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## VALUATION REPORT

**166A & 166B AIGBURTH ROAD &  
2 DALMENY STREET  
AIGBURTH  
LIVERPOOL  
L17 7BR**

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Prepared on Behalf of

**Proplend Security Limited  
15 Little Green  
Richmond  
TW9 1QH**



**OCTOBER | 2018**

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Your ref:

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For the attention of Mr Brian Bartaby

10 October 2018

Dear Sir

**VALUATION – 166 AIGBURTH ROAD & 2 DALMENY STREET, AIGBURTH, LIVERPOOL L17 7BR**

**1.0 INTRODUCTION**

**Purpose of Valuation**

In accordance with your written instructions, we have inspected the Subject Property for the purpose of advising as to its Market Value for loan security purposes.

You have informed us that the Bank's Customer in respect of this instruction is Liverpool Pizza Slice Ltd.

**Inspection**

An inspection of the Subject Property was undertaken on the 26 September 2018, at which time weather conditions were sunny and clear.

**Name and Status of Valuer**

The inspection was undertaken by Phil Winckles BSc (Hons) MRICS acting as an external valuer. He is also an RICS Registered Valuer and has sufficient knowledge and skills necessary to undertake the valuation competently.

**Nature of Property and Interest**

The Subject Property comprises a mixed use end of terrace commercial premises arranged over three storeys, plus attic and basement. Internally the accommodation provides a retail unit over part ground and basement level together with two self-contained flats. The flats are both currently let to students providing a five and six bedroom dwelling with shared living accommodation to each.

We understand that the Subject Property is held freehold subject to the tenancies indicated.

## **Basis of Valuation**

The valuation set out within this report is made in accordance with the RICS Valuation – Global Standards 2017. We would confirm that the valuation may be subject to monitoring under RICS conduct and disciplinary regulations. Our instructions are to provide an assessment of Market Value and Market Rent of the property and these are defined by the Standards as set out below:

We have assessed Market Value in accordance with VPS4 and IVS 104 paragraph 30.1 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."*

We have assessed Market Rent in accordance with VPS4 and IVS 104 paragraph 40.1 as

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

## **Previous Involvement/Conflicts of Interest**

We have previously undertaken a valuation of the Subject Property for yourselves. We do not consider there to be a conflict of interest in this instance.

## **Sources of Information**

We have relied upon information supplied to us by your Customer in relation to the extent of the demise, nature of interest to be valued and any tenancies. We have obtained confirmation of the passing rental from your Customer but have not had sight of the current residential tenancies.

Informal enquiries have also been made with the Local Authority in relation to planning and highway issues and via the internet in relation to rateable value and other issues. These informal enquiries should be verified formally by your solicitors. Copies of the current HMO licences have not been received.

## **2.0 EXECUTIVE SUMMARY**

### *Location:*

The Subject Property is located within Aigburth, a residential suburb situated approximately four miles to the south of Liverpool City Centre. Aigburth Road is recognised as a secondary retailing area. The area is characterised by a high density of retail, residential and commercial users. The Subject Property is situated fronting Aigburth Road at its junction with Dalmeny Street.

### *Description:*

The Subject Property comprises a mixed use end of terrace commercial premises arranged over three storeys, plus attic and basement. Internally the accommodation provides a retail unit over part ground and basement level together with two self-contained flats. The flats are both currently let to students providing a five and six bedroom dwelling with shared living accommodation to each.

<i>Tenure:</i>	We understand that the Subject Property is held freehold subject to the tenancies indicated.
<i>Valuation Date:</i>	26 September 2018.
<i>Market Value:</i>	£685,000 (SIX HUNDRED AND EIGHTY FIVE THOUSAND POUNDS).
<i>Market Value (Subject to the special assumption of vacant possession):</i>	£600,000 (SIX HUNDRED THOUSAND POUNDS).
<i>Market Rent:</i>	£69,200 (SIXTY NINE THOUSAND TWO HUNDRED POUNDS) PER ANNUM.
<i>Suitability for Loan Security Purposes:</i>	Subject to the comments stated, we are of the opinion that the property provides acceptable security and has an economic life in excess of 25 years.

### **3.0 LOCATION**

The Subject Property is located within Aigburth approximately four miles to the south of Liverpool City Centre. The wider area of Aigburth continues to be a popular residential area, due to the facilities on offer to its residents. There is a large availability of open and recreational space such as Sefton Park, Otterspool Promenade and the recently refurbished Festival Gardens.

The popular Lark Lane area of Aigburth is a short walking distance from the Subject Property and is widely considered to be one of the City's most 'bohemian' quarters with an abundance of restaurants, bars and cafes. The area was recently featured in the Guardian's 2015 list of 'best urban places to live' in the country.

The area surrounding the Subject Property is largely residential in character and is predominately made up of terraced properties. However, there are a substantial amount of larger detached and semi-detached properties located on the opposite side of Aigburth Road around Sandringham Drive, Alexandra Drive and Parkfield Road.

Aigburth is served by Aigburth Road (A561) which links the area to Liverpool City Centre, approximately 4 miles to the north. Aigburth Road supports a number of retailers ranging from national brands, such as Tesco, Home Bargains and Subway, through to a variety of smaller independent shops and fast food outlets that are operated by local traders. There have been some visible improvements and modernisations along the street recently, with some properties benefiting from new shop fronts, signage, and windows. The shop units are set back from the main road and there is a modest amount of on-street parking available.

Transport links within the immediate locality are excellent. Regular bus services operate along the A561 linking the Subject Property with Liverpool City Centre to the north and Speke and Liverpool John Lennon Airport to the south. St Michaels train station is located within 0.5 miles of the Subject Property. St Michaels, situated on the 'Northern Line' of the Merseyrail network, provides a 7-minute rail service to Liverpool City Centre.

Moreover specifically, the Subject Property is situated fronting Aigburth Road at its junction with Dalmeny Street.

Location and situation plans are included within Appendices 1 and 2 of this report.

#### 4.0 DESCRIPTION

The Subject Property comprises a three storey, plus attic and basement, end terrace Victorian mixed use premises providing a ground floor and basement commercial shop together with two self-contained flats each let to students providing five and six bedrooms with shared living accommodation. Construction is typical of its age and type with external elevations faced in brick with an extension to the rear which has been rendered. Roof coverings are pitched and tiled. Windows comprise of double glazed units throughout with velux windows to the roof.

Fronting Aigburth Road at ground floor the accommodation is arranged as a pizza takeaway shop with basement prep area and storage. Internally the accommodation provides a Customer waiting and dining area and rear kitchen with stairwell to the basement. At basement level there is food preparation area, staff WC and further stores/staff area. Externally windows are provided via a double glazed shop front with electronic security roller shutters.

The accommodation is finished to an attractive standard with floors being covered with a mixture of vinyl and tiled coverings. There are a range of bespoke fittings to the Customer servery with stainless steel equipment to the kitchen areas. Wall coverings are provided in painted plaster with original ceramic tiled coverings to the Customer area. Lighting is provided via a mix of pendent, spot and fluorescent units. Heating is provided via ambient heat from the cooking equipment.

Access to the residential accommodation is self-contained with access to both units from the side of the premises via Dalmeny Street. The accommodation is broadly arranged as follows:

Flat 166A provides a ground floor entrance with stairwell to upper floor where the accommodation is laid out over the top two floors. To the second floor the accommodation provides a kitchen/living room, central corridor and three bedrooms with the third floor providing two bedrooms and bathroom together with a separate stairwell accessing a further bedroom and bathroom at a raised level. In total the apartment provides 6 bedrooms.

Flat 166B is set out over the ground and first floor levels. At ground floor the accommodation includes an entrance hallway, store and kitchen/living room with access to an enclosed yard. At first floor there are five bedrooms and a shared bathroom.

The residential accommodation is finished to a good standard throughout and we understand was fully upgraded a few years ago with more recent cosmetic upgrading undertaken since as part of a programme of maintenance. Flooring comprises of suspended floors throughout overlain with a combination of carpet, laminate and tiled coverings. Walls are finished in painted plaster with tiled coverings to the kitchen and bathrooms. Both kitchens provide a range of modern wall and base units with integrated cooker and gas hob. Each of the bathrooms provide a modern suites with either a shower cubicle or bath, WC and pedestal wash basin. The bedrooms to the third floor area are positioned within the roof void with ceiling lines following the roof line with exposed timber beams. Heating is provided via a gas fired central heating system to each flat to panel radiators.

Externally the Subject Property is pavement fronted. There is a small enclosed yard to the rear of the Subject Property which is covered with timber decking and is utilised by the flat at 166B Aigburth Road.

We would refer you to the photographs within Appendix 3 of this report.

## 5.0 ACCOMMODATION/SITE AREA

From our site inspection we calculate that the property provides the following approximate areas, measured in accordance with the RICS Property Measurement (2nd Edition) on a net internal area basis for the ground floor and IPMS2B (broadly equivalent to the gross internal area).

	sq.m	(sq.ft)
Basement	38.7	(416)
Ground Floor	44.4	(478)
166B Aigburth Road - Ground Floor	43.4	(467)
166B Aigburth Road - First Floor	77.3	(832)
166A Aigburth Road - Second Floor	66.8	(719)
166A Aigburth Road - Third Floor	44.8	(482)
<b>TOTAL</b>	<b>315.4</b>	<b>(3,395)</b>

We have calculated the site area with reference to Promap mapping software to be:

**0.012 Hectares (0.031 Acres)**

## 6.0 SERVICES

We understand that all mains services are connected to the Subject Property although we must stress that, unless otherwise specified, we have not tested any of these services, and for the purpose of our valuation we have assumed that they are all operating satisfactorily. We have not made any enquiries of the respective service supply companies.

## 7.0 TENURE

We have been advised by your Customer that the Subject Property is held freehold.

We would emphasise that we have not inspected any title documents or leases and have assumed for the purposes of this Valuation Report that good and marketable title can be shown. We have been verbally advised that the title to the Subject Property is held by way of an unencumbered title which is free from any onerous or unusual restrictions, covenants, easements, outgoing rights of way and furthermore that it is not affected by any Local Authority proposal. We consider it essential that your solicitors formally verify this position and our comments should not be relied upon until confirmation is gained.

## 8.0 TENANCIES

We understand that the Subject Property is currently fully let.

We have been provided with a copy of the tenancy for the commercial accommodation and a schedule for the residential elements:

Landlord:	Liverpool Pizza Slice.
Tenant:	Mr Selcuk Munur Irfan.
Property:	Land and buildings known as 166 Aigburth Road. The lease includes the Landlord's fixtures and fittings and equipment.
Term:	6 years from 20 February 2016.
Premium:	£1,200 pcm.
Rent:	£14,400 per annum.
Use:	Take away food shop and mobile food stands.

Repair:	To keep the Property in good repair and condition throughout the term and when necessary renew and rebuild.
Insurance:	Tenant to insure.
Alienation:	Not to assign or charge part of the lease. Not to underlet the whole without prior written consent of the Landlord (such consent not to be unreasonably withheld or delayed). Not to assign the whole without prior written consent of the Landlord (such consent not to be unreasonably withheld or delayed).
Alterations:	Not to make external or structural alterations. Not to make any internal, non-structural alterations without consent of the Landlord (such consent not to be unreasonably withheld or delayed).
Rent Review:	None.
Option to determine:	None.
Security of Tenure:	The lease is excluded from the Security of Tenure provisions of the Landlord and Tenant Act 1954.

With regards to the residential tenancies we have been advised that these are each currently let on a 12 month tenancy. We have had confirmation by your Customer that the passing rental is £28,800 per annum and £24,000 per annum respectively. This equates to a rental of £92.31 per week per room. We have been advised that the lettings are inclusive of utilities (but include a capped cover for fair usage).

We have not had sight of the actual agreements and would recommend that your solicitors confirm this. During our inspection visually, it would appear that some of the rooms within the building were occupied given that they contained personal items relating to the Tenants. We were advised by your Customer that the remaining Tenant's were in the process of moving in reflecting the start of the academic term.

## 9.0 CONDITION AND REPAIR

We have not undertaken a building survey of the Subject Property as this was not within the scope of our instructions and our survey was a brief one for valuation purposes only. We have not inspected those parts of the property which are covered, unexposed or inaccessible, and for the purpose of this report, such parts have been assumed to be in good repair and condition.

We did note however during the course of our inspection the following defects, which are, for the avoidance of doubt, not intended to be an exhaustive list and do not imply that other serious defects may be present:

- Upper level fascias would benefit from repainting.
- The majority of the accommodation has been subject to recent refurbishment and redecoration. We would comment that such redecoration can mask potential defects.

We have not arranged for any investigation to be carried out to determine whether or not any deleterious materials have been used in the construction of the property, or has since been incorporated and we are, therefore, unable to report that the property is free from risk in this respect. For the purpose of this valuation, we have assumed that such investigations would not disclose the presence of such material to any significant extent.

When inspecting a property, we have not undertaken an asbestos survey and cannot therefore comment on whether materials containing asbestos have been incorporated within the structure. It has been necessary for us to assume when preparing our valuation that any such materials will not have an adverse effect on value.

We would recommend that the Bank's Solicitors verify, in accordance with the Control of Asbestos at Work Regulations 2006, that a suitable Asbestos Survey has been undertaken. A necessary register should be made available to your Solicitors, as well as an appropriate risk management plan.

This report excludes any investigation into structural engineering design or compliance with legislation relating to buildings, building regulations or by-laws.

## **10.0 SITE AND GROUND CONDITIONS**

We have not carried out any site investigations in order to determine the suitability of ground conditions and surveys, nor undertaken environmental, archaeological or geotechnical surveys. Our valuation is undertaken on the basis that these aspects are satisfactory and that there are no underground mineral or other workings beneath the site or in its vicinity; and that the ground has sufficient load bearing strength to support the existing use.

## **11.0 ENVIRONMENTAL ISSUES**

We have not been instructed to make any investigations in relation to the presence or potential presence of contamination in land or buildings, and we have assumed that if such investigations were made to an appropriate extent, then no such contamination would be discovered sufficiently to affect value. We have not carried out any investigations into the past or present uses of the property or any adjoining or adjacent land to establish whether there is any potential for contamination from such uses or sites and have for the purpose of our valuation assumed that none exist.

Whilst not exclusively, we are not aware of any natural hazards (ground instability, mining or mineral extraction, radon, gas, risk of flooding from all mechanisms, including pluvial and fluvial sources) and/or non-natural hazards (such as contamination where substances are in, on or under the ground resulting from current or historic uses) affecting the property.

We are also not aware of any other hazardous materials present in or on the property, including overhead electrical power lines, telecommunication lines and (but not limited to) regulated hazards, including chemicals, radioactive substances, explosive materials, waste management activities, asbestos, ozone depleting substances, oils and deleterious materials, such as building materials that degrade with age, causing structural problems, for example, high alumina cement, calcium chloride or wood wool shuttering.

Should it be established that contamination exists, this may reduce the value reported and we reserve the right to amend our report as appropriate.

No indication to past or present contaminative land uses were noted during our inspection. Our inspection was only of a limited visual nature and we cannot give any assurances that previous uses on the site or in the surrounding areas have not contaminated sub soils or ground water. In the event of contamination being discovered then further specialist advice should be obtained.

## 12.0 STATUTORY ENQUIRIES

### Town Planning

The Subject Property is situated within the Planning jurisdiction of Liverpool City Council.

Planning within the City will be guided by Liverpool City Council's UDP, which is to be replaced by the Local Plan. The Local Plan will guide new development over the next fifteen years. A draft Local Plan is currently in the process of being prepared.

Liverpool City Council will no longer accept verbal planning enquiries, with all enquiries required to be made in writing. Due to the time constraints imposed upon us in providing our report, this has not been possible. We have therefore assumed for the purposes of our valuation that the property has the necessary planning consent for its existing use. No formal search has been instigated and we would recommend that verification be obtained from your solicitors and we have assumed the property is not adversely affected by any Local Authority proposals or requirements and that there are no outstanding statutory notices.

We have undertaken a search via the Council's planning explorer which has returned the following applications and consents/ no recent applications or consents concerning the Subject Property.

### Rating

We have made enquiries via the Valuation Office website which indicates the following listing:

Address	Description	Rateable Value
166, Aigburth Road, Liverpool L17 7BR	Shop and Premises	£5,500

The Uniform Business Rate for 2018-19 is £0.48 per of the £1 Rateable Value for assessments whose Rateable Value is £51,500 or less. For properties with a Rateable Value over £51,500, the Uniform Business Rate is £0.493 per £1. \*\*If property is situated in an Enterprize Zone or rate relief area specific commentary should be provided\*\*

### Council Tax

We have made enquiries via the Valuation Office website which indicates that the property is listed as follows:

Address	Description	Rateable Value
ROOMS AT 166A, AIGBURTH ROAD, LIVERPOOL L17 7BR	Band A	£1,237.80
ROOMS AT 166B, AIGBURTH ROAD, LIVERPOOL L17 7BR	Band A	£1,237.80

### Highways

We understand that the Subject Property benefits from direct connection to the adopted highway.

### Statutory Regulations

For the purposes of this report we have assumed that the property complies with current Fire Regulations, Building Regulation Controls, Health and Safety Legislation, Employment Regulations and that there are no outstanding obligations or liabilities or anything out of the provisions of the Defective Premises Act 1972.

We have assumed that unless indicated to the contrary, the property complies with the Equality Act 2010 in respect of the ground floor only. We have not undertaken any enquiries of the occupier as to whether a Disability Access Order has been undertaken. We believe that the Subject Property does not comply as there is stair access only on between floors.

We have undertaken a searched via the EPC Register and have identified the following assessments. We have not undertaken EPC assessment as part of this instruction and therefore the following information should be considered as a guide and not a current assessment:

Property	Band - Rating	Potential - Rating
Flat, 166a, Aigburth Road, LIVERPOOL L17 7BR	Band C (69-80) -73	Band C (69-80) -76
166b, Aigburth Road, LIVERPOOL L17 7BR	Band E (39-54) -53	Band C (69-80) -78

The existing Energy Performance Certificate ('EPC') indicates that the Subject Property falls within an acceptable energy performance range for the purposes of the regulations under the Energy Act 2011. Although the legislation is not expected to be reviewed again until 2020, the method of assessment may, by then, have changed; thus upon renewal, the rating may accordingly alter. We have assessed the considered risks to value in the light of the current EPC rating and any potential risks of a future re-rating of the asset. It would be advisable to obtain an expert's opinion as to whether the property is likely to remain compliant with the minimum standard if it were to be re-certified under current methodology.

In respect of the commercial accommodation your Customer advised a new EPC was to be prepared. We understand that no current valid Energy Performance Certificate ('EPC') exists for this part of the property. Our valuation assumes that the Subject Property will meet the Minimum Energy Efficiency Standards specified in the extant regulations made under the Energy Act 2011 and that no adverse impact on value and marketability will arise. It is advisable to obtain an expert's opinion to advise whether an EPC should be commissioned and if the building is likely to meet legislative requirements.

In April 2015, Liverpool City Council introduced a Landlord Licensing Scheme requiring all private landlords in the City to register for a five-year licence for each of their rented properties.

We have undertaken a search via the Liverpool City Council website, and an HMO licence is recorded for 166a Aigburth Road but no precise details as to the number of occupants. We have not had sight of the HMO licence agreement. We have queries this with your Customer who has advised that licences for both 166A and 166B have been renewed. We would propose that you verify the position of this application with your solicitor particularly having regard to the changing legislation affecting such properties.

### 13.0 GENERAL COMMENTS

According to the Office of National Statistics, the UK Economy grew by 0.2% in Q1 2018, a decrease on the 0.5% growth shown in Q4 2017. Whilst such figures provide a positive outlook for the economy, there remains an imbalance between the various sectors. The largest contributors to growth were the services sector which expanded by 0.3%. The construction sector contracted by 0.8%. Household spending grew by 0.2%, while business investment decreased by 0.4% between Quarter 4 2017 and Quarter 1 2018

Whilst the predicted outlook for the national economy is more positive, there remains some unease about sustained growth. A combination of international and national external factors has impacted upon the property market and will likely continue to do so during 2018. In particular, the volatility within the stock markets, slow down within China's economic, weak commodity prices and uncertainty over the UK's position within the EU has, and will continue to have, some bearing on investment activity moving forward.

Furthermore, there is currently a degree of caution amongst commentators concerning reduced growth following the UK's decision to leave the European Union (following the Referendum on 23 June 2016). Until such time as the terms of the UK's withdrawal from the EU are known, it is difficult to predict the impact on the UK economy (which is particularly dependent on the UK's continued access to the common market). The Monetary Policy Committee at the Bank of England recently decided to increase interest rates by 0.25% although the level in which this will be transferred to Bank lending remains to be seen.

In addition to the above, there has been some speculation that inflation may increase as a result of the devaluation of Sterling following the UK's decision for withdrawal. Whilst this may immediately impact the UK economy, in large prime investment classes funds have adopted somewhat of a "wait and see" approach before committing to longer term projects to assess what the immediate outlook for the UK economy is likely to be. A degree of inertia, in addition to existing uncertainty could further harm the prospects of growth in the immediate future. However within the wider "general market" liquidity remains good and there has been no tangible evidence of a drastic change within the current market.

The Q1 2018 RICS UK Commercial Property Market Survey indicated that the market remained largely unchanged overall, with industrial remaining the best performing sector. Offices showed some marginal with the retail sector declining for a fourth consecutive quarter (and at a more increased level). The high profile closure and financial worries of a number of the UK's key operators was an item of concern for the market. The report highlights that the rental levels are anticipated to continue to rise within the industrial sector. With regards to the investment market, the outlook remains positive compared to previous quarters with investor demand reportedly increasing in both the office and industrial sectors while enquiries within the retail sector had declined.

In respect of the residential housing market, the Office of National Statistics recently published that nationally, UK average house prices have increased by 3.9% in the year to April 2018 (down from 4.2% in the year to March 2018). In England, house prices had increased by 3.7% over the year with the average price now £244,000. Wales saw house prices increase by 4.4% over the last 12 months to stand at £156,000. London continued to be the region with the highest average house price at £485,000, followed by the South East and the East of England, which stood at £325,000 and £286,000 respectively. The lowest average price continued to be in the North East at £130,000. Within the north west average prices were stated at £155,868.

The Subject Property is situated under the jurisdiction of Liverpool where, according to Land Registry data, the average house price was £123,305 as at April 2018. This is representative of an increase in value of 2.18% compared with April 2017. The average price of a detached, semi-detached and terraced houses together with apartments was £237,224, £147,706, £105,426 and £100,331 respectively. It should be noted that the Local Authority boundaries cover a mixture of settlements and demographics.

In considering the valuation of the ground floor retail premises we have had regard to market transactions within the area including the following:

- 168 Aigburth Road, Aigburth, Liverpool  
The property comprised former high street bank premises extending to 1,685 sq.ft (1,164 sq.ft ITZA). We understand that the property was let to Dominos July 2018 at an annual rent of £27,000. The lease was for 20 years with five year rent review patterns and a tenant break option at the end of year 10. The rent devalued at £16.02 per sq.ft overall (£23.20 per sq.ft ITZA).
- 367 Aigburth Road, Aigburth, Liverpool  
The property comprised a ground floor retail unit extending to 522 sq.ft (365 sq.ft ITZA). The property was let to a private tenant in November 2017 at an annual rent of £9,600 via a five year lease. There was a rent review and a tenant break option at the end of year three. The rent devalued at £18.39 per sq.ft overall (£26.30 per sq.ft ITZA).
- 315 Aigburth Road, Aigburth, Liverpool  
The property comprised a ground floor retail unit extending to 528 sq.ft (370 sq.ft ITZA) which was let for a term of five years in August 2017. The agreed rent was £9,600 per annum which devalues to £18.18 per sq.ft overall (£25.95 per sq.ft ITZA).
- 672 Aigburth Road, Aigburth, Liverpool  
The property comprised a ground floor retail unit with ancillary basement storage extending to 1,409 sq.ft (838 sq.ft ITZA). The property was let in December 2015 for a term of five years to private tenants at an annual rent of £9,500. The rent devalued at £8.50 per sq.ft overall (£11.34 per sq.ft ITZA).
- 134 Aigburth Road, Aigburth, Liverpool  
The property comprised a ground floor retail unit extending to 484 sq.ft (406 sq.ft ITZA). The property was let in May 2015 to Owen Express Recruitment for a term of five years an annual rent of £7,500. The rent devalued at £15.50 per sq.ft overall (£18.47 per sq.ft ITZA).
- 62 Aigburth Road, Aigburth, Liverpool  
The property comprised a ground floor retail unit extending to 871 sq.ft (573 sq.ft ITZA) and was let to the Animal Rescue Shop at an annual rent of £5,400 (£9.42 per sq.ft ITZA). The property was sold in May 2017 for £48,500. The purchase price devalues to £55.68 per sq.ft and reflected a gross initial yield of 11.13%.
- 256 Park Road, Toxteth, Liverpool  
The property comprised a retail unit arranged over ground and two upper floors extending to 1,894 sq.ft and was let to Martin & Kaye Opticians at an annual rent of £12,000. The property was sold in March 2017 for £101,000. The purchase price devalues to £53.33 per sq.ft and reflected a gross initial yield of 11.88%.
- Apt 1, 2 & 3, 12 Croxteth Grove, Liverpool L8 0RX  
The property comprised a semi-detached traditional period building converted to provide three two bedroomed dwellings. The flats were let by way of AST agreements for a combined annual rent of £13,200. The property was sold in November 2016 for £198,000 reflecting a gross initial yield of 6.67%.

We understand that if fully let the property would achieve in the order of £22,500 per annum which represents a gross reversionary yield of circa 11.36%.

- 2 Sefton Drive, Aigburth, Liverpool L8 3SD

The property comprised a substantial three storey traditional semi-detached building arranged to provide four self-contained flats located within the popular Sefton Park area of Liverpool. Three of the flats were let at the time of the sale in November 2016 producing a combined income of £13,920 per annum. The property was sold for £256,000 reflecting a gross initial yield of 5.44%.

We understand that if fully let the property would achieve in the order of £19,320 per annum which represents a gross reversionary yield of 7.55%.

- 22 & 22A Cheltenham Avenue, Liverpool L17 2AR

The property comprised a double fronted end of terrace traditional period building converted to provide two dwellings, a two bedroomed flat and a three bedroomed flat. The properties were let by way of AST agreements for a combined annual rent of £12,000 per annum. In addition to the dwelling, two garages were demised to the property and were let for rent £720 per annum (devaluing to £30 per calendar month per garage). The property was sold in November 2016 for 230,000 reflecting a gross initial yield of 5.53%.

We understand that if fully let the property would achieve in the order of £17,220 per annum which represents a gross reversionary yield of circa 7.5%.

- 7 Bertram Road, Liverpool L17 8UE

The property comprised a double fronted semi-detach traditional period building converted to provide six dwellings, consisting of five one bedroomed flats and a two bedroomed flat. The one bedroomed dwellings were let by way of AST agreements for a combined annual rent of £27,000. The property was sold in May 2016 for £376,000 reflecting a gross initial yield of 7.18%.

We understand that if fully let the property would achieve in the order of £31,800 per annum which represents a gross reversionary yield of circa 8.5%.

- 21 Ivanhoe Road, Aigburth, Liverpool L17 8XE

The property comprised a substantial three storey, double fronted, traditional semi-detached building arranged to provide five self-contained flats. The property was fully let producing an income of £27,180 per annum. The property was sold in February 2016 reflecting a gross initial yield of 7.59%.

- 15 Croxteth Road, Liverpool L8 3SE

The property comprised a large traditional detached house converted to provide six flats. The property was fully let by way of AST agreements for a combined annual rent of £42,600. The property was sold in October 2015 for £450,000 reflecting a gross initial yield of 9.47%.

The Subject Property comprises a mixed use end of terrace commercial premises arranged over three storeys, plus attic and basement. Internally the accommodation provides a retail unit over part ground and basement level together with two self-contained flats. The flats are both currently let to students providing a five and six bedroom dwelling with shared living accommodation to each. The accommodation is currently fully let. The ground and basement floor commercial accommodation is let via a 6 year lease from 2016 at £14,400 per annum. The two flats are each let to students on a twelve month agreement at £2,400 and £2,000 pcm. The passing rental is therefore £67,200 per annum.

In considering the valuation we have had regard to market evidence. We would comment that the Subject Property consists of a somewhat unusual asset given the density of accommodation provided. There have been few examples of similar properties in the area grossing such rental levels and therefore how the market would view such an interest is less clear. Ultimately we would anticipate that it may take some time to achieve a sale and if the marketing period was shortened the price achievable would reduce.

We are aware that the Subject Property is currently let at a combined rental of £67,200 per annum. The passing rental for the commercial accommodation reflects £34 per sq.ft ITZA which is some way above the rental tone for the area. In our opinion a more appropriate determination of rental value would be £12,000 per annum. This assessment is in our opinion at the upper end of the range but reflects the current A5 consent and potential trading pitch. We are aware that the neighbouring unit has been let to Domino's pizza.

In respect of the residential accommodation, this is currently let as student accommodation. The passing rental broadly reflects a rental of £92.31 per week per room. The passing rental is inclusive of utilities but subject to a fair usage policy (which is typical of properties of this type). Allowing for the quality of the accommodation we are of the opinion that the Market Rent is reflected (on a similar basis) in the order of £100 per week per room. This would equate to a gross rental for the residential accommodation of £57,200 per annum. It should be noted that looking forward, the market is more uncertain. There has been an increase in purpose built student accommodation within the City Centre and a migration trend of students from the suburbs to the City Centre. Wider market uncertainty has also appeared as a result of Liverpool John Moores University announcing an intention to close their Aigburth Campus (IM Marsh) by 2020. If the IM Marsh does close, the ability to achieve rentals at these levels and achieve full occupancy will be unlikely. Investor demand, and yield returns, will also be impacted which will reduce the value of the Subject Property. It is therefore necessary to keep the valuation under regular review.

In seeking to determine the Market Value we have determined the value to be £685,000. A value at this level reflects an initial yield of 9.8% and reversionary yield of 10.1%.

If sold with vacant possession, we would anticipate that the value would be reduced. In such circumstances a purchaser would be conscious that achieving the same level of income on the ground floor would be less certain, meanwhile letting of the upper floor (at the date of valuation) may prove difficult given the timing of the academic year. Allowing for these factors, we have determined the value on this basis to be £600,000. A value at this level reflects a reversionary yield of 11.5%.

## **14.0 VALUATION**

We have prepared our valuation on the basis of adopting the comparative and investment methods of valuation having regard to market evidence.

We are of the opinion that the Market Value of the freehold interest in the Subject Property with the benefit of the existing leases is in the region of:

**£685,000**  
**(SIX HUNDRED AND EIGHTY FIVE THOUSAND POUNDS)**

Our valuation assumes a normal marketing period of twelve to fifteen months.

We are of the opinion that the Market Value of the freehold interest in the Subject Property subject to the special assumption of vacant possession is in the region of:

**£600,000**  
**(SIX HUNDRED THOUSAND POUNDS)**

Our valuation assumes a normal marketing period of twelve to fifteen months.

We are of the opinion that the Market Rent of the (freehold/leasehold) interest in the Subject Property is in the region of:

**£69,200 PER ANNUM**  
**(SIXTY NINE THOUSAND TWO HUNDRED POUNDS) PER ANNUM**

### **Suitability for Loan Security Purposes**

Subject to the comments stated in our report and a properly conceived and implemented programme of repair, planned maintenance and periodic upgrading, we consider that the Subject Property has an economic life exceeding 25 years and therefore, the property represents suitable security for a loan secured by way of mortgage. In addition, we would highlight our comments regarding the potential uncertainty regarding student housing within this area and the impact this would have on occupational demand, rentals and value.

In a default scenario the appropriate course of action would be the appointment of Law of Property Act receivers, to monitor the property, applying income to debt reduction and property maintenance during the marketing period. Failure to deal with the property by way of this method could result in a diminution in security and value.

It should be stressed that our valuation reflects the circumstances as they currently stand. The economic position and market confidence may possibly deteriorate as the date of the proposed departure from the EU becomes closer. We cannot guarantee that the levels of value would remain at their present level as time progresses. Any such risk is likely to be broadly based rather than specific, although it would be imprudent to assume that the Subject Property would not be adversely affected in such circumstances. Such risk is one that the Bank must consider closely.

### **15.0 REINSTATEMENT COST**

We estimate the reinstatement cost of the Subject Property is in the sum of £505,000.

The replacement cost for reinstatement purposes is given solely as a guide and should not therefore be regarded as formal valuation for insurance purposes. It is assumed that the policy is on an indemnity basis with a full operative reinstatement clause and no special conditions. We have assumed an instantaneous basis of value and have had no regard to any variation in building cost subsequent to the date of our estimate. No provision is included for Value Added Tax, nor for loss of rent or extra costs of working or other consequential loss, Local Authority requirements and party wall works, and no account of the effect of inflation. The figure is inclusive of professional fees, demolition and site clearance.

If a formal valuation for reinstatement purposes is required then a suitable professional should be instructed to undertake this valuation on your behalf as a separate instruction.

## 16.0 DECLARATION

We confirm that (other than any matters referred to above) to the best of our knowledge, neither we nor any other employee or partner of Keppie Massie has had any previous involvement with the Subject Property or parties involved or has any financial interest in the Subject Property. This valuation has been carried out in accordance with the provisions of the Practice Statements contained in the Valuation – Professional Standards published by the RICS.

Yours faithfully



**Phil Winckles BSc (Hons) MRICS**  
**Associate**  
**Registered Valuer**  
**For and on behalf of**  
**KEPPIE MASSIE LTD**



**Adam Taylor BSc (Hons) MRICS**  
**Senior Surveyor**  
**Registered Valuer**  
**For and on behalf of**  
**KEPPIE MASSIE LTD**

**APPENDIX 1**

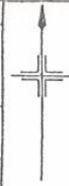
**LOCATION PLAN**



**APPENDIX 2**

**SITUATION PLAN**

H.M. LAND REGISTRY		TITLE NUMBER	
		MS413137	
ORDNANCE SURVEY PLAN REFERENCE	SJ 3687	SECTION	Scale 1/1250
COUNTY	MERSEYSIDE	DISTRICT	LIVERPOOL
			© Crown copyright



This is a print of the view of the title plan obtained from HM Land Registry showing the state of the title plan on 05 September 2017 at 22:06:09. 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, Birkenhead Office.

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**APPENDIX 3**

**PHOTOGRAPHS**



Front Elevation



Rear Elevation



Side Elevation



Ground Floor



Ground Floor



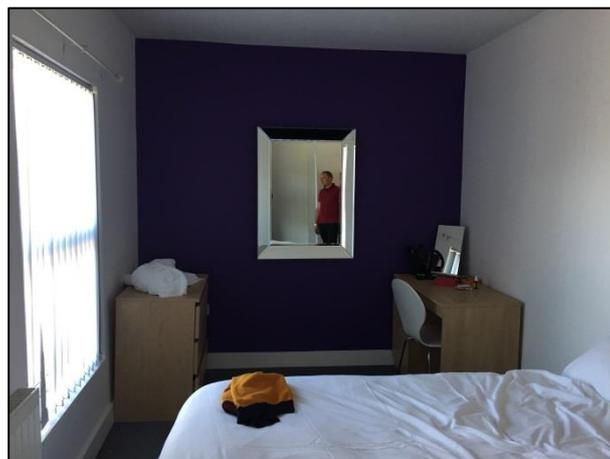
Basement



166A – Kitchen/Living Room



166A – Kitchen



166A – Bedroom



166A – Bedroom



166B – Kitchen/Living Room



166B - Yard Area



166B - Bathroom



166B - Bedroom

**APPENDIX 4**

**TERMS OF BUSINESS/  
NOTES AND CONDITIONS OF  
ENGAGEMENT AND ASSUMPTIONS**

# KEPPIE MASSIE LTD

## TERMS OF BUSINESS

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### **1. PRELIMINARY**

- 1.1 Keppie Massie Ltd ('KM') undertakes all services only on the basis of these terms of business and on the terms of the letter of acceptance of instructions from KM to the Client. These shall apply to the exclusion of any other terms and conditions which the Client may seek to impose.
- 1.2 No variation of these terms shall be binding unless agreed in writing between an authorised representative of KM and the Client.
- 1.3 The purpose for which the Advice is required shall be as agreed between the Client and KM.
- 1.4 KM shall advise the Client in writing as to the opinion of value of the relevant interests specified by the Client in the subject of property.

### **2. CHARGES**

- 2.1 Fees will be charged at the rate set out in the letter of acceptance of instructions and will be payable if the objectives of the Client are met by any means during the continuance of KM's instructions. In the event of a material change in the scope of its instructions, KM reserves the right to charge an additional fee.
- 2.2 In addition to such fees, the Client shall pay to KM all reasonable out-of-pocket expenses incurred in the performance of its instructions.
- 2.3 KM undertakes to provide up to two copies of its written Report and thereafter reserves the right to make a charge for additional copies.
- 2.4 KM may receive and retain usual commissions and discounts on orders for goods and services placed on the Client's behalf.
- 2.5 VAT shall be payable, where applicable, in addition to all fees, disbursements and other amounts due from the Client to KM.
- 2.6 In the event of KM's instructions being terminated by either party for any reason, KM shall be entitled to charge a fee on one of the following basis:-
  - 2.6.1 quantum meruit for the work undertaken or
  - 2.6.2 time spent at KM's standard hourly rate from time to time or
  - 2.6.3 a fair and reasonable proportion of the fee to which KM would have been entitled if the matter had been successfully completed on the terms agreed between KM and the Client prior to such termination.
- 2.7 KM reserves the right to charge you for photocopying at 20p per sheet.

### **3. PAYMENT**

- 3.1 KM will invoice the Client for fees due as set out in the letter of acceptance of instructions.
- 3.2 Accounts for disbursements and out-of-pocket expenses may be submitted at the time when such expenditure is incurred.
- 3.4 Invoices are due for payment upon presentation. KM shall be entitled to charge the Client interest (both before and after any judgement) on any unpaid invoice at a rate of 8% per annum over the base rate for the time being of Barclays Bank plc from the date which is 30 days after the date of invoice until payment is made.
- 3.5 Without prejudice to any other rights it may have, in the event that any sum due from the Client to KM remains unpaid for more than 30 days KM shall be entitled to suspend all further work for the Client until such time as the relevant payment is made and KM shall not be liable for any delays, losses, costs or expenses occasioned by such suspension.
- 3.6 In the event that payment is received in advance of completion of the service, the payment will not be treated as Client Money and will not therefore be subject to the protection of the RICS Client Money Protection Scheme unless separately agreed.

### **4. CLIENT'S WARRANTY AND INDEMNITY**

- 4.1 The Client hereby represents and undertakes to KM that all information provided by the Client and/or its professional advisers regarding the Property is complete and correct, that the Property and its use complies with all relevant statutory requirements and that there are no other material facts known to the Client relating to the Property which may be relevant to KM in carrying out its instructions.
- 4.2 The Client hereby undertakes to indemnify KM and keep KM indemnified against all losses, damages, costs and expenses, including legal fees on a solicitor and own client basis, arising out of or by virtue of the Client's instructions to KM other than any losses, damages, costs and expenses arising by virtue of the default or negligence of KM.

### **5. EXCLUSION CLAUSES**

- 5.1 Any Report, Valuation or Advice provided by KM in connection with the client's instructions may be subject to exclusions relevant to the particular Report, Valuation or recommendation in which such exclusions would be specified. The general principles adopted in the preparation of Valuations and Reports are printed overleaf.

## **6. DOCUMENTS**

6.1 The copyright of all Reports, forecasts, drawings, accounts and other documents originating by KM in relation to its instructions remain the property of KM.

## **7. COMPLAINTS**

7.1 Any dispute or complaint between the client and KM relating to KM's professional services, carried out on behalf of the client shall be dealt with in accordance with KM's complaints handling procedure; a copy of KM's procedure for complaints handling is available on request. KM follows the RICS's arrangements for complaints or redress under the Designated Professional Body Scheme.

## **8. TERMINATION**

8.1 The termination of KM's appointment shall not affect any rights accrued by either party prior to that date.

8.2 Either party may terminate KM's appointment immediately by giving written notice if the other party:-

8.2.1 has a receiver, administrative receiver or administrator appointed over all or any part of its assets or undertaking or

8.2.2 passes a resolution to wind up or has a liquidator appointed or

8.2.3 ceases or threatens to cease trading.

8.3 KM shall be entitled to terminate its appointment by the Client in the event that the Client:-

8.3.1 fails to pay any sum due to KM within 90 days of the due date or

8.3.2 in the reasonable opinion of KM refuses or neglects to provide the co-operation necessary for KM to carry out its instructions or the conduct of the Client otherwise renders the performance of KM's instructions impracticable.

## **9. LIMITATIONS ON LIABILITY**

9.1 The Royal Institution of Chartered Surveyors (RICS) recommends the use of liability caps to members as a way in which to manage the risk in survey and valuation work. Our aggregate liability arising out of, or in connection with this survey /valuation, whether arising from negligence, breach of contract, or any other cause whatsoever, shall in no event exceed 33% of the value. This clause shall not exclude or limit our liability for actual fraud, and shall not limit our liability for death or personal injury caused by our negligence.

9.2 Our contract with you for the provision of this survey/valuation is subject to English Law. Any dispute in relation to this contract, or any aspect of the valuation, shall be subject to the exclusive jurisdiction of the courts of England and Wales, and shall be determined by the application of English Law, regardless of who initiates proceedings in relation to the valuation.

9.3 Our survey/valuation is provided for your benefit alone and solely for the purposes of the instruction to which it relates. Our survey/valuation may not, without our written consent, be used or relied upon by any third party, even if that third party pays all or part of our fees, or is permitted to see a copy of our report. If we do provide written consent to a third party relying on our survey/valuation, any such third party is deemed to have accepted the terms of our engagement.

9.4 If you suffer loss as a result of our breach of contract or negligence, our liability shall be limited to a just and equitable proportion of your loss having regard to the extent of responsibility of any other party. Our liability shall not increase by reason of a shortfall in recovery from any other party, whether that shortfall arises from an agreement between you and them, your difficulty in enforcement, or any other cause.

9.5 None of our employees, partners or consultants individually has a contract with you or owes you a duty of care or personal responsibility. You agree that you will not bring any claim against any such individuals personally in connection with our services.

## **10. GENERAL DATA PROTECTION REGULATIONS (GDPR)**

Any personal data provided by or on behalf of you in connection with this service shall comply with the General Data Protection Regulations (GDPR). In particular, you shall ensure that any disclosure of personal data to us complies with the GDPR. We would refer you to our Data Privacy Notice which is available to download from our website.

## **11. GENERAL**

11.1 These conditions are subject to English Law and the parties irrevocably submit to the exclusive jurisdiction of the English Courts for the resolution of all disputes arising between the parties save that as this clause is for the exclusive benefit of KM, it shall retain the right to bring proceedings against the Client in any court which has jurisdiction under the 1968 Brussels Convention.

11.2 This Firm is not authorised by the Financial Conduct Authority (FCA). However, we are included on The Register maintained by the FCA so that we can carry out insurance Mediation activity which is broadly advising on, selling, and administration of insurance contracts. This part of our business, including arrangements for complaints or redress, if something goes wrong, is regulated by the Royal Institution of Chartered Surveyors (RICS). The Register can be accessed via the FCA website [www.fca.gov.uk/register](http://www.fca.gov.uk/register)

11.3 KM is regulated by RICS.

11.4 Keppie Massie is a business name of Keppie Massie Limited, a limited company registered in England and Wales with number 06621452.

## NOTES AND CONDITIONS OF ENGAGEMENT AND ASSUMPTIONS

For the assistance of clients, we list below the general principles upon which our Valuations and Reports are normally prepared and they shall apply unless specifically mentioned otherwise in the body of the Report.

- 1) RICS Appraisal and Valuation Manual**

All Valuations are carried out in accordance with the Appraisal and Valuation Manual published by the Royal Institution of Chartered Surveyors and are undertaken by appropriately qualified valuers as defined therein. KM, and the appointed valuer, are registered with RICS Valuer Registration.
- 2) Valuation Basis**

All Valuations are made on the appropriate basis as agreed with the client in accordance with the provisions and definitions of the Appraisal and Valuation Manual unless otherwise specifically agreed and stated.

The specific basis of valuation adopted in relation to a particular instruction and the definition thereof is detailed in the body of the report to which this document forms an Appendix.

No allowances are made in our valuations for any expenses of realisation, or to reflect the balance of any outstanding mortgages, either in respect of capital or interest accrued thereon.

Our valuations are based upon the facts and evidence available at the date of the valuation. It is therefore recommended that valuations be periodically reviewed.
- 3) Information Supplied**

We accept as being complete and correct the information provided to us by the sources detailed in our report, relating to items such as tenure, tenancies, tenants' improvements and other relevant matters.
- 4) Documentation and Title**

We do not normally read documents of title. Where title documentation or leases are provided to us, we recommend that reliance should not be placed on our interpretation thereof without prior verification by your legal advisors.

Unless notified to the contrary, we assume that each property has a good and marketable title and is free from any pending litigation. We further assume that all documentation is satisfactorily drawn and that there are no unusual or onerous restrictions, easements, covenants or other outgoing which would adversely affect the value of the relevant interest(s).
- 5) Tenancies**

It is assumed that, except where otherwise stated, all properties are subject to normal outgoing and that tenants are responsible for all repairs, the cost of insurance and payment of rates and other unusual outgoing, either directly or by means of service charge provisions.

Unless otherwise stated, it is further assumed that rent reviews are on an upward only basis and that neither the landlord nor the tenant may terminate the contract prematurely.
- 6) Tenants' Covenant Strength**

Unless specifically requested, we do not make detailed enquiries into the covenant strength of occupational tenants but rely on our judgement of the market's perception of them. Any comments on covenant strength should therefore be read in this context. Furthermore, we assume, unless otherwise advised, that the tenant is capable of meeting its financial obligations under the lease and that there are no arrears of rent or undisclosed breaches of covenant.
- 7) Inspections**

We undertake such inspections and conduct investigations as are, in our opinion, correct in our professional judgement, appropriate and possible in the particular circumstances.
- 8) Measurements**

All property measurement is carried out in accordance with the Code of Measuring Practice issued by the Royal Institution of Chartered Surveyors, unless we specifically state that we have relied upon another source of information or method.

Unless specifically requested, we do not undertake a measured site survey but calculate site areas by reference to the identified boundaries of the property and the appropriate Ordnance Survey Plan.
- 9) Town Planning and Other Statutory Regulations**

Wherever possible, we undertake direct enquiries to obtain town planning and highway information from the relevant Local Authority. If specifically instructed we will undertake to obtain the verification of the position, as stated in our Report.

Our Valuations are prepared on the assumption that the premises comply with all relevant statutory enactments and Building Regulations and that a valid and up-to-date Fire Certificate has been issued. We also assume that all necessary consents and authorisations for the use of the property and the process carried out therein have been obtained and will continue to subsist and are not subject to any onerous conditions.

We further assume that there are no outstanding obligations or liabilities arising out of the provision of the Defective Premises Act 1972.
- 10) Building Surveys**

Unless expressly instructed, we do not undertake building surveys, or test any of the electrical, heating, or other services. Any readily apparent defects or items of disrepair noted during our inspection will be reflected in our Valuations, but no assurance is given that any property is free from defect. We assume that those parts which have not been inspected would not reveal material defects which would cause us to alter our Report and Valuations.
- 11) Deleterious Materials**

Unless expressly instructed, we do not carry out investigations to ascertain whether any building has been constructed or altered using deleterious materials or methods. Unless specifically notified, our valuations assume that no such materials or methods have been used. Common examples include high alumina cement concrete, calcium chloride, asbestos and wood wool as permanent shuttering.
- 12) Site Conditions**

Unless specifically requested, we do not carry out investigations on site in order to determine the suitability of ground conditions and services, nor do we undertake environmental, archaeological, or geotechnical surveys. Unless notified to the contrary, our Valuations are on the basis that these aspects are satisfactory and also that the site is clear of underground mineral or other workings, methane gas, or other noxious substances.

In the case of properties which may have redevelopment potential, we assume that the site has load bearing capacity suitable for the anticipated form of redevelopment without the need for additional and expensive foundations or drainage systems. Furthermore, we assume in such circumstances that no unusual costs will be incurred in the demolition and removal of any existing structure on the property.
- 13) Environmental Contamination**

In preparing our Valuations we have assumed that no contamination or potentially contaminative use is, or has been, carried out at the property. Unless specifically instructed, we do not undertake any investigation into the past or present uses of either the property or any adjoining or nearby land, to establish whether there is any potential for contamination from these uses and assume that none exists.

Should it, however, be subsequently established that such contamination exists at any of the properties or on any adjoining land or that any premises have been or are being put to contaminative use, this may be found to have a detrimental effect on the value reported.

In preparing our Valuations, we have assumed that all necessary consents and authorisations for the use of the property and the processes carried out at the property are in existence, will continue to subsist and are not subject to any onerous conditions.
- 14) Plant and Machinery**

Our Valuations include items usually regarded as forming part of the building and comprising landlord's fixtures, such as boilers, heating, lighting, sprinklers and ventilation systems but generally exclude operational plant and machinery and those fixtures and fittings normally considered to be the property of the tenant.
- 15) Taxation**

In preparing our Valuations, no allowances are made for any liability which may arise for payment of Corporation Tax or Capital Gains Tax, or any other property related tax, whether existing or which may arise on development or disposal, deemed or otherwise. We also specifically draw your attention to the fact that our Valuations are exclusive of any VAT liability which may be incurred.
- 16) Government Grants**

All Valuations are given without any adjustment for capital based Government grants received or potentially receivable at the date of the valuation.
- 17) Special Purchaser Value**

Unless otherwise stated, our Valuations do not reflect any element of marriage value or special purchaser value which could possibly be realised by a merger of interests or by a sale to an owner or occupier of an adjoining property, other than in so far as this would be reflected in offers made in the open market by prospective purchasers apart from the purchaser with a special interest.
- 18) Aggregation**

In the valuation of portfolios, each property is valued separately and not as part of the portfolio. Accordingly, no allowance, either positive or negative, is made in the aggregate value reported to reflect the possibility of the whole or part of the property being put on the market at any one time.
- 19) Overseas Properties**

Our Valuations of overseas properties will be reported in the appropriate local currency and represent our opinion of the realisable value in the country of origin, computed in accordance with local practices with no allowance made for the transfer of funds to the UK.
- 20) Confidentiality**

Our Valuations and Reports are strictly confidential to the party to whom they are addressed, or their other professional advisors, for the specific purpose to which they refer and no responsibility whatsoever is accepted to any third parties for the whole or part of their contents.
- 21) Publications**

Neither the whole nor any part of our Reports, nor any reference thereto, maybe included in any published document, circular or statement, or published in any way or disclosed orally to a third party, without our written approval of the form and content of such publication or disclosure. Such approval is required whether or not Keppie Massie are referred to by name and whether or not the Reports are combined with others. Please note that KM files may be subject to monitoring under RICS conduct and disciplinary regulations.
- 22) Special Assumptions**

We would refer to any specific comments within the main body of the report.

**APPENDIX 5**

**LETTER OF INSTRUCTION**

Ref: The Liverpool Pizza Slice Company Limited

Keppie Massie Commercial  
Alabama House  
6 Rumford Place  
Liverpool  
L3 9BY

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 notify us if there will be any delay. **Please advise us immediately if you are unable to give prompt attention to this matter.**

Borrower:	The Liverpool Pizza Slice Company Limited
Contact Name:	Mathew Berridge-James
Phone Number:	07999 997414
Email:	middlefield-farm@outlook.com
Properties:	166a & 166b Aigburth Road and 2 Dalmeny Street, Liverpool, L17 7B
Tenure:	Freehold
Use:	Mixed Use & Residential
Tenancies:	6 year lease from February 2016 to Selcuk Munur Irfan at a rental of £14,400 p.a. as attached. Please also assume for the HMO/residential part of property ASTs in place at a rental of £51.6k p.a
Access:	via Mathew Berridge-James - contact details above.

### 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.

**Fees**

You have quoted and the Borrower has agreed to pay a fee of £950 + VAT for this undertaking. Whilst a receipted invoice for this service should be supplied with your report, and addressed to this company, we ask that you seek settlement of your fee from the proposed Borrowers whose contact details are supplied above. Proplend Security Limited cannot accept any responsibility for non-payment of your fees in this regard.

**Contact Details**

Please contact Proplend on 0203 637 8418 if you have any queries regarding this instruction.

Please send the Valuation Report to [borrower@proplend.com](mailto:borrower@proplend.com), with hard copy to 15 Little Green, Richmond TW9 1QH. Draft reports are not acceptable. Following provision of the Valuation Report, you should be prepared to discuss its contents with the Lender.

Yours Faithfully,



Brian Bartaby  
Director

Proplend Security Limited