



12th June 2017

Our ref: CB/cb/H-124HighSt,Barwell

Your ref: Barwell-Vision Corporate Finance Ltd

Proplend Security Limited
20-22 Wenlock Road
London
N1 7GU
For the attention of Mr B Bartaby

Dear Mr Bartaby

124 HIGH STREET, BARWELL LE9 8DR

In accordance with your instructions dated 18th May 2017 an inspection of the above site was carried out by Natrass Booth Commercial on 2nd March 2017 and again on the 12th June 2017.

The properties were inspected by Mr Christopher Booth MRICS acting as an external valuer in accordance with the RICS Valuation - Professional Standards (January 2014), incorporating your particular requirements as specified.

We confirm that the valuation has been carried out independently. The report and valuation is not deemed to be suitable for secured lending purposes.

The valuation unless otherwise stated is provided subject to the Standard Definitions, Assumptions and Caveats appended to this report.

Attached to this report are the following appendices:-

Appendix 1	Location Plan
Appendix 2	Site Plan
Appendix 3	Photographs of Site
Appendix 4	Planning Application – drawings and layout
Appendix 5	Letter of Instruction dated 18 th May 2017
Appendix 6	Standard Definitions, Assumptions and Caveats

Our report is set out in numbered paragraph format as follows:



1.0 LOCATION (see Appendix 1 – Location Plan)

- 1.1 The property is located approximately 12 miles South West of Leicester City Centre in the Leicestershire town of Barwell. Located in a prominent position on High Street close to the main town centre, on the corner of Church Lane, the property links with the main Hinckley Road/A47 and provides good/easy access to Earl Shilton, Leicester Forest East and Leicester City Centre. The area comprises a mixture of traditional and modern commercial/industrial/residential properties.
- 1.2 There are a number of bus routes that pass through Barwell town centre – with route 158 running between Nuneaton, Hinckley, through Barwell, then onto Leicester city centre. The nearest train station is 2.5 miles distant at Hinckley – which is on the CrossCountry Birmingham to Peterborough Line between Leicester and Birmingham New Street.
- 1.3 Location plan and photographs are included within this document.

2.0 DESCRIPTION (see Appendix 2 – Site Plan and Appendix 3 - Photographs)

- 2.1 The subject property is a two-storey brick built building surmounted by a pitched roof with slates over. The windows are a mixture of timber framed single glazed casement windows in part and sash windows in part. There are also uPVC double glazed windows in part. There is a mixture of concrete floors to the ground floor with timber joist and boarded floors to the upper floor. The first floor is accessed by way of an internal staircase – but with access from the northern side of the site, via a communal room (where the utility meters are stored). There is also a concrete staircase directly off the southern side of the site – from the parking area.
- 2.2 The subject site currently provides a mixed-use building comprising two retail units at ground floor level to the front (one let to a retailer selling motorcycles and one let to a Indian takeaway), also at ground floor but located to the rear of the retail units, is a workshop/office/warehouse currently let to an occupier manufacturing and selling uPVC double glazed windows and units. Access to this unit is afforded to the northern side of the site with deliveries/loading and unloading afforded to the southern side of the site.
- 2.3 There is a basement area, accessed from the warehouse unit and also from the unloading/loading area to the southern side of the site.
- 2.4 Generally, the property comprises a mixed-use commercial/residential investment property comprising occupied Indian restaurant and motorbike shop on the ground floor with 2 bedroom flat and vacant snooker club/bar on the first floor.
- 2.5 Upon inspection, the upper floor was noted to be redundant (having previously been a snooker club/bar) but we note that a planning consent (15/01310/FL) has recently been agreed for the conversion of the property to provide 7 flats in addition to the two retail units at ground floor level. Architects plans are provided at appendix 4.

2.6 PROPOSED ACCOMMODATION (see Appendix 4 – Architects plans and scheme)

The existing first floor premises contains a 2-bedroom residential apartment, a Snooker Hall, Pool Room, Function Room and Bar, as well as ancillary accommodation. The overall first floor totals some 520m² of floor space. The subject property benefits from planning consent 15/01310/FUL which provides for the following proposed accommodation to the first floor: -

Apartment 1	2 bed 4 person	91.4m ²
Apartment 2	2 bed 4 person	67.7m ²
Apartment 3	1 bed 2 person	44.3m ²
Apartment 4	2 bed 4 person	73.6m ²
Apartment 5	2 bed 4 person	75.3m ²
Existing Apt	2 bed 4 person	71.3m ²



To the ground floor, the existing indian takeaway/restaurant and motorcycle shop are to be retained unaffected, but the current Barwell Windows 2000 unit is proposed to be revised to form the following:

Apartment 6	1 bed 2 person	49.2m ²
Apartment 7	1 bed 2 person	63.5m ²

We note that the number of residential units is in accordance with the requirement of the prevailing Core Strategy of Hinckley and Bosworth Borough Council, which requires a minimum net density of 40 dwellings per hectare. Architects plans are attached at appendix 3, from which we consider the sizes of the apartments provided are reasonable, and offer a good level of accommodation. The location of the property is close to shops and other services, including public transport links. The nearest bus stop is within 100m of the premises, as is the nearest convenience store, with a takeaway outlet being at ground floor level within the property. It is therefore considered that the development is in line with the requirements set out in the National Planning Framework for sustainable development within a village context.

The premises have been measured from scale plans provided by the customer and a series of check measurements which were taken whilst on site to verify the measurements. These scale plans are attached at Appendix 3.

2.5 SERVICES

All main services are connected to the site but none of these have been tested.

2.6 SITE

The site as shown as appendix two is regular in shape and generally level. The subject site area has been calculated electronically using Promap. The property and site comprises a plot of land extending to 0.06 hectares (0.14 acres) or thereabouts.

3.0 USE/OCCUPATION

3.1 At the date of inspection the ground floor retail units and first floor flat were occupied. The remained of the upper floor of the property and site were vacant.

4.0 RATEABLE VALUE

4.1 The non-domestic rating assessments for the individual units are as follows:-

124 High Street, Barwell LE9 8DR
Description – Restaurant and Premises
RV (2017 List) - £5,300

Carpet Cottage (now Motorcycle retail outlet)124, High Street, Barwell, Leicester, LE9 8DR.
Description – Shop and Premises
RV (2017 List) - £10,500

Store R/o 124, High Street, Barwell, Leicester, LE9 8DR (Barwell Windows 2000)
Description – Store and Premises
RV (2017 List) - £4,500

R/o 124, High Street, Barwell, Leicester, LE9 8DR (vacant snooker club/hall)
Description – Club and Premises
RV (2017 List) - £6,900

4.2 The first floor flat comes under council rating band A

5.0 REPAIR AND CONDITION

5.1 At the date of inspection the property was inspected for valuation purposes. We have not carried out a survey of any kind. The following observations were noted during the inspection which have a bearing on the valuation. A full Structural Survey has not been carried out.



- 5.2 We are not aware of an asbestos risk assessment having been carried out and we have not carried one out for the purposes of this valuation.
- 5.3 However the building is of an age where asbestos-containing material may have been incorporated within the construction, however, we understand that through the course of the refurbishment/redevelopment of the site all hazardous materials will be removed from site as appropriate.
- 5.4 No deleterious or hazardous materials were apparent on our inspection.
- 5.5 At the time of our inspection the customer had started to remove all central heating radiators and a large amount of the fixtures and fittings.

6.0 TENURE & TENANCIES

- 6.1 The property is understood to be Freehold and has been valued accordingly. The property is multi-tenanted. The current tenancies being as follows -

Description	Parties	Rent	Lease Terms
Shop and Workshop	The Seller (1) & J & C Motorcycles (2)	£9,000 pax (£750 pcm)	Lease expired – tenant currently holding over
Flat 124a High Street	The Seller (1) & Adrian Brotherhood and Lisa Brotherhood (2)	£5,100 pax (£425 pcm)	Lease expired – tenant currently holding over
Spirce House Indian Restaurant	The Seller (1) & Mr Safiul Islam (2)	£10,800 pax (£900 pcm)	Lease expired – tenant currently holding over
Stores and Premises	The Seller (1) & Barwell Windows (2000) (2)		
Top Floor – known as Rafters Bar and Function Room	Vacant	Vacant	Vacant

- 6.2 We have not been provided with a copy of the leasehold documentation and have strictly assumed that there are no onerous or restrictive covenants therein, which would impact on the market rent that could be achieved or which could have a detrimental effect on the Market Value as herein reported. If it does transpire that such onerous or restrictive covenants exist, then we reserve the right to assess the potential impact on the Market Value as herein reported.

7.0 REPORT ON TITLE

- 7.1 No details of the property including tenure were included within your instructions and we have not received a report on title from the Solicitors.
- 7.2 We note that there is access to the northern side of the property. From our discussion with tenants on site, we note that this access-way does not form part of the title of the subject property however, we understand that there is a right of access over the land in favour of the tenants/occupiers. Equally, we note that the land situated to the southern side of the property does not form part of the freehold title of the subject property and note that the ground floor tenants have made separate arrangements to use this land for parking their vehicles. We have assumed that there is a right of access over the land in favour of the subject property and that this land can be utilised for loading/unloading and access the property. We have strictly assumed that there are no restrictive covenants or other easements or other



such matters of this nature that affect the property. As a result, we have strictly assumed that the site has unfettered access.

7.3 High Street, Barwell is a highway adopted by Hinckley and Bosworth Borough Council.

8.0 TOWN PLANNING AND DEVELOPMENT

8.1 The property is situated within Hinckley and Bosworth Borough Council. We understand, from our initial conversation with the planning department at Hinckley and Bosworth Borough Council that the property is situated within a mixed commercial and residential area as specified within the Local Plan.

8.2 We have made verbal enquiries with Hinckley and Bosworth Borough Council Planning Department, where we are advised that the subject premises obtained planning consent ref: 15/01310/FUL - for a development planning permission for conversion of the 1st floor and rear ground floor to form 7 residential apartments (3 x 1 bed, 4 x 2 bed) on a total site area of approximately 524 sqm (5,640 sq ft). A copy of the planning consent is attached at appendix 4

8.3 The UDP stipulates an affordable housing requirement for residential developments of 25 units or more (or occupying sites of 1 ha or more).

8.4 Smaller sites may also be subject to affordable housing where further land is available under the same parameters.

8.5 Affordable housing is defined as dwellings being provided by an organisation such as a Registered Social Landlord or Local Authority which allocates dwellings on the basis of need. Such dwellings are available to rent or as subsidised low-cost homes, where a Registered Social Landlord or Local Authority retains a continuing and shared legal interest.

8.6 All affordable housing decisions will be secured through a s106 planning agreement. On such private sites the Council will require a minimum of 25% affordable housing. The low cost market is designed to meet the needs of first time buyers, single people, the elderly and other low income households who cannot afford to rent or buy houses generally available on the open market.

8.7 We note from our discussions with the banks customer that he has managed to negotiate a scheme without any social housing provisions We have assumed that there is a small fee required as an open space contribution.

9.0 LAND CONTAMINATION

Any potential sources of contamination identified or suspected?	No
Does the valuation assume the property does not suffer from contamination?	Yes
Any areas of concern where further investigations are recommended?	No

9.1 We are not qualified to give assurances on environmental issues. In the absence of any environmental reports, our valuation has been undertaken on the basis that the site is free from contamination, despite the above comments. However, should it be established subsequently that contamination exists this might reduce the values now reported.

9.3 Environmental legislation is likely to become more rigorous in the future and the Law Society has recently recommended that all solicitors should advise purchasers to commission ground reports before acquiring any property.

9.4 Examination of the Health Protection Agency website shows that the property is not in a Radon Affected Area as defined by the Health Protection Agency. The estimated probability of the property being above the Action Level for Radon is 0 – 1%.

9.5 Our enquiries have not revealed any contamination affecting the property which would affect our valuation. However, should it be established subsequently that contamination 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.

9.6 The Homecheck website shows that the centre of the postcode LE9 8DR is not within 500m of an area potentially affected by flooding. We are not aware of any recent flooding in this area.

9.7 We have not seen nor have we commissioned a Commercial Energy Performance Certificate ("CEPC").

10.0 MARKETABILITY AND VALUATION COMMENTARY

10.1 Market conditions have improved over recent years. There have been a number of events which have affected the marketplace – namely the EU referendum (Brexit) in June 2016 and the General Election in June 2017. Although there was particular negative sentiment leading up to the EU referendum, whereby it was stated that the housing market would be substantially affected, the local West Midlands residential market was not particularly affected. With particular reflection on Barwell, Hinckley and Bosworth, a RightMove survey suggests that residential prices have risen by 10% in the past 12 months [RightMove reports :- Last year most property sales in Barwell involved semi-detached properties which sold for on average £150,729. Terraced properties sold for an average price of £120,187, while detached properties fetched £214,379.

Barwell, with an overall average price of £152,946 was cheaper than nearby Earl Shilton (£162,114), Hinckley (£200,021) and Burbage (£233,353).

During the last year, sold prices in Barwell were 10% up on the previous year and 7% up on 2010 when the average house price was £143,598

In the last 12 months there have been a number of residential led schemes being commenced and are being funded. We anticipate that 2017 will remain stable and expect to see a significant increase in development land transactions, due to the greater availability of funding. The result of the recent General Election has returned the Conservatives to Government – albeit with the help of the DUP. We are yet to see how the new Government will influence funding institutions however we anticipate strong demand and growth in values, especially within the regions outside of London.

10.2 The valuation has been prepared on the basis of market value and represents our opinion of the estimated amount for which freehold interest 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.

10.3 There are a considerable number of opportunities and development considerations available to the site. From our development appraisals, we have arrived at a land value as per your instructions. We have carried out our usual research and enquiries including discussions with local agents. We have analysed the existing market data in determining our opinion as to the market value of the subject property. Information has also been obtained from internal records. There is a new development of 17 houses being constructed immediately adjacent to the subject property. The estate agents for the scheme is Connells, who advise that there is demand for the 2 and 3 bed houses – with a guide price of £147,500 - £175,000, however, they believe that there is good demand for flats albeit the supply, in Barwell, is low. We have considered the demand for the proposed scheme and also assessed the likely Market Values which the 7 no. flats could demand once completed to a grade A standard.

10.4 We have formulated our residual appraisal based upon recent sales of dwellings within the immediate area and based on a market appraisal as provided to the customer by Connells and Land & New Homes. We list below comparable transactions: -

Flat Sales

- Burgess Drive, Earl Shilton, Leicester
- The 2 bedroom Flat was of Leasehold tenure and available at a price of £95,000. Having spoken to agents Connells, we note that the property is under offer at £110,000.
- Arthur Street, Barwell, Leicester LE9
- The 1 bedroom flat is on the market at £75,000. Having spoken to agents, Reign Estate Agents, we are advised that the property is let at £4,500 pax until mid June 2017. The flat is long-leasehold.



- 5, Baptist Walk, Hinckley, Leicestershire LE10 1PR
- 1 bed Flat, Freehold, sold on March 2017 for £86,500
- 6d, Amber Way, Burbage, Hinckley, Leicestershire LE10 2LG
- 1 bed Flat, Leasehold (New Build) sold on 27 Mar 2017 for £88,996.
- 2d Meadow Drive, Hinckley, Leicestershire LE10 0FU
- 2 bed Flat, Leasehold, sold on 24 Mar 2017 for £110,000.
- 2b, Amber Way, Burbage, Hinckley, Leicestershire LE10 2LG
- 1 bed flat, Leasehold (New Build) sold on the 24 Mar 2017 for £87,495.
- 7, Middlefield Court, Hinckley, Leicestershire LE10 0QT
- 2 bed flat, Leasehold, sold on the 15 Mar 2017 for £110,000.

- 10.5 Our appraisal is based on the permitted scheme. We have assessed the construction costs based on evidence provided by the customer (following a competitive tender of the construction contract (copy attached at appendix 4)) and from a number of parties namely Bellway Homes and Persimmon Homes (who are both developing schemes close to the subject site) and following our discussion with Connells – who have provided assistance to the developer (Marble Homes Leicester Ltd) of the site to the rear of the subject.
- 10.6 Our discussion and research show that the total refurbishment cost for the 7-no. scheme would be in the order of £55/sq ft on the net floor area. This being to a minimum standard of construction and which provides a total cost of approximately £250,000 exclusive of VAT for all internal refurbishment works and an additional £50,000 for the external works. The customer has provided an estimate totalling 194,000 plus VAT. We consider this a little low based on the above. We note that the customer is not proposing to carry out works to the windows, which we believe require work. That said, we believe that replacement of all windows could cost and estimated £50,000 – bringing the total cost of works in line with our assessment of works required.
- 10.7 With regard to the ground floor retail units, we note that both tenants have expressed a willingness to take a new 5-year lease with a rent review in year 3. We note that the passing rent for both units is £19,800 per annum, which equates to £7-8 /sq ft on an overall basis and a Zone A rate of £11. We have considered the passing rent as being appropriate as at the date of Valuation. Assuming new 5 year leases for each of the retail unit, as at the date of Valuation, we consider an appropriate Market Value of £175,000 – which equates to a gross yield of 11.25%.
- 10.8 We have assumed a residential scheme with no affordable housing provisions as is the case with the current consent. Adopting the current consented scheme, we would estimate a Gross Development Value for the entire site in the order of £875,000 - £900,000 exclusive which is based on sales figures of £110,000 for the 2 bedroom flats and £87,500 for the 1 bedroom flats and the retail element at £175,000. From this we have deducted costs including refurbishment/building costs (based upon the Building Cost Index (BCIS) (RICS)) and estimates produced by the customer (from a competitive tender process recently conducted), Bellway Homes and Persimmon Homes, together with professional fees, a contingency of 5% and nominal Section106 costs (which we have limited to £10,000).
- 10.9 We have adopted an interest rate of 7% on costs and have allowed for site acquisition costs of 3.75%. We understand that a likely timescale for this development will be 9 months.
- 10.10 We have calculated a resultant residual value, assuming the above, of £425,000 - £450,000 exc.

11.0 BASIS OF VALUATION

- 11.1 Market Value with vacant possession of the freehold interest in the subject premises, as at the date of inspection in the light of current market conditions.
- 11.2 "Market Value" 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.



- 11.3 "Gross Development Value" is the estimated sale price of the development when complete assuming that values and market conditions do not change significantly from those existing at the current time.
- 11.4 Our valuation has been made in the light of the RICS Appraisal and Valuation Standards, as amended, and any particular assumptions, which have been made, have been drawn to your attention in this report.
- 11.5 We have formulated our valuation based upon a well-researched residual valuation which itself incorporates directly comparable end values for individual units. Valuations of this nature are susceptible to compound changes to the constituent parts of the valuation which may have an exaggerated effect on the final value reported if multiple changes occur. Such changes may include national interest rate changes, a change in building prices or a change in national or local planning policy.

12.0 MARKET VALUE

- 12.1 Subject to satisfactory evidence of title, the existing uses being fully authorised and the verbal information with which we have been provided being correct, we are of the opinion that the market value of the freehold interest – as detailed herein – having regard to the current planning permission (ref: 15/01310/FUL) following completion of all works, is:

£875,000 exclusive
(Eight Hundred and Seventy Five Thousand Pounds)

- 12.2 Subject to satisfactory evidence of title, the existing uses being fully authorised and the verbal information with which we have been provided being correct, we are of the opinion that the market value of the freehold interest – as detailed herein – having regard to the current planning permission having regard to the current planning permission (ref: 15/01310/FL) following completion of all works, but assuming a restricted marketing period of 90 days, is:

£825,000 exclusive
(Eight Hundred and Twenty Five Thousand Pounds)

- 12.3 Subject to satisfactory evidence of title, the existing uses being fully authorised and the verbal information with which we have been provided being correct, we are of the opinion that the market value of the freehold interest – as detailed herein – having regard to the current planning permission having regard to the current planning permission (ref: 15/01310/FL) as at the date of inspection, (for the avoidance of doubt this is prior to the commencement of works) is:

£425,000 exclusive
(Four Hundred and Twenty Five Thousand Pounds)

- 12.4 Subject to satisfactory evidence of title, the existing uses being fully authorised and the verbal information with which we have been provided being correct, we are of the opinion that the market value of the freehold interest – as detailed herein – having regard to the current planning permission having regard to the current planning permission (ref: 14/00263/FL) as at the date of inspection, (for the avoidance of doubt this is prior to the commencement of works) but assuming a restricted marketing period of 90 days is:

£375,000 exclusive
(Three Hundred and Seventy Five Thousand Pounds)

13.0 REINSTATEMENT COSTS

- 13.1 As a guide only (as a detailed reinstatement cost assessment can only be provided by a Quantity Surveyor or other professional with sufficient detailed knowledge of current building costs) we assess the current reinstatement cost of the property, including costs of demolition and site clearance and professional fees but excluding VAT (except on fees) loss of rent and costs of alternative accommodation and inflation after the date of valuation to be £700,000.



13.2 The above is for the buildings in their present form.

14.0 SUITABILITY FOR SECURITY

14.1 We are of the opinion that the property, at the values reported herein, is suitable for loan security purposes although we would recommend that the client do not provide a highly geared loan.

15.0 INSPECTION

15.1 The property was inspected on 2nd March 2017 and again on the 12th June 2017 to all accessible interior and exterior areas.

16.0 QUALIFICATIONS

16.1 The property has been valued on behalf of Natrass Booth Commercial by Christopher Booth BSc (Hons) MRICS, a Director of the Practice.

17.0 PROFESSIONAL INDEMNITY INSURANCE

17.1 We confirm we hold the following cover:

Insurer	Endurance Insurance
Maximum Sum Insured	£2,500,000 any one claim
Policy Excess/Exclusions	£2,500 rising to £10,000 in respect of survey and valuation work.
Period of Cover	Renewal Date: 7 th July 2017 Renewable annually

Yours sincerely

**CHRIS BOOTH BSc (Hons) MRICS – Director
NATRASS BOOTH COMMERCIAL**



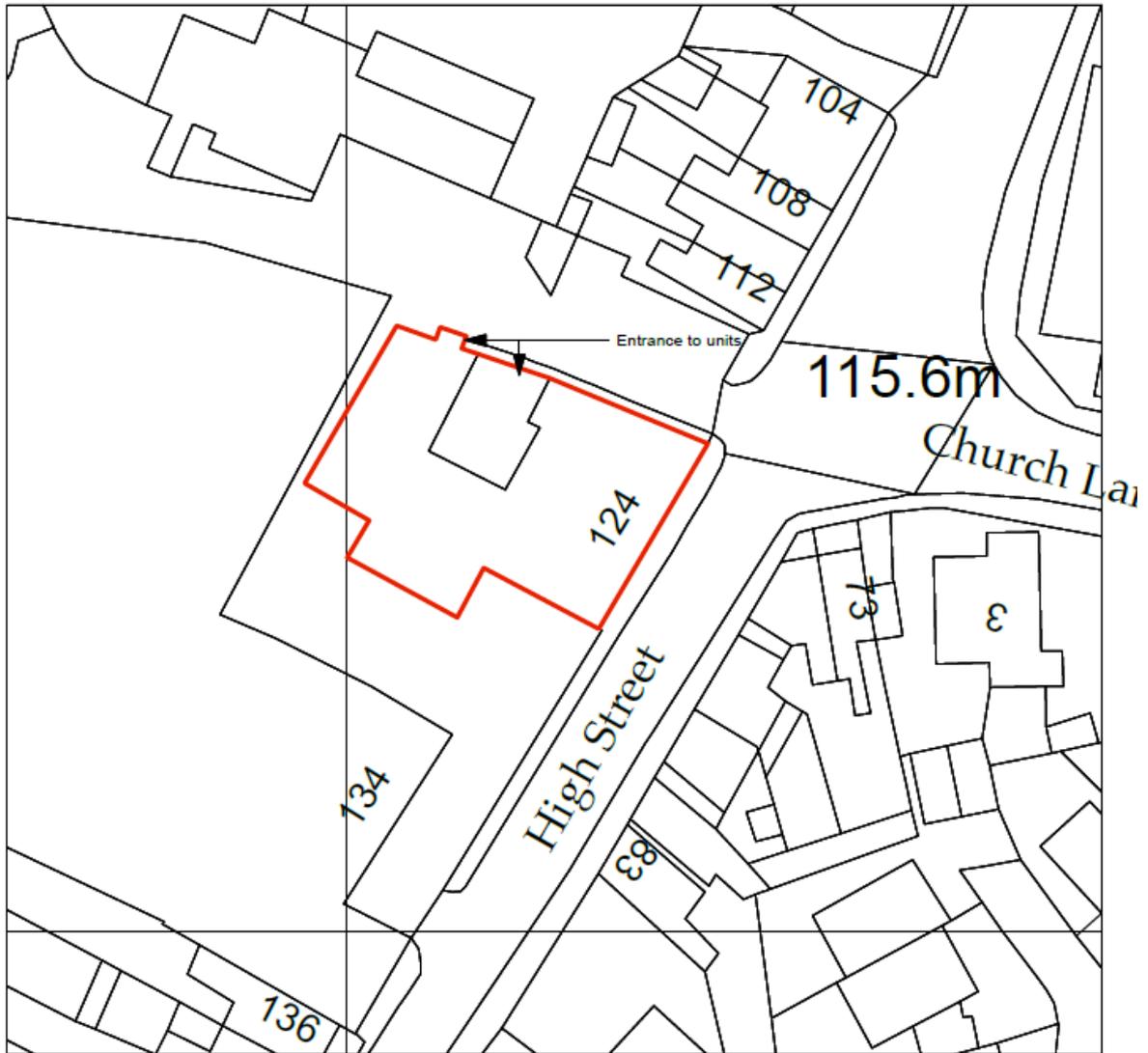


LOCATION PLAN





SITE PLAN





PHOTOGRAPHS



External



Front Elevation (western elevation)



Northern side of the property



General context showing unadopted road leading to rear site.



Southern side of the building. Showing unloading/loading area.



Southern side of the building – covered staircase leading to first floor.



Southern side of the building – car parking area. Not within the demise of the subject property.

Internal



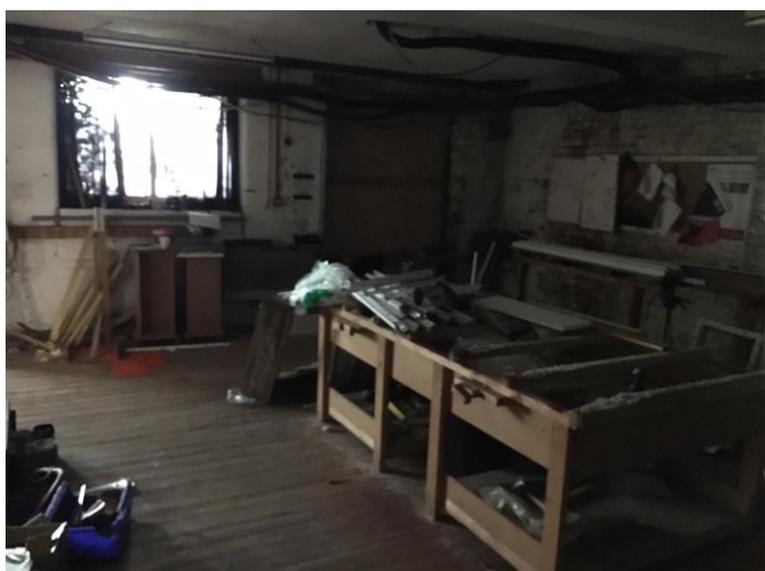
Warehouse/workshop/stores – ground floor



Ground floor stores – basement



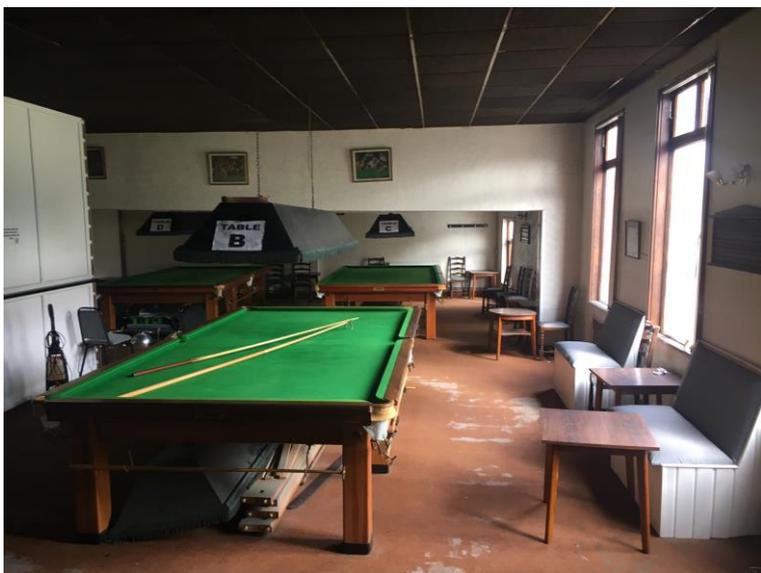
Ground floor stores – basement



Ground Floor stores - workshop



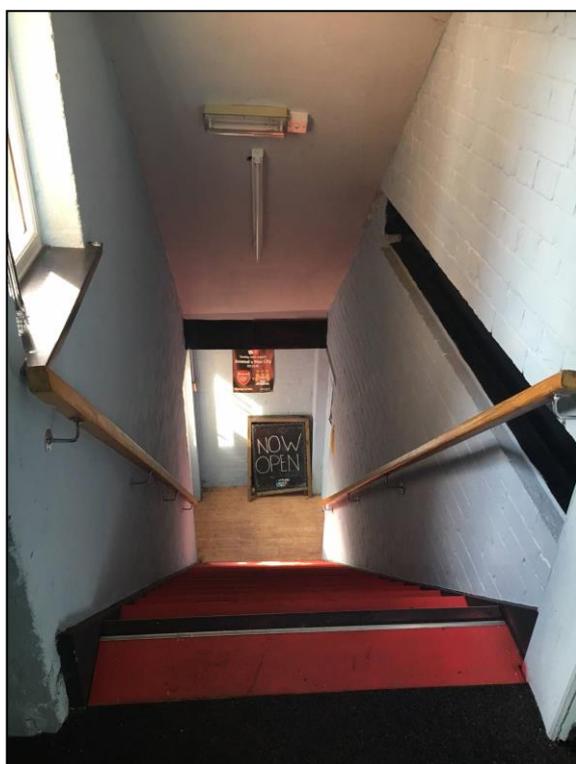
First floor – doors leading to metal framed balcony.



First floor – former snooker hall



First floor – former snooker hall



First floor – staircase leading from southern side of the building.



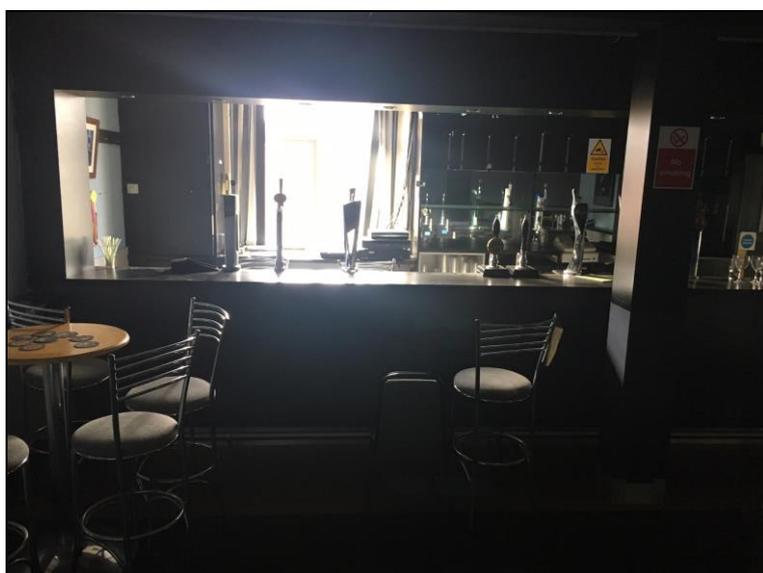
First Floor – General Context.



First Floor - WCs



First Floor – WCs



First Floor – Snooker hall – general context



First Floor – snooker hall – general context



First Floor – snooker hall – general context



First floor – events room – general context



First floor – events room – general context



ARCHITECTS PLANS



LETTER OF INSTRUCTION



STANDARD DEFINITIONS, ASSUMPTIONS & CAVEATS



DEFINITIONS, ASSUMPTIONS AND CAVEATS FOR VALUATIONS

Set out below are the various bases of valuation, the general assumptions made, the extent of our enquiries and restrictions on use. It applies to all valuations except as otherwise stated in the report. The valuation has been prepared in accordance with the RICS Valuation - Professional Standards 2014.

MARKET VALUE (MV)
(VS3.2) 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.

DEPRECIATED REPLACEMENT COST (DRC)
(GN 6) DRC is based on the current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimisation.

MARKET RENT (MR)
(VS3.3) 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.

REINSTATEMENT COST ASSESSMENT (RCA) An indication for insurance purposes of the current reinstatement cost of:
a) the buildings in their present form (unless otherwise stated); or
b) buildings being constructed as proposed to be completed;
each including the costs of demolition, clearance and professional fees but excluding:
i) VAT (except on fees);
ii) loss of rent; and/or
iii) cost of alternative accommodation for the reinstatement period.
iv) environmental costs (clean-up, land quality statements, etc.)

Note: Unless otherwise stated figures are on a 'day-one' basis and exclude any inflation occurring after the date of valuation, i.e. during the insurance year and reconstruction period

AREAS AND DIMENSIONS Areas and dimensions quoted are calculated in accordance with the Code of Measuring Practice published by the Royal Institution of Chartered Surveyors. The following bases are those most frequently used, as appropriate.

Net Internal Area - Measured to the internal faces of external walls, excluding toilets, permanent corridors, internal walls and partitions, stairwells, plant rooms, etc.

Gross Internal Area - Measured to internal faces of external walls, including toilets, permanent corridors, internal walls and partitions, stairwells, plant rooms, etc.

Site areas are normally computed from plans or the Ordnance Survey and not from physical site survey, and are therefore approximate.

INFORMATION All information supplied by the Client and other stated sources is accepted as being correct. It is not verified by us.

CONSULTANTS If when preparing or reporting a valuation we recommend the appointment of consultants (e.g. environmental experts, engineers, etc.), it is for the client to decide whether to make any such appointment at his expense.

TENURE Title Deeds and Leases are not usually inspected and, unless we are informed to the contrary, it is assumed that a property is free of any onerous covenants, easements, other restrictions or liabilities including mortgages, grants and capital allowances which may affect the value.

TENANTS Tenants' status is investigated only where we are so instructed and so specified in the valuation.

CONDITION OF BUILDINGS, PLANT ETC. Our inspection of a property does not constitute a structural survey. When preparing our valuation we have regard to apparent defects and general wants of repair and take into account the age of the property. We do not however carry out the detailed search for defects which is undertaken as part of a structural survey, neither do we necessarily set out the various defects when making the report. We do not inspect woodwork or other parts of the structure which are covered unexposed or inaccessible. We do not arrange for any investigation to be carried out to determine whether or not high alumina cement, calcium chloride additive or any other deleterious materials or permanent woodwool shuttering have been used in the construction or whether hazardous materials or techniques have been used. We are therefore unable to report that the property is free from defect in these respects.

For valuation purposes we assume unless otherwise stated that the property (including associated plant and machinery, fixtures and fittings) is in serviceable order and will remain so for the foreseeable future.

DEFECTIVE PREMISES ACT 1972 Obligations or liabilities or any rights thereunder, whether prospective or accrued, are not reflected in valuations.

GROUND CONDITION Soil stability, mining and geological reports are not undertaken by us or normally inspected. Unless instructed to the contrary, it is assumed that the ground and any adjoining or nearby areas are not contaminated, that there are no dangerous materials in the vicinity and that it is stable and capable of development without the need for abnormal costs on foundations, services, decontamination, etc.

ENVIRONMENTAL ISSUES Within our report we may, as appropriate, pass comment upon the apparent existence of contamination or pollution at or in the vicinity of the property, the impact of past, existing or proposed uses of the property on its immediate environment or other environmental issues. Our report does not, however, constitute an environmental audit or survey and nothing contained in it should be treated as a statement that there are no contamination or pollution problems relating to the property or confirmation that the property, or any process carried on therein, complies with existing or proposed legislation on environmental matters.

We are not qualified to comment upon contamination issues and unless otherwise agreed, value assuming no contamination. The exception to this is where consultant's reports including remedial costs are made available to us in which case the value reflects this (with appropriate reference in our report).

Unless otherwise stated, no allowance is made for the cost of land quality statements or other consultants' reports, etc.

ENQUIRIES Verbal enquiries only are made in respect of contingent liabilities such as road widening, road charges, redevelopment proposals and the possible effect of any town planning restrictions, and rating assessments. Local searches are not undertaken so we cannot assume responsibility for any inaccurate information provided.

Generally it is assumed that buildings are constructed and used in accordance with valid Town Planning Consents, Permits, Licences and Building Regulation Approval, with direct access from a publicly maintained highway, that Town Planning Consents do not contain restrictions which adversely affect the use of a property and that there are no outstanding statutory or other notices in connection with a property or its present or intended use.

It is further assumed that all necessary licences, permits, etc., either run with the property or are transferable to a new occupier as appropriate.



TAXATION AND GRANTS	<p>Value added tax, taxation, grants and allowances are not included in capital and rental values as, unless otherwise specified in the report, these are always stated on a basis exclusive of any VAT liability although VAT will in certain cases be payable. It is assumed for the purposes of valuation that any potential purchaser can reclaim VAT.</p> <p>No account is taken of any existing or potential liabilities arising for Capital Gains or other taxation or as a result of grants or capital allowances.</p>
INSURANCE	<p>Insurance is usually arranged by clients (or their brokers) based on reinstatement cost assessments or occasionally on an indemnity basis and other methods of valuation are not appropriate.</p>
APPORTIONMENT OF VALUES	<p>Apportionments provided between buildings, land and plant and machinery are normally for depreciation purposes only. In normal circumstances apportionments are not valuations and they should not be used for any other purpose unless specified in our report.</p>
TOTAL VALUATION	<p>Where provided this is the aggregate of the value of each individual property. It is envisaged that properties would be marketed singly or in groups over an appropriate period. If all properties were to be sold as a single lot, the realisation would not necessarily be the same as the total of the valuations.</p> <p>This assumption is not applicable to valuations made for taxation purposes</p>
LEGAL ISSUES	<p>Any interpretation of leases and other legal documents and legal assumptions is given in our capacity as Chartered Surveyors and must be verified by a suitably qualified lawyer if it is to be relied upon. No responsibility or liability is accepted for the true interpretation of the legal position of the client or other parties.</p>
JURISDICTION	<p>In the event of a dispute arising in connection with a valuation, unless expressly agreed otherwise in writing we, the client and any third party using this 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</p>
DATE, MARKET CONDITIONS AND VALIDITY OF VALUATION	<p>Valuations may be relied upon for the stated purpose as at the date specified. The value may not change materially in the short term. However the property market is constantly changing and is susceptible to many external facets which can affect business confidence. If any reliance is to be placed on the valuation following any such change then further consultation is strongly recommended. In any event, the valuation should not be considered valid after a period of three months.</p>
CONFIDENTIALITY/PUBLISHING RESTRICTIONS	<p>Valuations and Reports are only for the use of the party to whom they are addressed for the purpose indicated in the instructions. They may be disclosed only to other professional advisors assisting in respect of that purpose. No responsibility is accepted to any third party for the whole or any part of the contents and there is no conferred or purported conferring of any benefit or right to any third party.</p> <p>Reports should be considered in their entirety and should only be used within the context of the instructions under which they are prepared.</p> <p>Neither the whole nor any part of an appraisal, valuation, report or other document or any reference thereto may be included in any published article, document, circular or statement or published in any way without our prior written approval of the form and context in which it may appear.</p>

September 2014