

SUPPLEMENT DATED 5 JULY 2024 TO THE PROGRAMME ADMISSION PARTICULARS DATED 29 SEPTEMBER 2023



STONEWATER FUNDING PLC

(Incorporated in England and Wales with limited liability under the Companies Act 2006, registered number 08190978)

**£1,000,000,000
Note Programme**

This Supplement (the **Supplement**) to the Programme Admission Particulars (the **Programme Admission Particulars**) dated 29 September 2023, which comprises programme admission particulars for the purposes of the International Securities Market Rulebook effective as of 1 January 2021 (the **ISM Rulebook**), constitutes supplementary admission particulars for the purposes of paragraph 5 of section 3 of the ISM Rulebook and is prepared in connection with the £1,000,000,000 Note Programme (the **Programme**) established by Stonewater Funding plc (the **Issuer**).

Terms defined in the Programme Admission Particulars have the same meaning when used in this Supplement.

This Supplement is supplemental to, and should be read in conjunction with, the Programme Admission Particulars.

The Obligors each accept responsibility for the information contained in this Supplement. Having taken all reasonable care to ensure that such is the case, the information contained in this Supplement is, to the best of the knowledge of each Obligor, in accordance with the facts and contains no omission likely to affect its import.

The figures referred to and information contained in the Additional Valuation Report (as defined below) prepared by Jones Lang LaSalle Limited (the **Valuer**) in the sections entitled "*Valuation Commentary – Rented Stock*" and "*Sources of Verification of Information*" were obtained from the Office for National Statistics (the **ONS**), the Statistical Data Return (the **SDR**), the Regulator of Social Housing (the **Regulator**) and the Valuation Office Agency (the **VOA**). Each Obligor confirms that such figures and information have been accurately reproduced and that, as far as such Obligor is aware and is able to ascertain from information published by HM Land Registry, the ONS, the SDR, the Regulator and the VOA, no facts have been omitted which would render the reproduced figures and information inaccurate or misleading.

The Valuer accepts responsibility for the information contained in the section headed "*Valuation Report Update*" below. Having taken all reasonable care to ensure that such is the case, the information contained in the section headed "*Valuation Report Update*" is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import into this Supplement.

Purpose of the Supplement

The purpose of this Supplement is:

- (a) to update certain information in the section entitled "*Description of the Group and the Original Borrowers*"; and
- (b) to update the section of the Programme Admission Particulars entitled "*Valuation Reports*" to reflect the Additional Valuation Report.

Description of the Group and the Original Borrowers

1. The following shall be added as a new bullet point immediately following the bullet point in relation to Greenoak Housing Association Limited under the heading "*The Stonewater Group*" in the section headed "*Description of the Group and the Original Borrowers*" on page 160 of the Programme Admission Particulars:

- "• Mount Green Housing Association Limited (a charitable Registered Provider of Social Housing and registered society) (**Mount Green**);"
2. The following wording shall be inserted as a new paragraph immediately following the bullet points under the heading "*The Stonewater Group*" in the section headed "*Description of the Group and the Original Borrowers*" on page 160 of the Programme Admission Particulars:

"On 31 December 2023, Puttenham and Wanborough Housing Society Limited (**Puttenham & Wanborough**), a community benefit society with registered number 16049R and a registered provider of social housing with registration number L0908, transferred its engagements to Stonewater 5 pursuant to section 110 of the Co-operative and Community Benefit Societies Act 2014. Immediately prior to the transfer, Puttenham & Wanborough owned 15 affordable homes in the villages of Puttenham and Wanborough."
 3. The fifth and sixth paragraphs under the heading "*The Stonewater Group*" in the section headed "*Description of the Group and the Original Borrowers*" on page 160 of the Programme Admission Particulars shall be deleted and replaced with the following:

"Greenoak joined the Group as a direct subsidiary of Stonewater 5 on 31 December 2022. The intention is for Greenoak to transfer its engagements pursuant to section 110 of the Co-operative and Community Benefit Societies Act 2014 into Stonewater 5 on or prior to 30 September 2024.

Mount Green joined the Group as a direct subsidiary of Stonewater Limited on 31 January 2024. Mount Green owns and/or manages around 1,600 affordable homes across Surrey and North Sussex.

As at July 2024, the Group is in partnership discussions with Bristowe (Fair Rent) Housing Association Limited (**Bristowe**), a community benefit society with registered number 21127R and a Registered Provider of Social Housing with registration number L1990. The Group's intention (subject to, amongst other things, completion of due diligence and funder consents) is for Bristowe to join the Group via a transfer of engagements pursuant to section 110 of the Co-operative and Community Benefit Societies Act 2014 into Stonewater 5 on or prior to 30 September 2024. Bristowe owns 75 properties in the Greater Bristol area."
 4. The seventh paragraph under the heading "*History*" in the section headed "*Description of the Group and the Original Borrowers*" on page 162 of the Programme Admission Particulars shall be deleted and replaced with the following:

"Greenoak joined the Group on 31 December 2022 and Mount Green joined the Group on 31 January 2024."
 5. The fourth paragraph under the sub-heading "*Incorporation and Status*" under the headings "*The Original Borrowers*" and "*Stonewater*" in the section headed "*Description of the Group and the Original Borrowers*" on page 165 of the Programme Admission Particulars shall be deleted and replaced with the following:

"Mount Green became a direct subsidiary of Stonewater on 31 January 2024."

Valuation Report Updates

1. The current fourth paragraph on page 3 of the Programme Admission Particulars shall be deleted and replaced with the following:

"The figures referred to and information contained in the Valuation Reports (as defined below) prepared by Jones Lang LaSalle Limited (the *Valuer*) in the sections entitled "*Valuation Commentary – Rented Stock*" and "*Sources of Verification of Information*" were obtained from the Office for National Statistics (the *ONS*), the Statistical Data Return (the *SDR*), the Regulator of Social Housing (the *Regulator*) and the Valuation Office Agency (the *VOA*). Each Obligor confirms that such figures and information have been accurately reproduced and that, as far as such Obligor is aware and is able to ascertain from information published by the *ONS*, the *SDR*, the *Regulator* and the *VOA*, no facts

have been omitted which would render the reproduced figures and information inaccurate or misleading."

2. The Valuation Reports included at page 179 of the Programme Admission Particulars shall be deemed to be amended by:

(a) the removal of the following properties:

12 Chestnut Lane, Evercreech, Shepton Mallet, Somerset
48 The Swere, Deddington, Oxfordshire
6 Huddleston Close, Gorse Hill, Swindon
12 Harrow Way, Amesbury, Wiltshire
4 Oak Mews, Damory Street, Blandford, Dorset
14 Woodpecker Way, Great Western Park, Didcot, Oxfordshire
52 Tongue Way, Ruddington, Nottinghamshire
34 Brendon Gardens, Fair Oak, Eastleigh, Hampshire; and

(b) the re-inclusion of the following property:

46 Ayrshire Road, Waterlooville, Hampshire

3. References in the Programme Admission Particulars to the Valuation Reports (including as defined in the second paragraph on page 178 of the Programme Admission Particulars) shall be deemed to include the Additional Valuation Report.
4. The paragraph headed "*Summary of valuations*" in the section headed "*Valuation Reports*" on page 178 of the Programme Admission Particulars shall be deleted and replaced with the following:

"Summary of valuations

A summary of the values of the Apportioned Properties set out in the Valuation Reports is set out below:

EUV-SH or, where appropriate, MV-ST*				Total
Units	EUV-SH is appropriate	Units	MV-ST is appropriate	
1,551	£167,954,600	1,812	£246,316,799	£414,271,399

* An additional 41 Units have been given a nil value."

5. The Valuation Report (the **Additional Valuation Report**) set out in the Appendix to this Supplement shall be deemed to be inserted following the end of the Valuation Report on page 341.

General

To the extent that there is any inconsistency between:

- (a) any statement in this Supplement or any statement incorporated by reference into the Programme Admission Particulars by this Supplement; and
- (b) any other statement in or incorporated by reference in the Programme Admission Particulars,
- the statements in (a) above will prevail.

Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or material inaccuracy relating to information included in the Programme Admission Particulars since the publication of the Programme Admission Particulars.

Appendix

Additional Valuation Report

Valuation Advisory

Property: 189 Affordable Housing units owned by Stonewater (5) Limited

February | 2024



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To:

The Law Debenture Trust Corporation p.l.c. as security trustee (the **Security Trustee**) for and on behalf of the Beneficiaries (both present and future) and each of their respective successors, assignees and transferees from time to time pursuant to (and as each such term is defined in) the security trust deed (the **Security Trust Deed**) dated 26 July 2021 and made between, amongst others, Stonewater (5) Limited and the Security Trustee; and

The Law Debenture Trust Corporation p.l.c
8th Floor
100 Bishopsgate
London
EC2N 4AG

Stonewater Funding plc as Issuer
Stonewater (5) Limited as Original Borrower
Suite C, Lancaster House
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Banco Santander, S.A. as a Dealer
Ciudad Grupo Santander
Avenida de Cantabria s/n
Edificio Encinar, planta baja
28660 Boadilla del Monte
Madrid
Spain

Barclays Bank PLC as a Dealer
1 Churchill Place
London E14 5HP

Lloyds Bank Corporate Markets plc as a Dealer
10 Gresham Street
London EC2V 7AE

NatWest Markets Plc as a Dealer
250 Bishopsgate
London EC2M 4AA

SMBC Nikko Capital Markets Ltd as a Dealer
100 Liverpool Street

London EC2M 2AT

and any further dealers appointed from time to time under the Programme Agreement in respect of the Programme (as defined below)

30 January 2024

Dear Sirs

189 Affordable Housing units owned by Stonewater (5) Limited

We are pleased to attach our report in connection with the above.

If you have any questions about this report or require any further information, please contact Vacar Zeb (vacar.zeb@jll.com; 07794 031247).

This report is issued for the benefit and use of the Addressees and for inclusion in the programme admission particulars (the "Programme Admission Particulars") for the £1,000,000,000 Note Programme (the "Programme") of Stonewater Funding plc and may only be used in connection with the Admission Particulars and the Programme. We hereby give our consent to the publication of this report within the Programme Admission Particulars and accept responsibility for the information contained in this report.

Having taken all reasonable care to ensure that such is the case, the information given in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

Before this report or any part of it is reproduced or referred to in any document, circular or statement (other than the Programme Admission Particulars in respect of the Programme), our written approval as to the form and context of such publication must be obtained.

Yours faithfully



Vacar Zeb MRICS
Director - Affordable Housing
For and on behalf of
Jones Lang LaSalle Limited

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Yours faithfully



Fiona Hollingworth MRICS
Director - Affordable Housing
For and on behalf of
Jones Lang LaSalle Limited

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Executive Summary

This summary should be read in conjunction with the main body of our report. Section numbers are supplied where relevant.

Introduction

The date of this report is 30 January 2024.

Jones Lang LaSalle Limited has been instructed to value a portfolio of 189 properties for loan security purposes.

Properties

The portfolio comprises 189 social housing units located across the South East of England and East Midlands. From our inspections, the properties are a mixture of ages and of traditional brick/concrete and steel construction.

The portfolio contains a mixture of different tenures as summarised in the table below and set out in greater detail in section 3 of this report.

We have inspected the exterior of all units in the portfolio and have seen a representative sample of 10.0% internally (section 3).

Valuations

The valuation date is 30 January 2023.

Our valuation of the 189 properties being valued on the basis of Market Value subject to Tenancies (“MV-T”), in aggregate, at the valuation date is:

£18,970,000
(eighteen million, nine hundred and seventy thousand pounds)

The following table summarises our opinions of value (section 5):

Freehold Properties

Category	Units Count	Basis of Valuation	EUV-SH	MV-T
GN Social Rent	179	MV-T	£10,630,000	£17,930,000
HOP self-contained	10	MV-T	£520,000	£1,040,000
Total	189		£11,150,000	£18,970,000

Portfolio Analysis

Strengths:

- given the divergence between property prices and local average earnings, demand for these properties should be sustainable in the medium to long term;

- the level of rental income for all areas is broadly in line with other Registered Providers of social housing (“RPs”) in the respective areas;
- the level of rental income is, in aggregate, below the relevant levels of Local Housing Allowance (LHA) for each region;
- the EUV-SH and MV-T values per unit and percentage relationships to MV-VP, are at levels appropriate to the current climate, having regard to the portfolio’s location and composition;
- EUV-SH values are likely to maintain their current levels as stock transactions within the sector and access to debt markets continue to take place, albeit with more hesitancy due to market fluctuations.

There is excess demand for affordable housing properties across the localities within the portfolio as summarised by the following data.

Households on local authority waiting lists:

Region	Waiting list
South East	150,000
East Midlands	72,000

Based on current levels of affordable housing supply (new build) across the localities within the portfolio, the following table summarises the number of households on the waiting list for every new property being built:

Region	No. of Households
South East	28
East Midlands	31

Weaknesses:

- the age of the properties mean they require continued investment in order to be able to maintain the same level of rental income in the long term;
- downward pressure on house prices in the medium-term and falling transaction volumes could impact upon values going forward; and
- there are short-term risks for RPs’ income not supported by housing benefit and a greater number of voids and arrears.

Opportunities:

- increased efficiencies are continuing to be driven by mergers between RPs;
- rationalisation of RPs’ stock allowing for more efficient asset management;
- investment of REITs and other funds into the sector as whole; and
- reactive changes to working conditions and government policy could drive further efficiencies in the sector and wider economy in the longer-term.

Threats:

- the current cost of living crisis could result in changes in government policy or further interventions, such as the introduction of a rent freeze, a further period of rent cuts or changing the Rent Regime;
- as a result of the Hackitt Review and other influences, the social housing sector is undertaking extensive investigations and works around fire and building safety, and the required scope of such works might change over time; and
- current high levels of global inflation could have a prolonged effect on the cost of materials and labour required to carry out any repairs and maintenance work on existing stock.

Suitability of Security

Your instructions require us to comment on whether the properties we have valued provide adequate security for the notes issued under the Programme.

It is difficult for any valuer, without being asked to consider a specific credit or risk assessment policy, to make an absolute, unqualified statement that those assets will provide suitable security because our instructions do not explain what criteria the Security Trustee is applying in making this assessment.

However, we confirm that, in our opinion, should the Security Trustee become a mortgagee in possession of this portfolio of properties, then it would be possible to achieve a sale to another RP that would be at a price at least equivalent to our valuation on the basis of EUV-SH or, in principle, to a private purchaser at a price equivalent to our valuation on the basis of MV-T as set out in our report. However, the valuation assumes implicitly that a purchaser could obtain debt finance on commercially viable terms to facilitate a purchase of the portfolio.

Based on the sample of inspections undertaken as a part of this valuation exercise, we are satisfied that the properties are being maintained to an acceptable social housing standard in line with the Regulator of Social Housing (“RSH”) regulatory requirements and commensurate with the likely demands of the target tenant group.

Overall, we have assumed that each property has a useful economic life of at least 50 years provided that the properties continue to be properly maintained in the future.

Unless otherwise stated in our report none of the properties are of 6 storeys or more or are subject to any remedial works in the wake of the Grenfell Tower disaster of June 2017. We have therefore assumed that the properties conform to the Fire Precaution Regulations and any other statutory requirements.

With the above factors in mind, and with specific regard to the continuing need for well-maintained social housing accommodation, we believe it reasonable to conclude an acceptable demand for a portfolio of this nature from commensurate social housing landlords and private institutional investment firms.

Subject to the information presented within this report, and at the values formally reported, we are satisfied to recommend to the Security Trustee that this portfolio is suitable for security purposes.

Stock

The stock is summarised by count of unit type as follows:

Property Type	Units
1 bed flat	89
2 bed flat	57
2 bed house	8
3 bed house	33
3 bed bungalow	2
Total	189

Locations

The properties within the portfolio are located in the South East of England and East Midlands as shown in the table below:

County	Units
Leicestershire	146
Northamptonshire	8
Oxfordshire	35
Total	189

EUV-SH Assumptions: Rented Properties

The following table provides a summary of the assumptions made in our rented valuations:

Assumption	EUV-SH
Rental income growth - (Year 1)	1.0%
Bad debts and voids (Year 1)	2.5%
Management costs (average per unit)	£700
Management cost growth inflator	0.50%
Total repairs costs (Year 1)	£1,750
Repair cost growth inflator	1.00%
Discount rate (income)	5.50% - 5.75%

MV-T Assumptions: Rented Properties

The following table provides a summary of the assumptions made in our rented MV-T valuations:

Assumption	MV-T
Rental income growth - houses (Year 1)	15.4% - 18.7%
Rental income growth - flats (Year 1)	14.5% - 14.9%
Sales rate (houses)	5.0% - 40.0%
Sales rate (flats)	3.3% - 15.0%
Bad debts and voids (Year 1)	8.0%
Management costs	10.0%
Total repairs costs (Year 1)	£3,300
Repair cost growth inflator	1.00%
Discount rate (income)	7.50% - 7.75%
Discount rate (sales)	7.75% - 8.25%

This summary should be read in conjunction with the remainder of this valuation report and must not be relied upon in isolation.

1 Introduction

1.1 Background

Jones Lang LaSalle Limited (hereafter “JLL”) has been instructed to prepare a valuation of 189 properties owned by Stonewater (5) Limited (the “Original Borrower”).

1.2 Compliance

Our valuations have been prepared in accordance with the current RICS Valuation – Global Standards, incorporating the IVS, and the RICS Valuation – Global Standards – UK National Supplement published by the Royal Institution of Chartered Surveyors (commonly known as the “Red Book”).

Our valuations may be subject to monitoring by the RICS and have been undertaken by currently Registered RICS Valuers.

This report has been prepared by Vacar Zeb MRICS (Valuer Number: #1185896) and countersigned by Fiona Hollingworth MRICS (Valuer Number: #0099707), and by Richard Petty FRICS (Valuer Number: #0089005), Head of Affordable Housing at JLL.

In accordance with PS 2.3 of the Red Book, we confirm that we have sufficient knowledge and skills to undertake this valuation competently.

We can confirm that no conflict of interest has occurred as a result of our production of this report.

The valuation date is 30 January 2024.

For the avoidance of doubt, we confirm that it would not be appropriate or possible to compare this valuation with any values appearing in the Original Borrower’s accounts. This report has been prepared in accordance with the Red Book. The valuations are prepared on this basis so that we can determine the value recoverable if the charges over the properties were enforced at the date of this report. We understand that values given in the Original Borrower’s accounts are prepared on an historic cost basis which considers how much the properties have cost and will continue to cost the Original Borrower. This is an entirely different basis of valuation from that used for loan security purposes.

This valuation qualifies as a Regulated Purpose Valuation (“RPV”) as defined by the Red Book. A RPV is a valuation which is intended for the information of third parties in addition to the Addressees. It is a requirement of UKVS 4.3 of the Red Book in relation to disclosures that we declare our prior involvement with the Original Borrower, or the properties being valued, to ensure that there is no conflict of interest.

We confirm that the total fee income earned from the Original Borrower is substantially less than 5% of the fee income earned by JLL in our last financial year (ending 31 December 2023) and that we do not anticipate this situation changing in the foreseeable future.

1.3 Instructions

Our report is prepared in accordance with the Original Borrower’s formal instructions.

We have been instructed to prepare our valuations on the following bases:

- Existing Use Value for Social Housing (“EUV-SH”); and
- Market Value subject to existing Tenancies (“MV-T”).

Please note that the properties that have been valued on the basis of MV-T have also been valued on the basis of EUV-SH, for information purposes only.

1.4 Status of Valuer

In preparing this report, we confirm that JLL is acting as an external valuer as defined in the Red Book. We can also confirm that we consider ourselves to be independent for the purposes of this instruction.

In accordance with RICS guidance, and our own rotation policy, we recommend that a rotation of overall responsibility within JLL is considered no later than the end of 2028.

1.5 The Stock Rationalisation Market – EUV-SH Transactions

As you will be aware, an active market exists for the sale of tenanted stock between RPs. This can be driven by strategic decisions about the type and location of accommodation that RPs wish to provide, and the viability of investing in properties to bring them up to the required standards.

Where competition is generated, a market has emerged in which RPs bid against one another on price. The resulting values, even though presented on an EUV-SH basis, tend to be in excess of base EUV-SH values that might be expected for balance sheet or loan security purposes.

Although this may appear hard to justify, the underlying rationale is as follows:

- the bidding price is still much less than the cost of development;
- the marginal cost of taking additional units into management, in an area where the acquiring RP already has stock, justifies a financial model based on relatively low costs for management, repairs and maintenance;
- the judgement of all-round risk formed by the acquiring RP, as reflected in the discount rate, is often lower (and the rate therefore keener) than would be acceptable to either a funder or an auditor in a balance sheet context;
- the price is worth paying to achieve strategic objectives around increasing a presence in a particular area or market; and/or
- the price may be supported by future void sales and/or changes of tenure (for example, from Social Rent to Affordable Rent).

1.6 Deregulatory Measures

A package of deregulatory measures for which the primary legislation was the Housing & Planning Act 2016 came into force on 6 April 2017. These are very significant for the UK social housing sector, as they give RPs greater freedom in terms of commercial decision making than they have ever previously enjoyed in terms of the reduced ability of the regulator to prevent asset management actions.

The deregulatory measures introduced, give RPs the freedom to dispose of assets without the regulator’s consent, either with or without tenants in place. Disposals include the grant of leases and the creation of charges when assets are pledged as security for loan security purposes.

There are already early signs that these measures are having an effect on RPs' thinking, and on their business plans, as they begin to adopt a more commercial approach to asset management as one of the tools at their disposal to respond to the greater financial pressures and expectations upon them. For example, through our day to day work, we are beginning to see more analytical requirements in terms of asset management decisions, around investment, remodelling and sale; and an element of sales being built into some stock rationalisation bids.

To be clear this does not mean that RPs are in any way sacrificing their fundamental social ethos. Rather, it is a recognition that, as for any charitable organisation, making best use of its assets to enable it to meet its charitable objectives is an obligation rather than an option; and that commercial behaviour is not at all incompatible with a strong social ethos, within a framework of strong governance.

As mentioned, some RPs are steadily starting to build in an element of void sales into some stock rationalisation bids, however in accordance with our instructions, we have not considered or built in any rate for sales of void properties within our EUV-SH valuations.

1.7 Market Conditions

Transactions across markets and sectors remain low, for a variety of reasons. The full implications of wars in the Middle East and Ukraine are unknown. Instability in these regions and beyond may compound already difficult real estate market conditions. This is likely to be exacerbated when coupled with inflationary pressures and other factors impacting the global economy, including the cost and availability of debt. The combination heightens the potential for volatility and quick changes in consumer and investor behaviours.

In recognition of the potential for market conditions to change rapidly, we highlight the critical importance of the valuation date and confirm the conclusions in our report are valid at that date only and advise you to keep the valuation under regular review.

For the avoidance of doubt, due to the functioning nature of the market, our valuation is NOT reported as being subject to 'material valuation uncertainty' as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards.

2 Methodology

2.1 Valuation Model

We have undertaken our valuation of the portfolio using fully explicit discounted cashflow models, over a 50-year period, with the net income in the final year capitalised into perpetuity.

For the purposes of our valuation, we have split this portfolio by tenure in order to reflect the different risks and opportunities associated with each business stream.

Against the income receivable for each property, we have made allowances for voids and bad debts; the costs of management and administration; major repairs; cyclical maintenance; and day-to-day repairs. We have assumed an appropriate level of future growth in these costs (expenditure inflation).

We have then discounted the resulting net income stream at an appropriate rate which reflects our judgement of the overall level of risk associated with the long-term income. A more detailed explanation of the discount rate is included in section 4.

2.2 Information Provided

The principal source of background data for the portfolio has been the rent roll for each property provided by the Original Borrower. This detailed the number and type of units, the rent payable, tenancy type, and equity retained by the association (where applicable).

This information was supplemented with our market research and other data we have gathered from similar instructions undertaken recently and involving comparable stock. From these sources we have collated information on the following:

- rents;
- bad debts, voids and arrears;
- cost of maintenance and repairs; and
- management and administration expenses.

A location plan of the portfolio is provided as Appendix 2.

2.3 Inspections

We derived our inspections strategy by giving full regard to:

- the geographical spread of the stock;
- the concentration (and thereby its exposure to risk); and
- the property types.

We have satisfied ourselves as to the quality of location and the general condition of and level of fixtures and fittings provided to the properties, and we have derived our valuation assumptions accordingly.

In accordance with our instructions, we have inspected all schemes externally and a representative sample of 10.0% of the stock was inspected internally. Our inspections were carried out between 01 April 2023 and 01 July 2023.

A representative selection of photographs is provided as Appendix 3.

2.4 Market Research

In arriving at our valuation, we have undertaken a comprehensive programme of research to supplement our knowledge and understanding of the properties. This has included:

- researching local vacant possession values through conversations with local estate agents together with internet research and using RightmovePlus, a bespoke tool for comparable evidence;
- examining local benchmark affordable rents and comparing these with Original Borrower's rents; and
- analysing data provided by Original Borrower.

3 General Commentary

Schedules summarising the following data for each property within the portfolio form Appendix 1 of this report:

- address;
- unit type and bedroom number;
- tenancy type; and
- title number;

3.1 Locations

The properties within the portfolio are located across the South East of England and East Midlands, as shown in the table below:

County	Units
Leicestershire	146
Northamptonshire	8
Oxfordshire	35
Total	189

A location plan of the portfolio is provided at Appendix 2.

3.2 Property Types

The following table summarises the unit types within the portfolio.

Property Type	Units
1 bed flat	89
2 bed flat	57
2 bed house	8
3 bed house	33
3 bed bungalow	2
Total	189

3.3 Condition

We have not carried out a condition survey, this being outside the scope of our instructions.

The properties within the portfolio are a mixture of ages as shown in the table overleaf:

Age	House	Flat	Bungalow	Total
1950-1979	-	146	-	146
1990s	41	-	2	43
Total	41	146	2	189

From our inspections the properties are primarily of traditional brick/concrete construction under pitched, tile or slate-clad roofs. Windows are of timber/uPVC casement or sash frames and the majority of the properties appear to be double-glazed.

The property ages and construction methodology have been factored into the assumptions we have made regarding voids, discount rates and repairs and maintenance.

Based on our inspections, we are satisfied that the properties we inspected internally are being maintained to an acceptable social housing standard, in line with RSH regulatory requirements and commensurate with the likely demands of the target tenant group.

Overall, we have assumed that each property has a useful economic life of at least 50 years provided that the properties continue to be properly maintained in the future.

3.4 Fire Safety

Our valuations have been provided in accordance with the RICS' Guidance Note: "*Valuation of properties in multi-storey, multi-occupancy residential buildings with cladding, 1st Edition March 2021*" (the 'Guidance Note'), effective from 5 April 2021.

The purpose of the Guidance Note is to help valuers undertaking valuations of domestic residential blocks of flats in the UK for secure lending purposes. It sets out criteria for buildings of different heights that can be used to identify where possible remediation work to cladding for fire safety purposes is likely to be required and may materially affect the value of the property.

From our inspections there is one block of six storeys in the portfolio (Gallico Close, LOUGHBOROUGH) where we have queried the construction of the external wall system and whether potentially combustible cladding or timber balconies are present.

We understand that this block has been recently reviewed by the Original Borrower and Fire Risk Assessments been carried out where necessary on 30 August 2023.

During this assessment, there were only minor remedial works required, some of which have already been completed, and no costs budgeted for any potential works. We have therefore not included any additional cost in our valuations.

3.5 Energy Performance Certificates (EPCs)

We have not been provided with copies of any Energy Performance Certificates by the Original Borrower. The Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 make it unlawful for landlords in the private rented sector to let properties that have an EPC rating of F or G, from 1 April 2018. The Regulations do not apply to the majority of properties owned by RPs.

3.6 Climate Change Risk and Net Zero Carbon

Global warming targets set in the Paris Agreement are 1.5-2.0° Celsius above pre-industrial levels. Even the lower end of this range will produce significant changes to global climate systems, including extreme heat or cold events, higher frequency and severity of precipitation or drought, and sea level rise. Therefore, the level of physical climate-related risk of the subject property is likely to fluctuate over its useful life. High levels of climate risk could affect occupier and investor demand, as well as ability to obtain building insurance.

There is an increased focus on Environmental, Social & Governance (ESG) criteria for investment across all asset classes, including real estate. There are also various new, ESG-focused funds entering the real estate market. As a result, the value of property assets of all types is likely to be increasingly affected over time by long term, sustainability challenges. We note that, under the Paris Agreement, the 2050 vision is for all buildings, both new and existing, to be net zero carbon across the whole life cycle. As an interim ambition, the agreement envisages that all new buildings should be able to achieve zero carbon in operations, and aim to reduce carbon emissions by 40%, by 2030,

To achieve the best sustainability credentials and, in particular, to achieve Net Zero Carbon specification, the cost of a refurbishment of a building is currently higher than it would be for a refurbishment which fell short of the standards. However, given the speed at which both the legislation and ESG requirements are advancing, there is a risk that, within the next ten years, further capital expenditure will be required. However, such costs may be mitigated in the future through the principles of the Circular Economy, with a greater focus on recycling materials, and the development of more flexible buildings which can be refurbished and adapted to alternative uses more economically.

Therefore, in terms of cashflow, we anticipate that the technological advances, combined with the increased supply of products and competition, will lower these costs over time and we have not, at this stage, included in our valuation any additional allowance for costs to support the move to net zero carbon over the period covered by our valuation models.

4 Valuation Commentary – Rented Stock

4.1 Introduction

There are 189 rented affordable housing properties in the portfolio. These are summarised in the table below.

Category	Units	% of the Portfolio
GN Social Rent	179	94.5%
HOP self-contained	10	5.5%
Total	189	100%

4.2 Tenancies

The majority of the rented properties (circa 99.47%) are let on assured tenancies. We have assumed that these are ‘standard’ assured tenancies although we have not seen example tenancy agreements. The remaining 1 unit is let on a secure tenancy.

4.3 Rental Income

The following table summarises the total income that the Original Borrower receives from the portfolio annually:

Category	Annual Income	Average Rent
GN Social Rent	£937,200	£100.69
HOP self-contained	£50,333	£96.79
Total	£987,533	£100.48

The Statistical Data Return (“SDR”) is an annual online survey completed by all private RPs of social housing in England. The latest return for 2022/23 provides the average social rents charged by all RPs for general needs and sheltered/supported properties. The following table compares the Original Borrower’s average rents with the average sector rents in the same localities:

Region	Average Sector Rent - General Needs	Original Borrower General Needs	Average Sector Rent – Affordable Rent	Average Sector Rent - Supported	Original Borrower Sheltered & Supported
East Midlands	£82.65	£92.25	£112.90	£83.72	£87.15
South East	£105.42	£138.03	£163.92	£96.89	£135.39

According to the Valuation Office Agency, LHA is set at the 30th centile point between what in the local Rent Officer’s opinion are the highest and lowest non-exceptional rents in a given Broad Rental Market Area. This analysis looks at local properties and differentiates by bedroom number but not by property type (i.e. houses and flats). These

statistics are used as a reference for housing benefit and are a good indication of rent levels which are affordable in a given area.

The following table sets out a comparison of the Original Borrower's average rents with the average LHA in the portfolio and also our opinion of Market Rents for comparable properties in the same areas (rents are shown on the basis of 52 weeks). A breakdown per property is included within the schedule at Appendix 1.

Category	Average Passing Rent	Average LHA	% of LHA	Average Market Rent	% of Market Rent
GN Social Rent	£100.69	£132.48	76.0%	£176.86	56.9%
HOP self-contained	£96.79	£126.92	76.3%	£176.64	54.8%

We have relied upon the rental information provided by the Original Borrower.

4.4 Affordability

In addition, we have looked at the passing rents as a proportion of local net weekly earnings as reported by the Office of National Statistics in its 2023 Annual Survey of Hours and Earnings. The results for each of the regions in our valuations are shown in the table below and, in our opinion, demonstrate that the rents being charged by the Original Borrower are affordable.

Region	Average Weekly Earnings	General Needs	General Needs as %age	Sheltered & Supported	Sheltered/Supp as %
East Midlands	£456.25	£92.25	20.2%	£87.15	19.1%
South East	£505.69	£138.03	27.3%	£135.39	26.8%

4.5 EUV-SH Rental Growth

We have modelled rental growth of 1.0% in the first year of our cashflow, and rental growth of CPI plus 1% in all years thereafter into perpetuity.

4.6 MV-T Rental Growth

Passing rents are currently below market levels, resulting in good prospects for future rental growth when considering the market value of the portfolio.

We have assumed that it will take between 1 and 7 years for assured rents to increase to market levels and thereafter for rents to rise at 1% (real) per annum. In making our assumptions regarding the number of years and annual increases, we have had regard to typical gross and net yields on private residential portfolios of a similar age profile and in comparable locations.

The average increases we have modelled per year for houses in each of our valuations range from 15.4% - 18.7% and from 14.5% - 14.9% for flats.

4.7 Relet Rates

Our EUV-SH model allows for a rate at which secure tenancies are relet as assured tenancies. The annual rates of tenancy turnover experienced by housing associations vary considerably between localities and between different property types. In regard to assured tenancies, national turnover rates are typically within the range of 5.0% to 11.0%, with higher rates of turnover in the North than in the South.

The rates that we have adopted are set out in the table below, and have assumed that those properties will be relet at the prevailing average target rent. In addition, we have included an allowance for incidental voids as outlined in section 4.11.

Property Type	Relet Rate
House	3.0% - 5.0%
Flat	5.0%
Room	5.0%

4.8 Sales Rates

In accordance with section 1.6, we have not included the sale of any void units under the deregulatory measures introduced by the Housing and Planning Act 2016 in any of our EUV-SH valuations.

In our MV-T cashflows we have assumed that some of the units which become void are sold on the open market. In establishing the sales rates, we have had regard to Land Registry's information on the number of sales and average prices across the same localities over the past 12 months.

The average sales rates we have applied per annum for houses and flats are shown in the table below:

Category	Annual Sales Rates	Sales (Year 1)
Sales rate (houses)	5.0% - 40.0%	3
Sales rate (flats)	3.3% - 15.0%	5

The above figures equate 147 sales in total over 50 years. This, in our view, is a sustainable level of sales which would not adversely impact local house prices or marketability.

4.9 Right to Buy

We anticipate that the tenants of some of the properties within the portfolio may have either the Right to Buy ("RTB") or the Right to Acquire ("RTA"). The National Housing Federation ("NHF") put an offer to Government in September 2015 in which it proposed the implementation of an extended RTB on a voluntary basis. The Voluntary Right to Buy ("VRTB") was described as a compromise with a view to securing the independence of housing associations and the best deal on compensation (for discounts) and flexibilities (the ability to refuse the VRTB in relation to certain properties).

The Government has funded two regional pilot schemes of VRtB for housing association tenants. The initial pilot scheme in 2016, involved five housing associations and was expected to offer 3,000 tenants the ability to buy their own home. A second pilot scheme across the Midlands ran for a period of two years from August 2018, aimed at testing two aspects of the voluntary agreement that the initial pilot scheme did not cover, namely:

- one-for-one replacement; and
- portability of discounts.

A full evaluation of the second pilot was published in February 2021. There were 44 housing associations involved in the pilot, resulting in a total of 1,892 homes being sold or sales in the final stages of completion by 30 April 2020. Data on the construction of replacement homes will be updated on an annual basis.

The government will now evaluate new pilot areas and announce more details in due course.

The wider terms of the overall extension of RTB and therefore any consideration of the impact of RTB or RTA on valuations would be speculative. We consider it imprudent to reflect additional value from capital receipts and we have therefore assumed that neither RTB nor RTA will be available to exercise at the date of valuation.

4.10 Outgoings

In forming our opinion of the net rental income generated by the portfolio, we have considered the following outgoings:

- bad debts, voids and arrears;
- cost of maintenance and repairs; and
- management and administration expenses.

We emphasise that, under the definitions of the bases of valuation we have been instructed to adopt, we are not valuing the Original Borrower's stewardship of the stock, rather we are assessing what a hypothetical purchaser in the market would pay for the stock, based on the market's judgement of the capabilities of the portfolio.

The assumptions we have made in our appraisal reflect our opinion of the view the market would adopt on the future performance of the portfolio. In forming our opinion, we have had regard to other recent valuations we have undertaken of comparable stock.

4.11 Bad Debts and Voids

We have incorporated into our valuations the potential for future voids and bad debts. Any loss of income for both void properties and bad debts is reflected in a deduction made from the gross rental income.

The rates applied take into consideration the figures in the 2023 Global Accounts data provided by the Regulator of Social Housing and are similar to allowances used by other RPs providing a management and maintenance service in the areas where the properties are situated.

The 2023 Global Accounts data shows that across the whole affordable housing sector, RPs have lost approximately 0.66% of their gross income through bad debts and 1.77% through void losses. The void losses reflect an increase from 0.55% in the 2022 data whilst bad debts have remained at similar levels over the same period.

In our MV-T valuations we are assuming greater increases in rents than a social landlord would impose. In our opinion, these rent increases would inevitably be reflected in a higher level of voids and bad debts than would otherwise be the case. The associated risk has been factored into our MV-T discount rate.

The rates we have adopted for bad debts and voids as a percentage of gross income for each of our EUV-SH and MV-T valuations are summarised in the table below:

Category	Units Count	Bad debts & voids Year 1 (EUV-SH)	Bad debts & voids Year 1 (MV-T)
GN Social Rent	179	2.50%	8.0%
HOP self-contained	10	2.50%	8.0%

4.12 Management Costs

We have adopted rates for management and administration based on our experience of other RPs operating in similar areas to the Original Borrower. Our rates are subject to an annual inflator of 0.5% (real) for the duration of the cashflow reflecting long-term earnings, growth predictions and potential management savings.

From the information provided in the 2023 Global Accounts, the average cost of management across the sector is £1,191 per unit and the average management cost for the Original Borrower is £1,091 per unit.

In arriving at our opinion of value, we are assessing what a hypothetical purchaser in the market would pay for the properties, and in our experience, bids are likely to reflect a marginal approach to management costs. That is, the incremental cost to the organisation of managing the acquired stock is likely to be significantly less than the organisation's overall unit cost. Furthermore, a growth in stock numbers could give rise to potential economies of scale, rationalisation of services and other efficiencies which would reduce unit costs.

Taking the above into account, we have adopted an average rate of £700 per unit for management and administration in our valuations on the basis of EUV-SH.

We have assumed that a mortgagee in possession would expect to spend 10.0% of rental income on management and administration in our valuations on the basis of MV-T.

4.13 Repairs and Maintenance

Although the majority of the properties are generally in a reasonable or good condition, renewal, day-to-day and cyclical maintenance will be required to keep the stock in its present condition.

From the information provided in the 2023 Global Accounts, the total average cost of carrying out major repairs, planned and routine maintenance across the sector is £2,663 per unit and the average maintenance cost for the Original Borrower is £5,984 per unit. The Global Accounts average figure for the sector is an increase of 15.8% on the 2022 Edition.

The above figures are broad averages; costs will vary according to a property's age, type, size and form of construction. In particular, the profile of expenditure will be different for a newly built property compared to an older property. The former should only require modest routine maintenance over the first 5 to 10 years of its life,

with major repairs only arising from years 15 to 20. Hence there is a low start cost profile, rising steeply in the medium term, whilst an older property is likely to have a flatter profile with a higher starting point.

In accordance with section 3.3 we have had due consideration to the age and construction type for each of the tenure types in our valuations.

The following table sets out the average cost assumptions we have made in the first year of our EUV-SH cashflows. All of our appraisals assume that these costs will inflate at 1.0% (real) per annum.

Category of Expenditure	Period	Rented Properties
Major repairs and renewals	Year 1	£950
Cyclical repairs	Year 1	£400
Day-to-day repairs	Year 1	£400
Total Average Costs	Year 1	£1,750

We have adopted higher costs for major repairs in the first 2 years of our MV-T valuations as some of the properties will require refurbishment and redecoration in order to attract buyers or to be let in the private residential market. After this initial period, our costs settle to a lower level similar to the costs used in our EUV-SH valuation.

The repairs and maintenance assumptions used in each of our valuations are shown in the cashflow summaries appended to this report.

4.14 Discount Rate

Our cashflow valuations are based on constant prices and therefore explicitly exclude inflation. The chosen discount rate reflects our judgement of the economic conditions at the time of the valuation and the level of risk involved in each cashflow, taking all factors and assumptions into account. To determine the risk involved we have looked at:

- the sustainability of the existing rental income;
- the likely rate of future rental growth;
- the condition of the portfolio;
- the level of outgoings required to maintain the maximum income stream;
- the likely performance of the portfolio in relation to its profile and location;
- the real cost of borrowing; and
- the long-term cost of borrowing.

For our EUV-SH valuations of the rented properties we have adopted real discount rates of between 5.50% and 5.75% on net rental income.

In our MV-T model we have adopted a higher rate on rental income to reflect additional risk resulting from the significant rental growth that we have assumed during the first 1-7 years. In addition, we have adopted a higher

rate on income from sales to reflect the additional premium on the yield which an investor would expect from a sales income stream.

We have adopted real discount rates of between 7.50% and 7.75% (rental income), and between 7.75% and 8.25% (sales) for our MV-T cashflows.

5 Valuation

5.1 Background

We have prepared our valuations on the following bases:

- Existing Use Value for Social Housing (“EUV-SH”); and
- Market Value subject to existing Tenancies (“MV-T”).

Error! Reference source not found. Our valuations have been prepared in accordance with the RICS Red Book.

Apportionments of the valuations have been calculated as arithmetic apportionments and are included in the schedules at Appendix 1. This is a portfolio valuation, and no valuation of individual properties has been performed.

In forming our opinion of the value of the portfolio as a whole, we have neither applied a discount for quantum nor added a premium to reflect break-up potential.

The definitions of the bases of valuation are set out in full in section 6 of this report.

5.2 Asset Value for Loan Security Purposes

Freehold Properties

Our valuation of the 189 properties being valued on the basis of Market Value subject to Tenancies (“MV-T”), in aggregate, at the valuation date is:

£18,970,000
(eighteen million, nine hundred and seventy thousand pounds)

5.3 Asset Value by Tenure

Our valuation of each individual tenure is shown in the following table:

Category	Units Count	Basis of Valuation	EUV-SH	MV-T
GN Social Rent	179	MV-T	£10,630,000	£17,930,000
HOP self-contained	10	MV-T	£520,000	£1,040,000
Total	189		£11,150,000	£18,970,000

6 Bases of Valuation

Our valuations have been prepared in accordance with the RICS Red Book.

6.1 Existing Use Value for Social Housing

The basis of Existing Use Value for Social Housing is defined in UK VPGA 7 of the RICS Valuation Global Standards – UK National Supplement as follows:

“Existing use value for social housing (EUV-SH) is an opinion of the best price at which the sale of an interest in a property would have been completed unconditionally for a cash consideration on the valuation date, assuming:

- *a willing seller;*
- *that prior to the valuation date there had been 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;*
- *that the state of the market, level of values and other circumstances were on any earlier assumed date of exchange of contracts, the same as on the date of valuation;*
- *that no account is taken of any additional bid by a prospective purchaser with a special interest;*
- *that both parties to the transaction had acted knowledgeably, prudently and without compulsion;*
- *that the property will continue to be let by a body pursuant to delivery of a service for the existing use;*
- *the vendor would only be able to dispose of the property to organisations intending to manage their housing stock in accordance with the regulatory body’s requirements;*
- *that properties temporarily vacant pending re-letting should be valued, if there is a letting demand, on the basis that the prospective purchaser intends to re-let them, rather than with vacant possession; and*
- *that any subsequent sale would be subject to all the same assumptions above.”*

6.2 Market Value

The basis of Market Value is defined in VPS 4.4 of the Red Book as follows:

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

Market Value subject to Tenancies is in accordance with the above definition, with the addition of the point below:

“That the properties would be subject to any secure or assured tenancies that may prevail, together with any other conditions or restrictions to which property may be subject.”

6.3 Expenses

No allowance is made in our valuations for any expenses of realisation.

6.4 Tax

No allowance is made in our valuations for any liability for payment of Corporation Tax, or for any liability for Capital Gains Tax, whether existing or which may arise in the future.

The transfer of properties between RPs is exempt from Stamp Duty Land Tax (“SDLT”). Our MV-T valuations include fees of 3.0% on individual unit sales, however we have not included SDLT or other costs of acquisition within our valuation.

6.5 VAT

Our valuations are exclusive of VAT on disposal.

7 Sources of Verification of Information

7.1 General

We have relied upon the description, tenancy type and current rental income provided to us by the Original Borrower and we have been unable to verify the accuracy of that data.

7.2 Tenure

Unless otherwise stated in this report, we have assumed the Original Borrower holds a freehold interest or a long leasehold interest with not less than 80 years unexpired in the properties.

7.3 Title

We have reviewed the Certificate of Title for the portfolio issued by Devonshires (“the Certificate”) and the Report on Title (“the Report”) prepared by Addleshaw Goddard LLP and can confirm that our valuations fully reflect the disclosures contained therein.

In respect of each property that we have valued on the basis of MV-T we confirm that we have reviewed the Certificate and Report and confirm that each such property can be disposed of on an unfettered basis (subject only to existing tenancies disclosed in the Certificate but not subject to any security interest, option of other encumbrance or to any restriction preventing or restricting its sale to or use by any person for residential use).

7.4 Nomination Agreements

Our valuations are prepared on the basis that there are no nomination agreements. If any nomination rights are found to be in existence, they are assumed not to be binding on a mortgagee in possession unless otherwise stated in this report

7.5 Measurements/Floor Areas

We have not measured the properties, this being outside the scope of a valuation of a portfolio of this nature, unless otherwise stated in this report.

However, where measurements have been undertaken, we have adhered to the RICS Code of Measuring Practice, 6th edition, except where we specifically state that we have relied on another source. The areas adopted are purely for the purpose of assisting us in forming an opinion of capital value. They should not be relied upon for other purposes nor used by other parties without our written authorisation.

Where floor areas have been provided to us, we have relied upon these and have assumed that they have been properly measured in accordance with the Code of Measuring Practice referred to above.

7.6 Structural Surveys

Unless expressly instructed, we do not carry out a structural survey, nor do we test the services and we, therefore, do not give any assurance that any property is free from defect. We seek to reflect in our valuations any readily apparent defects or items of disrepair, which we note during our inspection, or costs of repair which are brought to

our attention. Otherwise, we assume that each building is structurally sound and that there are no structural, latent or other material defects.

In our opinion the economic life of each property should exceed 50 years providing the properties are properly maintained.

7.7 Deleterious Materials

We do not normally carry out or commission investigations on site to ascertain whether any building was constructed or altered using deleterious materials or techniques (including, by way of example high alumina cement concrete, woodwool as permanent shuttering, calcium chloride or asbestos). Unless we are otherwise informed, our valuations are on the basis that no such materials or techniques have been used.

7.8 Reinforced Autoclaved Aerated Concrete (“RAAC”)

The presence of RAAC in buildings and its potential to fail with little or no warning is receiving media attention at the moment following the closure of schools which are considered to be at risk.

RAAC is a lightweight form of concrete commonly used in construction between the 1950s and mid-1990s. It is predominantly found as precast panels in roofs, commonly flat roofs, and occasionally in floors and walls.

Although the majority of reported cases are within education and public sector buildings, there is potential for RAAC to be present in other property types and sectors. Whether this poses a risk will depend on several factors including location, condition and quality of the original installation and each case will need to be assessed on its own merits.

Within the residential sector, the RICS advise that they expect the exposure to be low. The Regulator of Social Housing (RSH) has also said that it believes RAAC is not widespread in social housing.

We have not carried out or commissioned investigations on site to ascertain whether any building was constructed using RAAC. Unless we are otherwise informed, our valuations are provided on the basis that no such material has been used.

7.9 Site Conditions

We do not normally carry out or commission investigations on site in order to determine the suitability of ground conditions and services for the purposes for which they are, or are intended to be, put; nor do we undertake archaeological, ecological or environmental surveys. Unless we are otherwise informed, our valuations are on the basis that these aspects are satisfactory and that, where development is contemplated, no extraordinary expenses, delays or restrictions will be incurred during the construction period due to these matters.

7.10 Environmental Contamination

Unless expressly instructed, we do not carry out or commission site surveys or environmental assessments, or investigate historical records, to establish whether any land or premises are, or have been, contaminated. Therefore, unless advised to the contrary, our valuations are carried out on the basis that properties are not affected by environmental contamination. However, should our site inspection and further reasonable enquiries during the preparation of the valuation lead us to believe that the land is likely to be contaminated we will discuss our concerns with you.

7.11 Japanese Knotweed

Our inspections are for valuation purposes only, no invasive vegetation was noted during the course of our inspections, however, we cannot confirm if it has been or is present on site.

7.12 Energy Performance Certificates (EPCs)

We have not been provided with copies of any Energy Performance Certificates by the Original Borrower. The Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 make it unlawful for landlords in the private rented sector to let properties that have an EPC rating of F or G, from 1 April 2018. The Regulations do not apply to the majority of properties owned by RPs.

Based on our inspections and our wider knowledge of energy ratings within the social housing sector, we do not consider this issue to present a material valuation risk.

7.13 Market Rental Values

Our assessment of rental values is formed purely for the purposes of assisting in the formation of an opinion of MV-T and is generally on the basis of Market Rent, as defined in the “the Red Book”. Such figures should not be used for any other purpose other than in the context of this valuation.

7.14 Insurance

Unless expressly advised to the contrary we assume that appropriate cover is and will continue to be available on commercially acceptable terms.

7.15 Planning

We have prepared our valuations on the basis that each property exists in accordance with a valid planning permission.

7.16 The Equality Act

We have assumed the properties appear to comply with the requirements of the Equality Act 2010.

7.17 Outstanding Debts

In the case of property where construction works are in hand, or have recently been completed, we do not normally make allowance for any liability already incurred, but not yet discharged, in respect of completed works, or obligations in favour of contractors, subcontractors or any members of the professional or design team.

7.18 Services

We do not normally carry out or commission investigations into the capacity or condition of services. Therefore, we assume that the services, and any associated controls or software, are in working order and free from defect. We also assume that the services are of sufficient capacity to meet current and future needs.

7.19 Plans and Maps

All plans and maps included in our report are strictly for identification purposes only, and, whilst believed to be correct, are not guaranteed and must not form part of any contract. All are published under licence and may include mapping data from Ordnance Survey © Crown Copyright. All rights are reserved.

7.20 Compliance with Building Regulations and Statutory Requirements

Our valuations have been provided in accordance with the RICS' Guidance Note: "*Valuation of properties in multi-storey, multi-occupancy residential buildings with cladding, 1st Edition March 2021*", effective from 5 April 2021.

Unless otherwise stated in our report none of the properties are of 18m or 6 storeys or more or are subject to any remedial works in the wake of the Grenfell Tower disaster of June 2017. We have therefore assumed that the properties conform to the Fire Precaution Regulations and any other statutory requirements.



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Appendix 1

Property Schedules



Housing Association:	Stonewater
Valuer:	JLL
Valuation Date:	2024
Valuation:	Stonewater EMTN New Charging 2024

Category	Unit Count	Basis of Value	EUV-SH	MV-T	Indicative MV-VP (Retained Equity)
GN Social Rent	179	MV-T	£10,630,000	£17,930,000	£25,590,000
HOP self-contained	10	MV-T	£520,000	£1,040,000	£1,420,000
Total	189		£11,150,000	£18,970,000	£27,010,000

Units valued on the basis of MV-T	189		£18,970,000
Units valued on the basis of EUV-SH	0	£0	
Asset Cover Covenants		1.05	1.15
Net Position		£16,495,652	

Housing Association:	Stonewater Limited and Stonewater (2) Limited
Valuer:	JLL
Valuation Date:	2024
Valuation:	Stonewater EMTN New Charging 2024

UPRN	Title	FH / LH	Address 1	County	Postcode	Property Type	Bedrooms	Tenancy	Retained Equity	Business Stream	Basis of Valuation	EUV-SH	MV-T	MV-VP Retained Equity
3887	NN158083	FH	13, Aspen Close, RUSHDEN, Northants	Northamptonshire	NN10 9BX	House	2	Full (Assured Types)	100%	GN Social Rent	MV-T	£62,176	£127,871	£182,500
3889	NN158083	FH	14, Aspen Close, RUSHDEN, Northants	Northamptonshire	NN10 9BX	House	2	Full (Assured Types)	100%	GN Social Rent	MV-T	£62,176	£127,871	£182,500
3891	NN158083	FH	15, Aspen Close, RUSHDEN, Northants	Northamptonshire	NN10 9BX	House	2	Full (Assured Types)	100%	GN Social Rent	MV-T	£62,176	£127,871	£182,500
3893	NN158083	FH	16, Aspen Close, RUSHDEN, Northants	Northamptonshire	NN10 9BX	House	2	Full (Assured Types)	100%	GN Social Rent	MV-T	£62,176	£127,871	£182,500
3896	NN158083	FH	17, Aspen Close, RUSHDEN, Northants	Northamptonshire	NN10 9BX	House	2	Full (Assured Types)	100%	GN Social Rent	MV-T	£62,176	£127,871	£182,500
3898	NN158083	FH	18, Aspen Close, RUSHDEN, Northants	Northamptonshire	NN10 9BX	House	2	Full (Assured Types)	100%	GN Social Rent	MV-T	£62,176	£127,871	£182,500
3900	NN158083	FH	19, Aspen Close, RUSHDEN, Northants	Northamptonshire	NN10 9BX	House	2	Full (Assured Types)	100%	GN Social Rent	MV-T	£62,176	£127,871	£182,500
3902	NN158083	FH	20, Aspen Close, RUSHDEN, Northants	Northamptonshire	NN10 9BX	House	2	Full (Assured Types)	100%	GN Social Rent	MV-T	£62,176	£127,871	£182,500
683	LT380862	FH	1, Gallico Close, LOUGHBOROUGH, Leics	Leicestershire	LE11 5XB	Flat	1	Full (Assured Types)	100%	HOP self-contained	MV-T	£42,893	£69,577	£95,000
684	LT380862	FH	2, Gallico Close, LOUGHBOROUGH, Leics	Leicestershire	LE11 5XB	Flat	1	Full (Assured Types)	100%	GN Social Rent	MV-T	£47,699	£66,563	£95,000
685	LT380862	FH	3, Gallico Close, LOUGHBOROUGH, Leics	Leicestershire	LE11 5XB	Flat	2	Full (Assured Types)	100%	GN Social Rent	MV-T	£54,904	£80,576	£115,000
686	LT380862	FH	4, Gallico Close, LOUGHBOROUGH, Leics	Leicestershire	LE11 5XB	Flat	1	Full (Assured Types)	100%	GN Social Rent	MV-T	£47,699	£66,563	£95,000
687	LT380862	FH	5, Gallico Close, LOUGHBOROUGH, Leics	Leicestershire	LE11 5XB	Flat	2	Full (Assured Types)	100%	GN Social Rent	MV-T	£57,006	£80,576	£115,000
688	LT380862	FH	6, Gallico Close, LOUGHBOROUGH, Leics	Leicestershire	LE11 5XB	Flat	1	Full (Assured Types)	100%	GN Social Rent	MV-T	£47,699	£66,563	£95,000
689	LT380862	FH	7, Gallico Close, LOUGHBOROUGH, Leics	Leicestershire	LE11 5XB	Flat	2	Full (Assured Types)	100%	GN Social Rent	MV-T	£55,607	£80,576	£115,000
690	LT380862	FH	8, Gallico Close, LOUGHBOROUGH, Leics	Leicestershire	LE11 5XB	Flat	2	Full (Assured Types)	100%	GN Social Rent	MV-T	£54,904	£80,576	£115,000
691	LT380862	FH	9, Gallico Close, LOUGHBOROUGH, Leics	Leicestershire	LE11 5XB	Flat	2	Full (Assured Types)	100%	GN Social Rent	MV-T	£55,607	£80,576	£115,000
692	LT380862	FH	10, Gallico Close, LOUGHBOROUGH, Leics	Leicestershire	LE11 5XB	Flat	2	Full (Assured Types)	100%	GN Social Rent	MV-T	£54,904	£80,576	£115,000
693	LT380862	FH	11, Gallico Close, LOUGHBOROUGH, Leics	Leicestershire	LE11 5XB	Flat	2	Full (Assured Types)	100%	GN Social Rent	MV-T	£55,607	£80,576	£115,000
694	LT380862	FH	42, Gallico Close, LOUGHBOROUGH, Leics	Leicestershire	LE11 5XB	Flat	1	Full (Assured Types)	100%	GN Social Rent	MV-T	£47,699	£66,563	£95,000
695	LT380862	FH	43, Gallico Close, LOUGHBOROUGH, Leics	Leicestershire	LE11 5XB	Flat	2	Full (Assured Types)	100%	GN Social Rent	MV-T	£55,607	£80,576	£115,000
696	LT380862	FH	44, Gallico Close, LOUGHBOROUGH, Leics	Leicestershire	LE11 5XB	Flat	2	Full (Assured Types)	100%	HOP self-contained	MV-T	£49,373	£84,225	£115,000
697	LT380862	FH	45, Gallico Close, LOUGHBOROUGH, Leics	Leicestershire	LE11 5XB	Flat	2	Full (Assured Types)	100%	GN Social Rent	MV-T	£55,607	£80,576	£115,000
698	LT380862	FH	46, Gallico Close, LOUGHBOROUGH, Leics	Leicestershire	LE11 5XB	Flat	2	Full (Assured Types)	100%	GN Social Rent	MV-T	£55,607	£80,576	£115,000
699	LT380862	FH	47, Gallico Close, LOUGHBOROUGH, Leics	Leicestershire	LE11 5XB	Flat	2	Full (Assured Types)	100%	GN Social Rent	MV-T	£54,904	£80,576	£115,000
700	LT380862	FH	48, Gallico Close, LOUGHBOROUGH, Leics	Leicestershire	LE11 5XB	Flat	2	Full (Assured Types)	100%	GN Social Rent	MV-T	£55,607	£80,576	£115,000
701	LT380862	FH	49, Gallico Close, LOUGHBOROUGH, Leics	Leicestershire	LE11 5XB	Flat	2	Full (Assured Types)	100%	GN Social Rent	MV-T	£55,607	£80,576	£115,000
702	LT380862	FH	50, Gallico Close, LOUGHBOROUGH, Leics	Leicestershire	LE11 5XB	Flat	2	Full (Assured Types)	100%	GN Social Rent	MV-T	£54,904	£80,576	£115,000
703	LT380862	FH	51, Gallico Close, LOUGHBOROUGH, Leics	Leicestershire	LE11 5XB	Flat	2	Full (Assured Types)	100%	GN Social Rent	MV-T	£54,904	£80,576	£115,000
704	LT380862	FH	52, Gallico Close, LOUGHBOROUGH, Leics	Leicestershire	LE11 5XB	Flat	1	Full (Assured Types)	100%	HOP self-contained	MV-T	£42,893	£69,577	£95,000
705	LT380862	FH	53, Gallico Close, LOUGHBOROUGH, Leics	Leicestershire	LE11 5XB	Flat	2	Full (Assured Types)	100%	GN Social Rent	MV-T	£54,904	£80,576	£115,000
706	LT380862	FH	54, Gallico Close, LOUGHBOROUGH, Leics	Leicestershire	LE11 5XB	Flat	2	Full (Assured Types)	100%	GN Social Rent	MV-T	£54,904	£80,576	£115,000
707	LT380862	FH	55, Gallico Close, LOUGHBOROUGH, Leics	Leicestershire	LE11 5XB	Flat	2	Full (Assured Types)	100%	GN Social Rent	MV-T	£55,607	£80,576	£115,000
708	LT380862	FH	56, Gallico Close, LOUGHBOROUGH, Leics	Leicestershire	LE11 5XB	Flat	2	Full (Assured Types)	100%	GN Social Rent	MV-T	£55,607	£80,576	£115,000
709	LT380862	FH	57, Gallico Close, LOUGHBOROUGH, Leics	Leicestershire	LE11 5XB	Flat	2	Protected (Secure)	100%	GN Social Rent	MV-T	£44,319	£80,576	£115,000
711	LT380862	FH	12, Gallico Close, LOUGHBOROUGH, Leics	Leicestershire	LE11 5XB	Flat	1	Full (Assured Types)	100%	HOP self-contained	MV-T	£42,893	£69,577	£95,000
712	LT380862	FH	14, Gallico Close, LOUGHBOROUGH, Leics	Leicestershire	LE11 5XB	Flat	1	Full (Assured Types)	100%	HOP self-contained	MV-T	£42,893	£69,577	£95,000
713	LT380862	FH	15, Gallico Close, LOUGHBOROUGH, Leics	Leicestershire	LE11 5XB	Flat	1	Full (Assured Types)	100%	GN Social Rent	MV-T	£47,699	£66,563	£95,000
714	LT380862	FH	16, Gallico Close, LOUGHBOROUGH, Leics	Leicestershire	LE11 5XB	Flat	1	Full (Assured Types)	100%	GN Social Rent	MV-T	£47,699	£66,563	£95,000
716	LT380862	FH	18, Gallico Close, LOUGHBOROUGH, Leics	Leicestershire	LE11 5XB	Flat	1	Full (Assured Types)	100%	GN Social Rent	MV-T	£47,699	£66,563	£95,000
717	LT380862	FH	19, Gallico Close, LOUGHBOROUGH, Leics	Leicestershire	LE11 5XB	Flat	1	Full (Assured Types)	100%	GN Social Rent	MV-T	£47,699	£66,563	£95,000
718	LT380862	FH	20, Gallico Close, LOUGHBOROUGH, Leics	Leicestershire	LE11 5XB	Flat	1	Full (Assured Types)	100%	GN Social Rent	MV-T	£47,699	£66,563	£95,000
719	LT380862	FH	21, Gallico Close, LOUGHBOROUGH, Leics	Leicestershire	LE11 5XB	Flat	1	Full (Assured Types)	100%	GN Social Rent	MV-T	£47,699	£66,563	£95,000
721	LT380862	FH	23, Gallico Close, LOUGHBOROUGH, Leics	Leicestershire	LE11 5XB	Flat	1	Full (Assured Types)	100%	GN Social Rent	MV-T	£47,699	£66,563	£95,000
722	LT380862	FH	24, Gallico Close, LOUGHBOROUGH, Leics	Leicestershire	LE11 5XB	Flat	1	Full (Assured Types)	100%	GN Social Rent	MV-T	£47,699	£66,563	£95,000
723	LT380862	FH	25, Gallico Close, LOUGHBOROUGH, Leics	Leicestershire	LE11 5XB	Flat	1	Full (Assured Types)	100%	GN Social Rent	MV-T	£47,699	£66,563	£95,000
724	LT380862	FH	26, Gallico Close, LOUGHBOROUGH, Leics	Leicestershire	LE11 5XB	Flat	1	Full (Assured Types)	100%	GN Social Rent	MV-T	£47,699	£66,563	£95,000
726	LT380862	FH	28, Gallico Close, LOUGHBOROUGH, Leics	Leicestershire	LE11 5XB	Flat	1	Full (Assured Types)	100%	GN Social Rent	MV-T	£47,699	£66,563	£95,000
727	LT380862	FH	29, Gallico Close, LOUGHBOROUGH, Leics	Leicestershire	LE11 5XB	Flat	1	Full (Assured Types)	100%	GN Social Rent	MV-T	£47,699	£66,563	£95,000
728	LT380862	FH	30, Gallico Close, LOUGHBOROUGH, Leics	Leicestershire	LE11 5XB	Flat	1	Full (Assured Types)	100%	GN Social Rent	MV-T	£47,699	£66,563	£95,000
729	LT380862	FH	31, Gallico Close, LOUGHBOROUGH, Leics	Leicestershire	LE11 5XB	Flat	1	Full (Assured Types)	100%	GN Social Rent	MV-T	£47,699	£66,563	£95,000
733	LT380862	FH	33, Gallico Close, LOUGHBOROUGH, Leics	Leicestershire	LE11 5XB	Flat	1	Full (Assured Types)	100%	GN Social Rent	MV-T	£47,699	£66,563	£95,000
735	LT380862	FH	34, Gallico Close, LOUGHBOROUGH, Leics	Leicestershire	LE11 5XB	Flat	1	Full (Assured Types)	100%	GN Social Rent	MV-T	£47,699	£66,563	£95,000
737	LT380862	FH	35, Gallico Close, LOUGHBOROUGH, Leics	Leicestershire	LE11 5XB	Flat	1	Full (Assured Types)	100%	GN Social Rent	MV-T	£47,699	£66,563	£95,000
739	LT380862	FH	36, Gallico Close, LOUGHBOROUGH, Leics	Leicestershire	LE11 5XB	Flat	1	Full (Assured Types)	100%	GN Social Rent	MV-T	£47,699	£66,563	£95,000
743	LT380862	FH	38, Gallico Close, LOUGHBOROUGH, Leics	Leicestershire	LE11 5XB	Flat	1	Full (Assured Types)	100%	GN Social Rent	MV-T	£47,699	£66,563	£95,000

UPRN	Title	FH / LH	Address 1	County	Postcode	Property Type	Bedrooms	Tenancy	Retained Equity	Business Stream	Basis of Valuation	EUV-SH	MV-T	MV-VP Retained Equity
745	LT380862	FH	39, Gallico Close, LOUGHBOROUGH, Leics	Leicestershire	LE11 5XB	Flat	1	Full (Assured Types)	100%	GN Social Rent	MV-T	£47,699	£66,563	£95,000
747	LT380862	FH	40, Gallico Close, LOUGHBOROUGH, Leics	Leicestershire	LE11 5XB	Flat	1	Full (Assured Types)	100%	GN Social Rent	MV-T	£47,699	£66,563	£95,000
749	LT380862	FH	41, Gallico Close, LOUGHBOROUGH, Leics	Leicestershire	LE11 5XB	Flat	1	Full (Assured Types)	100%	GN Social Rent	MV-T	£47,699	£66,563	£95,000
753	LT380862	FH	1, Charteris Close, LOUGHBOROUGH, Leicestershire	Leicestershire	LE11 5XE	Flat	2	Full (Assured Types)	100%	GN Social Rent	MV-T	£55,607	£80,576	£115,000
755	LT380862	FH	2, Charteris Close, LOUGHBOROUGH, Leicestershire	Leicestershire	LE11 5XE	Flat	2	Full (Assured Types)	100%	GN Social Rent	MV-T	£55,607	£80,576	£115,000
756	LT380862	FH	3, Charteris Close, LOUGHBOROUGH, Leicestershire	Leicestershire	LE11 5XE	Flat	2	Full (Assured Types)	100%	GN Social Rent	MV-T	£55,607	£80,576	£115,000
757	LT380862	FH	7, Charteris Close, LOUGHBOROUGH, Leicestershire	Leicestershire	LE11 5XE	Flat	1	Full (Assured Types)	100%	HOP self-contained	MV-T	£42,893	£69,577	£95,000
759	LT380862	FH	34, Charteris Close, LOUGHBOROUGH, Leicestershire	Leicestershire	LE11 5XE	Flat	2	Full (Assured Types)	100%	GN Social Rent	MV-T	£54,904	£80,576	£115,000
761	LT380862	FH	35, Charteris Close, LOUGHBOROUGH, Leicestershire	Leicestershire	LE11 5XE	Flat	2	Full (Assured Types)	100%	GN Social Rent	MV-T	£55,607	£80,576	£115,000
763	LT380862	FH	36, Charteris Close, LOUGHBOROUGH, Leicestershire	Leicestershire	LE11 5XE	Flat	2	Full (Assured Types)	100%	GN Social Rent	MV-T	£55,607	£80,576	£115,000
765	LT380862	FH	37, Charteris Close, LOUGHBOROUGH, Leicestershire	Leicestershire	LE11 5XE	Flat	2	Full (Assured Types)	100%	GN Social Rent	MV-T	£57,737	£80,576	£115,000
767	LT380862	FH	38, Charteris Close, LOUGHBOROUGH, Leicestershire	Leicestershire	LE11 5XE	Flat	1	Full (Assured Types)	100%	GN Social Rent	MV-T	£47,699	£66,563	£95,000
769	LT380862	FH	39, Charteris Close, LOUGHBOROUGH, Leicestershire	Leicestershire	LE11 5XE	Flat	1	Full (Assured Types)	100%	GN Social Rent	MV-T	£47,699	£66,563	£95,000
771	LT380862	FH	40, Charteris Close, LOUGHBOROUGH, Leicestershire	Leicestershire	LE11 5XE	Flat	2	Full (Assured Types)	100%	GN Social Rent	MV-T	£54,904	£80,576	£115,000
773	LT380862	FH	41, Charteris Close, LOUGHBOROUGH, Leicestershire	Leicestershire	LE11 5XE	Flat	2	Full (Assured Types)	100%	GN Social Rent	MV-T	£55,607	£80,576	£115,000
775	LT380862	FH	42, Charteris Close, LOUGHBOROUGH, Leicestershire	Leicestershire	LE11 5XE	Flat	2	Full (Assured Types)	100%	GN Social Rent	MV-T	£54,904	£80,576	£115,000
777	LT380862	FH	43, Charteris Close, LOUGHBOROUGH, Leicestershire	Leicestershire	LE11 5XE	Flat	2	Full (Assured Types)	100%	GN Social Rent	MV-T	£55,607	£80,576	£115,000
779	LT380862	FH	44, Charteris Close, LOUGHBOROUGH, Leicestershire	Leicestershire	LE11 5XE	Flat	2	Full (Assured Types)	100%	GN Social Rent	MV-T	£55,607	£80,576	£115,000
781	LT380862	FH	45, Charteris Close, LOUGHBOROUGH, Leicestershire	Leicestershire	LE11 5XE	Flat	2	Full (Assured Types)	100%	GN Social Rent	MV-T	£55,607	£80,576	£115,000
783	LT380862	FH	46, Charteris Close, LOUGHBOROUGH, Leicestershire	Leicestershire	LE11 5XE	Flat	2	Full (Assured Types)	100%	GN Social Rent	MV-T	£57,737	£80,576	£115,000
785	LT380862	FH	47, Charteris Close, LOUGHBOROUGH, Leicestershire	Leicestershire	LE11 5XF	Flat	1	Full (Assured Types)	100%	GN Social Rent	MV-T	£47,699	£66,563	£95,000
787	LT380862	FH	48, Charteris Close, LOUGHBOROUGH, Leicestershire	Leicestershire	LE11 5XF	Flat	1	Full (Assured Types)	100%	GN Social Rent	MV-T	£47,699	£66,563	£95,000
789	LT380862	FH	49, Charteris Close, LOUGHBOROUGH, Leicestershire	Leicestershire	LE11 5XF	Flat	2	Full (Assured Types)	100%	GN Social Rent	MV-T	£57,006	£80,576	£115,000
791	LT380862	FH	50, Charteris Close, LOUGHBOROUGH, Leicestershire	Leicestershire	LE11 5XF	Flat	1	Full (Assured Types)	100%	GN Social Rent	MV-T	£47,699	£66,563	£95,000
793	LT380862	FH	51, Charteris Close, LOUGHBOROUGH, Leicestershire	Leicestershire	LE11 5XF	Flat	2	Full (Assured Types)	100%	GN Social Rent	MV-T	£55,607	£80,576	£115,000
795	LT380862	FH	52, Charteris Close, LOUGHBOROUGH, Leicestershire	Leicestershire	LE11 5XF	Flat	2	Full (Assured Types)	100%	GN Social Rent	MV-T	£55,607	£80,576	£115,0

UPRN	Title	FH / LH	Address 1	County	Postcode	Property Type	Bedrooms	Tenancy	Retained Equity	Business Stream	Basis of Valuation	EUV-SH	MV-T	MV-VP Retained Equity
8251	ON168195	FH	49, Market End Way, BICESTER, Oxon	Oxfordshire	OX26 2EZ	House	3	Full (Assured Types)	100%	GN Social Rent	MV-T	£94,585	£210,199	£300,000
8253	ON168195	FH	58, Market End Way, BICESTER, Oxon	Oxfordshire	OX26 2EZ	House	3	Full (Assured Types)	100%	GN Social Rent	MV-T	£94,585	£210,199	£300,000
8255	ON168195	FH	62, Market End Way, BICESTER, Oxon	Oxfordshire	OX26 2EZ	House	3	Full (Assured Types)	100%	GN Social Rent	MV-T	£94,585	£210,199	£300,000
8256	ON168195	FH	64, Market End Way, BICESTER, Oxon	Oxfordshire	OX26 2EZ	House	3	Full (Assured Types)	100%	GN Social Rent	MV-T	£94,585	£210,199	£300,000
8257	ON168195	FH	70, Market End Way, BICESTER, Oxon	Oxfordshire	OX26 2EZ	House	3	Full (Assured Types)	100%	GN Social Rent	MV-T	£94,585	£210,199	£300,000
8258	ON168195	FH	72, Market End Way, BICESTER, Oxon	Oxfordshire	OX26 2EZ	House	3	Full (Assured Types)	100%	GN Social Rent	MV-T	£94,585	£210,199	£300,000
8259	ON168195	FH	74, Market End Way, BICESTER, Oxon	Oxfordshire	OX26 2EZ	House	3	Full (Assured Types)	100%	GN Social Rent	MV-T	£94,585	£210,199	£300,000
8260	ON168195	FH	76, Market End Way, BICESTER, Oxon	Oxfordshire	OX26 2EZ	House	3	Full (Assured Types)	100%	GN Social Rent	MV-T	£94,585	£210,199	£300,000
8261	ON168195	FH	66, Market End Way, BICESTER, Oxon	Oxfordshire	OX26 2EZ	House	3	Full (Assured Types)	100%	GN Social Rent	MV-T	£94,585	£210,199	£300,000
8263	ON168195	FH	78, Market End Way, BICESTER, Oxon	Oxfordshire	OX26 2EZ	House	3	Full (Assured Types)	100%	GN Social Rent	MV-T	£94,585	£210,199	£300,000
8264	ON168195	FH	80, Market End Way, BICESTER, Oxon	Oxfordshire	OX26 2EZ	House	3	Full (Assured Types)	100%	GN Social Rent	MV-T	£94,585	£210,199	£300,000
829	LT380862	FH	14, Charteris Close, LOUGHBOROUGH, Leicestershire	Leicestershire	LE11 5XE	Flat	1	Full (Assured Types)	100%	GN Social Rent	MV-T	£47,699	£66,563	£95,000
8301	ON168195	FH	23, Market End Way, BICESTER, Oxon	Oxfordshire	OX26 2EZ	Bungalow	3	Full (Assured Types)	100%	HOP self-contained	MV-T	£85,183	£234,366	£320,000
8302	ON168195	FH	25, Market End Way, BICESTER, Oxon	Oxfordshire	OX26 2EZ	Bungalow	3	Full (Assured Types)	100%	HOP self-contained	MV-T	£85,183	£234,366	£320,000
831	LT380862	FH	15, Charteris Close, LOUGHBOROUGH, Leicestershire	Leicestershire	LE11 5XE	Flat	1	Full (Assured Types)	100%	GN Social Rent	MV-T	£47,699	£66,563	£95,000
833	LT380862	FH	16, Charteris Close, LOUGHBOROUGH, Leicestershire	Leicestershire	LE11 5XE	Flat	1	Full (Assured Types)	100%	GN Social Rent	MV-T	£47,699	£66,563	£95,000
835	LT380862	FH	17, Charteris Close, LOUGHBOROUGH, Leicestershire	Leicestershire	LE11 5XE	Flat	1	Full (Assured Types)	100%	GN Social Rent	MV-T	£47,699	£66,563	£95,000
839	LT380862	FH	19, Charteris Close, LOUGHBOROUGH, Leicestershire	Leicestershire	LE11 5XE	Flat	1	Full (Assured Types)	100%	GN Social Rent	MV-T	£47,699	£66,563	£95,000
841	LT380862	FH	20, Charteris Close, LOUGHBOROUGH, Leicestershire	Leicestershire	LE11 5XE	Flat	1	Full (Assured Types)	100%	GN Social Rent	MV-T	£47,699	£66,563	£95,000
843	LT380862	FH	21, Charteris Close, LOUGHBOROUGH, Leicestershire	Leicestershire	LE11 5XE	Flat	1	Full (Assured Types)	100%	GN Social Rent	MV-T	£47,699	£66,563	£95,000
845	LT380862	FH	22, Charteris Close, LOUGHBOROUGH, Leicestershire	Leicestershire	LE11 5XE	Flat	1	Full (Assured Types)	100%	GN Social Rent	MV-T	£47,699	£66,563	£95,000
849	LT380862	FH	24, Charteris Close, LOUGHBOROUGH, Leicestershire	Leicestershire	LE11 5XE	Flat	1	Full (Assured Types)	100%	GN Social Rent	MV-T	£47,699	£66,563	£95,000
851	LT380862	FH	25, Charteris Close, LOUGHBOROUGH, Leicestershire	Leicestershire	LE11 5XE	Flat	1	Full (Assured Types)	100%	GN Social Rent	MV-T	£47,699	£66,563	£95,000
853	LT380862	FH	26, Charteris Close, LOUGHBOROUGH, Leicestershire	Leicestershire	LE11 5XE	Flat	1	Full (Assured Types)	100%	GN Social Rent	MV-T	£47,699	£66,563	£95,000
855	LT380862	FH	27, Charteris Close, LOUGHBOROUGH, Leicestershire	Leicestershire	LE11 5XE	Flat	1	Full (Assured Types)	100%	GN Social Rent	MV-T	£47,699	£66,563	£95,000
859	LT380862	FH	29, Charteris Close, LOUGHBOROUGH, Leicestershire	Leicestershire	LE11 5XE	Flat	1	Full (Assured Types)	100%	GN Social Rent	MV-T	£47,699	£66,563	£95,000
861	LT380862	FH	30, Charteris Close, LOUGHBOROUGH, Leicestershire	Leicestershire	LE11 5XE	Flat	1	Full (Assured Types)	100%	GN Social Rent	MV-T	£47,699	£66,563	£95,000
863	LT380862	FH	31, Charteris Close, LOUGHBOROUGH, Leicestershire	Leicestershire	LE11 5XE	Flat	1	Full (Assured Types)	100%	GN Social Rent	MV-T	£47,699	£66,563	£95,000
865	LT380862	FH	32, Charteris Close, LOUGHBOROUGH, Leicestershire	Leicestershire	LE11 5XE	Flat	1	Full (Assured Types)	100%	GN Social Rent	MV-T	£47,699	£66,563	£95,000
871	LT380862	FH	54, Charteris Close, LOUGHBOROUGH, Leicestershire	Leicestershire	LE11 5XF	Flat	1	Full (Assured Types)	100%	GN Social Rent	MV-T	£47,699	£66,563	£95,000
873	LT380862	FH	55, Charteris Close, LOUGHBOROUGH, Leicestershire	Leicestershire	LE11 5XF	Flat	1	Full (Assured Types)	100%	GN Social Rent	MV-T	£47,699	£66,563	£95,000
875	LT380862	FH	56, Charteris Close, LOUGHBOROUGH, Leicestershire	Leicestershire	LE11 5XF	Flat	1	Full (Assured Types)	100%	HOP self-contained	MV-T	£42,893	£69,577	£95,000
877	LT380862	FH	57, Charteris Close, LOUGHBOROUGH, Leicestershire	Leicestershire	LE11 5XF	Flat	1	Full (Assured Types)	100%	HOP self-contained	MV-T	£42,893	£69,577	£95,000
879	LT380862	FH	58, Charteris Close, LOUGHBOROUGH, Leicestershire	Leicestershire	LE11 5XF	Flat	1	Full (Assured Types)	100%	GN Social Rent	MV-T	£47,699	£66,563	£95,000
881	LT380862	FH	59, Charteris Close, LOUGHBOROUGH, Leicestershire	Leicestershire	LE11 5XF	Flat	1	Full (Assured Types)	100%	GN Social Rent	MV-T	£47,699	£66,563	£95,000
883	LT380862	FH	60, Charteris Close, LOUGHBOROUGH, Leicestershire	Leicestershire	LE11 5XF	Flat	1	Full (Assured Types)	100%	GN Social Rent	MV-T	£47,699	£66,563	£95,000
885	LT380862	FH	61, Charteris Close, LOUGHBOROUGH, Leicestershire	Leicestershire	LE11 5XF	Flat	1	Full (Assured Types)	100%	GN Social Rent	MV-T	£47,699	£66,563	£95,000
889	LT380862	FH	63, Charteris Close, LOUGHBOROUGH, Leicestershire	Leicestershire	LE11 5XF	Flat	1	Full (Assured Types)	100%	GN Social Rent	MV-T	£47,699	£66,563	£95,000
891	LT380862	FH	64, Charteris Close, LOUGHBOROUGH, Leicestershire	Leicestershire	LE11 5XF	Flat	1	Full (Assured Types)	100%	GN Social Rent	MV-T	£47,699	£66,563	£95,000
893	LT380862	FH	65, Charteris Close, LOUGHBOROUGH, Leicestershire	Leicestershire	LE11 5XF	Flat	1	Full (Assured Types)	100%	GN Social Rent	MV-T	£47,699	£66,563	£95,000
895	LT380862	FH	66, Charteris Close, LOUGHBOROUGH, Leicestershire	Leicestershire	LE11 5XF	Flat	1	Full (Assured Types)	100%	GN Social Rent	MV-T	£47,699	£66,563	£95,000
898	LT380862	FH	68, Charteris Close, LOUGHBOROUGH, Leicestershire	Leicestershire	LE11 5XF	Flat	1	Full (Assured Types)	100%	GN Social Rent	MV-T	£47,699	£66,563	£95,000
899	LT380862	FH	69, Charteris Close, LOUGHBOROUGH, Leicestershire	Leicestershire	LE11 5XF	Flat	1	Full (Assured Types)	100%	GN Social Rent	MV-T	£48,952	£66,563	£95,000
900	LT380862	FH	70, Charteris Close, LOUGHBOROUGH, Leicestershire	Leicestershire	LE11 5XF	Flat	1	Full (Assured Types)	100%	GN Social Rent	MV-T	£47,699	£66,563	£95,000
901	LT380862	FH	71, Charteris Close, LOUGHBOROUGH, Leicestershire	Leicestershire	LE11 5XF	Flat	1	Full (Assured Types)	100%	GN Social Rent	MV-T	£47,699	£66,563	£95,000
903	LT380862	FH	73, Charteris Close, LOUGHBOROUGH, Leicestershire	Leicestershire	LE11 5XF	Flat	1	Full (Assured Types)	100%	GN Social Rent	MV-T	£47,699	£66,563	£95,000
904	LT380862	FH	74, Charteris Close, LOUGHBOROUGH, Leicestershire	Leicestershire	LE11 5XF	Flat	1	Full (Assured Types)	100%	GN Social Rent	MV-T	£47,699	£66,563	£95,000
905	LT380862	FH	75, Charteris Close, LOUGHBOROUGH, Leicestershire	Leicestershire	LE11 5XF	Flat	1	Full (Assured Types)	100%	GN Social Rent	MV-T	£47,699	£66,563	£95,000
906	LT380862	FH	76, Charteris Close, LOUGHBOROUGH, Leicestershire	Leicestershire	LE11 5XF	Flat	1	Full (Assured Types)	100%	GN Social Rent	MV-T	£47,699	£66,563	£95,000
908	LT380862	FH	78, Charteris Close, LOUGHBOROUGH, Leicestershire	Leicestershire	LE11 5XF	Flat	1	Full (Assured Types)	100%	GN Social Rent	MV-T	£47,699	£66,563	£95,000
909	LT380862	FH	79, Charteris Close, LOUGHBOROUGH, Leicestershire	Leicestershire	LE11 5XF	Flat	1	Full (Assured Types)	100%	GN Social Rent	MV-T	£47,699	£66,563	£95,000
910	LT380862	FH	80, Charteris Close, LOUGHBOROUGH, Leicestershire	Leicestershire	LE11 5XF	Flat	1	Full (Assured Types)	100%	GN Social Rent	MV-T	£47,699	£66,563	£95,000
911	LT380862	FH	81, Charteris Close, LOUGHBOROUGH, Leicestershire	Leicestershire	LE11 5XF	Flat	1	Full (Assured Types)	100%	GN Social Rent	MV-T	£47,699	£66,563	£95,000
914	LT380862	FH	1, Orwell Close, LOUGHBOROUGH, Leics	Leicestershire	LE11 5XD	Flat	2	Full (Assured Types)	100%	GN Social Rent	MV-T	£54,904	£80,576	£115,000
915	LT380862	FH	2, Orwell Close, LOUGHBOROUGH, Leics	Leicestershire	LE11 5XD	Flat	1	Full (Assured Types)	100%	GN Social Rent	MV-T	£48,952	£66,563	£95,000
916	LT380862	FH	3, Orwell Close, LOUGHBOROUGH, Leics	Leicestershire	LE11 5XD	Flat	2	Full (Assured Types)	100%	GN Social Rent	MV-T	£54,904	£80,576	£115,000
917	LT380862	FH	4, Orwell Close, LOUGHBOROUGH, Leics	Leicestershire	LE11 5XD	Flat	2	Full (Assured Types)	100%	GN Social Rent	MV-T	£54,904	£80,576	£115,000
918	LT380862	FH	5, Orwell Close, LOUGHBOROUGH, Leics	Leicestershire	LE11 5XD	Flat	2	Full (Assured Types)	100%	GN Social Rent	MV-T	£55,607	£80,576	£115,000
919	LT380862	FH	6, Orwell Close, LOUGHBOROUGH, Leics	Leicestershire	LE11 5XD	Flat	2	Full (Assured Types)	100%	GN Social Rent	MV-T	£55,607	£80,576	£115,000
920	LT380862	FH	7, Orwell Close, LOUGHBOROUGH, Leics	Leicestershire	LE11 5XD	Flat	2	Full (Assured Types)	100%	GN Social Rent	MV-T	£54,904	£80,576	£115,000
921	LT380862	FH	8, Orwell Close, LOUGHBOROUGH, Leics	Leicestershire	LE11 5XD	Flat	2	Full (Assured Types)	100%	GN Social Rent	MV-T	£54,904	£80,576	£115,000

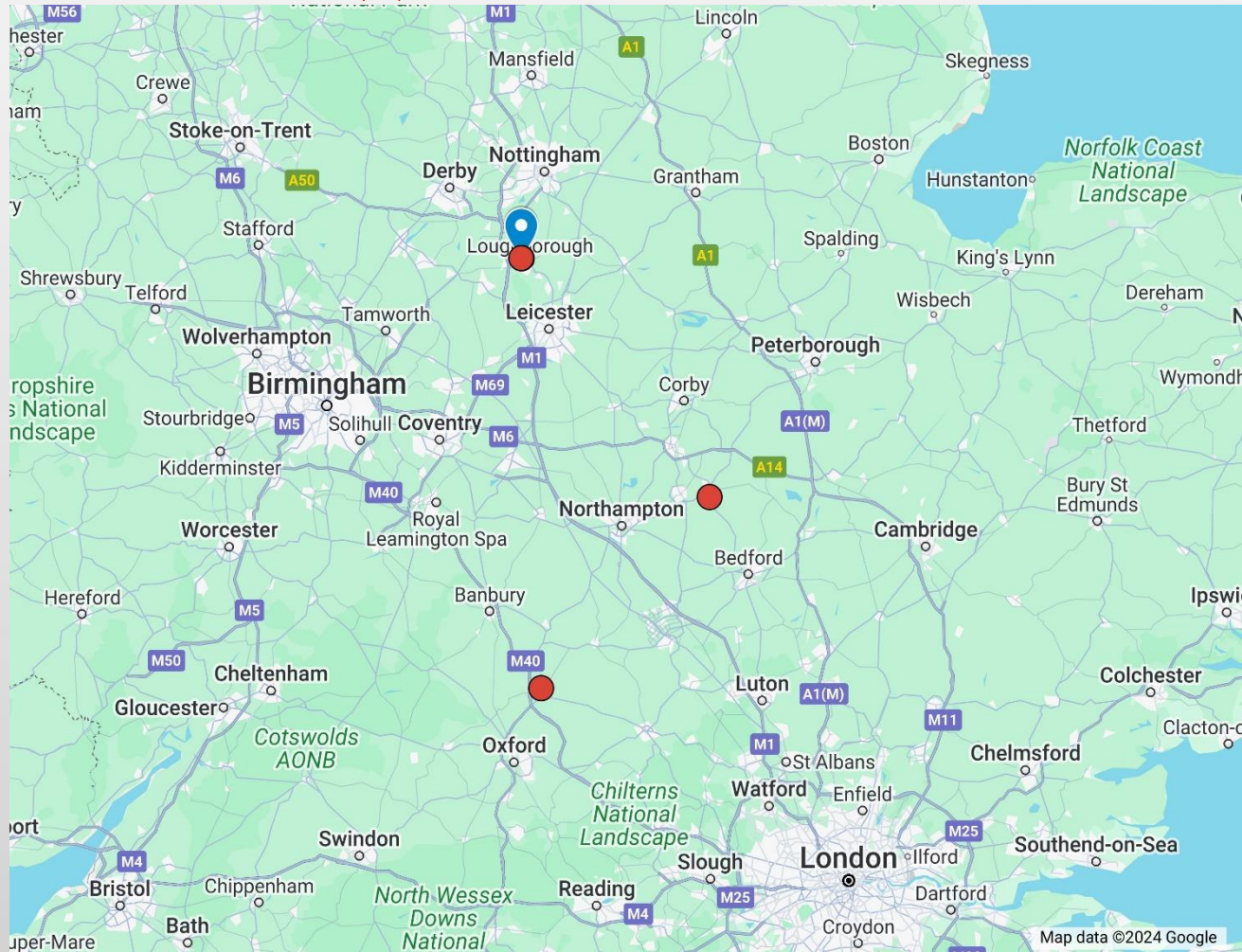
UPRN	Title	FH / LH	Address 1	County	Postcode	Property Type	Bedrooms	Tenancy	Retained Equity	Business Stream	Basis of Valuation	EUV-SH	MV-T	MV-VP Retained Equity
922	LT380862	FH	9, Orwell Close, LOUGHBOROUGH, Leics	Leicestershire	LE11 5XD	Flat	1	Full (Assured Types)	100%	GN Social Rent	MV-T	£47,699	£66,563	£95,000
923	LT380862	FH	10, Orwell Close, LOUGHBOROUGH, Leics	Leicestershire	LE11 5XD	Flat	2	Full (Assured Types)	100%	GN Social Rent	MV-T	£55,607	£80,576	£115,000
924	LT380862	FH	11, Orwell Close, LOUGHBOROUGH, Leics	Leicestershire	LE11 5XD	Flat	2	Full (Assured Types)	100%	GN Social Rent	MV-T	£54,904	£80,576	£115,000
925	LT380862	FH	12, Orwell Close, LOUGHBOROUGH, Leics	Leicestershire	LE11 5XD	Flat	2	Full (Assured Types)	100%	GN Social Rent	MV-T	£54,904	£80,576	£115,000
926	LT380862	FH	14, Orwell Close, LOUGHBOROUGH, Leics	Leicestershire	LE11 5XD	Flat	1	Full (Assured Types)	100%	GN Social Rent	MV-T	£47,699	£66,563	£95,000
927	LT380862	FH	15, Orwell Close, LOUGHBOROUGH, Leics	Leicestershire	LE11 5XD	Flat	2	Full (Assured Types)	100%	GN Social Rent	MV-T	£55,607	£80,576	£115,000
928	LT380862	FH	16, Orwell Close, LOUGHBOROUGH, Leics	Leicestershire	LE11 5XD	Flat	2	Full (Assured Types)	100%	GN Social Rent	MV-T	£54,904	£80,576	£115,000
929	LT380862	FH	17, Orwell Close, LOUGHBOROUGH, Leics	Leicestershire	LE11 5XD	Flat	2	Full (Assured Types)	100%	GN Social Rent	MV-T	£54,904	£80,576	£115,000
930	LT380862	FH	18, Orwell Close, LOUGHBOROUGH, Leics	Leicestershire	LE11 5XD	Flat	2	Full (Assured Types)	100%	GN Social Rent	MV-T	£55,607	£80,576	£115,000
931	LT380862	FH	19, Orwell Close, LOUGHBOROUGH, Leics	Leicestershire	LE11 5XD	Flat	2	Full (Assured Types)	100%	GN Social Rent	MV-T	£55,607	£80,576	£115,000
932	LT380862	FH	20, Orwell Close, LOUGHBOROUGH, Leics	Leicestershire	LE11 5XD	Flat	1	Full (Assured Types)	100%	GN Social Rent	MV-T	£47,699	£66,563	£95,000
												£11,150,000	£18,970,000	£27,010,000

Appendix 2

Location Plan



Stonewater (5) Limited EMTN 2024 Valuation



Appendix 3

Photographs





LE11 5XD 20, Orwell Close, LOUGHBOROUGH, Leics



LE11 5XF 56, Charteris Close, LOUGHBOROUGH, Leicestershire



NN10 9BX - 13, Aspen Close, North Street, Rushden, Northants



OX26 2EZ - 23, Market End Way, Bicester, Oxon



LE11 5XB 14, Gallico Close, LOUGHBOROUGH, Leics

Appendix 4

Market Commentary



JLL Residential Market Update – March 2024

The rate of inflation dropped back to 3.4% in February, marginally below the 3.5% forecast. But as expected the direction of travel was not significant enough to convince the majority of MPC members to vote for a base rate cut. With rates held at 5.25% for the seventh consecutive meeting. One member voted to cut rates (the same position they held at the last meeting), but notably the two votes to increase rates to 5.5% at the previous meeting had changed to hold this time round. Economists are expecting the summer will see the first rate cut, although the pack remain split on whether this will take place at the June or August meeting.

With rate cuts now anticipated later in the year and swap rates (used to price mortgages) edging up from where they settled earlier in the year, fixed mortgage rates have risen. Best buy rates up from sub 4% earlier in the year to the early fours currently. But we expect these will start to edge down (a little) as we move through the year, and we see the first rate cut (or markets are more confident that it is coming).

Following news that the UK fell into recession in the second half of 2023, January figures were slightly more encouraging. Albeit most months seem to be oscillating at just above or just below flat (0%).

A rise in retail spending and construction activity meant UK GDP rose 0.2% month-on-month in January, up from a fall of -0.1% in December. Construction output rose 1.1% in January, the biggest monthly increase since June 2023, with private sector house building leading the way with an increase of 2.6%, following a sharp drop in activity in 2023.

The Purchasing Managers Index (PMI) reported more positive market conditions, with the services index rising further above 50 (indicating growth) and the manufacturing index looking more promising as it headed in that direction too.

Rental market

After a frenzied couple of years, the waters are a little calmer for the rental market so far this year. There is certainly some much needed heat coming out of the market, but we see this as a return to more 'normal' market conditions rather than anything more dramatic.

Stock levels are edging up from their recent lows but still fall short of pre-pandemic levels. Average rents are still rising, Homelet figures showing a 7.4% annual increase in achieved rents, closely mirroring the 7.8% figure quoted by Zoopla. This month saw the first in a revamped series of private rents data from the ONS. The data, which include both new and existing tenancies, show rents rose 9.0% in the year to January.

The RICS survey shows demand for rental properties still outpacing new landlord instructions. However, the 'return-to-normality' trend appears to be evident in their results, too. The survey, which is reported as a balance of opinion, shows a reading of +16% of agents reporting an increase in tenant demand, still rising but down from the +47% six months ago. More respondents still think rents will rise, with a net balance of +37% expecting growth over the next three months, albeit lower than the +53% who thought the same a year earlier.

Zoopla data shows a similar picture, with the number of applicants per property still averaging 15 – down from the 2021 high of more than 40, but still double pre-pandemic norms.

London is experiencing a bigger swing in annual growth, with the capital seeing the lowest annual increases in rents over the last 12 months, according to Homelet, at 4.8% (down from 13% just six months ago, though still above the long-term average).

Sales market

The most widely used indices are all showing a similar pattern in house prices. Annual changes are, at their lowest, broadly flat, the Land Registry showing prices -0.6% down annually in January 2024 (up from -2.2% in December). Nationwide and Halifax show annual increases of 1.2% and 1.7% respectively in February. Rightmove figures, based on asking prices, show prices rose 0.8% annually in March, and were 1.5% higher than the previous month.

Activity levels have risen this year, Rightmove are reporting a 13% annual increase in sales agreed, with buyer demand up 8%. JLL figures also show an increase in activity, with a 24% increase in buyers registering with our London offices so far this year compared with the same period in 2023.

Mortgage markets

Higher rates meaning less activity in the mortgage markets won't be a huge surprise. Recently published figures from the Bank of England show mortgage advances down -29% in 2023 compared with 2022. But first-time buyers remain more active than other borrowers. Overall advances to first time buyers were down -23% (despite government assistance through Help to Buy ending), whereas home mover advances fell -31% and buy-to-let saw a -55% fall. But figures for January show a more encouraging picture. The number of mortgage approvals exceeded 55,000, the highest monthly figure since October 2022.

Outlook

We are forecasting a -3% fall in UK house prices in 2024. An early election and potential post ballot bounce or an early run of rate cutting by the Bank of England could make us look pessimistic. But until we know more, we are assuming that base rates will have started to fall back by the summer, and activity will increase. If we follow that trajectory price rises are more likely in the second half of the year, but it could be 2025 before we see this feed into the indices.

JLL Research | March 2024

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JLL's Residential and Living team consists of over 300 professionals who provide a comprehensive end-to-end service across all residential property types, including social housing, private residential, build to rent, co-living, later living, healthcare and student housing.

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