

Valuation Report

The Roebuck, 84 Ashmole Street,
Kennington, London, SW8 1NE

Prepared on behalf of Proplend Security
Limited

10th August 2018

Contact details

Lender: Proplend Security Limited, 15 Little Green Richmond Surrey TW9 1QH
Stewart Bruce | E: sbruce@proplend.com | Ref: Butlers Walsall Limited

Valuer: Belleveue Mortlakes, 4 Crossfield Chambers, Gladbeck Way, Enfield, EN2 7HT
Hinesh Varsani BA (Hons) PGDip MScSurv MRICS FNARA RPR MABRP & Samir Faiad BSc (Hons) MRICS
T: 020 8367 9555 | E: hvarsani@bmortlakes.com | Ref: BM016824

**Inspection &
Valuation Date:** 09/08/2018

Executive Summary



Front Elevation

The executive summary below is to be used in conjunction with the valuation report to which it forms part and is subject to the assumptions, exclusions and bases of valuation stated herein and should not be read in isolation.

Address	The Roebuck, 84 Ashmole Street, London, SW8 1NE	
Property Type	Ground Floor – Public House Upper Part – Non Self-Contained Residential	
Market Rent	Entire Building £58,000 pa	
Market Value	£1,350,000 (One Million, Three Hundred & Fifty Thousand Pounds)	
Building Reinstatement	£910,000 (Nine Hundred & Ten Thousand Pounds)	
Liquidity	Disposal Period:	4-6 months
	Lettings:	6-9 months

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- Appendix 1 - Instruction Documentation / General Terms of Business
- Appendix 2 - Standard Limitations & Assumptions
- Appendix 3 - Market Commentary & Economic Overview

1. Instructions

Instructions	1.1	We refer to your instruction letter received 02/08/2018 and to our subsequent acceptance thereof, to provide a valuation report on The Roebuck, 84 Ashmole Street, London, SW8 1NE ("the property"). Copies of these documents are attached at Appendix 1 .
	1.2	This valuation has been carried out in accordance with your instruction letter, the 'model conditions of engagement between the lender and valuer' as set out in the RICS Valuation – Professional Standards incorporating the International Valuations Standards July 2017 Global Edition ('The Red Book') and our General Terms of Business for Valuations ("General Terms of Business").
Client	1.3	Our client for this instruction is Proplend Security Limited ("the Client").
Your Customer	1.4	We understand that your customer is Butlers Walsall Limited ("the Customer").
Valuation Standards	1.5	The Valuation has been undertaken in accordance with the RICS Valuation – Professional Standards incorporating the International Valuations Standards July 2017 Global Edition ('The Red Book').
Purpose of Valuation	1.6	Secured lending purposes.
Conflicts of Interest	1.7	In preparing this report, we confirm that we are acting as External Valuers and we are not aware of any conflict of interest in this respect.
Professional Indemnity	1.8	We confirm that our Professional Indemnity Insurance provides cover for £10,000,000 (per claim). We further confirm that Bellevue Mortlakes have had no historic claims.
Third Party Reliance	1.9	This report has been prepared on behalf of our Client and no responsibility is accepted to any third party.
Disclosure & Publication	1.10	Neither the whole nor any part of this valuation report, nor any reference thereto may be included in a published document, circular or statement, nor published in any way without the prior written approval of Bellevue Mortlakes of the form or context in which it may appear.
	1.11	This Report is for the use of the party to whom it is addressed and should only be used within the context of the instructions under which it is prepared and these assumptions. It may be disclosed to other professional advisers assisting in respect of that purpose. No responsibility is accepted to any third party for the whole or any part of its contents.
Valuation Date	1.12	An inspection of the property was undertaken on 09/08/2018, hereon referred to as the date of valuation.
Expertise	1.13	This report has been prepared by Hinesh Varsani BA (Hons) PGDip MScSurv MRICS FNARA RPR MABRP & Samir Faiad BSc (Hons) MRICS who are RICS Registered Valuers. We also confirm that the individual carrying out this valuation has the appropriate knowledge, skills and experience to undertake the valuation competently.

Mandating	1.14	The report and valuation has been mandated by Michael Yianni BSc (Hons) MRICS as part of Belleveue Mortlakes quality assurance procedures.
Valuation Bases	1.15	The RICS definitions of Market Value and Market Rent are contained within our General Terms of Business. In accordance with your instructions, we have provided opinions of the value on the following bases:-
Market Value (MV)	1.16	The Market Value in its current condition, with vacant possession.
Market Rent (MR)	1.17	The Market Rent of the property. Our letting assumptions are set out in the Valuation Section of this report.
Readers Guidance Notes	1.18	Clients should note that this valuation report should not be relied upon in isolation and should be read in conjunction with our Standard Limitations & Assumptions, copies of which are attached at Appendix 2 .
	1.19	Factual information contained within this report has been summarised, the context of each element will not be fully understood, unless it is read in conjunction with our Standard Limitations & Assumptions, which provides detailed commentary and explanation of each element of this report.
	1.20	The Standard Limitations & Assumptions set out our assumptions, restrictions, limitations and exclusions.

2. The Property

Situation / Location	2.1	The subject property is situated along Ashmole Street, close to its junction with Claylands Road, within Vauxhall (London Borough of Lambeth); a typically densely populated South London district located approximately two and a half miles south of Central London.
	2.2	The surrounding area represents a generally 'medium value' mixed use area, comprising housing of varying style and character, targeted at mainly medium level income groups.
	2.3	The area benefits from reasonable demand from both the rental and vacant possession sectors due to its location close to the Central London employment market and good infrastructure links.
	2.4	Comprehensive retailing facilities comprising of national covenants can be found nearby along Camberwell New Road (A202).
	2.5	Oval (Northern Line) London Underground Station is situated in close proximity, to the west of the property and numerous bus routes serve the surrounding area.
	2.6	A location map can also be found within Section 8 .
Description	2.7	The subject property comprises the freehold interest in a two storey, detached building, arranged as a ground floor public house, with residential accommodation at first floor (non self-contained). The building appears to have been constructed circa 1980s.
	2.8	As at the date of inspection, the property did appear to be occupied and in use as a storage area, by the neighbouring garage workshop, however we are not aware of the nature of this agreement. It is our understanding that the property can be sold on a full vacant possession. We reserve the right to amend our valuation, should there be any variation from the information provide to us.
Construction Details	2.9	The main walls of the subject property are of cavity brickwork construction, beneath an assumed flat roof behind a parapet wall. There were no views of the roof due to the height and configuration of the building. The single storey sections to the side and rear of the property are also constructed of cavity brickwork rising to a flat roof covered with a bituminous substance behind a parapet wall.
	2.10	Floors throughout the building are of a mixture of solid concrete and suspended timber construction.
	2.11	Natural lighting and ventilation is provided by predominantly single glazed timber framed windows, with double glazed windows.
	2.12	Internally, the property is in moderate order throughout, however we do note that the majority of the ground floor space is occupied by car and mechanical parts. Externally, items of disrepair were noted; however these defects are consistent for a property of this age and type and should prove capable of remedy by routine maintenance.
General Remarks	2.13	As mentioned above, the ground floor area is generally occupied by several car and mechanical parts, which provides restrictive views to these areas.
	2.14	Illustrative photographs can be found within Section 9 .

Significant Issues	2.15	Overall, for loan security purpose, no significant defects or items requiring urgent attention were noted which would be likely to require a retention or be the subject of a condition of the mortgage advance.								
Economic Life	2.16	Subject to regular maintenance and decoration it is anticipated that the building will retain a useful economic life of at least twenty-five years.								
Services	2.17	It would appear from our inspection that mains supplies of gas, electricity and water are provided to the property. Soil drainage is believed to be discharged to the public sewer.								
Accommodation	2.18	<table border="1"> <tr> <td data-bbox="421 533 740 622">Ground Floor</td> <td data-bbox="756 533 1485 622">Open plan public house/restaurant area, bar, separate female, male and disabled W.Cs, conservatory, various stores and a kitchen.</td> </tr> <tr> <td data-bbox="421 645 740 705">First Floor</td> <td data-bbox="756 645 1485 705">Open plan reception/kitchen, utility/store room, three bedrooms, shower room and a separate W.C.</td> </tr> <tr> <td data-bbox="421 728 740 750">Net Internal Area</td> <td data-bbox="756 728 1485 750">309.00 sq m (3,326 sq ft)</td> </tr> <tr> <td data-bbox="421 772 740 801">External</td> <td data-bbox="756 772 1485 801">Rear and side yard space.</td> </tr> </table>	Ground Floor	Open plan public house/restaurant area, bar, separate female, male and disabled W.Cs, conservatory, various stores and a kitchen.	First Floor	Open plan reception/kitchen, utility/store room, three bedrooms, shower room and a separate W.C.	Net Internal Area	309.00 sq m (3,326 sq ft)	External	Rear and side yard space.
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Net Internal Area	309.00 sq m (3,326 sq ft)									
External	Rear and side yard space.									

3. Tenure & Tenancy

Tenure	3.1	The Office Copy provides the following information:	
	3.2	Title No.	310165.
	3.3	Tenure	Freehold.
	3.4	Proprietor	Butlers Walsall Ltd (Company No. 06596132).
	3.5	Price / Date	£1,100,000 plus £198,000 (27 th November 2015).
	3.6	Lenders Security/Demise	A Land Registry title plan can be found within Section 10 .

Tenancy	3.7	As at the date of inspection, the property did appear to be occupied and in uses as a storage area, by the neighbouring garage, however we are not aware of the nature of this agreement. It is our understanding, that the property can be sold on a full vacant possession and have valued accordingly.
		We reserve the right to amend our valuation, should there be any variation from the information provide to us.

4. Statutory & Legal Matters

Planning Enquiries	4.1	We have made informal enquiries with the Local Planning Authority responsible for this area, via their website.									
Use Class	4.2	A4 – Public House.									
Planning History	4.3	<table border="1"> <thead> <tr> <th>Ref. No.</th> <th>Description</th> <th>Decision & Date</th> </tr> </thead> <tbody> <tr> <td>97/01866/FUL</td> <td>The erection of a single storey rear kitchen extension.</td> <td>Granted 21.05.98</td> </tr> <tr> <td>88/00077/PLANAP</td> <td>Redevelopment to provide a new public house with erection of single storey conservatory. (Regd. Plan Nos. 18720/0077/88. Applicant's Plan Nos. 136/3A.)</td> <td>Granted 09.06.88</td> </tr> </tbody> </table>	Ref. No.	Description	Decision & Date	97/01866/FUL	The erection of a single storey rear kitchen extension.	Granted 21.05.98	88/00077/PLANAP	Redevelopment to provide a new public house with erection of single storey conservatory. (Regd. Plan Nos. 18720/0077/88. Applicant's Plan Nos. 136/3A.)	Granted 09.06.88
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Significant Matters	4.4	N/A .									
Planning Restrictions	4.5	The property is not listed as a building of historical or architectural importance, however does form part of 'St Marks Conservation Area'. Therefore, special planning controls may apply.									
Highways	4.6	Adopted.									
Service Roads / Communal Areas	4.7	No.									
Rateable Value	4.8	£14,000 – Public House & Premises.									
EPC Rating	4.9	C.									

5. Environmental Considerations

Flooding Risks	5.1	Risk of Flooding From Rivers & Sea	Very Low
		Risk of Flooding From Reservoirs	Very Low
		Risk of Flooding From Surface Water	Low
Contamination	5.2	From our basic enquiries and from our inspection of the property and its surroundings, we have no reason to believe that contamination is present.	
Plant Life	5.3	At the time of inspection no obvious evidence of any harmful vegetation was found on the site.	
Radon	5.4	The property is in a part of the country where there is a very low likelihood of radon posing a potential risk to health.	

6. Comparable Evidence & Market Analysis

Lettings Evidence

Address	Description	Letting Terms	Tenant	Rent Per Annum	Rent £ per sq ft	Date of Transaction	Comments
The Oval Lounge, 24 Clapham Road, SW9 0JG	A3 retail unit – 1,926 sq ft	An assignment of an existing lease, expiring 28 th September 2027, subject to a rent review on the 29 th September 2017.	Undisclosed	£31,000	£16.10	September 2017	Situated along a superior trading location, however we note that the rent review is yet to be triggered.
Inigo, 642 Wandsworth Road, SW8 3JW	A4 retail unit – 3,382 sq ft	Ten year lease, subject to a rent review in year five, providing a six month rent free period.	Most Wanted Events	£90,000	£26.61	September 2017	Situated along a superior trading location, forming part of a busy high street.
Hunstman & Hounds, 70 Elsted Street, SE17 1QG	A4 retail unit – 1,463 sq ft	Ten year lease, subject to a rent review in year five.	Market Taverns Limited	£15,000	£10.25	July 2017	Situated along an inferior trading location.
270 Cavendish Road, SW12 0BT	A4 retail unit – 2,582 sq ft	Undisclosed terms.	Undisclosed	£50,000	£19.36	April 2017	Situated along a superior trading location.
320 Old Kent Road, SE1 5UE	A4 Public House – 4,130 sq ft	Fifteen year lease, subject to a rent review in January 2019 and three yearly thereafter.	Rock Island Food & Leisure Ltd	£55,000	£13.32	March 2017	Situated along a superior trading location. Larger units of this nature, will tend to achieve a lower £ per sq ft rate, owing to quantum.

Sales Evidence

Address	Description	Sold Price	£s / Sq Ft	Date of Transaction	Comments
Glenmore Arms, 41 Edison Grove, SE18 2DW	A freehold interest in a two storey (plus basement), detached public house, measuring approximately 3,467 sq ft, benefitting from associated parking. The property has granted planning consent to form five self-contained flats.	£870,000	£251	March 2018	Situated in an inferior trading location, however benefits from granted planning permission to form residential accommodation.
The Duke Of York, 47-48 Borough Road, SE1 1DR	A freehold interest in a Grade II listed, three storey (plus basement), end-terraced building, comprising of a basement, ground and first floor public house, with a non-self-contained flat to the second floor, measuring approximately 4,562 sq ft, sold as an investment.	£1,660,000	£364	November 2017	Situated in a superior trading location and also consists of residential accommodation to the second floor. Larger properties of this nature will tend to achieve a lower £ per sq ft rate, owing to quantum.
Nag's Head, 242 Camberwell Road, SE5 0DP	A freehold interest in a two storey (plus basement), end-terraced building, comprising of a basement and ground floor public house, with a non-self-contained flat to the first floor, measuring approximately 3,162 sq ft, sold as an investment.	£1,100,000	£347.33	November 2017	Situated in a similar trading location and also consists of residential accommodation to the first floor.

Sales Evidence

Address	Description	Sold Price	£s / Sq Ft	Date of Transaction	Comments
The Royal Standard, 180 High Street, SW19 2BN	A freehold interest in a two storey (plus basement), end-terraced building, comprising of a basement, ground and first floor public house, with a non-self-contained flat to the second floor, measuring approximately 3,574 sq ft, sold as an investment.	£1,100,000	£308	July 2017	Situated in a superior trading location. We find this transaction to be slightly lower the usual market trends.
515 Fulham Road, SW6 1HD	A freehold interest in a three storey (plus basement), end-terraced building, comprising of a basement, ground and first floor public house, with a non-self-contained flat to the second floor, measuring approximately 6,619 sq ft, sold as an investment.	£3,500,000	£529	May 2017	Situated in a similar trading location and also is within close proximity to Chelsea Football Club, immediately opposite the main entrance. Larger properties of this nature will tend to achieve a lower £ per sq ft rate, owing to quantum.
The Idle Hour, 62 Railway Road, SW13 0PQ	A freehold interest in a two storey, mid-terraced building, comprising of ground floor public house, with a non-self-contained flat to the first floor, measuring approximately 2,336 sq ft.	£1,300,000	£557	April 2017	Situated in a similar trading location, however we note that the property was sold with the benefit of granted planning consent to form three self-contained residential units. Smaller properties of this nature will tend to achieve a higher £ per sq ft rate, owing to quantum.

Market Commentary & Economic Overview	6.1	An excerpt from a recent RICS Property Market Survey is included at Appendix 3 .
	6.2	In arriving at our Market Value / Market Rent we have, where possible, analysed the latest transactional evidence available. When considering our reported values we have also relied upon a greater degree of judgement having regard to market sentiment, than would be applied under more certain market conditions.
Demand	6.3	If priced correctly the property would be popular with a range of owner occupiers / investors / developers.
Liquidity	6.4	<p>The property should sell/let within timescales mentioned below at our opinion of Market Value/Market Rent assuming current market conditions and in the condition and standard of presentation as at the valuation date.</p> <p>Sale: 4-6 months Letting: 6-9 months</p> <p>We would recommend that the property is sold via private treaty / auction as being the most effective method of disposal.</p> <p>A rent incentive of up to 3 months may be required in order to secure a commercial tenant, thus the total rental diminution for this element may be between 9 – 12 months.</p>

7. Valuation

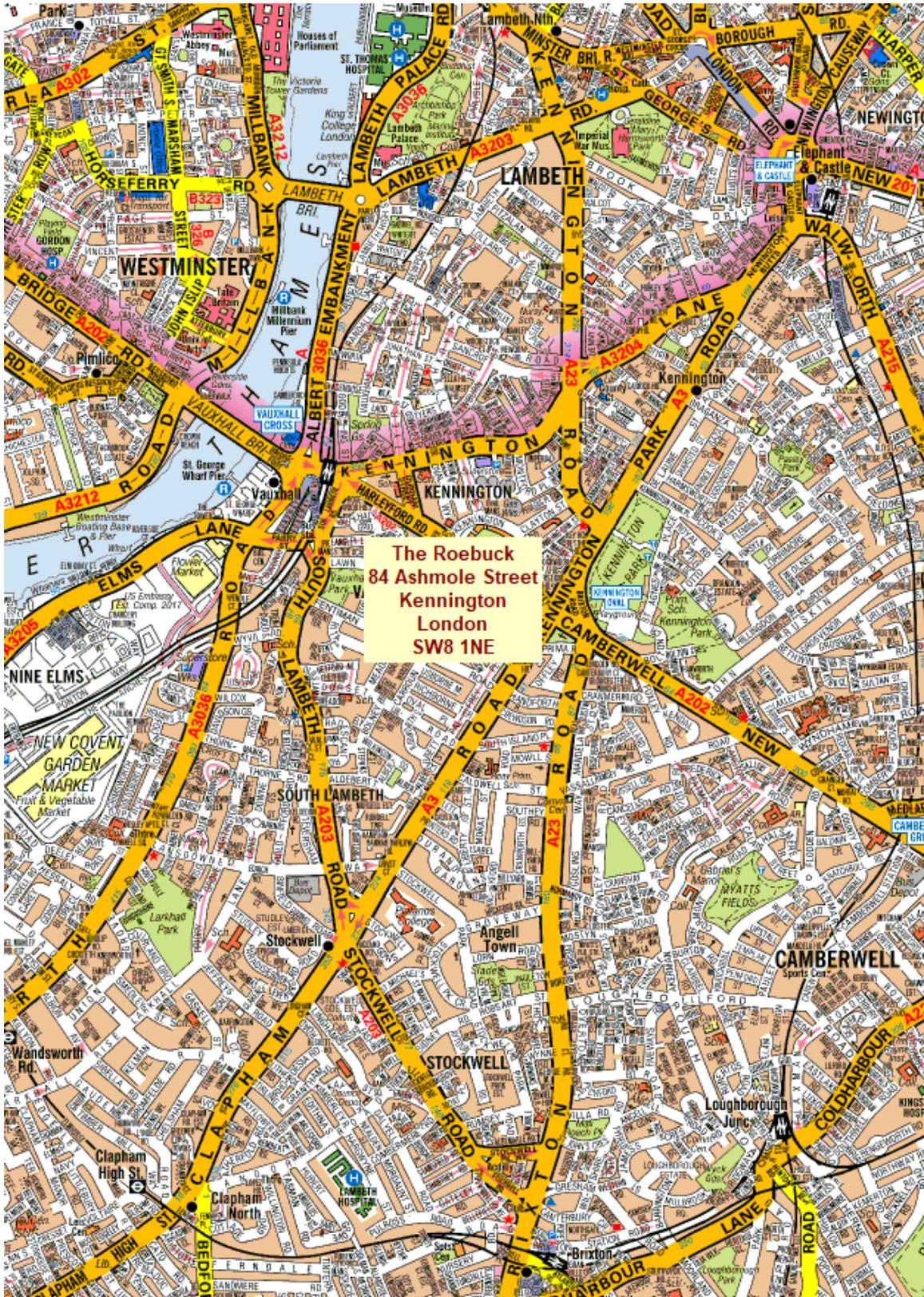
Methodology	7.1	Comparable.
Rental Values	7.2	The general consensus of professional opinion is that similar retail units will achieve rents in the region of £12.50 - £20.00 per sq ft (FRI lease terms) depending upon size, layout, specification and permitted use.
	7.3	We are of the opinion that the Market Rent for the retail element, if let on standard commercial terms (5 year FRI lease, with option to break in year 3), is fairly reflected in the sum of £58,000 per annum (circa £17.44 per sq ft).
Capital Values	7.4	The general consensus of professional opinion is that similar properties will achieve values on a capital value per sq ft basis ranging from £375.00 - £425.00 per sq ft depending upon layout, specification and permitted use.
Capital Value Calculation	7.5	For ease of reference the gross internal area of the property is 309 sq m (3,326 sq ft). We have, therefore, adopted a rate of circa £405 per sq ft, to arrive at a Market Value of, say, £1,350,000.
Valuers Comments	7.6	It should also be noted that the property benefits from asset management potential, which may include conversion into residential accommodation, under permitted development. This will enhance rental/capital values, subject to vacant possession, planning permission and usual statutory regulations. We therefore anticipate that if the property was sold with granted planning consent, as a development, it is not atypical for the property of this nature, to sell at premium price.
Market Value	7.7	We are of the opinion that the Market Value of the freehold interest in the property, with full vacant possession, in the condition found at the time of our inspection as at the assumed date of valuation, is fairly reflected in the sum of: £1,350,000 (One Million, Three Hundred & Fifty Thousand Pounds).
Market Rent (Retail)	7.8	We are of the opinion that the Market Rent for the property, if let on standard commercial lease terms (year FRI lease, with option to break in year), as at the date of valuation is: £58,000 per annum
Building Reinstatement	7.9	We would recommend that the property be insured for a minimum sum of: £910,000 (Nine Hundred & Ten Thousand Pounds).
Suitability for Lending	7.10	Subject to the comments in this report we consider the property offers good security for loan purposes.

**Lenders
Action Points**

7.11

- We are not legal advisors and as with all legal documentation the lenders legal advisors should confirm that our understanding of the tenure and tenancies is correct.
 - The lenders legal advisors should confirm the valuation has been prepared in accordance with the statutorily permitted use and that acceptable consent from all parties concerned is in place.
 - Local authority enquiries have been made, however these are limited and your legal advisors may discover adverse information within their searches which should be brought to our attention.
 - The lenders legal advisors should confirm that the interest under consideration has a good and marketable title.
-

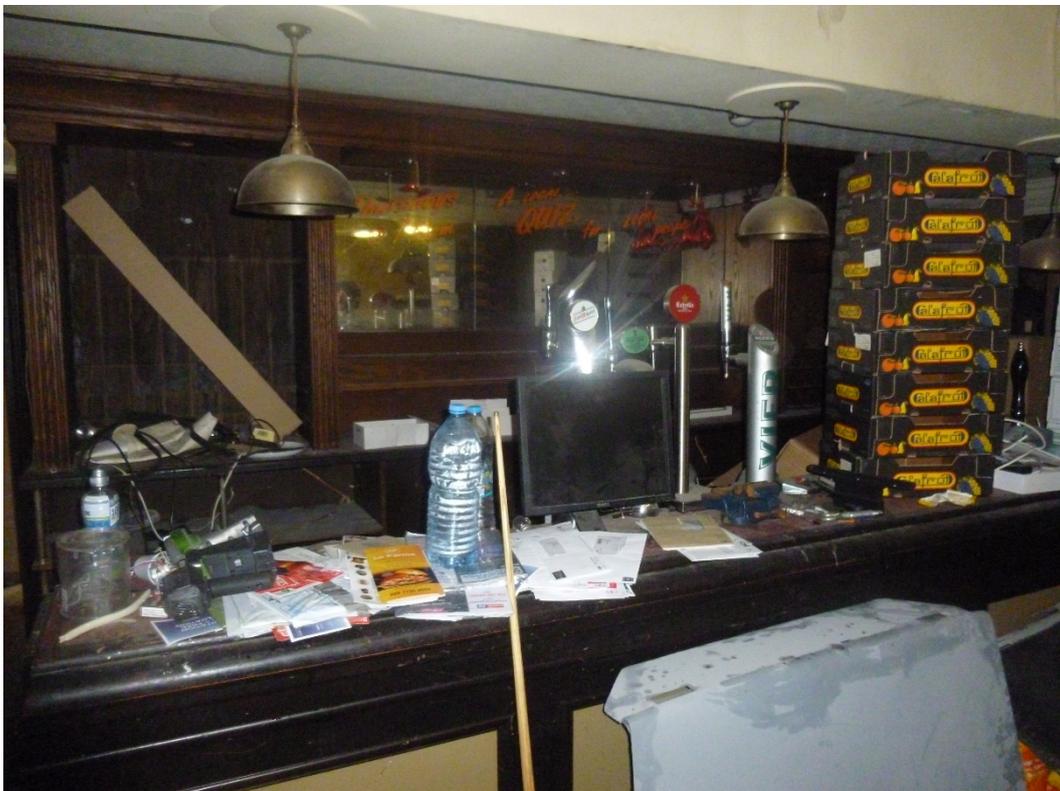
8. Location Map



9. Property Photographs



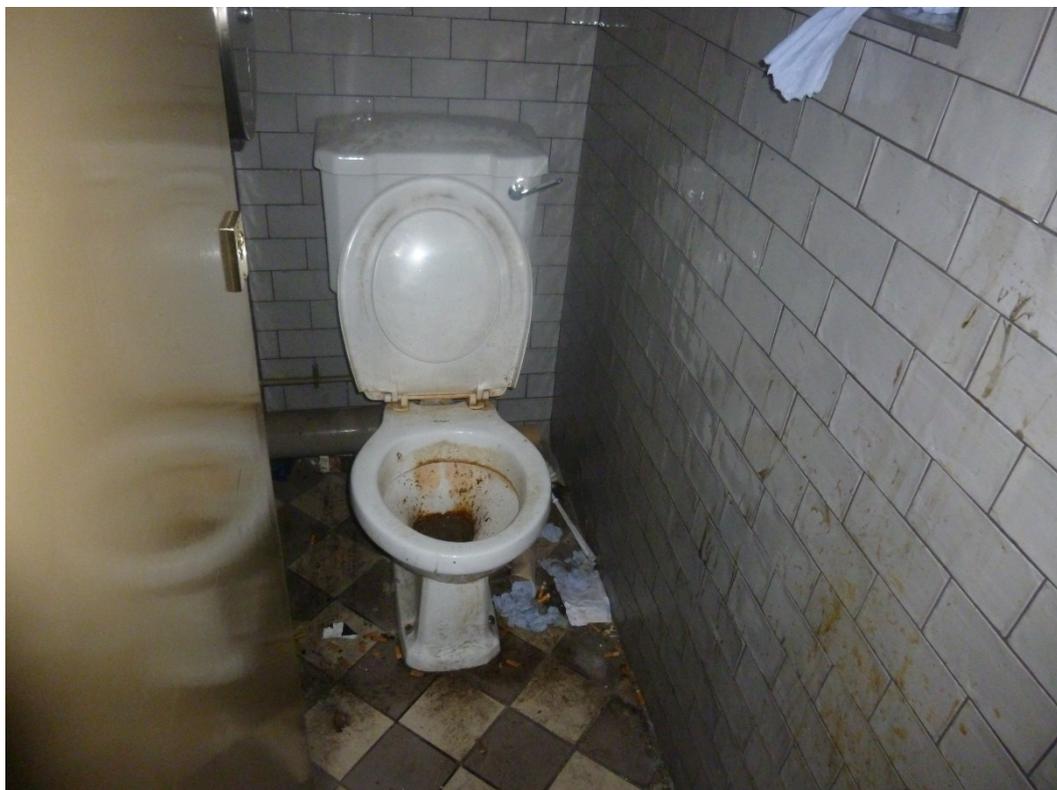
Street Scene



Ground Floor – Bar Area



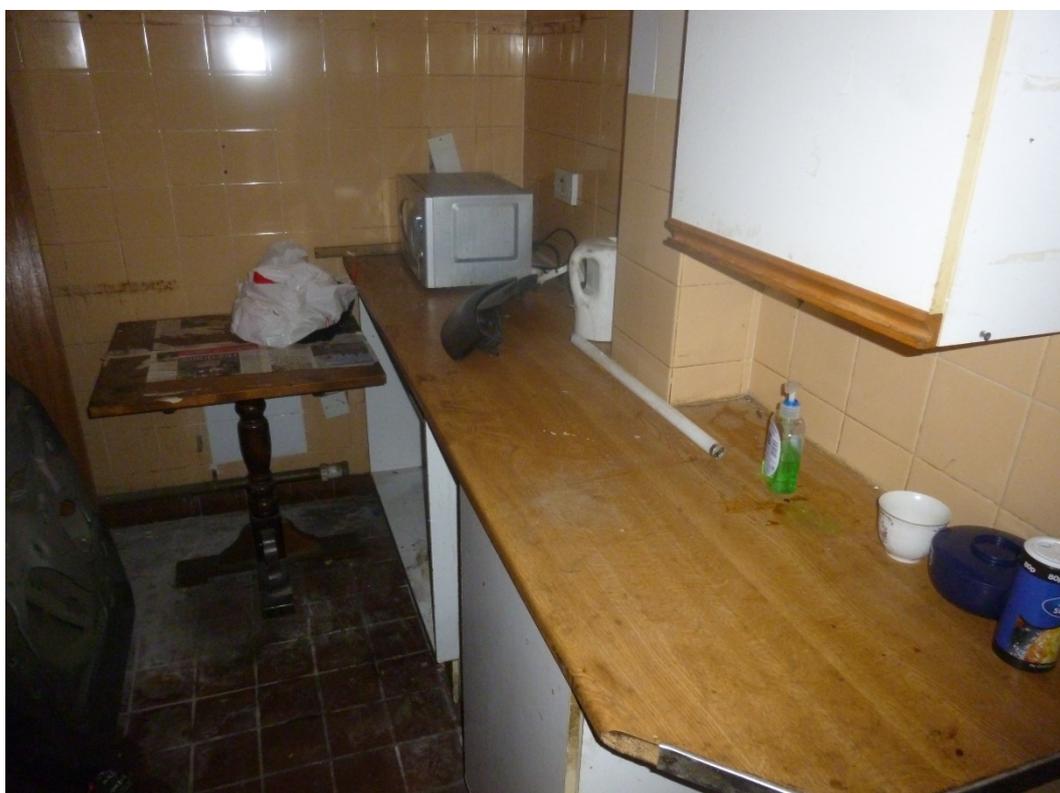
General Internal Area



Ground Floor – Typical WC



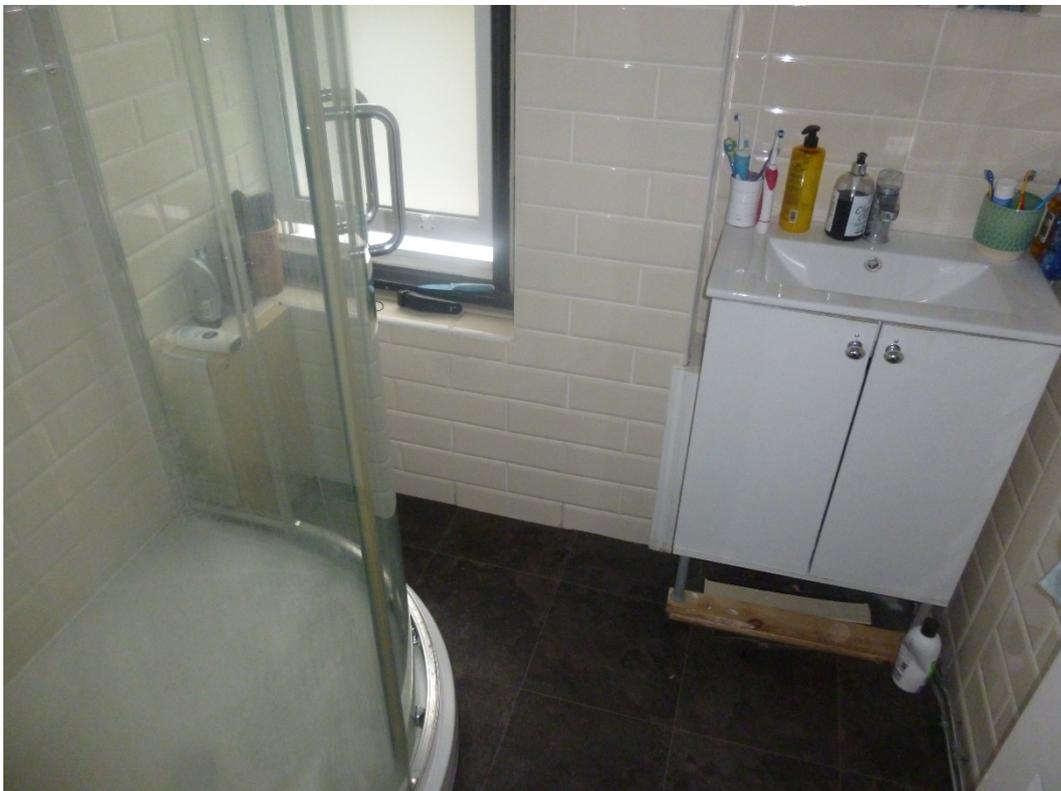
Ground Floor – Internal



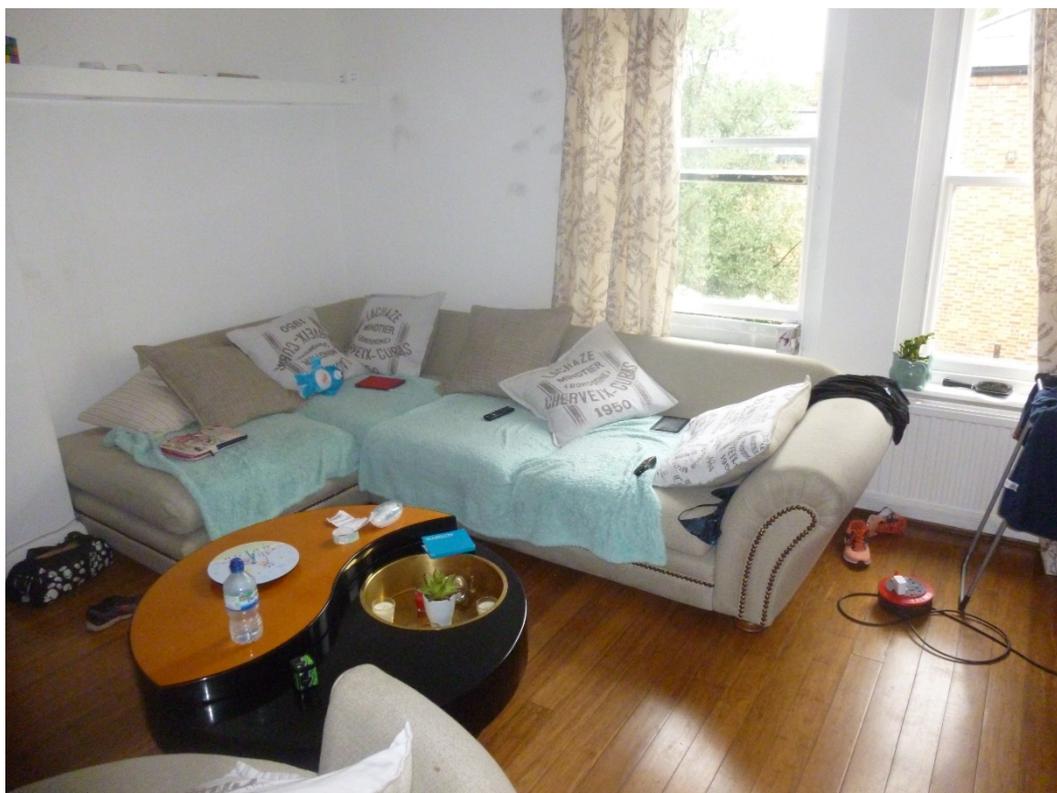
Ground Floor – Kitchen / Prep Area



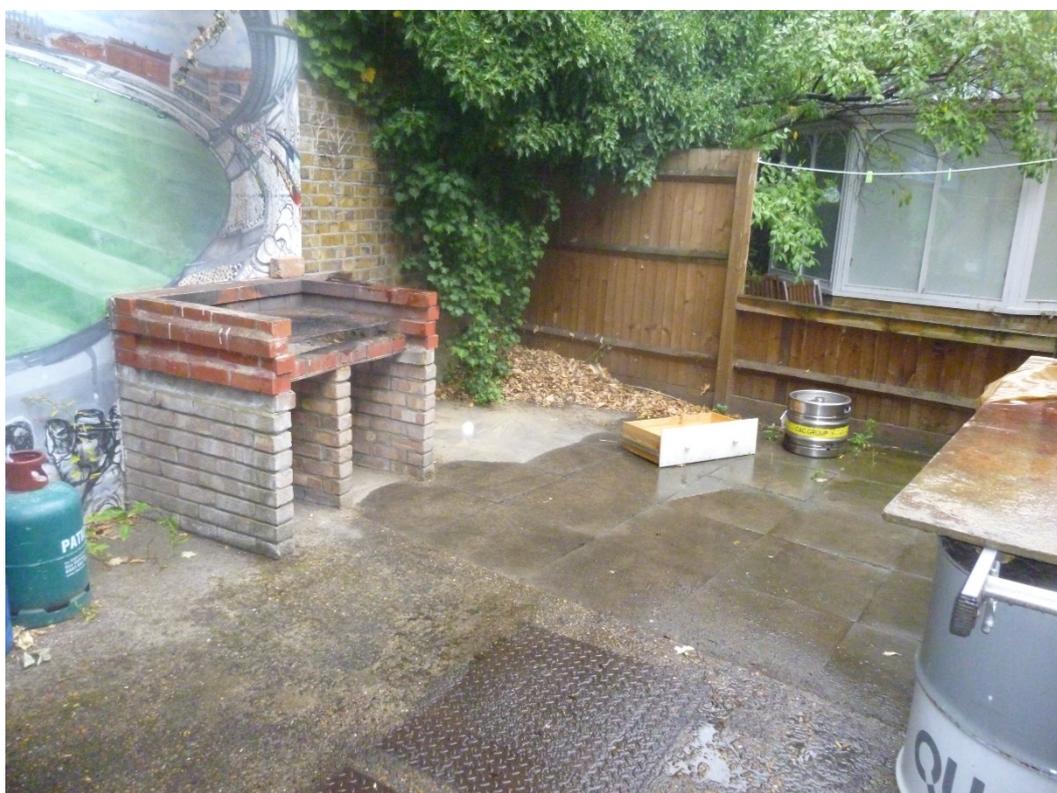
First Floor - Kitchen



First Floor – Shower Room



First Floor – Living Area



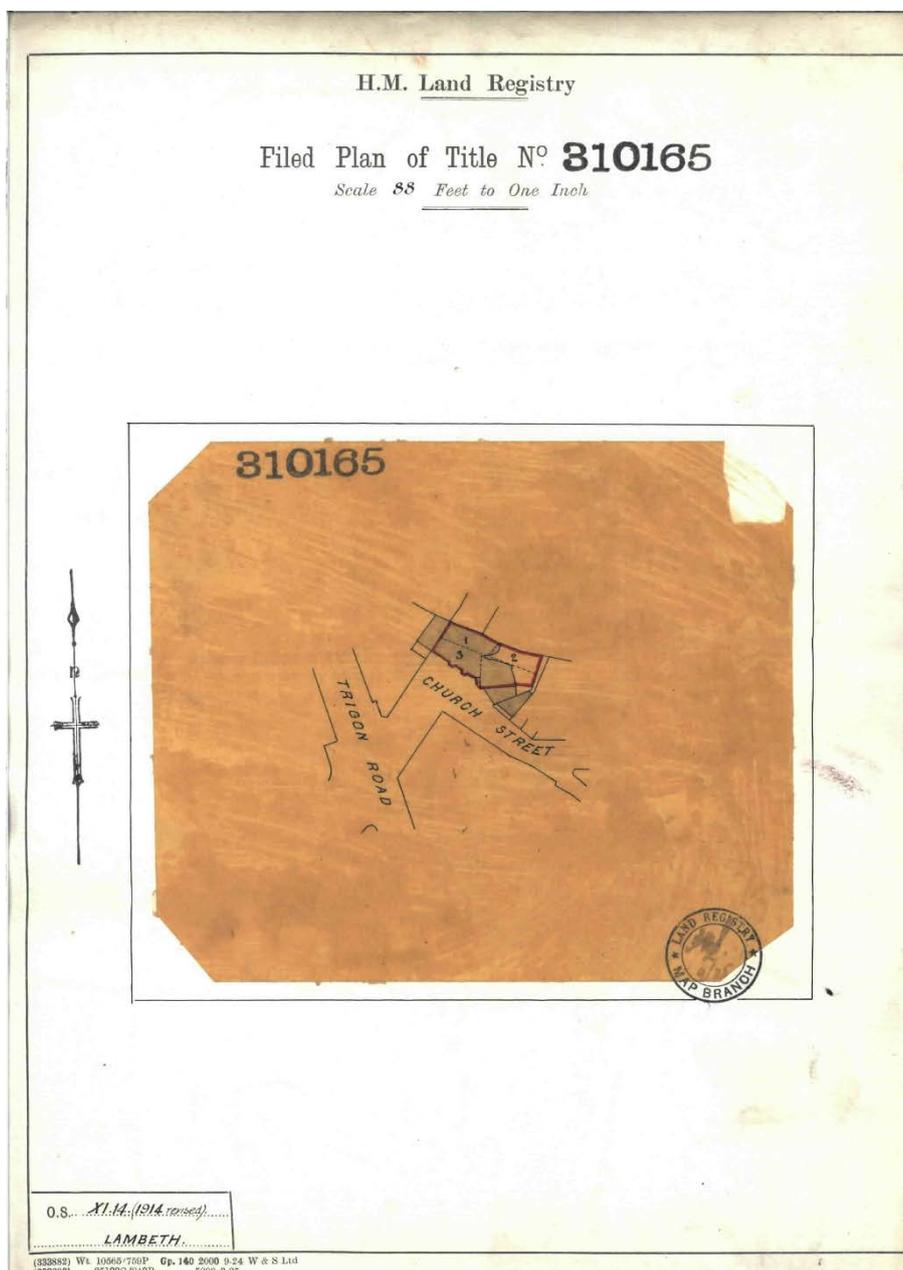
Typical Yard Space

10. Land Registry - Title Plan

Lenders Security

The area etched in red on the title plan reflects the demise of the subject property and lenders security.

We have not been provided with a Report on Title, however, if one is produced we will be pleased to review and pass comment.



This is a print of the view of the title plan obtained from HM Land Registry showing the state of the title plan on 02 August 2018 at 09:53:44. This title plan shows the general position, not the exact line, of the boundaries. It may be subject to distortions in scale. Measurements scaled from this plan may not match measurements between the same points on the ground.

This title is dealt with by HM Land Registry, Telford Office.

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We trust that this report is satisfactory for your current requirements, but, if we can be of further assistance, please do not hesitate to contact us.

Yours faithfully

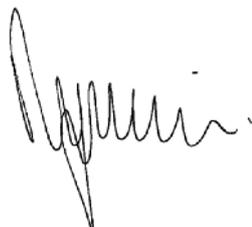


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Chartered Surveyor

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