

**APPRAISAL AND  
VALUATION REPORT**

**ON THE INSTRUCTIONS OF:**

**PROPLEND SECURITY LIMITED  
H1 ASCOT BUSINESS PARK  
LYNDHURST ROAD  
ASCOT SL5 9FE**

**OF FREEHOLD  
OFFICE PREMISES**

**KNOWN AS:**



**UNIT 10 LION YARD  
TREMADOC ROAD  
CLAPHAM  
LONDON  
SW4 7NQ**

**CUSTOMER:  
MR AM KAINTH**

**VALUATION DATE:  
6<sup>TH</sup> NOVEMBER 2014**

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## 1. **EXECUTIVE SUMMARY**

### 1.1 **Proposed Security**

The freehold interest in a multi-let, three storey office building located in Clapham in South West London.

### 1.2 **Likely Occupational and Investor Demand and Likely Purchasers**

We would anticipate strong demand from investors if the interest became available.

### 1.3 **Volatility of Property Performance and Rental and Capital Values**

There is a limited supply of good quality office premises in London, and accordingly we consider that current values are maintainable.

### 1.4 **The Material Conditions Attaching to Existing Planning Consents and Agreements**

None so far as we are aware.

### 1.5 **Title Issues Requiring Further Investigation**

None so far as we are aware.

### 1.6 **Any Pertinent Issues Requiring Further Investigation**

We assume that there are no covenants that run with the freehold that restrict how the premises within Lion Yard may be used. Therefore, we assume that there are no contractual or planning barriers that would prevent the property from being converted from office to residential use. We recommend that you seek clarification from your customer on this point.

### 1.7 **Suitability, From a Property Perspective, As Security for the Proposed Loan**

We are of the opinion that the premises offer good security for loan purposes in accordance with normal prudent bank lending policy.

## 2. **INSTRUCTIONS**

- 2.1 We are instructed to carry out a valuation on behalf of Proplend Security Limited, H1 Ascot Business Park, Lyndhurst Road, Ascot SL5 9FE of the freehold interest in commercial premises known as Unit 10, Lion Yard, Tremadoc Road, Clapham, London SW4 7NQ.
- 2.2 We understand that the freehold interest is held by your customer, Mr Am Kainth.
- 2.3 Our instructions are confirmed by our letter of confirmation dated 3<sup>rd</sup> November 2014, approved by Richard Berkley of Proplend Security Limited, setting out the basis upon which our valuation is to be carried out. A copy of the instruction letter is appended at HNG1.
- 2.4 We are advised that the valuation is required by Proplend Security Limited as a basis for secured lending and we confirm that we have no conflict of interest in carrying out the valuation on your behalf.
- 2.5 We confirm that our valuation is carried out in accordance with the RICS Valuation – Professional Standards 2014 (The Red Book) and is in line with your instructions and Guidance Notes. A copy of our valuation assumptions is appended at HNG2.
- 2.6 The property was inspected on 6<sup>th</sup> November 2014, which is also the valuation date.
- 2.7 The inspection and valuation have been undertaken by James Bampton MRICS acting as an external valuer. Mr Bampton is a Registered Valuer under the RICS Valuer Registration Scheme, this being a mandatory requirement of the RICS in the provision of any Red Book valuation such as this.
- 2.8 We confirm that the valuer has the knowledge, skills and understanding to undertake the valuation competently.

### 3. **LOCATION**

- 3.1 Unit 10, Lion Yard is located within the Clapham district of the London Borough of Lambeth in South West London.
- 3.2 More particularly, the property is located off Tremadoc Road, just south of Clapham High Street, as shown on the Location Plan and Ordnance Survey Extract attached in HNG3.
- 3.3 Lion Yard consists of 15 self-contained commercial units sharing a private, gated courtyard. We understand that the buildings were constructed in the late 19<sup>th</sup> Century for use as a single warehouse but were converted to individual units in the mid-1980s.
- 3.4 The immediate area outside of Lion Yard is predominantly a residential location.
- 3.5 Local shops and restaurants are located nearby on Clapham High Street.
- 3.6 Public transport links are excellent with Clapham High Street railway station and Clapham North underground station (Northern line) less than a quarter of a mile to the north east of the subject property.

### 4. **DESCRIPTION**

- 4.1 The subject building is a one of a terrace of three storey units constructed with brick elevations and a pitched, slate tiled roof with dormer windows. Large, single-glazed, sash windows are located at ground and first floor levels.
- 4.2 The building is centrally heated.
- 4.3 There is no lift inside the building.
- 4.4 There is one car parking space at the front of the subject property, which we understand is part of the freehold interest.
- 4.5 Photographs of the property are appended in HNG4.

## 5. **ACCOMMODATION**

- 5.1 The subject property is a multi-let building that has been arranged to provide individual office suites.
- 5.2 The ground floor includes a shared reception with kitchenette, and male and female toilets. The remainder of the ground floor is split into two wings of office suites with glass partitions.
- 5.3 A mezzanine floor has been installed, which is accessed via a separate, spiral staircase. The mezzanine is set back from the front of the building so as not to compromise the level of natural light coming in from the ground floor windows. The mezzanine overlooks the ground floor office suites, which means that conversations can easily be overheard from each floor.
- 5.4 The first and second floor are accessed via a single, internal staircase at the rear of the property. There is a shared toilet and kitchen area on the first floor. The second floor is mansarded.
- 5.5 We have measured the property in accordance with the Royal Institution of Chartered Surveyors Code of Measuring Practice (6th Edition), and consider that the Net Internal Area of the individual office suites are as follows.

5.6

| <b>FLOOR</b> | <b>AREA</b>                |
|--------------|----------------------------|
| Second       | 521 sq. ft. (48.42 sq. m.) |
| First        | 401 sq. ft. (37.21 sq. m.) |
| Mezzanine    | 342 sq. ft. (31.74 sq. m.) |
| Ground Floor | 268 sq. ft. (24.9 sq. m.)  |

- 5.7 We have also measured the property on the assumption that the building is vacant and available to a single occupier. On that basis, we consider that the Net Internal Area of the entire building is as follows.

| <b>FLOOR</b> | <b>AREA</b>                          |
|--------------|--------------------------------------|
| Second       | 521 sq. ft. (48.42 sq. m.)           |
| First        | 575 sq. ft. (53.4 sq. m.)            |
| Mezzanine    | 342 sq. ft. (31.74 sq. m.)           |
| Ground Floor | 610 sq. ft. (56.7 sq. m.)            |
| <b>TOTAL</b> | <b>2,048 sq. ft. (190.26 sq. m.)</b> |

## 6. CONDITION

- 6.1 Our instructions did not include the carrying out of a structural survey or to undertake testing of any of the services or to arrange any investigations to determine whether any deleterious materials have been used in the construction of the property.
- 6.2 The property appeared to be in a reasonable state of repair and condition but did not have the high specification of interior that we would expect to see for this type of property if capital values are to be maximised.
- 6.3 On that basis, we are of the opinion that the projected useful life of the building should be sufficient for the purposes of the proposed loan.

## 7. STATUTORY ENQUIRIES

- 7.1 Permitted development rights were introduced in May 2013 for a period of 3 years allowing a change of use from office use (B1) to residential use (C3) if the office is not a new build and is not in an exempt area.
- 7.2 We have been unable to obtain definitive planning information from the local planning authority although we have noted references on the London Borough of Lambeth's planning website to uses within Lion Yard that include workshops and independent offices.
- 7.3 We understand that the subject building is neither listed nor part of a conservation area.

7.4 We understand that there are no major planning proposals or highway schemes for the immediate vicinity which are likely to have an adverse effect upon the value of the subject premises.

7.5 We have made internet enquiries to the Valuation Office Agency and are informed that the office suites are assessed for the purposes of business rates as follows:

| OFFICE SUITE                       | 2010 RATEABLE VALUE |
|------------------------------------|---------------------|
| Offices A & B, 2 <sup>nd</sup> Flr | £15,000             |
| 1 <sup>st</sup> Flr                | £10,750             |
| Gnd Flr Mezz Office C              | £9,600              |
| Gnd Flr Office B                   | £3,600              |
| Gnd Flor Office A                  | £3,800              |

7.6 Tremadoc Road is a private road and so is not maintained by the Local Highways Authority.

## 8. **SERVICES**

8.1 We understand that all main services are available within the building, including gas, water, electricity and sewerage.

## 9. **SITE AND GROUND CONDITIONS**

9.1 The building sits on a level and regular shaped site extending to an area of approximately 0.008 ha (0.02 ac).

9.2 We are not aware of there being any adverse conditions relating to the site.

## 10. **ENVIRONMENTAL ISSUES**

- 10.1 In carrying out our Valuation, we are not aware of the content of any environmental audit or other environmental investigation or soil survey which may have been carried out on the property and which may draw attention to any contamination or the possibility of such contamination.
- 10.2 In carrying out our Valuation we have assumed that no contamination or potentially contaminative uses have ever been carried out on the property.
- 10.3 We have not carried out any investigation into past or present uses, either of the property or any neighbouring land, to establish whether there is any contamination or potential for contamination from these uses or sites, and have therefore assumed that none exists.
- 10.4 Should it be established subsequently that contamination, seepage or pollution exists at the property or on any neighbouring land, or that the premises have been or are being put to any contaminative use, this might reduce the values now reported.

## 11. **TENURE**

- 11.1 We understand that the freehold interest in the subject building and a share of the common areas (e.g. the shared yard) is held by your customer.
- 11.2 We have not had sight of the Title Deeds and our Valuation is on the basis that the interest is unencumbered, and that there are no adverse covenants, rights of way or other matters which will adversely affect this interest.

## 12. **OCCUPATIONAL LEASES AND OTHER AGREEMENTS**

- 12.1 Your customer has provided us with the following information.
- 12.2 The first and second floors are let to Scala Publishers Limited at a rent of £33,000 per annum for a term of 5 years with effect from 1<sup>st</sup> July 2014. The lease excludes the security of tenure provisions of the Landlord & Tenant Act 1954.

- 12.3 The mezzanine is let to Paragon Building Services Ltd at a rent of £9,600 per annum for a term of 5 years with effect from 1<sup>st</sup> August 2013. The lease excludes the security of tenure provisions of the Landlord & Tenant Act 1954.
- 12.4 The ground floor is let to Active Letting London at a rent of £12,000 per annum for a term of 5 years with effect from 1<sup>st</sup> August 2013. The lease excludes the security of tenure provisions of the Landlord & Tenant Act 1954.
- 12.5 The total rental income is £54,600 per annum.

### 13. **MARKET TRENDS AND GENERAL COMMENTS**

#### **Market Overview**

- 13.1 The supply of good quality office accommodation in central London and the London submarkets is limited. This is at a time when the economic recovery has seen an increase in tenant demand. As a result, both capital and rental values are on the increase.
- 13.2 Good quality, secondary office premises are in demand from both investors and owner occupiers.
- 13.3 Recent changes in permitted development rights is resulting in many small office units of under 10,000 sq. ft. being converted to residential use. This has put further pressure on the supply of office accommodation.

#### **Marketability of the Subject Premises**

- 13.4 The property is fully let but on terms of less than 5 years unexpired. This provides little security of income whilst making it difficult for potential owner occupiers or developers to obtain vacant possession.
- 13.5 We assume that there are no covenants that run with the freehold that restrict how the premises within Lion Yard may be used. Therefore, we assume that there are no contractual or planning barriers that would prevent the property from being converted from office to residential use. We recommend that you seek clarification from your customer on this point.

- 13.6 We conclude that the most likely purchaser of the property would be an investor although the value of the subject interest is supported by the potential for alternative use as residential flats.

#### 14. **DEVELOPMENT / REFURBISHMENT ISSUES**

- 14.1 The mezzanine overlooks the ground floor offices, which makes privacy an issue for both floors.
- 14.2 The mezzanine would be difficult to convert to residential use in its current layout.
- 14.3 We consider it reasonable to assume that any developer converting the premises to residential use would either remove the mezzanine or alter it to be ancillary to the proposed ground floor flat.
- 14.4 Any change of use to residential would require conversion works including the installation of new kitchens and bathrooms. We consider that a £100,000 budget is a reasonable estimate for the direct cost of such works. Further deductions need to be made for professional fees, tax, finance, contingencies and developer's profit.

#### 15. **MARKET RENT**

- 15.1 We are of the opinion that the Market Rent of the subject property in its current condition is;

**£58,000 PER ANNUM**

- 15.2 We are aware of 2,498 sq. ft. of office accommodation at Lion Yard being marketed. We understand from the letting agent that the premises are under offer as a whole at £42,000 per annum, which equates to £16.81 per sq. ft.
- 15.3 The subject premises are let as individual suites and not as a whole.

- 15.4 Your customer has informed us that he is in advanced negotiations to accept a surrender of the lease for the mezzanine floor with a new lease being granted to a fashion/ media agency at a rent of £15,000 per annum. We have treated that information with caution as the rent is high considering the quality of the accommodation. However, we also recognise that the market for small office suites is unsophisticated with tenants often being unrepresented in negotiations. The focus for such tenants is on overall affordability rather than rents per sq. ft.
- 15.5 We have attached significant weight to the letting in July 2014 of the first and second floors within the subject building at a rent of £33,000 per annum.
- 15.6 We have valued the first and second floors at £33,000 per annum, the ground floor suite at £15,000 per annum and the mezzanine at £10,000 per annum. On that basis, our opinion of Market Rent is £58,000 per annum.
- 15.7 **Market Rent** is defined as the estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

16. **MARKET VALUE**

- 16.1 We are of the opinion that the **Market Value**, as defined by the RICS Valuation – Professional Standards 2014 (The Red Book), of the freehold interest of the existing property, subject to the existing tenancies, is:

**£900,000**

**(NINE HUNDRED THOUSAND POUNDS)**

- 16.2 We are of the opinion that the **Market Value**, as defined by the RICS Valuation – Professional Standards 2014 (The Red Book), of the freehold interest of the existing property, assuming vacant possession, is:

**£950,000**

**(NINE HUNDRED AND FIFTY THOUSAND POUNDS)**

- 16.3 **Market Value** is defined as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.
- 16.4 We have initially considered the value of the subject interest by assessing the value of the property as a residential conversion.
- 16.5 In accordance with the RICS Valuation – Professional Standards 2014 (The Red Book), we have approached our Valuation of the existing premises primarily by reference to the following comparable sales evidence:

| Address              | Price               | Date          | Comments                                   |
|----------------------|---------------------|---------------|--|
| Tremadoc Road        | Quoting<br>£499,950 | On the market | 526 sq. ft. ground floor garden flat.      |
| Clapham Manor Street | Quoting<br>£479,950 | Under offer   | 691 sq. ft. flat over ground and basement. |
| 75b Landor Road      | £365,000            | June 2014     | 398 sq. ft. ground floor flat.             |
| 8 Kepler Road        | £405,000            | May 2014      | 611 sq. ft. ground floor garden flat.      |
| 66 Tremadoc Road     | £450,000            | March 2014    | 506 sq. ft. first floor residential flat.  |
| 104 Littlebury Road  | £431,000            | February 2014 | 667 sq. ft. ground floor garden flat       |

- 16.6 We conclude that the Gross Development Value assuming a conversion to residential is approximately £1,300,000. We have made deductions to cover the direct costs of the conversion works, professional fees, tax, finance costs, contingencies, and developer's profit. We have calculated that the Market Value of the subject interest assuming vacant possession is £950,000 on that basis. Our calculations are attached in HNG5.

- 16.7 In reality, there are leases in place, which would discourage owner occupiers and developers from bidding for the property as they could not be certain of obtaining vacant possession. On the other hand, the length of the unexpired terms are shorter than most investors would ideally want. Therefore, we consider there is scope for the vacant possession value to be higher than the existing value. For that reason, we have also considered an investment approach to the valuation.
- 16.8 We are aware of the recent sale of the long leasehold interest (expiring 24<sup>th</sup> December 2138) in 5-6 Porteus Place, Macaulay Walk, Clapham Old Town. This 1,873 sq. ft. office unit is let to Svenska Handelsbanken for a term of 10 years expiring 17<sup>th</sup> July 2024 at a passing rent of £55,518 per annum. The interest was sold for £960,000, which reflects a net initial yield of circa 5.5%.
- 16.9 An adjustment needs to be made before direct comparison as we consider that the strength of the Handelsbanken's covenant would outweigh the fact that 5-6 Porteus Place was only available on a leasehold basis. At the same time, the fact that the subject unit has development potential if it becomes vacant must also be taken into account. On that basis, we have calculated that the Market Value of the interest, subject to the existing tenancies, is £900,000 based on a net initial yield of 5.75%.

## 17. **INSURANCE REINSTATEMENT COST**

- 17.1 Being beyond the scope of your instructions, we have not undertaken inspections specifically for the purposes of preparing a reinstatement valuation. However, based upon our inspection for open market purposes, we estimate that the reinstatement costs of the premises for fire insurance purposes on a day one basis is the sum of £300,000.
- 17.2 This figure takes account of building costs on a gross external basis, demolition and clearance fees, professional fees and Value Added Tax at the standard rate. It makes no allowance for any loss of rent or rental void incurred.
- 17.3 This figure is given as a guide for the relevant proportion of re-construction costs of an exact copy of the existing building, constructed of similar materials.
- 17.4 The above figure should be taken as a guide only and must not be relied upon for the purposes of effecting fire insurance cover. It should be used only for comparison against cover already taken out.

18. **SECURITY FOR THE LOAN**

- 18.1 We confirm that we are of the opinion that the value of the premises should be sustained and that nothing we have ascertained in carrying out the valuation has led us to believe that the value would reduce in today's market conditions.
- 18.2 Having regard to the above, we confirm that we are of the view that this property is suitable for loan security purposes in accordance with the terms and provisions of this Report.

*13/5/20*

**JAMES BAMPTON MA MRICS**

*A. Palmer.*

**ALEX PALMER MSC MRICS**

# APPENDIX HNG1

**BY EMAIL ONLY**  
[bb@proplendsecurity.com](mailto:bb@proplendsecurity.com)

Proplend Security Limited  
145-157 St John Street  
London  
EC1V 4PW



7-10 Chandos Street  
Cavendish Square  
London W1G 9DQ  
**T 020 3205 0200**  
**F 020 3205 0201**  
[www.hng.co.uk](http://www.hng.co.uk)

Our Ref: JB

3<sup>rd</sup> November 2014

Dear Sir,

|                              |  |
|------------------------------|--|
| <b>Property:</b>             | <b>Unit 10, Lion Yard, Tremadoc Road, Clapham, SW4 7NQ</b> |
| <b>Tenure:</b>               | <b>Freehold</b>  |
| <b>Purpose of Valuation:</b> | <b>Secured lending</b>                                     |
| <b>Loan to Value ratio:</b>  | <b>50%</b>   |
| <b>Date of Valuation:</b>    | <b>The inspection date</b>                                 |
| <b>Use of property:</b>      | <b>Offices</b>   |

Thank you for your instructions requesting that we provide you with a valuation of the above property for the purposes of secured lending.

We confirm that our valuation will be prepared in accordance with the current edition of the RICS Valuation – Professional Standards 2014 (The Red Book) save as specifically varied by your instructions.

We confirm that neither HNG nor the responsible valuer has any recent or foreseeable potential fee earning relationship with the property to be valued apart from the fee for this service.

We confirm that we have contacted your customer, Mr Am Kainth, and arranged to inspect the property on Thursday, 6<sup>th</sup> November.

The work we will undertake, the sources of information on which we shall rely and the limitations that will apply to our investigations and report are set out in our Standard Terms of Business for Valuations. Where full details of the property, such as the use or classification, or details of leases, are not available at the date of this letter, we will establish these and confirm them with you in writing before the report is issued.

2.



You have asked us to carry out a valuation of the subject property on the following bases.

- Market Value subject to the current tenancies.
- Market Value assuming vacant possession.
- Estimated reinstatement cost for insurance purposes only.

If you have not already, please provide us with details of any recent transactions or sale prices relating to the property (if known to you).

We confirm that the valuation will be the responsibility of James Bampton who will be acting as an external valuer. We confirm that the valuer has the knowledge, skills and understanding to undertake the valuation competently.

Our fee for undertaking this work will be £2,000 plus VAT payable once we have informed you that the report is complete and ready for release.

Following receipt of payment, the report will be e-mailed to you in accordance with your instructions.

We particularly draw your attention to the comment in our Standard Terms about our liability to third parties and publication. We understand that you, as a Peer to Peer Lending Platform, will need to show the contents of our report to your various lending members. However, it is agreed that only Proplend Security Limited may rely on our report for lending purposes.

We believe that we have fully set out your requirements but if we have omitted any matter please let us know.

Please confirm by return e-mail if you are in agreement.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'JBampton'.

**JAMES BAMPTON**  
For and on behalf of HNG

# APPENDIX HNG2

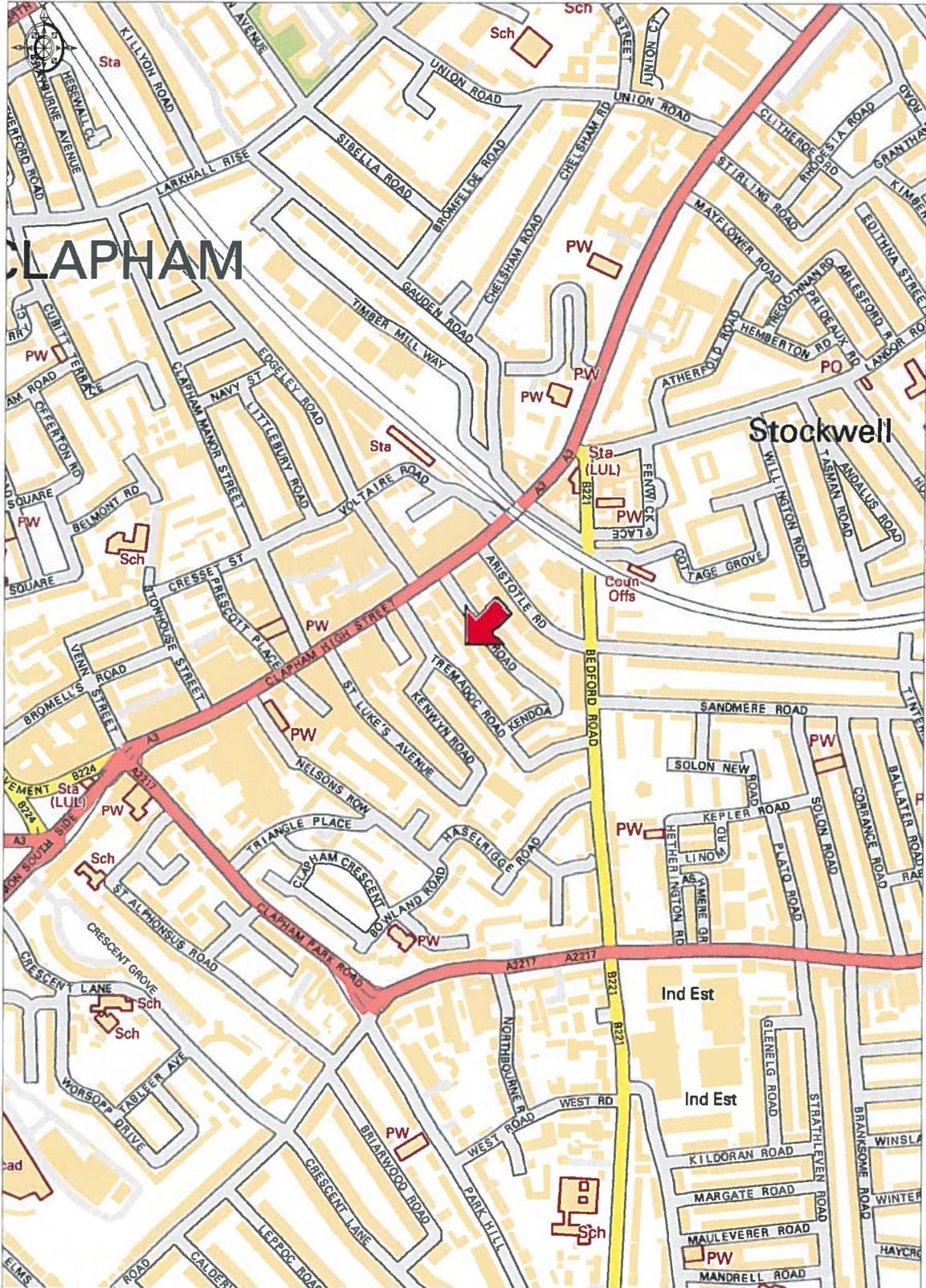
## **ASSUMPTIONS AND CAVEATS**

1. **Planning**  
We have not submitted formal Searches to Local Planning Authorities and our information is based upon the assumption that the existing planning use is the permitted one under the Unitary Development Plan.
2. **Rating/Council Tax Assessment**  
Details of the Rating Assessment/Council Tax Band were obtained via the internet from the Local Rating Authority. We have assumed that the information provided is correct.
3. **Structure**  
We were not instructed to carry out a structural survey of the property and no warranty can be given as to the structural condition. However in arriving at our valuation due regard has been paid to the general state of repair and condition of the property as far as could be seen during the course of our inspection.
4. **Access**  
We have not inspected woodwork or other parts of the structure which are covered, unexposed or inaccessible and we are therefore unable to report that such parts of the property are free from rot, beetle or other defects.
5. **Soil**  
No soil or underground tests have been carried out and it has therefore been assumed that there are no soil or site problems which would adversely affect any of the buildings or any of the open land which may or may not be used for future extension.
6. **Services**  
We have not carried out an inspection in detail or tested any of the services or installations including cold and hot water installations, drainage systems, ducting systems, of any of the parts of the property and we are therefore unable to report that they are adequate for the purpose for which they are used or that any part of them is free from defect or malfunctioning. No warranty or guarantee is therefore given or is implied as far as general services and installations are concerned.
7. **Fixtures and Fittings**  
All items in the nature of Tenant's fixtures and fittings or plant and machinery have been excluded in this valuation. Any Tenants improvements carried out without licence have been included.
8. **VAT**  
The valuation excludes any expenses which would be incurred in the realisation of the property and also excludes liability for taxation including any registration of the premises for V.A.T. purposes unless otherwise stated.
9. **HAC**  
Our valuation assumes that no high-alumina cement, calcium chloride additives, blue asbestos or other deleterious material has been used in the construction, alteration or extension of any of the building forming the property. No warranty or guarantee is given that this material has not been used as a structural material.
10. **Planning**  
We have assumed that the building has been constructed in accordance with valid town planning consent and building regulation approval. We have further assumed that it complies with any other relevant statutory and byelaw requirements and that there are no statutory or other notices outstanding in connection with the property or its current use.
11. **Limitations**  
In accordance with our usual professional custom we would mention that this report has been prepared for your purposes only and that no responsibility can be accepted to any third party for all or any part of this report nor any reference thereto may be included in any document, circular or statement without our written approval first being obtained as to the form of the context in which it will appear.

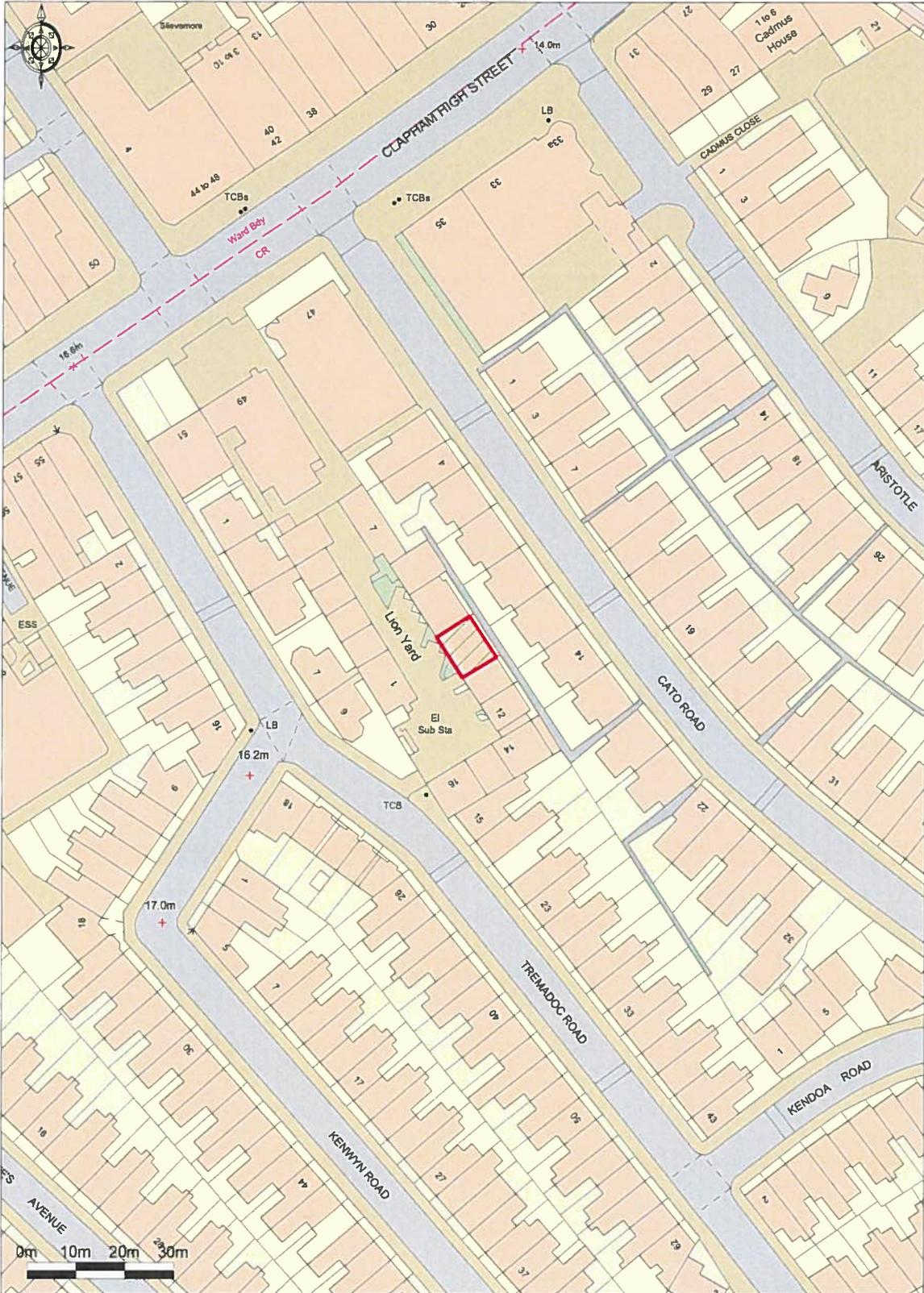
12. **Sources of Information**  
We rely upon the information provided to us, by the sources listed, as to details of tenure, tenancies, planning consents and other relevant matters, as summarized in our report. We assume that this information is complete and correct.
13. **Boundaries**  
Plans accompanying reports are for identification purposes only and should not be relied upon to define boundaries, title or easements. The extent of the site is coloured or outlined in accordance with information given to us and our understanding of the boundaries.
14. **Buildings Areas and Age**  
Where so instructed, areas provided from a quoted source will be relied upon. Otherwise, dimensions and areas measured on location or from plan are calculated in accordance with the RICS Code of Measuring Practice and are quoted to a reasonable approximation, with reference to their source. Where the age of the building is estimated this is for guidance only.
15. **Ground Conditions**  
We assume there to be no unidentified adverse ground or soil conditions and that the load bearing qualities of the sites of each property are sufficient to support the building(s) constructed or to be constructed thereon.
16. **Confirmation of Instructions**  
In order to comply with The Red Book, instructions must be confirmed with clients in writing. In addition to the matters specifically referred to below, the purpose, timetable and extent of and limitations to the valuation and are subject to such agreement.
17. **Mortgages or Charges**  
Properties are valued disregarding any mortgages or other charges.
18. **Leases**  
We consider leases, except when agreed otherwise, for matters which might affect value, however, we recommend that reliance is not placed on our interpretation of these documents without reference to solicitors.
19. **Covenant**  
We reflect in our valuation our general appreciation of the financial status of tenants. We do not, however, normally carry out detailed investigations as to the financial standing of the tenants, except where specifically instructed, and assume, unless informed otherwise, that in all cases there are no significant arrears of rent and that they are capable of meeting their obligations under the terms of leases and agreement.
20. **Loan Security**  
Where instructed to comment on the suitability of property as a loan security we are only able to comment on any inherent property risk and such comment is normally only appropriate on an individual property basis.
21. **Comparable Evidence**  
Where comparable evidence information is included in our report this information is often based upon our oral enquiries and its accuracy cannot always be assured, or may be subject to undertakings as to confidentiality. However, such information would only be referred to where we had reason to believe its general accuracy or where it was in accordance with expectation.
22. **Jurisdiction**  
In the event of a dispute arising in connection with a valuation, unless expressly agreed otherwise in writing, Hargreaves Newberry Gynge the client, and any third party using the valuation will submit to the jurisdiction of the British Courts only. This will apply wherever the property or the client is located or the advice is provided.

# APPENDIX HNG3

# Unit 10, Tremadoc Road London SW4 7NQ



# Unit 10, Tremadoc Road London SW4 7NQ



Ordnance Survey © Crown Copyright 2014 All rights reserved  
Licence number 100023432 Plotted Scale - 1:1250



# APPENDIX HNG4

**UNIT 10 LION YARD, TREMADOC ROAD  
CLAPHAM SW4 7NQ**



The street entrance to Lion Yard



Front elevation

**UNIT 10 LION YARD, TREMADOC ROAD  
CLAPHAM SW4 7NQ**



Ground floor



Mezzanine

**UNIT 10 LION YARD, TREMADOC ROAD  
CLAPHAM SW4 7NQ**



First floor



Second floor

# APPENDIX HNG5

