REPORT
AND
VALUATION

46 MARY STREET
PORTHCAWL
SOUTH WALES
CF36 3YA

Prepared on Behalf of:
PROPLEND SECURITY LIMITED
20-22 Wenlock Road
London
N1 7GU

Prepared by:
W. Peter Davies MRICS
RICS Registered Valuer
For and on behalf of:

Herbert R. Thomas
The Toll House
1 Derwen Road
Bridgend
CF31 1LH

WPD/0077-18

Dated: 21st March 2018

VAS PANEL

Valuation Report

Address	46 MARY STREET, PORTHCAWL, SOUTH WALES, CF36 3YA
Lender	PROPLEND SECURITY LIMITED
Lender Address	20-22 WENLOCK ROAD, LONDON, N1 7GU
Applicant Name	RAISE PROPERTY 1 LIMITED
Date	21st MARCH 2018
Valuation Company	HERBERT R THOMAS, TOLL HOUSE 1 DERWEN ROAD, BRIDGEND, CF31 1LH
Valuer	W. PETER DAVIES MRICS

PROPERTY DETAILS:			
Property Address:	46 MARY STREET, PORTHCAWL, SOUTH WALES, CF36 3YA		
Lender:	PROPLEND SECURITY LIMITED	**Date of Valuation:**	12th MARCH 2018
Purpose of Valuation:	Loan Security	**Valuation Method:**	Comparison


VALUATION: *(please carefully read the lenders instruction letter and make sure that valuations are provided on the required basis)*	
Please state all valuations requested. Add more rows below if necessary (right click, Insert, Add rows below)	
On an investment basis subject to the existing lease	£225,000
On a vacant possession basis	£225,000
Market Rent (MR)	£25,000
Insurance Reinstatement Estimate:	£450,000

VALUATION ISSUES: [Please state any valuation issues that have been identified] Informal signed lease and lack of EPC	**Estimated Sales period:**	9 - 12 months

LOCATION / DESCRIPTION:				
Location Summary:		Close to the seafront in Porthcawl an established tourist town in South Wales.		
Description Summary:		Three storey premises providing a 12 bedroom bed and breakfast.		
Condition Summary:		The property is in good order throughout.		
Floor Area:	GIA 240m² / 2,582ft²	**Site Area:**		170m² /1830ft²

TENURE / TENANCY:				
Tenure:	Freehold	**Tenancy:**		Pavin Krissnan 5 years from 1/10/2017 FRI Lease Landlord Break anytime with 6 months notice
Passing Rent:	£30,000 per annum	**Market Rent:**		£25,000 per annum

SWOT ANALYSIS:		
Strengths: • Established location for guesthouses • Refurbished property in good order throughout		**Weaknesses:** • Let on an informal signed lease to local covenant • Over rentalised
Opportunities: • Potential VP sale to owner occupier • Possible conversion to flats		**Threats:** • Poor investment due to lease terms and tenant covenant • Number of properties for sale on Mary Street at present

DEFECTS & SPECIALIST REPORTS:

(Please identify any structural, legal or environmental issues from the drop-down lists. Please confirm the status of the defect and provide further commentary below if you have recommended that a specialist report is required)

Legal Issues	Report Required / Issue Identified	Structural Issues	Report Required / Issue Identified	Environmental Issues	Report Required / Issue Identified
Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
Comments:	No defects				

RECOMMENDED ACTION POINTS / SUITABILITY FOR LOAN SECURITY:	
We would recommend the following action points:	• EPC required
Is the property suitable for loan security?	YES

Please note that this Executive Summary is merely a summary of the valuation report and should not be read in isolation to the full valuation report provided overleaf.

VALUATION SUMMARY
FOR
PROPLEND SECURITY LIMITED

Property:	46 Mary Street, Porthcawl, South Wales, CF36 3YA
Tenure:	Freehold
Location:	In the centre of Porthcawl close to but not overlooking the seafront
Description:	Extended and refurbished three storey premises comprising a 12 bedroom guesthouse with ancillary accommodation
Tenancy:	The property is let on a 5 year lease at a rent of £30,000pax
Purpose:	Loan Security
Valuation Date:	March 2018
Market Value:	**£225,000 (Vacant possession and investment)**

This valuation summary is provided as a quick reference and is not to be relied upon in isolation nor taken out of context of the valuation report as a whole.

CONTENTS

Our Ref: WPD/0077-18

Your Ref:

Date: 21st March 2018

Proplend Security Limited
20-22 Wenlock Road
London
N1 7GU

Dear Sirs,

46 MARY STREET, PORTHCAWL, SOUTH WALES, CF36 3YA
Your Borrower: RAISE PROPERTY 1 LIMITED

We refer to VAS Panel instructions received 7th March 2018 in respect of the above property.

In accordance with the instructions we have inspected the property, made appropriate further enquiries and have prepared our valuation report for loan security purposes.

The valuation provided herein is on the basis of "Market Value" and as defined in the R.I.C.S. Valuation - Global Standards 2017 (the "Red Book") which came into effect on 1st July 2017. Reference to Market Value is included in VPS 4. All figures provided will be reported in £ pounds (Sterling). The Basis of Valuation is more fully defined in Section 15 of this report.

Our Valuation is also in accordance with the R.I.C.S. Terms of Engagement and Assumptions contained within VPS 1 of the Red Book.

We confirm that we have professional indemnity insurance cover up to £5,000,000 for one claim and we have no conflict of interest in accepting your instructions.

The property was inspected on 12th March 2018, by W. Peter Davies, a Registered Valuer under the RICS Valuer Registration Scheme and a Senior Surveyor with Herbert R Thomas, and we shall take this date as the date of valuation.

We report as follows: -

1. **DESCRIPTION:**

1.1 The property comprises a 12 bedroom guesthouse that is subject to a formal lease at a rent of £30,000pax.

1.2 It has been refurbished and extended in the past and is in good order throughout.

1.3 We have provided you with our Market Value on an investment basis subject to the existing lease and on the assumption of vacant possession.

2. LOCATION:

2.1 The property, indicated on the attached location plan in Appendix 1 and title plan in Appendix 2, is situated on the west side of Mary Street between The Esplanade to the south and Gordon Road to the north.

2.2 Mary Street runs parallel to John Street which is the principal retailing area in the town centre.

2.3 Porthcawl itself is situated on the Bristol Channel Coast in the County Borough of Bridgend. It has a population of circa 16,000 and is 25 miles west of Cardiff and 19 miles south east of Swansea.

2.4 It is a popular holiday resort with an established tourist trade during the summer months and there are a number of other guest houses situated along Mary Street in addition to a number of hotels on The Esplanade.

2.5 Whilst being in an established location for guest houses it is further away from the seafront than many others along Mary Street.

3. THE PROPERTY:

3.1 The property, photographs of which are attached in Appendix 3, comprises a three storey terraced property originally a dwellinghouse.

3.2 It has been reconfigured, refurbished and extended in the past and now trades as a 12 bedroom guesthouse.

3.3 The original property was probably constructed in the early 1900s main walls probably being solid of brick or stone construction the front elevation being colourwashed render with a three storey bay and the rear elevations also colourwashed render.

3.4 Main and subsidiary roofs are of timber construction, pitched and have slate coverings. There is a large dormer to the rear addition with a flat roof above.

3.5 In addition there is a rear single storey extension also with a flat roof.

3.6 Eaves detail is of timber and gutters and downpipes are UPVC.

3.7 Windows are UPVC double glazed units.

3.8 There is a wrought iron fire escape to the rear leading from the second floor accommodation.

3.9 The property has a small forecourt to Mary Street and backs onto a local car park but there is no on site car parking.

3.10 Internally walls are assumed to be brought to a plaster finish and have a variety of decorative coverings.

3.11 Accommodation is provided on ground, first and second floors.

3.12 The ground floor comprises owner's accommodation to the rear along with a kitchen, breakfast room and two double bedrooms both of which have ensuite showers.

3.13 The first floor comprises three double ensuite bedrooms; a single ensuite bedroom; and a single bedroom. There is also a bathroom with a WC.

3.14 The second floor provides five further bedrooms providing a mix of double and family accommodation along with two single rooms one of which is not ensuite.

3.15 All of the rooms have their own televisions and coffee making facilities.

4. <u>ACCOMMODATION:</u>

4.1 All measurements are on a net/gross internal basis, approximate only and in metres.

4.2 All measurements were taken on site and are in accordance with the R.I.C.S. Code of Measuring Practice.

4.3 The available accommodation at present comprises the following:-

<u>Ground Floor:</u>

Breakfast Room:	**17.8m² (191ft²)**
Bedroom 11 (double ensuite):	**15.4m² (165ft²)**
Bedroom 12 (double ensuite):	**9.8m² (105ft²)**
Kitchen:	**14.5m² (156ft²)**

Owner's Accommodation:

Bedroom:	**8.1m² (87ft²)**
Sitting Room:	**12.2m² (131ft²)**
Bathroom with WC:	-

First Floor:

Bedroom 6 (double ensuite):	**14.7m² (158ft²)**
Bedroom 7 (single):	**5.0m² (53.8ft²)**
Bedroom 8 (family room ensuite):	**12.7m² (136ft²)**
Bathroom with WC:	**4.5m² (48ft²)**
Bedroom 9 (single ensuite):	**9.1m² (98ft²)**
Bedroom 10 (double ensuite):	**12.1m² (130ft²)**

Second Floor:

Bedroom 1 (single):	**5.6m² (60ft²)**
Bedroom 2 (family room ensuite):	**11.8m² (127ft²)**
Bedroom 3 (double ensuite):	**15.1m² (162ft²)**
Bathroom with WC:	**4.5m² (48ft²)**
Bedroom 4 (single ensuite):	**10.4m² (113ft²)**
Bedroom 5 (double ensuite):	**11.7m² (126ft²)**

5. REPAIR AND CONDITION:

5.1 No Building Survey was carried out as this is beyond the scope of your instructions whilst providing a valuation for loan security purposes.

5.2 The property is in a good state of repair and condition and well maintained.

5.3 It is in good decorative order throughout with no obvious serious wants of repair.

5.4 The property will have an economic life in excess of 40 years assuming reasonable maintenance on an annual basis.

6. SERVICES:

6.1 The property is connected to mains water, drainage, gas and electricity however we have not carried out any tests in this regard.

6.2 A gas fired combination boiler serves radiators throughout.

6.3 There is a new fire alarm system and smoke detectors.

7. TENURE:

7.1 We have been informed that the property is of freehold tenure and not subject to any third party rights of way.

7.2 We have not seen a Report on Title to confirm the above.

8. TENANCIES:

8.1 We have been provided with a copy of a lease in respect of the property which is signed by the relevant parties but not engrossed.

8.2 The main details of the lease are as follows:

- Between: Ajmail Bains as Landlord and Pavin Krissnan as Tenant
- Demise: Land and buildings known as 46 Mary Street, Porthcawl
- Term: Five years from the 1st October 2017
- Rent: £30,000pax
- Permitted Use: Guesthouse
- Repair: The lease is effectively to be on a full repairing and insuring basis.
- Assignment: The Tenant is not permitted to assign or underlet the property
- Break Clause: The Landlord can terminate the Lease at any time during the term with six months notice
- Security of Tenure: Section 24-28 of The Landlord and Tenant Act 1954 are excluded in relation to the tenancy created in the Lease.

8.3 The lease document is signed but not engrossed.

9. STATUTORY ENQUIRIES:

Planning

9.1 We have made informal enquiries of the Bridgend County Borough Council Planning Department with regard to the property.

9.2 Planning permission for the rear single storey extension was granted in June 1991 planning reference 91/0347.

9.3 The planning permission for the refurbishment of the hotel exterior reference P/08/417/FUL was granted on the 16th June 2008.

9.4 There are no outstanding applications in respect of the property.

9.5 Surrounding land uses are a mix of residential and commercial and there are no major developments likely to impact upon the property.

Fire Regulations

9.6 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 assumed that all necessary measures will be in place following practical completion of the building and that no additional costs would be incurred in order to comply.

Equality Act 2010

9.7 The Equality Act encompasses the previous Disability Discrimination Act which deals with accessibility of premises and the workplace and looks to limit discrimination in 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 for public workplace access. The Act places a Duty of Care on owners and physical changes to premises may be required for compliance purposes.

Office, Shops & Railway Premises Act

9.8 We assume that the property will comply with this legislation where appropriate.

10. RATEABLE VALUE:

10.1 We have made brief enquiries of the local authority who have informed us that the property has a rateable value of £0 and is listed as "property severely fire damaged". The previous rating listed was in 2010 when the property had a rateable value of £6,600 and was listed as "guest house and premises".

11. ENVIRONMENTAL CONSIDERATIONS:

11.1 Herbert R Thomas is not qualified to undertake environmental surveys and any observations made in this section are provided strictly on the understanding that:-

(a) We have made no formal investigation such as inspecting old maps or archive material into past uses in order to enhance our knowledge.

(b) We cannot indicate or forecast uses for the property beyond reporting the stated intentions divulged to us by the borrower.

11.2 We are unaware as to whether a Geotechnical survey has been carried out at or near the property or the result of any such survey.

11.3 The property is not in an area where problems have arisen in the past with regard to contamination or adverse ground conditions.

11.4 We have had regard to the RICS Guidance Note, Contamination, the Environment and Sustainability: Their implications for the Chartered Surveyor (2010) when considering environmental issues pertinent to the subject property.

11.5 During the course of our inspection, we did not notice any past or present contaminative land uses or other environmental features. Our inspection is limited to a visual inspection only and we cannot make any assurances that previous uses on the site or in the immediate surrounding areas have no contaminated subsoils or groundwater. We are valuing on the basis that there is no latent contamination that could aversely effect the values now being reported.

11.6 We assume that the Control of Asbestos at Work Regulations 2002 have been complied with. The detection of asbestos and related compounds is beyond the scope of Herbert R Thomas and accordingly we make no representation as to the presence or otherwise at the property.

11.7 We have referred to the Natural Resources Wales flood maps and note that the subject property does not appear to be situated within an area which is deemed to be at risk of flooding. We are valuing on this basis.

11.8 Every building contains radon, but the levels are usually low. The chances of a higher level depend on the type of ground. From our online enquiries with UK Radon.Org, we understand that the subject property falls within an area assessed as having a 5% - 10% chance of radon being present. However, during the course of our recent inspection, we did not notice any radon detectors at the premises, and assume that the property is not affected. We are valuing on this basis.

11.9 During our recent inspection, we noted no sign of invasive weed species at the property but we are not qualified to give such assurances in this respect. Our valuation has been undertaken on the basis that the property is not affected by invasive weed species, but should it be established subsequently that invasive weed species exist, this might reduce values now reported.

11.10 There is no record of an EPC for the property on the database. We are aware that it is a requirement under the EU Energy Performance of Buildings Directive (England & Wales) Regulations that a Certificate is required for marketing. Our valuation assumes that such certificate would indicate that the property is typically rated for that type of property.

11.11 We are aware that the Energy Act 2011 makes provision for EPC minimum standard requirements. All properties will need to achieve at least EPC Band E by April 2018 if they are to be sold or let/re-let. We presume that the subject property will meet the necessary minimum standard 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.

12. <u>GENERAL COMMENTS:</u>

12.1 The property does not provide disabled rooms and is therefore not DDA compliant.

12.2 There is no record of an EPC on the Landmark database for the property. In order for the property to be let an EPC with a rating of at least Band E must be in place by April 2018. It is the Landlord's responsibility and at his cost should works be required to satisfy the EPC banding.

12.3 The property is subject to a lease and trades as a guest house on a seasonal basis and was shut at the time of our inspection.

12.4 It is within an established location for guesthouses and there are a number of other competing hotels and guesthouses in close proximity.

12.5 The property is in good order throughout.

12.6 The property does not represent a particularly attractive investment due to the drafting of the Lease, the Tenant covenant and the short term nature of the letting. There is a landlord's break clause at any time subject to six months notice. In the circumstances we have based our investment value on the vacant possession figure.

12.7 The letability of the property is adversely affected by the absence of a satisfactory EPC.

13. MARKET COMMENTARY AND METHODOLOGY:

13.1 The property is more likely to be of interest to owner occupiers than investors.

13.2 We have been unable to identify any comparable investment transactions for small guesthouses in the South Wales area. We are aware of a number of investment sales in respect of large hotels with good quality covenants where gross yields as low as 6% have been achieved in the recent past.

13.3 We do not consider that there would be demand from investors for the property and any purchaser on an investment basis would have regard to vacant possession values.

13.4 An owner occupier would require the necessary notice to be served prior to purchasing.

13.5 The property is located in an established area for guest house accommodation in Porthcawl with Mary Street having a number of similar operators.

13.6 It is a popular tourist town although subject to seasonal changes.

13.7 There is currently an eight bedroom guesthouse/hotel available for sale in Mary Street at an asking price of £340,000. There is a four bedroom, two storey terraced house with an asking price of £249,000.

13.8 26 Mary Street has been converted into quality apartments with one bedrooms for sale at £135,000 plus and two bedrooms at £155,000 plus.

13.9 In addition on Mary Street the Ristorante Rava is for sale at an asking price of £425,000 and is a reasonable quality restaurant with three bedroom accommodation to the upper floors.

13.10 In terms of sales there have been very few recently on Mary Street. Number 44 a two storey terraced house sold in 2013 for £190,000 and a two bedroom flat in a small converted terraced house sold for £80,000 in September 2017.

13.11 The only guesthouses we had been able to identify that has sold recently are both on Oystermouth Road in Swansea. Number 276 sold at the beginning of 2017 for £195,000. It was an eight bedroom Bed and Breakfast providing basic accommodation. Number 266 sold in 2017 for £180,000. It provided seven bedrooms and owners accommodation but provided basic accommodation.

13.12 In terms of lettings the current rent equates to £2,500 per room per annum and includes landlords fixtures and fittings. It is difficult to draw direct comparables in respect of the rental value. An HMO in the Porthcawl area would achieve circa £175pcm per room which in this case would equate to £25,200pax. Given the quality of the property as a single let say £25,000pax.

13.13 As stated earlier however due to the nature of the lease we consider the vacant possession value to represent a figure any potential investor would pay.

14. VALUATION ANALYSIS:

14.1 The property is well located for its current use and has been refurbished and fitted out to a good standard.

14.2 It provides good sized rooms all of which have their own television and coffee making facility and the common areas are in good order throughout and have recently been recarpeted.

14.3 The two comparable sales of guest houses on Oystermouth Road, Swansea both trade as bed and breakfasts and are smaller than the subject property and less well presented but are probably the best comparables available.

14.4 Although there have been a lack of sales along Mary Street there are now currently a number of properties available with an eight bedroom hotel having an asking price of £340,000.

14.5 In the circumstances and having regard to the limited comparables available we are of the opinion that the market value on both a vacant possession and investment basis is at a figure of **£225,000**.

14.6 Values change over time, particularly when markets are unusually active or inactive. This should be borne in mind in relation to the date of the valuation.

15. BASIS OF VALUATION:

15.1 Your instructions are accepted on the basis of the Terms of Engagement referred to in the Red Book for the Valuation of Commercial and Industrial Property/Residential Property.

15.2 We have provided you with our Market Value ("MV") in accordance with the R.I.C.S. Valuation - Global Standards 2017 (the "Red Book") which came into effect on 1st July 2017..

15.3 In accordance with VPS 4 para. 1.2, Market Value ("MV") is defined as: "The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

15.4 We confirm that the interpretative commentary contained within VPS 4 has been applied and Market Value is understood as the value of an asset estimated without regard to costs of sale or purchase and without offset of any associated taxes.

15.5 In accordance with VPS 4 para. 1.3 Market Rent ("MR") is defined as: "The estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and 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."

16. VALUATION AND LOAN SECURITY CONSIDERATIONS:

16.1 In arriving at our valuation figures we have assumed that all the information with which we have been supplied is correct the property is of freehold tenure and no onerous or restrictive covenants exist within the title.

16.2 Our Market Value assumes a marketing period of 12 months within which to dispose of the property and is exclusive of VAT.

16.3 We confirm the property is suitable security at the valuation figure stated and no difficulties are likely to arise if realisation by yourselves is necessary.

17. ESTIMATED REINSTATEMENT VALUE:

17.1 The property should be insured for reinstatement purposes at a figure in the region of £450,000 (exclusive of VAT except professional fees).

17.2 This figure is indicative only and not derived from a bill of quantities.

17.3 This fire insurance valuation has not been prepared by a qualified Building Surveyor and therefore is given in good faith and as a guide only. The applicant should satisfy him/herself that the cover is adequate.

18. VALUATION:

18.1 **MARKET VALUE ("MV"):**
On the basis of valuation outlined earlier and subject to the limitations, conditions and provisos stated, we are of the opinion that the Market Value of the property on both an investment and vacant possession basis is fairly represented at a figure of:

£225,000
(Two Hundred and Twenty Five Thousand Pounds)

18.2 **MARKET RENT ("MR"):**
On the basis of valuation outlined and subject to the limitations, conditions and provisos stated, we are of the opinion that the Market Rent is fairly represented at a figure of:

£25,000 pa
(Twenty Five Thousand Pounds per annum)

19. LIMITATION AND PUBLICATION:

19.1 This valuation is prepared solely for the use of Barclays Bank plc and no responsibility is accepted to any other party for the whole or any part of its contents. It may be disclosed to other professional advisors assisting in respect of the purpose for which the valuation is prepared.

Yours faithfully,

W. Peter Davies MRICS
Chartered Surveyor and
RICS Registered Valuer
For and on behalf of Herbert R. Thomas

Jonathan Davies, BSc(Hons) MRICS
Chartered Surveyor and
RICS Registered Valuer
For and on behalf of Herbert R. Thomas

APPENDIX 1

Location Plan
(not to scale for identification only)

Location Plan
Mary Street
Porthcawl

Promap
LANDMARK INFORMATION GROUP

APPENDIX 2

Title Plan
(not to scale for identification only)

H.M. LAND REGISTRY		TITLE NUMBER WA358898	
ORDNANCE SURVEY PLAN REFERENCE	SS8176	SECTION E	Scale 1/1250 Enlarged from 1/2500
~~COUNTY MID GLAMORGAN~~ ~~DISTRICT OGWR~~			© Crown copyright 1974

FILED PLAN

This copy of the title plan is incomplete without the preceding notes page.

Mae'r copi hwn o'r cynllun teitl yn anghyflawn heb y dudalen nodiadau flaenorol.

APPENDIX 3

Photographs

46 MARY STREET, PORTHCAWL

APPENDIX 4

Copy Instructions

PLEASE SEND ALL REPORTS TO VAS PANEL

Following our recent communications, please take this as our formal instruction to carry out a valuation of the property detailed below on behalf of:

Proplend Security Limited

Please note that our client's requirements are attached. Please make sure all Lender requirements are adhered to, including their basis of valuation.

***IMPORTANT* - Please append the VAS Executive Summary to the front of your Valuation Report (Not as a separate document as this will be rejected at Audit Stage) – As agreed in our Panel Agreement**

The Service Level Agreement (SLA) for this instruction is: **5 days** from date of inspection

Should there be any reason that the SLA cannot be adhered to, VAS Panel should be notified immediately in order to keep our client informed of the delay in issuing the Report.

Your Report should be submitted electronically to info@vas-panel.com no later than 12pm on the Report return date.

THE INSPECTION DATE MUST BE COMMUNICATED TO VAS PANEL WITHIN 24 HOURS OF INSTRUCTION

Property Address:
46 Mary Street
Porthcawl
Mid Glamorgan
CF36 3YA

Estimated Value:
£250,000

Property Description:
12 room B&B with a £30k p.a. lease in place

Property Type:
Guest Houses / B&B's

Type of Report Requested:
Red Book + VAS Panel Exec Summary

Valuation Requirements:
AS IS – Please book in ASAP

Additional Information:
N/A

Report to be carried out on behalf of:
Proplend Security Limited
20-22 Wenlock Road, London, N1 7GU

Applicant Name:
Raise Property 1 Limited

Access Arranged Through:
Sunny Panwar

Access Contact Details:
07949 619 243/ sunny@raisecapitalgroup.com

NB: Copies of the Report are NOT to be distributed to any third party, including Brokers or the Applicant, without full consent of VAS Panel. Valuation figures are also not to be disclosed to those parties stated without written consent from VAS Panel, failure to acquire consent may result in exclusion from the panel.

Please note: All Valuation reports are audited by our affiliated valuation audit company Valuation Audit Services UK Ltd (VAS Audit) The emphasis of the audit will be centred around rental/ sales comparables with full methodology and justification of your valuation approach.

We trust the above is self-explanatory, however; should you require any further information or assistance please do not hesitate to contact us.

Kind Regards,

Team VAS

T: 01642 262 217
A: The Palace Hub I 28-29 Esplanade I Redcar I TS10 3AE
W: www.vas-panel.com

VAS | PANEL

Proplend Security Limited
20-22 Wenlock Road
London
N1 7GU

Ref: Raise Property 1 Limited

Dear Sirs,

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:	Raise Property 1 Limited
Properties:	46 Mary Street, Porthcawl, Wales, CF36 3YA
Tenure:	Freehold
Use:	12 room guest house
Tenancies:	Leased to an individual
Access:	TBC

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:

1. The Market Valuation for loan security purposes of the Property in its 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.
2. A valuation of the Property on the assumption that the Property was being sold without the benefit of a going concern.
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 commentary on continued likely market demand for properties of this size and nature, in this location, for sale and to let.
6. Please provide an estimated reinstatement cost of the buildings for insurance purposes.
7. Please provide a full description of the Property to include its accommodation, its size, its 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 Property.
8. Please certify that the Property is 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.

Contact Details

Please contact Philip Gould on 0203 397 8290 if you have any queries regarding this instruction.

Please send a copy of your report by email in the first instance to admin@proplendsecurity.com with hard copy to 15 Little Green, Richmond TW9.

Yours Sincerely,

Philip Gould

Philip Gould
Proplend Security Ltd