

**Date:** 23<sup>rd</sup> May 2016  
**Our Ref:** ISP/RH/JN511217  
**Your Ref:**

Julie Pavlick  
Proplend Security Limited  
H1 Ascot Business Park  
Lyndhurst Road  
Ascot  
SL5 9FE

**Property Consultants**

Embassy House  
60 Church Street  
Birmingham  
B3 2DJ

T: 0121 200 1100  
F: 0121 200 1101  
E: [ian.pitt@brutonknowles.co.uk](mailto:ian.pitt@brutonknowles.co.uk)

**W: [brutonknowles.co.uk](http://brutonknowles.co.uk)**

Offices across the UK

Dear Julie

**14-16 George Street, Birmingham B12 9RG & 109-117 Sydenham Road, Small Heath, Birmingham B11 1DG**

I write to confirm that assuming that the tenancy schedule has remained the same, and there are no material alterations to the properties since our previous inspections, our valuations reported to you in December 2015 have not decreased.

If I can be of any further assistance please do not hesitate to contact me.

Kind regards.

Yours sincerely



**Ian S Pitt BSc (Hons) FRICS**  
Partner & Head of Birmingham Office

**Valuation Report**

**14-16 George Street**

**Birmingham, B12 9RG**

**109-117 Sydenham Road**

**Small Heath**

**Birmingham, B11 1DG**

## Contact Details

**Prepared by:** Bruton Knowles  
Embassy House  
60 Church Street  
Birmingham  
B3 2DJ

**BK Contacts:** Ian S Pitt BSc (Hons) FRICS  
RICS Registered Valuer  
T: 0121 212 7607  
E: [ian.pitt@brutonknowles.co.uk](mailto:ian.pitt@brutonknowles.co.uk)

**Prepared for:** Proplend Security Limited  
145-147 St Johns Street  
London  
EC1B 4PW

**Client Contacts:** Brian Bartaby  
Director  
T: 0203 397 8290  
E: [bb@proplendsecurity.com](mailto:bb@proplendsecurity.com)

**Date of Inspection and Valuation** 10<sup>th</sup> November 2015

**Date of Report** 11<sup>th</sup> December 2015

**BK Ref:** JN511217/ISP

## Contents

1	Executive Summary .....
2	Terms of Instruction .....
3	Property Report .....
3.1	Location .....
3.2	Description .....
3.3	Accommodation .....
3.4	Services .....
3.5	Condition .....
3.6	Environmental Matters .....
3.7	Local Authority & Statutory Requirements .....
3.8	Tenure .....
3.9	Occupation .....
3.10	Factors Affecting Value .....
3.11	Market Conditions & Demand .....
3.12	Comparable Evidence .....
3.13	Valuation Methodology .....
3.14	Suitability for Loan Security .....
3.15	Estimated Reinstatement Cost .....
3.16	Verification .....
3.17	Valuation Definition .....
3.18	Valuation .....

**Appendices**

Appendix One

Location and Site Plans

Appendix Two

Photographs

Appendix Three

Letter of Instruction

Appendix Four

Letter of Confirmation & Standard Terms and Conditions of  
Engagement

Appendix Five

Lease Details

Appendix Six

Rating List

# 1 Executive Summary

<b>Property</b>	14-16 George Street, Birmingham, B12 9RG  Classification and use – Multi-occupied offices and storage accommodation
<b>Location</b>	Within a mixed suburb of Birmingham.
<b>Description</b>	3 terrace former residential properties converted to commercial use.
<b>Planning Use</b>	Properties have consent for existing use
<b>Floor Area</b>	GIA of 198.20 sq m (2,133 sq ft)
<b>Tenure</b>	Freehold subject to an occupational leases, rent currently being received of £16,705.97 per annum.
<b>Condition</b>	The property appeared to be in a reasonable condition commensurate with its age, use and construction.
<b>Specialist Reports</b>	We are not aware of any specialist reports that should be commissioned in line with this report.
<b>Environmental</b>	No obvious sign of contamination upon inspection.
<b>Valuation</b>	<p>In our opinion the Market Value of the subject property with the benefit of the income that can be receivable as at 10<sup>th</sup> November 2015, freehold subject to the existing tenancy and subject to the assumptions and comments in this Report and Appendices was £400,000 (Four Hundred Thousand Pounds).</p> <p>In our opinion the Market Value of the subject property assuming vacant possession as at 10<sup>th</sup> November 2015, freehold subject to the assumptions and comments in this Report and Appendices was £325,000 (Three Hundred and Twenty Five Thousand Pounds).</p> <p>In our opinion the Market Value of the subject property on the special assumption that a sale is completed within 6 months from the date of this Report, freehold with vacant possession throughout subject to the assumptions and comments in this Report and Appendices was £300,000 (Three Hundred Thousand Pounds).</p>

In our opinion the Market Rent of the subject property as at 10<sup>th</sup> November 2015 on the assumption that a lease would be granted for a term of not less than five years on full repairing and insuring terms and subject to the assumptions and comments in this Report and Appendices was £17,000 (Seventeen Thousand Pounds) per annum exclusive.

**Note**

The above is merely a summary of the valuation report and reference should be made to the remainder of the document for a more detailed report of the property.

**Important Notice to Mortgage Applicants**

This report has been prepared to allow the mortgage lender to assess the suitability of the property as security; it has not been prepared for the benefit of the Mortgage Applicant who is not entitled to rely on the report. The services have not been tested and a detailed survey has not been carried out and thus defects could exist which are not mentioned in the report. The Valuer is entitled to make certain assumptions which during subsequent legal or other investigations may prove to be inaccurate. Applicants acquiring property interests are strongly advised to obtain their own detailed advice from suitably qualified professionals before exchanging contracts.

## 1 Executive Summary

<b>Property</b>	109-117 Sydenham Road, Small Heath, Birmingham, B11 1DG  Classification and use – Multi-occupied workshop, office and storage accommodation
<b>Location</b>	Within an established suburb of Birmingham.
<b>Description</b>	19 <sup>th</sup> Century former factory sub-divided to create multiple workshop storage at ground floor and first floor levels.
<b>Planning Use</b>	The Property has consent for existing use
<b>Floor Area</b>	GIA of 2,627 sq m (28,280 sq ft)
<b>Tenure</b>	Freehold subject to multiple occupational tenancies. Total income receivable £89,836 per annum.
<b>Condition</b>	The property appeared to be in a reasonable condition commensurate with its age, use and construction.
<b>Specialist Reports</b>	We are not aware of any specialist reports that should be commissioned in line with this report.
<b>Environmental</b>	No obvious sign of contamination upon inspection.
<b>Valuation</b>	<p>In our opinion the Market Value of the subject property with the benefit of the income that can be receivable as at 10<sup>th</sup> November 2015, freehold subject to the existing tenancy subject to the assumptions and comments in this Report and Appendices was £900,000 (Nine Hundred Thousand Pounds).</p> <p>In our opinion the Market Value of the subject property assuming vacant possession as at 10<sup>th</sup> November 2015, freehold subject to the assumptions and comments in this Report and Appendices was £850,000 (Eight Hundred and Fifty Thousand Pounds).</p> <p>In our opinion the Market Value of the subject property on the special assumption that a sale is completed within 6 months from the date of this Report, freehold with vacant possession throughout subject to the assumptions and comments in this Report and Appendices was £825,000 (Eight Hundred and Twenty Five Thousand Pounds).</p>

In our opinion the Market Rent of the subject property as at 10<sup>th</sup> November 2015 on the assumption that a lease would be granted for a term of not less than five years on full repairing and insuring terms and subject to the assumptions and comments in this Report and Appendices was £90,000 (Ninety Thousand Pounds) per annum exclusive.

**Note**

The above is merely a summary of the valuation report and reference should be made to the remainder of the document for a more detailed report of the property.

**Important Notice to Mortgage Applicants**

This report has been prepared to allow the mortgage lender to assess the suitability of the property as security; it has not been prepared for the benefit of the Mortgage Applicant who is not entitled to rely on the report. The services have not been tested and a detailed survey has not been carried out and thus defects could exist which are not mentioned in the report. The Valuer is entitled to make certain assumptions which during subsequent legal or other investigations may prove to be inaccurate. Applicants acquiring property interests are strongly advised to obtain their own detailed advice from suitably qualified professionals before exchanging contracts.

## 2 Terms of Instruction

- 2.1 In accordance with your letter of instruction received 4<sup>th</sup> December 2015 and dated 16<sup>th</sup> November 2015 (copy at Appendix Three), the agreed scope and details of which are set out in our letter of confirmation dated 9<sup>th</sup> December 2015 (copy at Appendix Four), we have inspected the subject property in order to advise you of our opinion of the current market value of the freehold interest in the property for secured lending purposes.
- 2.2 The subject property was inspected by Ian S Pitt BSc (Hons) FRICS on 10<sup>th</sup> November 2015 which is the date of the valuation. The extent of the inspection was limited by the fact that we could not gain access to all units due to tenants having quiet enjoyment.
- 2.3 We confirm that this valuation is prepared in accordance with the RICS Valuation – Professional Standards January 2014 Global & UK Edition published by the Royal Institution of Chartered Surveyors and we are acting as external valuers as defined therein. We can confirm that we have sufficient current local and national knowledge of the particular market and the skills and understanding necessary to undertake the valuation competently.
- 2.4 We confirm that, to the best of our knowledge and belief, we have had no material involvement with the subject property or the borrower. We therefore consider that we do not have any conflict of interest in providing this report.
- 2.5 You have also requested that we provide (an) additional valuation(s) on the following Special Assumptions:
- a) Vacant Possession
- We have considered these special assumptions in accordance with Valuation Practice Statement 4 of the RICS Valuation – Professional Standards January 2014 Global Valuation Standards and consider that they can reasonably be regarded as realistic, relevant and valid in connection with the particular circumstances of the valuation.
- 2.6 Our letter confirming instructions, including our Standard Terms and Conditions of Engagement, forms an integral part of this valuation report. They should be read in full as they contain important caveats and conditions relevant to this valuation including limits of liability, non-publication restrictions, condition and contamination. Full definitions of the basis of valuation are also included.

2.7 This Report and Valuation has been prepared on the basis that there has been full disclosure of all relevant information and facts which may affect the valuation. It is provided for the stated purposes and only for the use of the party whom it is addressed. It is confidential to Proplend Security Limited and may not be disclosed to any other third party without our prior written consent. In breach of this condition, no responsibility can be accepted to third parties for the comments or advice contained in this report.

### **3. Property Report - 14-16 George Street, Birmingham, B12 9RG**

#### **3.1 Location**

3.1.1 The property is located within Birmingham which is recognised as the UK's second largest city.

3.1.2 Birmingham has excellent communication with good access to the motorway networks and the wider Midlands and national conurbations.

3.1.3 The subject premises as situated fronting George Street in Balsall Heath approximately 1.5 miles south east of Birmingham City Centre in an area of mixed commercial uses.

3.1.4 Occupiers within the immediate vicinity includes showrooms, trade counters, tyre sales, local retail and residential dwellings.

3.1.5 The locality appears to have been developed originally around the 19<sup>th</sup> century but substantial areas have been redeveloped over the last 50 years.

3.1.6 There are a number of older properties that are long term vacant pending refurbishment and redevelopment.

3.1.7 George Street adjoins Edward Street which in turn adjoins A435 Moseley Road. Moseley Road is a busy local route with connections at the northern end of the city centre ring road. This gives access to the local regional and national road systems.

3.1.8 A Location Plan and an Ordnance Survey extract are attached at Appendix One. Our understanding of the extent of the subject property is outlined in red on the extract which is provided for identification purposes only.

#### **3.2 Description**

3.2.1 The property is a multi-occupied office and storage use of reasonable quality.

3.2.2 The property provides 3 terraced former residential units situated fronting George Street.

3.2.3 The properties are each of traditional construction with pitched roof all of which have been converted to form two storey offices occupied by accountants.

- 3.2.4 The buildings have the benefit of UPVC Double Glazed windows throughout and electric convection heaters.
- 3.2.5 There are separate w.c. facilities throughout the property at ground and first floor levels.
- 3.2.6 Access to the site is directly from George Street. There is street parking available on George Street.
- 3.2.7 Photographs of the main elevations of the subject property are attached at Appendix Two.

### **3.3 Accommodation**

- 3.3.1 We have been provided with the floor areas for the property and can therefore confirm that the Gross Internal Floor area calculated in accordance with the RICS' Code of Measuring Practice (6th Edition) as being 198.20 sq m (2,134 sq ft)

### **3.4 Services**

- 3.4.1 We understand that the property is connected to all mains services – gas, electricity, drainage and water but have not carried out any tests in this regard.

### **3.5 Condition**

- 3.5.1 Your attention is directed to our Standard Terms and Conditions of Engagement contained at Appendix Four. We confirm that we have not carried out a building condition survey.
- 3.5.2 During the course of our inspection we noted that the property generally appeared to have been satisfactorily maintained having regard to its age, use and construction.
- 3.5.3 We have not been provided with any Structural or M & E survey and are not aware of any items of repair, structural defects, or symptoms of the same which are likely to impact on the value.
- 3.5.4 We are not aware of any remedial works to be essential to maintain the value of the property

- 3.5.5 It was possible to inspect all parts of the building which would normally be accessible.
- 3.5.6 The age and style of construction of the subject property is such that materials such as high alumina cement concrete, woodwool shuttering, calcium chloride or asbestos are likely to have been used in its original construction or subsequent alteration. We are valuing on this basis.
- 3.5.7 Our valuation is based on the assumption that the building and its services are in a good working order and no allowance has been made for any outstanding wants of repair or defects.

### **3.6 Environmental Matters**

- 3.6.1 Your attention is directed to our Standard Terms and Conditions of Engagement contained in Appendix Four.

#### **Contamination**

- 3.6.2 We noted no obvious signs of contamination during our inspection but we are not qualified to give assurances on environmental issues. Our valuation has been undertaken on the basis that the property is not contaminated. Should it be established subsequently that contamination exists, this might reduce the values now reported.
- 3.6.3 Should it be established subsequently that other contaminants exist at the property or on any other neighbouring land, or that the premises have been or are being put to any other contaminative uses this might reduced the values reported

- 3.6.4 To the best of our knowledge, the previous use of the property was residential

#### **Flooding**

- 3.6.5 We have referred to the Environment Agency Flood Maps and note that the property does not appear to be within an area affected by flooding.

#### **Radon**

- 3.6.6 The Ionising Radiation Regulations 1999, require employers to take action when radon is present above a defined level in the workplace. Advice may be obtained from your local Health and Safety Executive Area Office or The Environmental Health Department of your local Authority.

3.6.7 We did not notice any radon detectors at the property during our inspection for valuation purposes and therefore assume that the property is not affected. This should be confirmed by your solicitors.

**Made up Ground**

3.6.8 We are not aware that the property is located on made up ground.

**Coal Mining**

3.6.9 We are not aware of the property being in an area of historical or current mining activity.

**Invasive Species**

3.6.10 Japanese Knotweed can block footpaths and damage concrete, tarmac, flood defences and the stability of river banks and Giant Hogweed can cause harm to human health. Injurious weeds are native species, which cause problems for farming as they are harmful to livestock and must not be allowed to spread to agricultural land.

3.6.11 During the course of our inspection in November 2015 we did not note the presence of any invasive vegetation, however we are not qualified to give such assurances and cannot guarantee that the land is entirely free from the same. For the purpose of this report, we are valuing on the basis that there is no invasive vegetation present including Japanese Knotweed.

**Archaeological Remains**

3.6.12 We are unaware of the presence, or likely presence, of any archaeological remains on or adjacent to the subject property and have assumed there are none in arriving at our opinion of value.

### **3.7 Local Authority & Statutory Enquiries**

3.7.1 Your attention is directed to our Standard Terms and Conditions of Engagement contained at Appendix Four.

3.7.2 We have assumed that the property and its value are unaffected by any matters which would be revealed by a Local Search and replies to the usual enquiries or statutory notice and that neither the property, nor its condition, nor its use, nor its intended use is or will be unlawful. It is recommended that verification is obtained from acting solicitors that

The position is correctly stated in this Report;

- The property is not adversely affected by any other decisions made or conditions prescribed by local authorities; and
- That there are no outstanding statutory notices

3.7.3 The valuation is prepared on the basis that the premises comply with all statutory regulations.

#### **Planning**

3.7.4 We have made verbal enquiries of Birmingham City Council Planning Department and advise that there are no outstanding planning applications that are likely to impact on the market value of the property.

3.7.5 We are also informed that the property has consent for its current use and no current planning application remain outstanding. In addition we are unaware of any Enforcement Notices being served.

#### **Highways**

3.7.6 Given the nature and surfacing of George Street we have assumed that it is a highway adopted and maintainable at public expense. Your solicitors should confirm in the normal way.

#### **Fire Regulations**

3.7.7 The Regulatory Reform (Fire Precautions) Order of 2005 requires all commercial property owner occupiers to keep under review a risk assessment for their property. We have not been provided with a copy of the risk assessment but in preparing our valuation have assumed that all necessary measures are in place and that no additional costs would be incurred in order to comply.

3.7.8 Enquiries made via the Chief Fire Officers Association website suggests that there are no current enforcement notices registered against the subject property.

#### **Equality Act 2010**

3.7.9 The Equality Act encompasses the previous Disability Discrimination Act which deals with accessibility of premises and the workplace and seeks to limit discrimination in the terms of race, religion or physical ability. The Act seeks to ensure that disabled persons can access and acquire premises and that they are suitably adapted if for public workplace access. The Act places a Duty of Care on owners and physical changes to premises may be required for compliance purposes.

3.7.10 Whilst not experts in this field, the premises appear to comply with the above Act – we thus make no provision within our valuation calculation for non-compliance.

**Office, Shops & Railway Premises Act**

3.7.11 We assume that, where appropriate, the property complies with this legislation.

**Control of Asbestos At Work Act**

3.7.12 We have not had sight of a written record in respect of the presence or otherwise of asbestos at the subject property. We presume that there are no costs outstanding in this regard.

**Energy Performance Certificates**

3.7.13 We have not been provided with a copy of any Energy Performance Certificate for the premises. We are aware that it is a requirement under the EU Energy Performance Buildings Directive (England & Wales) Regulations that a certificate is required prior to marketing. Our valuation assumes that such certificate would indicate that the premises are typically rated for this type of property.

3.7.14 We are aware that the Energy Act 2011 makes provision for EPC minimum standards requirements. All properties will need to achieve at least EPC Band E by April 2018 if they are to be sold or let/relet. We presume that the subject property will meet the necessary minimum standards by the relevant date and have not made any cost allowance in our valuation. The Bank should be aware of the implications of the Act in relation to any future sale or letting as this could have an adverse effect on future values.

**Business Rates**

3.7.15 Our enquiries confirm that, as at the date of this report, we could only identify the following 2010 list entry:-

Address	Description	Rateable Value
Unit 30 Ground Floor at 14-20 George Street Balsall Heath Birmingham B12 9RG	Business Unit & Premises	£6,500

3.7.16 The standard Uniform Business Rate (UBR) for the rating year 2015/2016 is 49.3 pence per £1 of rateable value.

3.7.17 The actual rating liability may be subject to upwards/downwards transitional adjustment in accordance with regulations, which are made from time to time. We have not investigated the amount actually payable in respect of the subject property. In addition some properties may benefit from a lower rate in the Pound if they are in receipt or are eligible for Small Business Rate Relief (SBRR).

### **3.8 Tenure**

- 3.8.1 We have not been provided with any Title documentation. We understand that the property is owned freehold and we have assumed that the Title is unencumbered and free from any unusual or especially onerous or restrictive covenants, easements, restrictions, encumbrances, outgoings or rights of way which could affect value. This should be verified by your solicitors.

### **3.9 Occupation**

- 3.9.1 We have been provided with detailed occupational leases as summarised in Appendix 5 at the rear of this report.

### **3.10 Factors Affecting Value**

- 3.10.1 The property is a relatively small investment opportunity although it adjoins a larger investment building of multiple occupation for commercial uses in the same ownership and there will be an opportunity to merge the properties to a larger site for the future possibility of redevelopment opportunity.
- 3.10.2 The property is in an area of mixed commercial uses and the tenants although they are local businesses appear to be trading well from the building.
- 3.10.3 The building has been well maintained and is structurally sound.

### **3.11 Market Conditions & Demand**

- 3.11.1 The commercial property market has seen recovery in the short term following the downturn in 2008 and over the last 2 years we have experienced continuing growth within the region.
- 3.11.2 Some areas have not been as significantly affected as others and secondary locations such as that of the subject property has not seen as serious a downturn as other more prime locations.
- 3.11.3 Generally rental levels within secondary locations such as the subject property remain fairly static, although we are seeing a return of interest for such investments and yields are improving as a result.

### **3.12 Comparable Evidence**

- 3.12.1 We have had regard to the rents that are being achieved at 14-20 George Street, which is a substantial commercial investment situated immediately to the rear of this property.
- 3.12.2 The presence of this investment so close to the subject property in what is a predominantly residential neighbourhood sets the relevant tone of rents that should be attributed to this property.
- 3.12.3 Specific comparables include lettings at Biz Space on the Kings Road in B3 where new lease on ground floor studio workshops between 700 sq ft and 960 sq ft have been agreed at between £3.60 and £4.37 per sq ft. Indeed a letting of 1,110 sq ft was agreed in October 2015 on a ground floor studio workshop at £5.45 per sq ft.
- 3.12.4 Edward Street, Balsall Heath. Marketed through CP Bigwoods. The property was on the market at £700,000 exc, which equates to a rate of £63 based on a floor area of 11,087 sq ft. The property is under offer at a price of £650,000, which equates to £58.63 per sq ft freehold.
- 3.12.5 9a Woodfield Road, Highgate, Birmingham B12 8TD. Marketed through Mason Young. The property was on the market at £225,000 exc, which equates to a rate of circa £90 per sq ft freehold based on a floor area of 2,500 sq ft. The property is under offer at a price of £215,000, which equates to £86 per sq ft freehold.
- 3.12.6 Linton Works, Studley Road, Balsall Heath B12. Workshop/industrial property. For sale at £435,000. This equates to £42 per sq ft freehold based on a floor area of 10,345 sq ft. For sale with Siddall-Jones.
- 3.12.7 Montgomery Street within B11 have agreed new lettings on studio workshops between 340 sq ft to 500 sq ft in August 2015 on rents of between £5.50 and £6.25 per sq ft.
- 3.12.8 A letting on Sydenham Road was agreed on the ground floor in August 2015 for 832 sq ft, which equates to £5.50 per sq ft.
- 3.12.9 A letting on Armoury Road was agreed in July 2015 and extends to 1,455 sq ft and a rent agreed of £4.47 per sq ft.
- 3.12.10 In our opinion the total rent received represents that Market Rent for this property as they are used as office suites.

- 3.12.11 The rent passing equates to £12.50 per sq ft, which is comparable for office rents in this location.

### **3.13 Valuation Methodology**

- 3.13.1 No allowance has been made for costs of acquisition or realisation of the property, nor for any liability for taxation which may arise on disposal whether actual or notional, e.g. VAT, Inheritance Tax or Capital Gains Tax. Unless stated to the contrary it is assumed that where there is an imposition or otherwise of VAT on the rent that the lessee will be able to fully reclaim the VAT paid.
- 3.13.2 We have adopted the investment method of valuation in arriving at our opinion of Market Value and have capitalised the income received by a suitable yield producing our opinion of Market Value.
- 3.13.3 We had regard to the fact that 17 & 18/20 George Street to the rear is being purchased, which is not part of this Report, but will form an extensive investment portfolio and long term development opportunity.

### **3.14 Suitability for Loan Security**

- 3.14.1 In our opinion, the property represents suitable security for loan purposes on the assumption that it will be maintained in a reasonable state of repair. The amount of such loan is at your discretion.
- 3.14.2 It is our opinion that the estimated useful economic life of the property should be no less than the term of the loan again assuming that the property is maintained and kept in a reasonable state of repair.

### **3.15 Estimated Reinstatement Cost**

- 3.15.1 Your attention is drawn to our letter containing our Standard Terms and Conditions of Engagement contained at Appendix Four in this regard.
- 3.15.2 Our informal estimate of the current reinstatement cost of the subject property is some £160,000
- 3.15.3 Insurance cover should not be affected on the basis of this figure and we strongly recommend that the Bank obtains a formal assessment by a Building Surveyor. We can provide a formal assessment if required.

### **3.16 Verification**

- 3.16.1 This report has been based, to some extent, on information provided verbally which should be checked by your solicitors. In particular, this applies to tenure and planning. Their searches may also reveal whether any historical use of the property is likely to have resulted in contamination or whether there are any encumbrances or other third party rights affecting the title or use of the property. If any assumption we have made proves incorrect the matter should be referred back to us as it may have an impact on the value of the property and its suitability as loan security.

### **3.17 Valuation Definitions**

#### **Market Value**

- 3.17.1 "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"

#### **3.17.2 Market Rent**

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

### **3.18 Valuation**

- 3.18.1 In our opinion the Market Value of the subject property with the benefit of the income that can be receivable as at 10<sup>th</sup> November 2015, freehold subject to the existing tenancy and subject to the assumptions and comments in this Report and Appendices was **£400,000 (Four Hundred Thousand Pounds)**.
- 3.18.2 In our opinion the Market Value of the subject property assuming vacant possession as at 10<sup>th</sup> November 2015, freehold subject to the assumptions and comments in this Report and Appendices was **£325,000 (Three Hundred and Twenty Five Thousand Pounds)**.
- 3.18.3 In our opinion the Market Value of the subject property on the special assumption that a sale is completed within 6 months from the date of this Report, freehold with vacant possession throughout subject to the assumptions and comments in this Report and Appendices was **£300,000 (Three Hundred Thousand Pounds)**.
- 3.18.4 In our opinion the Market Rent of the subject property as at 10<sup>th</sup> November 2015 on the assumption that a lease would be granted for a term of not less than five years on full repairing and insuring terms and subject to the assumptions and comments in this Report and Appendices was **£17,000 (Seventeen Thousand Pounds)** per annum exclusive.
- 3.18.5 Values change over time, particularly when markets are unusually active or inactive. This should be borne in mind in relation to the date of valuation.

### **3. Property Report – 109-117 Sydenham Road, Small Heath, Birmingham, B11 1DG**

#### **3.1 Location**

3.1.1 The property is located within Birmingham which is the UK's second city administrative and financial centre for the West Midlands.

3.1.2 Birmingham has excellent communication with motorways and main A roads to the local conurbation and national links to the M6, M5 and M42 motorway.

3.1.3 The premises are situated fronting Sydenham Road in Small Heath approximately 2.5 miles south east of Birmingham City Centre in an area of mixed commercial uses.

3.1.4 Sydenham Road adjoins Golden Hillock Road approximately 0.25 miles to the south east.

3.1.5 The property is situated off Golden Hillock Road in the Small Heath area of the city to the South East of Birmingham City Centre. It lies in an area predominantly containing old industrial space with some redevelopment and future developments planned.

3.1.6 Tyseley Industrial Estate is located close to the subject property and to the north is the Acres Trust Sports Centre with Tyseley railway sidings and Birmingham railway museum east of Acres Trust. To the West is residential development

3.1.7 A Location Plan and an Ordnance Survey extract are attached at Appendix One. Our understanding of the extent of the subject property is outlined in red on the extract which is provided for identification purposes only.

#### **3.2 Description**

3.2.1 The property is a multi-occupied workshop, office and storage use of reasonable condition.

3.2.2 The property provides a 19<sup>th</sup> Century former factory which has been sub-divided to create workshops and storage at ground, first and second floor levels. Adjacent is a small parade of individual workshops which are accessed off a shared drive from Sydenham Road.

- 3.2.3 The former factory is generally of brick construction and surmounted by a multi-pitched roof. Internally there are goods lifts with additional staircases providing access between ground, first and second floor levels.
- 3.2.4 To the south is a small parade of single storey workshops and storage accommodation of steel truss construction surmounted by Corrugated asbestos cement cladding.
- 3.2.5 There are separate W.C facilities throughout the property at ground, first and second floor levels.
- 3.2.6 Access to the site is directly from Sydenham Road. There is off road parking available on Sydenham Road.
- 3.2.7 Photographs of the main elevations of the subject property are attached at Appendix Two.

### **3.3 Accommodation**

- 3.3.1 We have been provided with the floor areas for the property by the vendor and can therefore confirm that the Gross Internal Floor area calculated in accordance with the RICS' Code of Measuring Practice (6th Edition) being 2,627 sq m (28,280 sq ft)

### **3.4 Services**

- 3.4.1 We understand that the property is connected to all mains services – gas, electricity, drainage and water but have not carried out any tests in this regard.

### **3.5 Condition**

- 3.5.1 Your attention is directed to our Standard Terms and Conditions of Engagement contained at Appendix Four. We confirm that we have not carried out a building condition survey.
- 3.5.2 During the course of our inspection we noted that the property generally appeared to have been satisfactorily maintained having regard to its age, use and construction.
- 3.5.3 We have not been provided with any Structural or M & E survey and are not aware of any items of repair, structural defects, or symptoms of the same which are likely to impact on the value.

- 3.5.4 It was not possible to inspect all parts of the building due to quiet enjoyment being maintained by the tenants although we were able to see a sample of the building in order to assess our opinion of those unaccessible parts.
- 3.5.5 The age and style of construction of the subject property is such that materials such as high alumina cement concrete, woodwool shuttering, calcium chloride or asbestos are likely to have been used in its original construction or subsequent alteration. We are valuing on this basis.
- 3.5.6 Our valuation is based on the assumption that the building and its services are in a good working order and no allowance has been made for any outstanding wants of repair or defects.

### **3.6 Environmental Matters**

- 3.6.1 Your attention is directed to our Standard Terms and Conditions of Engagement contained in Appendix Four.

#### **Contamination**

- 3.6.2 We noted no obvious signs of contamination during our inspection but we are not qualified to give assurances on environmental issues. Our valuation has been undertaken on the basis that the property is not contaminated. Should it be established subsequently that contamination exists, this might reduce the values now reported.

- 3.6.3 To the best of our knowledge, the previous use of the property was commercial related uses

#### **Flooding**

- 3.6.4 We have referred to the Environment Agency Flood Maps and note that the property does not appear to be within an area affected by flooding.

#### **Radon**

- 3.6.5 The Ionising Radiation Regulations 1999, require employers to take action when radon is present above a defined level in the workplace. Advice may be obtained from your local Health and Safety Executive Area Office or The Environmental Health Department of your local Authority.
- 3.6.6 We did not notice any radon detectors at the property during our inspection for valuation purposes and therefore assume that the property is not affected. This should be confirmed by your solicitors.

**Made up Ground**

- 3.6.7 The property is not located in an area of made up ground

**Coal Mining**

- 3.6.8 The property is not located in an area which is subject to coal mining either active or inactive.

**Invasive Species**

- 3.6.9 Japanese Knotweed can block footpaths and damage concrete, tarmac, flood defences and the stability of river banks and Giant Hogweed can cause harm to human health. Injurious weeds are native species, which cause problems for farming as they are harmful to livestock and must not be allowed to spread to agricultural land.

- 3.6.10 During the course of our inspection in November 2015 we did not note the presence of any invasive vegetation, however we are not qualified to give such assurances and cannot guarantee that the land is entirely free from the same. For the purpose of this report, we are valuing on the basis that there is no invasive vegetation present including Japanese Knotweed.

**Archaeological Remains**

- 3.6.11 We are unaware of the presence, or likely presence, of any archaeological remains on or adjacent to the subject property and have assumed there are none in arriving at our opinion of value.

**3.7 Local Authority & Statutory Enquiries**

- 3.7.1 Your attention is directed to our Standard Terms and Conditions of Engagement contained at Appendix Four.

- 3.7.2 We have assumed that the property and its value are unaffected by any matters which would be revealed by a Local Search and replies to the usual enquiries or statutory notice and that neither the property, nor its condition, nor its use, nor its intended use is or will be unlawful. It is recommended that verification is obtained from acting solicitors that

- The position is correctly stated in this Report;
- The property is not adversely affected by any other decisions made or conditions prescribed by local authorities; and
- That there are no outstanding statutory notices

- 3.7.3 The valuation is prepared on the basis that the premises comply with all statutory regulations.

#### **Planning**

- 3.7.4 We have made verbal enquiries of Birmingham City Council Planning Department and advise that there are no outstanding planning applications that are likely to impact on the market value of the property.

- 3.7.5 We are also informed that the property has consent for its current use and no current planning application or enforcements Notices being served.

#### **Highways**

- 3.7.6 Given the nature and surfacing of Sydenham Road we have assumed that it is a highway adopted and maintainable at public expense. Your solicitors should confirm in the normal way.

#### **Fire Regulations**

- 3.7.7 The Regulatory Reform (Fire Precautions) Order of 2005 requires all commercial property owner occupiers to keep under review a risk assessment for their property. We have not been provided with a copy of the risk assessment but in preparing our valuation have assumed that all necessary measures are in place and that no additional costs would be incurred in order to comply.

- 3.7.8 Enquiries made via the Chief Fire Officers Association website suggests that there are no current enforcement notices registered against the subject property.

#### **Equality Act 2010**

- 3.7.9 The Equality Act encompasses the previous Disability Discrimination Act which deals with accessibility of premises and the workplace and seeks to limit discrimination in the terms of race, religion or physical ability. The Act seeks to ensure that disabled persons can access and acquire premises and that they are suitably adapted if for public workplace access. The Act places a Duty of Care on owners and physical changes to premises may be required for compliance purposes.

- 3.7.10 Whilst not experts in this field, the premises appear to comply with the above Act – we thus make no provision within our valuation calculation for non-compliance.

#### **Office, Shops & Railway Premises Act**

- 3.7.11 We assume that, where appropriate, the property complies with this legislation.

#### **Control of Asbestos At Work Act**

- 3.7.12 We have not had sight of a written record in respect of the presence or otherwise of asbestos at the subject property. We presume that there are no costs outstanding in this regard.

**Energy Performance Certificates**

- 3.7.13 We have not been provided with a copy of any Energy Performance Certificate for the premises. We are aware that it is a requirement under the EU Energy Performance Buildings Directive (England & Wales) Regulations that a certificate is required prior to marketing. Our valuation assumes that such certificate would indicate that the premises are typically rated for this type of property.
- 3.7.14 We are aware that the Energy Act 2011 makes provision for EPC minimum standards requirements. All properties will need to achieve at least EPC Band E by April 2018 if they are to be sold or let/relet. We presume that the subject property will meet the necessary minimum standards by the relevant date and have not made any cost allowance in our valuation. The Bank should be aware of the implications of the Act in relation to any future sale or letting as this could have an adverse effect on future values.

**Business Rates**

- 3.7.15 Our enquiries confirm that, as at the date of this report, the subject property has a number of 2010 Rating list entries as detailed in Appendix Six :-
- 3.7.16 The standard Uniform Business Rate (UBR) for the rating year 2015/2016 is 49.3 pence per £1 of rateable value.
- 3.7.17 The actual rating liability may be subject to upwards/downwards transitional adjustment in accordance with regulations, which are made from time to time. We have not investigated the amount actually payable in respect of the subject property. In addition some properties may benefit from a lower rate in the Pound if they are in receipt or are eligible for Small Business Rate Relief (SBRR).

**3.8 Tenure**

- 3.8.1 We have not been provided with any Title documentation. We understand that the property is owned freehold and we have assumed that the Title is unencumbered and free from any unusual or especially onerous or restrictive covenants, easements, restrictions, encumbrances, outgoing or rights of way which could affect value. This should be verified by your solicitors.

**3.9 Occupation**

- 3.9.1 We are aware that the property benefits from income from various tenants a copy of the schedule of tenancies is attached at Appendix 5 to the rear of this report. The current annual income receivable is £89,836 per annum

### **3.10 Factors Affecting Value**

- 3.10.1 The property is a multi-occupied industrial unit in an established commercial location.
- 3.10.2 The property would be of an attraction to potential investors due to the level of occupancy and the opportunity to maximise income.
- 3.10.3 There may well be long term redevelopment opportunities for this property.
- 3.10.4 The property is well constructed being a Victorian construction and on the basis of good ongoing maintenance programme should not suffer with any medium term structural defects.

### **3.11 Market Conditions & Demand**

- 3.11.1 The commercial property market has seen recovery in the short term following the downturn in 2008 and over the last 2 years we have experienced continuing growth within the region.
- 3.11.2 Some areas have not been as significantly affected as others and secondary locations such as that of the subject property has not seen as serious a downturn as other more prime locations.
- 3.11.3 Generally rental levels within secondary locations such as the subject property remain fairly static, although we are seeing a return of interest for such investments and yields are improving as a result.

### **3.12 Comparable Evidence**

- 3.12.1 We have had regard to the rents that are being achieved at 14-20 Georg Street, which is a substantial commercial investment situated immediately to the rear of this property.
- 3.12.2 The presence of this investment so close to the subject property in what is a predominantly residential neighbourhood sets the relevant tone of rents that should be attributed to this property.
- 3.12.3 Specific comparables include lettings at Biz Space on the Kings Road in B3 where new lease on ground floor studio workshops between 700 sq ft and 960 sq ft have been agreed at between £3.60 and £4.37 per sq ft. Indeed a letting of 1,110 sq ft was agreed in October 2015 on a ground floor studio workshop at £5.45 per sq ft.

- 3.12.4 Montgomery Street within B11 have agreed new lettings on studio workshops between 340 sq ft to 500 sq ft in August 2015 on rents of between £5.50 and £6.25 per sq ft.
- 3.12.5 A letting on Sydenham Road was agreed on the ground floor in August 2015 for 832 sq ft, which equates to £5.50 per sq ft.
- 3.12.6 A letting on Armoury Road was agreed in July 2015 and extends to 1,455 sq ft and a rent agreed of £4.47 per sq ft.
- 3.12.7 In our opinion the total rent received represents that Market Rent for this property as they are used as office suites.
- 3.12.8 The rent passing equates to £12.50 per sq ft, which is comparable for office rents in this location.

### **3.13 Valuation Methodology**

- 3.13.1 No allowance has been made for costs of acquisition or realisation of the property, nor for any liability for taxation which may arise on disposal whether actual or notional, e.g. VAT, Inheritance Tax or Capital Gains Tax. Unless stated to the contrary it is assumed that where there is an imposition or otherwise of VAT on the rent that the lessee will be able to fully reclaim the VAT paid.
- 3.13.2 We have adopted the investment method of valuation in arriving at our opinion of Market Value and have capitalised the income received by a suitable yield producing our opinion of Market Value.

### **3.14 Suitability for Loan Security**

- 3.14.1 In our opinion, the property represents suitable security for loan purposes on the assumption that it will be maintained in a reasonable state of repair. The amount of such loan is at your discretion.
- 3.14.2 It is our opinion that the estimated useful economic life of the property should be no less than the term of the loan again assuming that the property is maintained and kept in a reasonable state of repair.

### **3.15 Estimated Reinstatement Cost**

- 3.15.1 Your attention is drawn to our letter containing our Standard Terms and Conditions of Engagement contained at Appendix Four in this regard.
- 3.15.2 Our informal estimate of the current reinstatement cost of the subject property is some £1,830,000
- 3.15.3 Insurance cover should not be affected on the basis of this figure and we strongly recommend that the Bank obtains a formal assessment by a Building Surveyor. We can provide a formal assessment if required.

### **3.16 Verification**

- 3.16.1 This report has been based, to some extent, on information provided verbally which should be checked by your solicitors. In particular, this applies to tenure and planning. Their searches may also reveal whether any historical use of the property is likely to have resulted in contamination or whether there are any encumbrances or other third party rights affecting the title or use of the property. If any assumption we have made proves incorrect the matter should be referred back to us as it may have an impact on the value of the property and its suitability as loan security.

### **3.17 Valuation Definitions**

#### **Market Value**

- 3.17.1 "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"

#### **3.17.2 Market Rent**

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

### 3.18 Valuation

- 3.18.1 In our opinion the Market Value of the subject property with the benefit of the income that can be receivable as at 10<sup>th</sup> November 2015, freehold subject to the existing tenancy and subject to the assumptions and comments in this Report and Appendices was **£900,000 (Nine Hundred Thousand Pounds)**.
- 3.18.2 In our opinion the Market Value of the subject property assuming vacant possession as at 10<sup>th</sup> November 2015, freehold subject to the assumptions and comments in this Report and Appendices was **£850,000 (Eight Hundred and Fifty Thousand Pounds)**.
- 3.18.3 In our opinion the Market Value of the subject property on the special assumption that a sale is completed within 6 months from the date of this Report, freehold with vacant possession throughout subject to the assumptions and comments in this Report and Appendices was **£825,000 (Eight Hundred and Twenty Five Thousand Pounds)**.
- 3.18.4 In our opinion the Market Rent of the subject property as at 10<sup>th</sup> November 2015 on the assumption that a lease would be granted for a term of not less than five years on full repairing and insuring terms and subject to the assumptions and comments in this Report and Appendices was **£90,000 (Ninety Thousand Pounds)** per annum exclusive
- 3.18.4 Values change over time, particularly when markets are unusually active or inactive. This should be borne in mind in relation to the date of valuation.

We trust that this report is satisfactory for your immediate purposes but, should any matter require further clarification, we shall be pleased to hear from you. We would reiterate that neither the whole nor any part of this Valuation Report may be included in any published document, circular or statement nor published in any way without our written approval of the form and context in which it may appear.

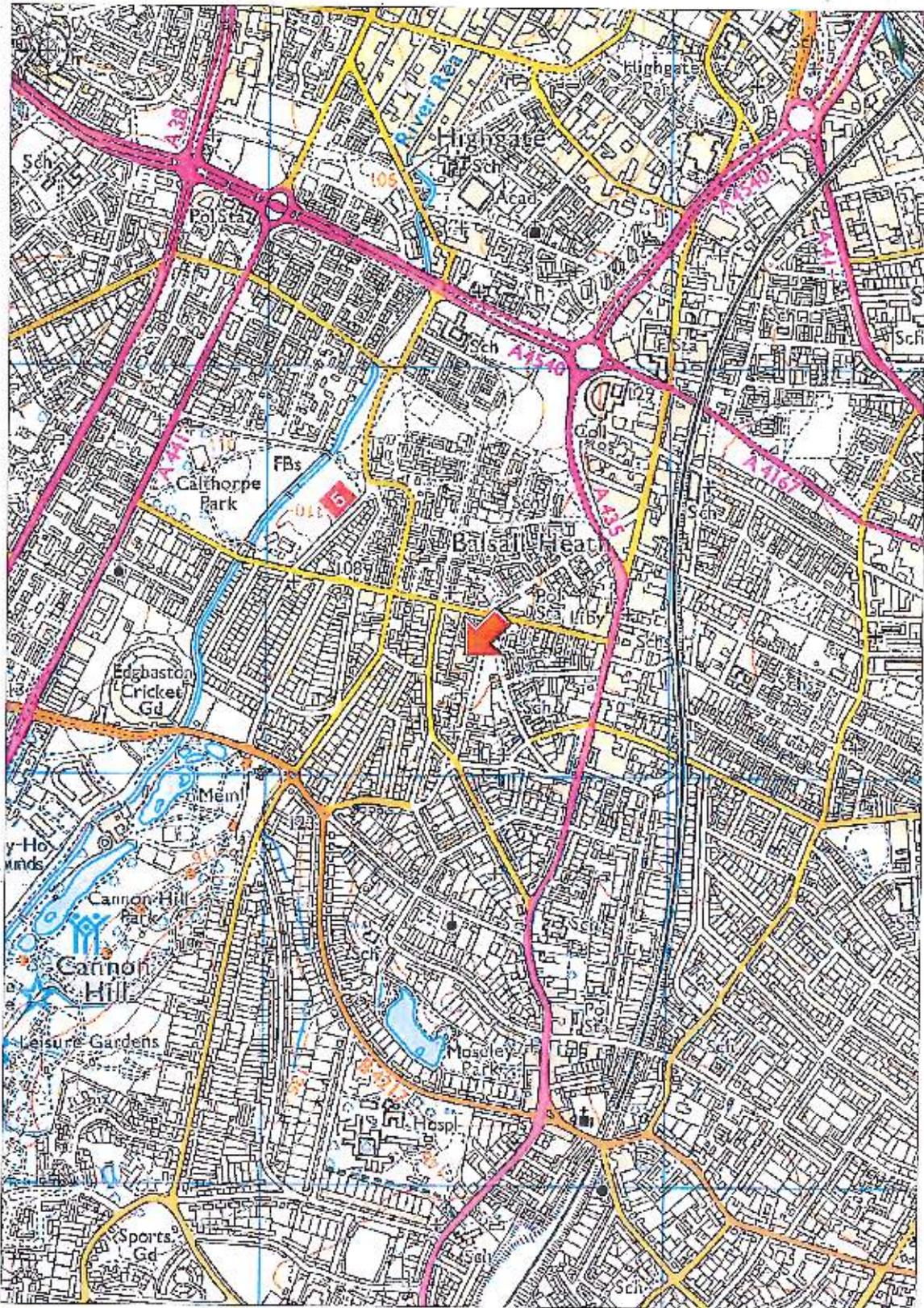


**Ian S Pitt BSc (Hons) FRICS**  
**Partner**  
For and on behalf of  
**Bruton Knowles**

## Appendix One

### Location and Site Plans

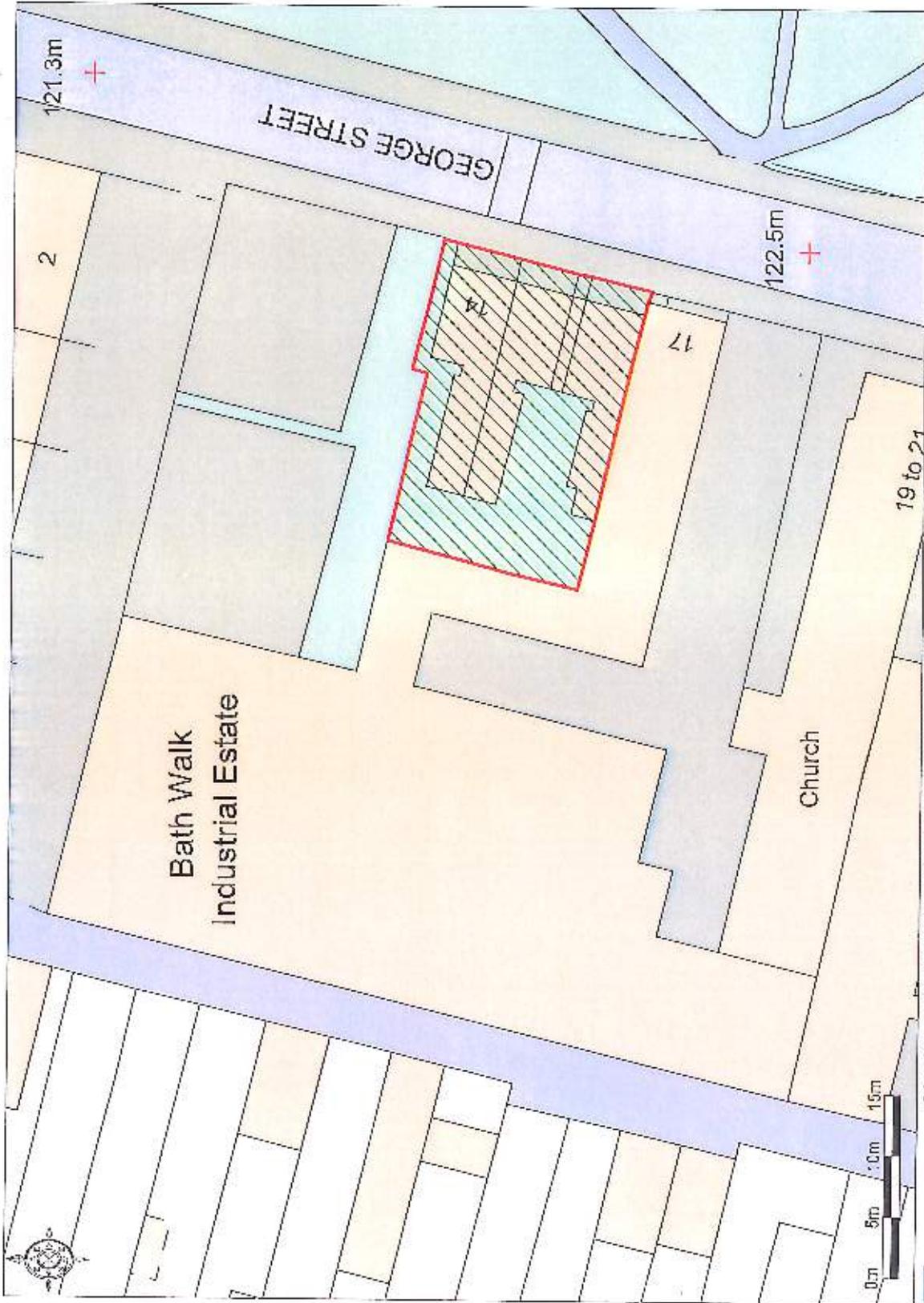
**SITE PLAN: 14-16 George Street  
Birmingham, B12 9RG**



Ordinance Survey © Crown Copyright 2016. All rights reserved.  
Data provided by Ordnance Survey. Map Scale - 1:125000

**Prepared by Bruton Knowles,  
for Identification Purposes Only**

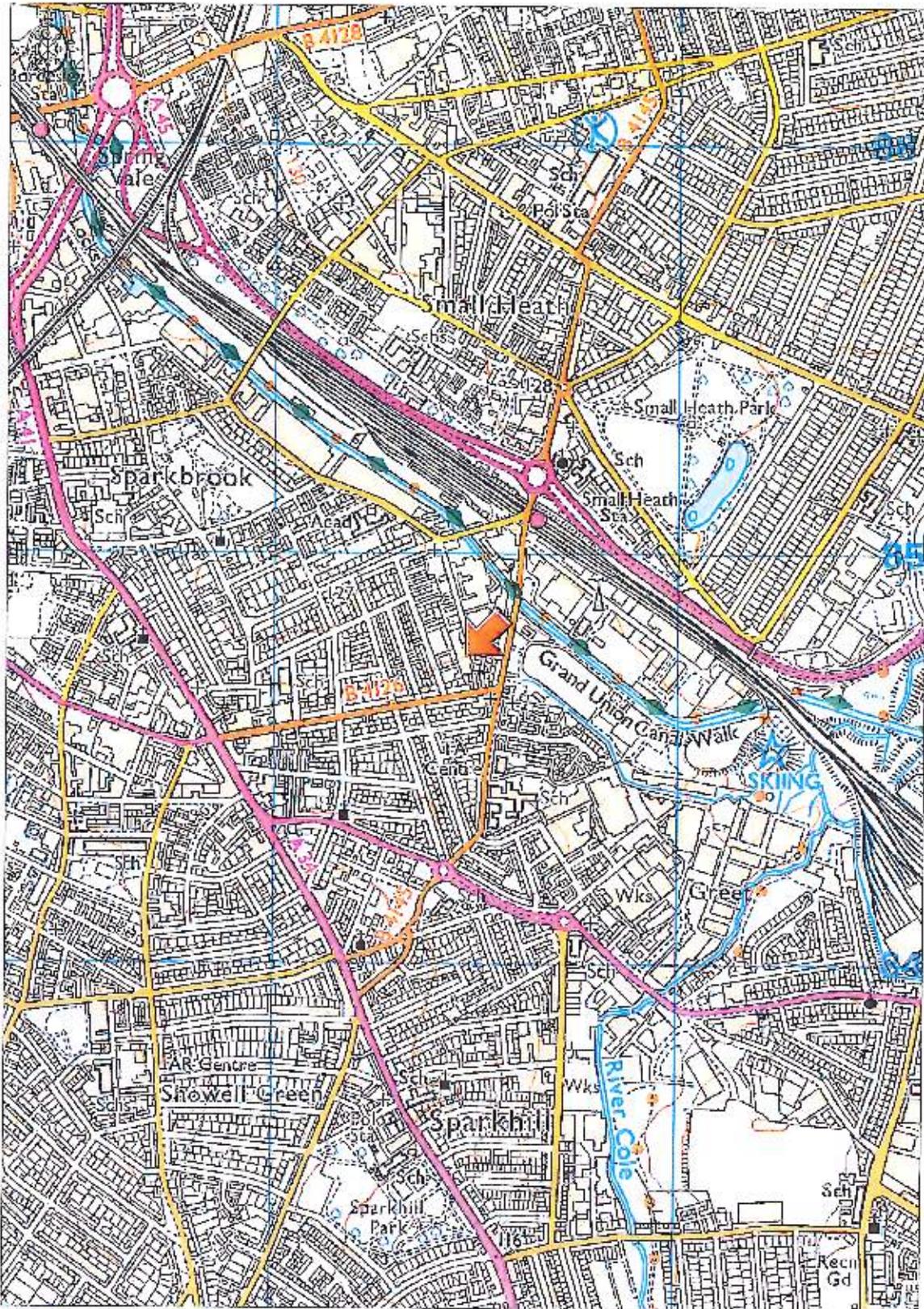
**SITE PLAN: 14-16 George Street  
Birmingham, B12 9RG**



**Prepared by Bruton Knowles,  
for Identification Purposes Only**



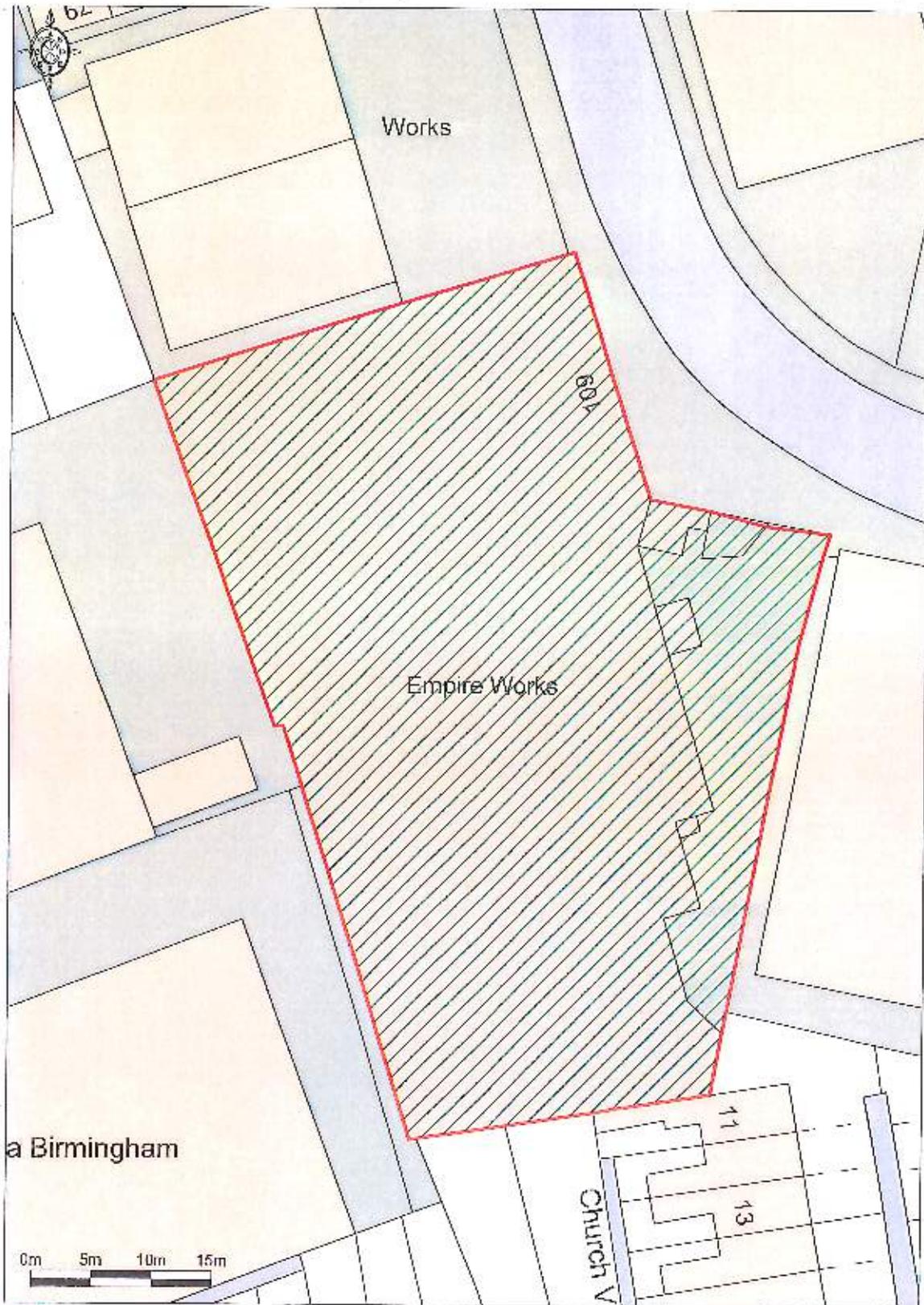
**SITE PLAN: 109-117 Sydenham Road, Small Heath, Birmingham, B11 1DG**



© Ordnance Survey 2010. All rights reserved.  
Towns and Cities 2008/2009. Printed on 100% recycled paper.

Prepared by Bruton Knowles,  
for Identification Purposes Only

**SITE PLAN: 109-117 Sydenham Road, Small Heath, Birmingham, B11 1DG**



© Ordnance Survey. All Rights Reserved. Ordnance Survey 10001900. Elected 2008 - 2010

**Prepared by Bruton Knowles,  
for Identification Purposes Only**

## **Appendix Two**

### **Photographs**

**PHOTOGRAPHS**

**14-17 George Street**



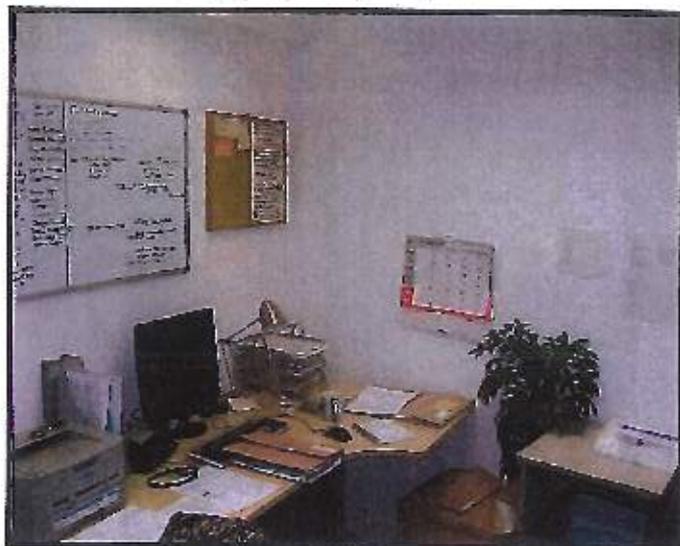
Internal



External

# PHOTOGRAPHS

109-117 Sydenham Road



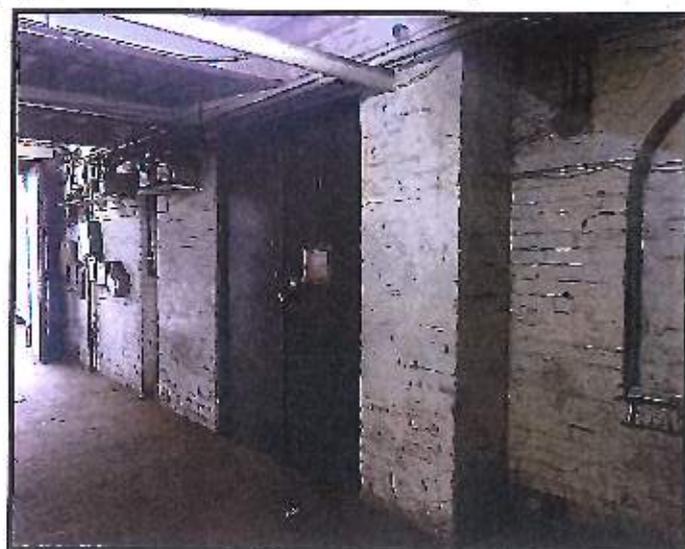
Internal



Storage



Internal



External

**Appendix Three**

**Letter of Instruction**

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

Our Ref: Goodman & Fineman

16<sup>th</sup> November 2015

Ian Pitt  
Bruton Knowles  
Embassy House  
60 Church Street  
Birmingham  
B11 1DG

Dear Sir,

Please accept this letter as our formal instruction to your firm to carry out a valuation, for mortgage purposes, on the addresses indicated below upon which we, Proplend Security Limited shall rely. The valuation may be shown to any third parties in connection with the financing of the property albeit it cannot be relied on by those parties directly. **Please advise us immediately if you are unable to give prompt attention to this matter.**

**BORROWER:** Goodman and Fineman Ltd

**PROPERTIES:** 14-16 George Street, Birmingham B12 9RG  
109-17 Sydenham Rd, Birmingham B12 1DG

**TENURE:** Freehold

**USE:** Serviced Offices and Workshops

**TENANCIES:** Please see attached

**ACCESS:** Chris Booth – 07967 399836 or 0121 333 3363

#### **Instruction**

The report should be addressed to Proplend Security Limited which must clearly state that it can be relied upon for lending purposes by the parties named herein. Please ensure that the report accords with the current RICS Appraisal and Valuation Manual.

Please indicate in your report if the valuer or your firm have had any previous involvement with the property forming the subject of the valuation. If so, please indicate the nature and extent of that involvement and confirm specifically that you consider there is no conflict of interest on the part of the valuer or your firm.

The report must be signed by a partner or director of the firm who is a member of the Royal Institute of Chartered Surveyors.

Whilst your report will be addressed to Proplend Security Ltd, it will need to be viewed by its Lending members on the understanding that only Proplend Security Ltd may rely on the report for mortgage purposes. Can you please confirm within your report that this is understood and accepted?

### **Valuation and Report**

The Market Valuation referred to below should be based on current values and should reflect market conditions prevailing at the date of the report, and changes in market conditions that you are able to predict, and should include:

ies

1. The Market Valuation for loan security purposes of the Properties in their current condition at the date of your inspection, subject to any current tenancies in place and sold as a going concern. Please indicate the period of marketing you have assumed in arriving at your valuation. Subject to any current tenancies in place.
2. A valuation of the Properties on the assumption that the Properties were being sold without the benefit of any tenancies in place, i.e. with vacant possession.
3. Please provide comparable evidence to support your assumptions on values.
4. Please provide an estimated rental value for the Subject Properties.
5. Please provide an estimated reinstatement cost of the buildings for insurance purposes.
6. Please provide a full description of the Properties to include their accommodation, their size, their construction, location and general state of repair. These details should be supported with photos of the Properties. Whilst you are not instructed to carry out a structural survey on each Property, please comment of any noticeable defects that might warrant further investigation and which might affect the marketability of the Properties.
7. Please certify that the Properties are acceptable for secured lending purposes.

### **Report on Title**

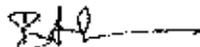
A copy of the solicitors Report on Title will be sent to you so that you can cross check your assumptions with the facts contained within the said report and comment on specific items which may affect your valuation.

### **Fees**

You have quoted and agreed with the Borrower a fee for this undertaking. Whilst a receipted invoice for this service should be supplied with your report, and addressed to this company, we ask that you seek settlement of your fee from the proposed Borrowers whose contact details are supplied above. Propend Security Limited cannot accept any responsibility for non-payment of your fees in this regard.

Please contact Richard Berkley on 07768 512079 if you have any queries regarding this instruction. Please send a copy of your report by email in the first instance to [bb@propendsecurity.com](mailto:bb@propendsecurity.com) with hard copy to 111 Ascot Business Park, Lyndhurst Road, Ascot SL5 9FE.

Yours faithfully,



Brian Bartaby  
Propend Security Limited  
Director

## **Appendix Four**

### **Letter of Confirmation & Standard Terms and Conditions of Engagement**

**Date:** 10<sup>th</sup> December 2015  
**Our Ref:** ISP/JH/JN511217  
**Your Ref:**

Brian Bartaby  
Proplend Limited  
145-147 St John Street  
London  
EC1V 4PW

**Property Consultants**

Embassy House  
60 Church Street  
Birmingham  
B3 2DJ  
  
T: 0121 200 1100  
F: 0121 200 1101  
E: [ian.gill@brutonknowles.co.uk](mailto:ian.gill@brutonknowles.co.uk)

**W: [brutonknowles.co.uk](http://brutonknowles.co.uk)**

Offices across the UK

Dear Brian

**14-16 George Street and 109-117 Sydenham Road, Birmingham, B12**

**Confirmation of Instructions and Conditions of Engagement**

We acknowledge your written instructions dated 16<sup>th</sup> November 2015 and received to carry out a valuation of the above-mentioned property. We write to confirm our acceptance of those instructions which will be undertaken in accordance with the RICS Valuation – Professional Standards January 2014 Global & UK Edition and subject to our standard Terms and Conditions of Engagement which confirm the scope and details of the service to be provided by us and which will form part of our valuation report.

In addition, we confirm the following:

- The subject of the valuation is the freehold interest in the above-mentioned property assuming full vacant possession;
- The valuation is to be provided in connection with possible secured lending;
- The date of the valuation will be the date of inspection;
- In accordance with our normal practice, we confirm that, to the best of our knowledge and belief, we have had no prior dealings with the subject property or the borrower. We therefore consider that we do not have any conflict of interest in accepting these instructions;
- The report will be prepared in accordance with the RICS Valuation – Professional Standards January 2014 – Global & UK Edition and we confirm we have sufficient knowledge of the particular market and the skills and understanding necessary to undertake the valuation competently.

- The basis of valuation will be Market Value and the attached sheets contain a full definition. From our existing knowledge of the property and your requirements, we can confirm that we consider this to be the most appropriate basis of valuation.
- Our fee will be £5,000 plus VAT which is for a portfolio valuation as agreed. Payment is due on receipt of the valuation.
- Bruton Knowles follows documented procedures to deal with all complaints, as part of our Quality Assurance certification. A copy is available on request.
- This valuation may be subject to monitoring under the Royal Institution of Chartered Surveyors conduct and disciplinary regulations

Yours sincerely,



**Ian S Pitt BSc (Hons) FRICS**

Partner & Head of Birmingham Office

# Standard Terms & Conditions of Engagement

## 1 R.I.C.S. Valuation Standards

Our valuation has been made in accordance with the RICS Valuation – Professional Standards January 2014 (Global & UK Edition), this firm being Independent Valuers as defined in the manual.

## 2 Basis/Bases of Valuation

In accordance with your instructions, our valuation has been prepared under one or more of the following bases of valuation.

### Market Value (MV) is :-

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

The interpretative commentary contained within Valuation Practice Statement 4 (VPS4) of the RICS Valuation – Professional Standards January 2014 (Global & UK Edition) forms an integral part of this definition.

### Existing Use Value (EUV) is :-

"The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction, after proper marketing wherein the parties had acted knowledgeably, prudently and without compulsion, assuming that the buyer is granted vacant possession of all parts of the property required by the business and disregarding potential alternative uses and any other characteristics of the property that would cause its Market Value to differ from that needed to replace the remaining service potential at least cost."

The Interpretative commentary contained within UKVS 1.3 of the RICS Valuation – Professional Standards January 2014 (Global & UK Edition) forms an integral part of this definition.

### Fair Value (FV) is :-

"The amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's-length transaction."

The Interpretative commentary contained within VPS4 of the RICS Valuation – Professional Standards January 2014 (Global & UK Edition) forms an integral part of this definition.

### Market Value having regard to Trading Potential is :-

"The estimated amount for which a property with trading potential, which may include assets other than land or buildings, should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."

VPS44 within RICS Valuation – Professional Standards January 2014 (Global & UK Edition) forms an integral part of this definition.

### Market Rent (MR) is :-

"The estimated amount for which a property, or space within a property, should lease (let) on the date of valuation between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction after proper marketing wherein the parties had acted knowledgeably, prudently and without compulsion."

The interpretative commentary contained within VPS4 of the RICS Valuation – Professional Standards January 2014 (Global & UK Edition) forms an integral part of this definition.

## 3 Scope & Title

We have not carried out formal searches of Local Authority Registers or on Title and it has therefore been assumed that no onerous or restrictive covenants attach to Title. You should rely on your solicitor in these matters and we reserve the right to amend our valuation should any encumbrance be shown to materially affect the value of the property. For owner occupied properties, our valuation assumes vacant possession would be given by the vendor upon completion of a disposal. For tenanted premises, our valuation is subject to the information on tenancies contained within our Report unless otherwise stated. Our valuation is made on the assumption that information given to us, either verbally or in writing by the Bank, your representatives or from any official sources (including, where relevant, the Borrower, the vendor, the selling agents and the Local Authority), is capable of formal substantiation. Our valuation also assumes that the property is free from any borrowings or encumbrances, unless otherwise stated.

## 4 Condition

We have not carried out a building survey or tested services, nor have we inspected those parts of the property which are covered, unexposed or inaccessible and such parts have been assumed to be in good repair and condition. We cannot express an opinion about, or advise upon, the condition of uninspected parts and our Report should not be taken as making any implied representation or statement about such parts. We have not arranged for any investigations to be carried out to determine whether or not any deleterious or hazardous material has been used in the construction of the property, or

has since been incorporated, and we are therefore unable to report that the property is free from risk in this respect. For the purpose of our valuation we have assumed that such investigation would not disclose the presence of any such material to any significant extent.

With specific regard to the Control of Asbestos Regulations 2006, we will reflect the content of any written risk assessment provided, however where a risk assessment has not been carried out or is not available, we will assume that a risk assessment would not reveal any matters which could affect value.

We are under no duty to and have not a) moved anything; b) used a moisture detecting meter; c) arranged for the testing of electrical, heating or other service installations; or d) carried out an environmental audit. We have also assumed that no radon gas is present at the property. Unless stated to the contrary, no investigations have been carried out to determine whether the site has a history of instability and we are, therefore, unable to report that the property is free from risk in this respect. We have assumed, for the purpose of the valuation, that such investigation would not disclose the presence of any such problems.

## **5 Contamination**

We will not identify the existence of contamination unless either reports have been made available to us in this respect or, during the course of our inspection, we conclude that there may be material contamination at the property. In the latter case we will report this possible contamination immediately with a view to a decision being taken as to whether the valuation instructions are to be amended. Otherwise, our valuation has been undertaken on the assumption that no contaminative or potentially contaminative uses have ever been carried out on the property. Should it be established subsequently that contamination does exist 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 reported.

## **6 Local Authority Enquiries**

Where appropriate, verbal enquiries have been made of the local authority and unless otherwise stated, we have assumed that there are no planning proposals, highway improvements or compulsory acquisition schemes likely to affect value. We have also assumed planning consent and all other statutory requirements have been obtained and complied with for the erection and occupation of the building. Formal searches have not been made and we reserve the right to amend our valuation should information at variance to these assumptions be forthcoming. No allowance has been made for rights, obligations or liabilities arising from the Defective Premises Act 1972 or the Disability Discrimination Act 1995.

## **7 Fixtures & Fittings and Plant and Machinery**

Unless stated to the contrary, our valuation has excluded any element of goodwill, trade equipment and moveable fixtures and fittings attached to the property. We have also excluded any stock associated with the business. Our valuation includes only such items as form part of the normal building services installations and any items in the nature of specialist or the present occupiers process plant and machinery have been excluded. No equipment or fixtures and fittings have been tested in respect of Electrical Equipment Regulations and Gas Safety Regulations and we assume that where appropriate all such equipment meets the necessary legislation.

## **8 Sources, Extent and Non-Disclosure of Information**

In preparing our valuation we have relied upon such information as has been provided by the client or building occupier in respect of tenure, tenancies, planning consent and any other relevant information. Where leases or other documents have been produced to us, our Report so states. Otherwise, such information should be verified and in the event of significant variation from the information initially given to us, our valuation could require adjustment.

## **9 VAT, Taxation and Costs of Acquisition or Realisation**

No allowance has been made for costs of acquisition or realisation of the property, nor for any liability for taxation which may arise on disposal whether actual or notional, e.g. VAT, Inheritance Tax or Capital Gains Tax. Unless stated to the contrary it is assumed that where there is an imposition or otherwise of VAT on the rent that the lessee will be able to fully reclaim the VAT paid.

## **10. Reinstatement Cost**

Where we have been requested to provide our opinion of the buildings' reinstatement cost, we confirm that we have not carried out a formal estimate of the reinstatement value of the premises. The figure provided is for guidance purposes only and we recommend that a formal assessment is obtained from a specialist insurance valuer if insurance cover is to be affected. However, our informal estimate is inclusive of site clearance, demolition, statutory and professional fees but excludes VAT, loss of rent, the cost of alternative accommodation for the reinstatement period and inflation during the policy year or the rebuilding period.

## **11. Future Prospects**

Where our Report contains any statement as to the prospect of future growth in rental and/or capital values, it should be appreciated that such growth may not occur and that the values can fall as well as rise.

## **12. Disclaimer**

Our valuation is provided only for the purpose agreed with the instructing client and will be for the sole use of the client. As such, it is confidential to the client and his professional advisers. We accept responsibility to the client alone that the report has been prepared with the skill, care and diligence which may reasonably be expected of a competent valuer but accept no responsibility whatsoever to any other person who relies upon the report at his own risk. Neither the whole nor any part of the Valuation Report may be included in any published document, circular or statement not published in any way without our written approval of the form and context in which it may appear. We undertake all services only on the basis of these terms which shall apply to the exclusion of any other terms and conditions which the client may seek to impose. No variation of these terms shall be binding unless agreed in writing by an authorised representative of BK and the client.

**Appendix Five**

**Lease Details**

**GOODMAN AND FINEMAN LIMITED**

**TENANTS LIST - 13 JANUARY 2016**

**18/20 GEORGE STREET, Birmingham B12 9RG FIRST FLOOR**

Deposit	Rateable Value	Per Week	% Service Charge	Agreement Start Date	Rent / month inc s charge	Size SQ M	Size SQ FT
1	1200	Goodman and Fineman					
2	75.00	250 Mr Y Rahhal	10.00	01/08/2013	56.33	5.50	59.18
3/4/7	300.00	1975 Ms L J Haycock	53.25	30/06/2014	300.00	46.40	499.26
5	175.00	900 Mr Goncalves Miguel J	26.63	01/11/2014	150.00	18.60	200.14
6	150.00	690 Mr Y Rahhal	25.00	01/11/2012	140.83	14.30	153.87
8	75.00	970 Ms C Downes and Mr	27.19	02/12/2013	153.17	34.90	375.52
9	78.87	940 Mr K G Bailey	24.75	05/02/2015	139.43	33.90	364.76
10	150.00	640 Mr Shamsudin Jama	22.90	03/07/2015	129.00	13.23	142.35
11	150.00	890 Mr A Ali	24.67	27/07/2015	139.00	18.51	199.17
12	250.00	1275 Mr M Osman	44.38	06/08/2015	250.00	29.80	320.65
13	150.00	1000 Miss D Dunkley	28.00	09/01/2015	157.73	20.80	223.81
14	150.00	920 Mr M Obergui	23.97	09/05/2014	135.00	19.20	206.59
15	150.00	930 Mr S Gulamhusein (un	24.85	01/01/2015	140.00	19.40	208.74
16	150.00	990 Ms L J Haycock	23.96	01/01/2015	135.00	20.60	221.66
17	150.00	980 Mr F Aslam	26.45	01/11/2014	148.00	20.40	219.50
18	200.00	1000 Mr Adhris Ahmed	35.00	20/05/2015	197.17	20.70	222.73
19		510 Mr S Rafiq	17.57	30/04/2014	99.00	10.60	114.06
20/21	125.00	1475 Mr D V Hutchison	45.00	19/06/2014	253.50	40.00	430.40
22	56.33	830 Mr C Monk	29.54	14/04/2015	160.01	30.00	322.80
23	200.00	2175 Mr K Bailey	46.00	05/02/2013	249.17	117.00	1,258.92
<b>18/20 GEORGE STREET GROUND FLOOR</b>							
24	200.00	3800 Mr K Bailey	62.50	05/08/2012	338.54	147.30	1,584.95
25	300.00	2200 Mr Daren W Baines	50.77	20/10/2015	275.00	77.90	838.20
26	200.00	2200 Mr Valaiti Singh	50.00	15/04/2015	270.83	79.40	854.34
27	300.00	2125 Mrs Annna Riaz	50.00	26/02/2013	270.83	69.70	749.67
28	400.00	4000 Mrs K Blumenthal (unc	73.85	19/02/2014	400.00	151.10	1,625.84
29	500.00	2850 Mr Stephen Recardo	90.00	29/10/2015	487.50	84.10	904.92
30	700.00	6500 Mr A Stone	160.00	27/09/2014	866.67	300.30	3,231.23
31	250.00	1525 Mr S E Dickinson	45.97	01/11/2014	249.00	29.40	316.34
32	150.00	620 Mr S Talbot	23.00	07/07/2006	124.58	10.70	115.13
33	150.00	860 Mr R E Lach	29.90	07/02/2015	149.00	14.90	160.32
34	350.00	2600 Mr E Shaw	70.00	08/11/2013	348.83	44.90	483.12
35	250.00	1900 Mr S McFarlane	40.00	24/01/2014	216.67	19.90	214.12
36	400.00	2175 Murtagh, Murtagh and	70.00	09/10/2015	379.17	64.40	692.94
37	200.00	960 Mr A Somerville	40.00	19/08/2008	216.67	14.60	157.10
38/39	375.00	2650 Mr R Smith	67.50	06/06/2011	365.63	80.30	864.03
40	300.00	920 Mr Ian Harper	50.00	01/11/2014	270.83	21.00	225.95
							7,760.20

**GOODMAN AND FINEMAN LIMITED**

**TENANTS LIST - 13 JANUARY 2016**

Deposit	Rateable Value	Per Week Rent	% Service Charge	Agreement Start Date	Rent / month inc s charge	Size SQ M	Size SQ FT
41	125.00	27.50	10	07/02/2015	131.08	26.20	281.91
43	560.00	77.50	25	07/02/2015	419.79	69.90	752.12
45/46	450.00	83.08	25	12/08/2013	450.00	125.50	1,350.38
47	300.00	55.00	25	01/07/2014	297.92	48.40	520.78
48	130.00	74.00	25	10/07/2014	400.83	63.40	882.18
44	250.00	52.80	30	10/08/2012	297.44	69.20	744.59
49	250.00	45.00	30	13/11/2015	253.50	12.90	138.80
50	275.00	53.25	30	02/07/2014	300.00	24.70	265.77
51)	200.00	35.00	30	10/04/2014	167.17	13.90	149.56
52)	150.00	25.00	30	12/12/2012	140.83	20.50	220.58
53	125.00	26.40	30	10/08/2012	148.72	9.10	97.92
54	125.00	26.40	30	10/08/2012	148.72	9.10	97.92
55	150.00	30.00	10	20/06/2013	143.00	14.50	156.02
56	100.00	20.77	10	01/04/2014	99.00	10.90	117.28
57	100.00	20.00	10	26/08/2012	95.33	9.30	100.07
58	150.00	30.00	10	10/09/2014	143.00	17.10	184.00
59	100.00	20.77	10	23/04/2014	99.00	10.90	117.28
60	50.00	50.00	10	01/10/2014	238.33	25.40	273.30
61	50.00	20.00	10	06/06/2008	95.33	9.30	100.07
62-63	150.00	31.26	10	14/08/2015	149.00	17.10	184.00
64	150.00	25.00	10	13/01/2015	119.17	10.90	117.28
65	250.00	47.20	10	01/06/2014	225.00	72.80	783.33
66	4,130.00	£2,408.53			£12,955.25		
67/68	4,130.00	£11,890.20					
69	7,780.20						
70	4,130.00						
71	£ 11,890.20						
72	£ 2,710.00						
73	£ 7,104.09						
74	£ 12,256.53						
75	£ 11,890.20						
76	£ 33,960.82						

Light engineering	Mr P Fenn	1050	Mr P Fenn	1050	Mr P Fenn	light engineering	
light engineering	Mr P Fenn	2375	Mr P Fenn	2375	Mr P Fenn	light engineering	
washing machine repairs	Mr S H Kadir	3800	Mr S H Kadir	3800	Mr S H Kadir	washing machine repairs	
bulider	Mr G Henry	1900	Mr G Henry	1900	Mr G Henry	bulider	
music studio	Mr Nordhoff	2150	Mr Nordhoff	2150	Mr Nordhoff	music studio	
<b>17 GEORGE STREET - GROUND FLOOR</b>							
office	Mr M I Dawood	2550	Mr M I Dawood	2550	Mr M I Dawood	office	
<b>17 GEORGE STREET - FIRST FLOOR</b>							
Part of caretaker's house		620	Part of caretaker's house	620	Part of caretaker's house	Part of caretaker's house	
office	Mr S Qurban	930	Mr S Qurban	930	Mr S Qurban	office	
office	Mr J Iqbal	1175	Mr J Iqbal	1175	Mr J Iqbal	office	
office		670		670		office	
office	Mr Parash Parmar	990	Mr Parash Parmar	990	Mr Parash Parmar	office	
office	Mr A Hussain	415	Mr A Hussain	415	Mr A Hussain	office	
office	Mr M I Dawood	415	Mr M I Dawood	415	Mr M I Dawood	office	
office	Mr M I Dawood	415	Mr M I Dawood	415	Mr M I Dawood	office	
<b>15 GEORGE STREET - GROUND FLOOR</b>							
office	Mr R C D'Arcy	700	Mr R C D'Arcy	700	Mr R C D'Arcy	office	
office	Mr A Akhtar	520	Mr A Akhtar	520	Mr A Akhtar	office	
office	Mr S S Bhachu	450	Mr S S Bhachu	450	Mr S S Bhachu	office	
<b>15 GEORGE STREET - FIRST FLOOR</b>							
office	Ms S B Andrews	820	Ms S B Andrews	820	Ms S B Andrews	office	
office	Mr Khames M Benhant	520	Mr Khames M Benhant	520	Mr Khames M Benhant	office	
<b>14 GEORGE STREET - GROUND FLOOR</b>							
Vacant		1200	Vacant	1200	Vacant	Vacant	
office	Mr Mark Wilson	450	Mr Mark Wilson	450	Mr Mark Wilson	office	
<b>14 GEORGE STREET - FIRST FLOOR</b>							
office	Mr Abdul Sattar	820	Mr Abdul Sattar	820	Mr Abdul Sattar	office	
office	Mr Z Ramzari	520	Mr Z Ramzari	520	Mr Z Ramzari	office	
<b>14/15/16 GEORGE STREET SECOND FLOOR</b>							
office	Mr Juntai Ding	2100	Mr Juntai Ding	2100	Mr Juntai Ding	office	
substation			substation		substation	substation	
Northwood Street			Northwood Street		Northwood Street	Northwood Street	
Sydenham Road			Sydenham Road		Sydenham Road	Sydenham Road	
Caroline Street/ Regent Place / Regent Parade			Caroline Street/ Regent Place / Regent Parade		Caroline Street/ Regent Place / Regent Parade	Caroline Street/ Regent Place / Regent Parade	
George Street			George Street		George Street	George Street	
<b>Total Deposits held as at 31 July 2016</b>							

**Appendix Six**

**Rating List**

**109-117 Sydenham Road, Birmingham B11 1DG**

<b>Address</b>	<b>Description</b>	<b>Rateable Value</b>
Unit 1 Sydenham Road Birmingham B11 1DG	Workshop & Premises	£4,950
Unit 2 adjacent 91 Sydenham Road Birmingham B11 1DG	Workshop & Premises	£10,000
Unit 2 113 Sydenham Road Birmingham B11 1DG	Workshop & Premises	£4,750
Unit 3 113 Sydenham Road Birmingham B11 1DG	Workshop & Premises	£4,800
Unit 4 113 Sydenham Road Birmingham B11 1DG	Workshop & Premises	£4,500
Unit 5 113 Sydenham Road Birmingham B11 1DG	Workshop & Premises	£3,950
Unit 6 113 Sydenham Road Birmingham B11 1DG	Workshop & Premises	£3,150
Unit 7 & 8 Sydenham Road Birmingham B11 1DG	Workshop & Premises	£5,000
Unit 9 109 Sydenham Road Birmingham B11 1DG	Store & Premises	£1,125
Unit 10 109 Sydenham Road Birmingham B11 1DG	Warehouse & Premises	£4,950

Unit 11 113 Sydenham Road Birmingham B11 1DG	Workshop & Premises	£1,725
Unit 12 109 Sydenham Road Birmingham B11 1DG	Workshop & Premises	£2,550
Unit 13 109 Sydenham Road Birmingham B11 1DG	Workshop & Premises	£2,800
Unit 14 109 Sydenham Road Birmingham B11 1DG	Store & Premises	£1,025
Unit 15 109 Sydenham Road Birmingham B11 1DG	Store & Premises	£1,025
Unit 16 109 Sydenham Road Birmingham B11 1DG	Offices & Premises	£660
Unit 17 113 Sydenham Road Birmingham B11 1DG	Offices & Premises	£495
Unit 18 & 19 109 Sydenham Road Birmingham B11 1DG	Workshop & Premises	£2,600
Unit 20 113 Sydenham Road Birmingham B11 1DG	Workshop & Premises	£2,600
Unit 21 113 Sydenham Road Birmingham B11 1DG	Workshop & Premises	£2,400
Unit 22 113 Sydenham Road Birmingham B11 1DG	Workshop & Premises	£1,650