind described in section 1 of these Conditions of Engagement.
- 7.3. The "Property" is the property which forms the subject of the Report.
- 7.4. "DM Hall" is DM Hall LLP, a limited liability partnership registered in Scotland with registration number SO301144 and having its registered office at 17 Corstorphine Road, Edinburgh EH12 6DD.
- 7.5. The "Client" is the person, firm or company to whom DM Hall is to provide the Report in accordance with the Confirmation of Instructions and these Conditions of Engagement.
- 7.6. The "Confirmation of Instructions" is the letter issued by DM Hall confirming receipt of instructions to prepare a valuation, setting out the Services and setting out the fee for the Report.
- 7.7. "Market Value" means 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.
- 7.8. "Market Rent" means the estimated amount for which a property would be leased on the valuation date between a willing lessor and a 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.
- 7.9. "Building Reinstatement Cost Assessment" means an estimate for insurance purposes of the current cost of:
- (a) rebuilding the Property in its present form (unless otherwise stated); or
 - (b) the Property being constructed as currently proposed;
- each including the costs of site clearance and professional fees but excluding:
- (i) VAT (except on fees);
 - (ii) loss of rent; and
 - (iii) the cost of alternative accommodation for the reinstatement period.
- 7.10. The "Services" means the specific services to be provided by DM Hall to the Client pursuant to the Confirmation of Instructions and section 1 of these Conditions of Engagement.
- 7.11. The "Lender" means a party who has provided or intends or proposes to provide financial assistance to the Client towards the purchase or remortgage of the Property and in whose favour a standard security will be granted over the Property.