

**Report and Valuation
in respect of**

**Blocks B&C,
Old Victorian Mill,
Ipswich,
Suffolk, IP4 1FT**

**Prepared on Behalf of
Proplend Security Ltd**

October 2018

Our Ref: OC/SH/DVC12354



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EXECUTIVE SUMMARY



Valuation Date:	3 rd October 2018
Location:	<p>The Property is located in Ipswich, a major town in Suffolk on the border with Essex, located 68 miles north-east of London, on the estuary of the River Orwell. Chelmsford is 38 miles to the south-west, Cambridge 45 miles to the north-west and Norwich 38 miles to the north.</p> <p>The Property is located on the northern edge of the Waterfront, an area of Ipswich that has undergone considerable regeneration to provide high-density residential schemes, cafes, bars, restaurants and a new campus for the University of Suffolk. Although the recession dramatically curtailed this regeneration, there are signs that some appetite for speculative development, from both funders and developers, is returning to the local market and a number of stalled schemes are being reactivated.</p>
Description:	<p>The Property comprises a derelict Victorian warehouse within a wider development known as the Mill. It fronts the marina waterfront to the south and backs onto the development's central courtyard to the north. The building is of traditional construction with a timber frame with wrought iron supporting columns, brick elevations and a pitched tiled roof. The Property is unoccupied and extremely dilapidated, especially on the ground floor, and appears to have been last used for grain storage. It is currently boarded up for security.</p> <p>In accordance with the extant planning consent (04/00313/FUL) for the entire Mill site, the Borrower intends to create A3/A5 restaurant and bar units at ground and mezzanine level, with residential apartments above. The upper five floors are designated under the outline planning permission for the wider Mill development for C3 residential accommodation.</p> <p>We understand that the ground floor commercial units will provide 10,592 sq ft whilst the residential upper floors will provide approximately 30,315 sq ft of accommodation.</p>
Tenure:	Freehold.
Market Value:	<p>£2,200,000 (Two Million Two Hundred Thousand Pounds)</p>
Market Rent:	<p>£185,000 per annum (One Hundred and Eight Five Thousand Pounds)</p>

NB - This executive summary is provided for convenient cross reference, however must be read in conjunction with the remainder of the report; important issues may not be referenced within the summary and detailed consideration should be given to all areas of the full report

- London
- Glasgow
- Edinburgh
- Manchester

Our file ref: OC/SH/DVC12364

3rd October 2017

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

Dear Sirs,

BORROWER NAME: CARDINAL LOFTS (VICTORIAN BUILDING) LTD
PROPERTY ADDRESS: BLOCKS B & C, OLD VICTORIAN MILL, IPSWICH,
IP4 1FT

1. INTRODUCTION

We thank you for your recent instructions with regard to the above property; in accordance with these instructions (a copy of our terms of engagement dated 1st October 2018 is attached at **Appendix 1**), we have inspected and valued the freehold interest in the above property for loan security purposes and prepared this report on the following agreed basis:

Addressee and Reliance:	This report is for the sole benefit of Proplend Security Ltd ["the Lender"]. We understand it will need to be viewed by the Lender's lending members but on the basis that only Proplend Security Ltd may rely on the report for mortgage purposes.
Property Address:	Blocks B & C, Old Victorian Mill, Ipswich, Suffolk, IP4 1FT ["the Property"].
Borrower:	Cardinal Lofts (Victorian Building) ["the Borrower"]
Instruction and Purpose of Valuation:	The valuation has been carried out for loan security purposes.

Interest to be Valued, Type of Asset and Title:	The freehold interest in the Property, held by the Borrower as a part-built and ongoing development.
Basis of Valuation:	<p>Our valuation has been prepared in accordance with the RICS Valuation – Global Standards (2017) [“The Red Book”] published by the Royal Institution of Chartered Surveyors.</p> <p>This report is subject to, and should be read in conjunction with, the attached General Terms of Business and Supplemental Terms of Business for Appointment of Valuers, copies of which are at Appendix 1. This report, together with the Appendices and Annexes must be read together.</p>
Valuations Requested:	<ol style="list-style-type: none">1. Market Value;2. Market Rent;
Valuation Date:	3 rd October 2018
Purchasers and other Costs:	<p>Purchasers’ costs have been deducted, including Stamp Duty at the appropriate rate.</p> <p>No allowance has been made for any expenses of realisation, nor taxation (including VAT) which might arise in the event of a disposal, and the property has been considered free and clear of all mortgages or other charges which may be secured thereon.</p>
Disclosure of Material Involvement:	<p>In preparing this valuation we have acted as external valuers, subject to any disclosures made to you. As you are aware we have previously valued the Property on behalf of other lenders.</p> <p>We are not aware of any conflict of interest arising from undertaking this instruction, and hence we consider ourselves to be independent in terms of reporting to you.</p>
Valuer Responsible for Valuation:	<p>The report and valuation has been prepared by Sam Holdsworth MRICS and Oliver Chivers MRICS, a partner of Montagu Evans LLP.</p> <p>We confirm that the personnel responsible for this valuation are qualified for the purpose of the valuation in accordance with the RICS Valuation Standards and are RICS Registered Valuers.</p>
Special Assumptions:	Aside from our Market Valuation of the Property on the Special Assumption of a 90 day marketing period, we have made no further Special Assumptions in preparing this report.

- Agreed Extent of our Investigations:** The Property was inspected by the authors of this report on 16th July 2018.
- By agreement with you, the scope of due diligence undertaken by us in providing this valuation report to you has been limited in certain areas. The extent of the due diligence enquiries we have undertaken and the source of information we have relied upon for the purposes of our valuations are stated in the relevant sections of our report below.
- Nature and Sources of Information:** We have made assumptions based on information provided by both the Borrower and Proplend Security Ltd. Should information be supplied that differs to assumptions that have been made, we reserve the right to amend our valuation accordingly.
- We have assumed this information to have been correct, and have further assumed that no material information has been withheld. Should your solicitors find this to be different, you should contact us immediately to allow us to reconsider our findings.
- We have not been provided with a Report on Title from your solicitors. We ask that once the final draft has been completed this be forwarded to us for review.
- You agree to provide us with any information that will affect our valuation, and our valuation is prepared on the basis that there are no material omissions.
- Statutory Enquiries:** We have carried out informal enquiries with regard to Rateable Value, planning issues, flood risk and certain environmental issues. This information has been obtained from verbal discussions or the internet, and is provided without liability on behalf of the statutory bodies. Although we have assumed this to be complete and correct for our valuations, we assume it will be formally checked and clarified by your legal advisers.
- We have not carried out a building survey, formal building cost reinstatement valuation nor an environmental risk assessment. Should you require such, they will need to be separately procured.
- Insurance and Liability:** We confirm that Montagu Evans LLP holds appropriate Professional Indemnity Insurance to a report such as this. A copy of this cover can be provided on request, if required.

Within the frames of reference as agreed above, we set out below our findings with regards to the Property.

2. LOCATION

2.1 General Location

The Property is located in Ipswich, a major town in Suffolk on the border with Essex, located 68 miles north-east of London, on the estuary of the River Orwell. Chelmsford is 38 miles to the south-west, Cambridge 45 miles to the north-west and Norwich 38 miles to the north.

Although the County Town of Suffolk, Ipswich is a relatively small centre compared to the national market, it remains regionally important in East Anglia. In terms of regional hierarchy, the town dominates most of the surrounding area, which is largely rural in character. Geographically the town sits between Colchester (in Essex) and Norwich (in Norfolk), each a reasonable distance away, giving the town a relatively large catchment overall.

Ipswich is divided into a series of distinct areas, with the commercial core centred on the Buttermarket Shopping Centre. The older, traditional commercial docks area has now largely been redeveloped and comprises a leisure and residential marina development known as “the Waterfront”. Beyond the distinct town centre, there are five main industrial estates surrounding the town, each with access to the main arterial roads, the A12 and A14. Traditionally, the town has had a strong agricultural bias, although local industry has diversified considerably in recent years.

2.2 Local Economy and Demographics

Ipswich is the largest town in Suffolk with a total retail catchment population of 278,000 (source: PROMIS). The estimated Consumer Base of Ipswich is 223,000.

The Ipswich catchment population is not particularly affluent, ranking 106 of the 200 PROMIS centres on the PMA Affluence Indicator (as at 2011). Over the period 2001 to 2011 Ipswich saw a decline in the Affluence Indicator Rank; this has seen little change in recent years. Reflecting the demographic profile and spending habits of the catchment population, per capita retail spending levels are comparable with the PROMIS average.

In December 2017 the local claimant count was 1.4% of the population aged 16-64, above the national claimant count of 1.1% (source: PROMIS).

As the county town of Suffolk, although small in national terms, Ipswich does dominate its surrounding area, and hence it is an important employment centre. The principal employers in the town include BT, AXA Insurance and Willis Insurance Brokers, in addition to major public sector employers such as the NHS, local authorities and university. Generally, the employment base for the town is skewed towards transport, storage and communication, and away from basic manufacturing, with other sectors being broadly in line with the national average.

Ipswich exerts a relatively strong pull on the surrounding area, and is also a regional tourist destination. Ipswich is the largest town in the wider area for some considerable distance, with the nearest competing comparable towns being Norwich to the north, and Colchester to the west.

2.3 Situation

The Property is located in the Waterfront area of Ipswich, around half a mile to the south of Ipswich town centre. The Waterfront is a mixed use area comprising residential flats, restaurants and other leisure facilities. The University of Suffolk campus is also located in the area. After a development boom in the early 2000s, the Ipswich Waterfront saw a series of stalled developments following the credit crunch in 2008, although some of the abandoned schemes are now being recommenced as market conditions have become more favourable.

2.4 Communications

Ipswich benefits from very good road communications, being located at the junction of the A12 and the A14. The A12 runs from north to south and provides direct links into Central London. The A14 links with Felixstowe to the south-east and to the Midlands and the M1 and M6 motorways to the north-west. Being in close proximity to the channel ports of Harwich and Felixstowe, the town is an important hub for the logistics sector.

Ipswich is located on the Great Eastern Main Railway line which provides regular fast rail links into London and a fastest journey time of approximately 59 minutes, and Norwich to the north. The station lies just to the south of the town centre.

The nearest international airport is London Stanstead, some 50 miles to the west.

2.5 Plans

Location and Site plans are attached at **Appendix 2**.

3. PROPERTY DESCRIPTION

3.1 General Description and Construction

The Property comprises a derelict Victorian warehouse within a wider development known as the Mill. It fronts the marina waterfront to the south and backs onto the development's central courtyard to the north. The building is of traditional construction with a timber frame with wrought iron supporting columns, brick elevations and a pitched tiled roof. The Property is unoccupied and extremely dilapidated, especially on the ground floor, and appears to have been last used for grain storage. It is currently boarded up for security.

In accordance with the extant planning consent (04/00313/FUL) for the entire Mill site, the Borrower intends to create A3/A5 restaurant and bar units at ground and mezzanine level, with residential apartments above. The upper five floors are designated under the outline planning permission for the wider Mill development for C3 residential accommodation. At upper floor levels most of the servicing and common areas are located in the adjacent building, over which we understand there are rights of way.

None of the units will have outside amenity space and there is no dedicated car parking on site; however, the Borrower also owns a development site located at St Peters Port approximately 350 ft to the north. The intention is to provide in excess of 150 parking spaces at St Peters Port, some of which will be offered to residents within the Property.

We understand that the ground floor commercial units will provide 10,592 sq ft.

We understand that the upper floors will provide residential accommodation. We have not been provided with a breakdown of the residential accommodation in terms of number of units, but assume that the flats will typically extend to around 600 sq ft in size, equating to approximately 50 units.

We would summarise the proposed accommodation as follows:

Demise	Sq m (GIA)	Sq ft (GIA)	Sq m (NIA)	Sq ft (NIA)
Ground Floor	984.0	10,592	984.0	10,592
First Floor	955.0	10,280	716.3	7,710
Second Floor	955.0	10,280	716.3	7,710
Third Floor	615.0	6,620	461.3	4,965
Fourth Floor	615.0	6,620	461.3	4,965
Fifth Floor	615.0	6,620	461.3	4,965
TOTAL	4,739.0	51,012	3,800.5	40,907

The Site Plan below shows the location of Units B & C in relation to the wider Mill development.

to assess whether there is any asbestos in the premises and, depending on its condition, either remove it or manage it; the liability for this will generally be vested with the tenants.

3.6 Photographs

Photographs of the Property and the surrounding area, taken at the time of our inspection are attached at **Appendix 3**.

4. STATUTORY ENQUIRIES

In accordance with the scope of your instructions, and the limitations set out under our Standard Terms of Business (attached at **Appendix 1**), we have made verbal and online enquiries of the Local Authority and other agencies and understand the Property is recorded as follows:

4.1 Town Planning

The Property lies within the jurisdiction of Ipswich Borough Council whose planning policies are contained within the Local Plan which sets out policies against which all planning applications will be assessed. In February 2017, Ipswich Borough Council confirmed that the Adopted Local Plan 2011-2031 superseded the Core Strategy and Policies DPD 2011 and remaining saved policies of the Ipswich Local Plan 1997.

The new Local Plan comprises the adopted Core and Policies Development Plan Document (DPD) Review; the Site Allocations and Policies (Incorporating IP-One Area Action Plan) DPD and the Policies Maps.

The subject Property is subjected to a consent (IP/04/00313) granted to Wharf Side Regeneration (Ipswich) Ltd in May 2005 for the overall development of the former Cranfield Mill Site comprising mixed use residential, live work and commercial units, hotel ancillary parking and other areas. There have also been a number of discharges of conditions on applications.

As planning for the subject Property was granted under a wider scheme masterplan, the details of the consent are not particularly clear. We understand that the Borrower's planning consultants have held advanced discussions with the local authority, who have confirmed that the Property can be built out in accordance with the existing consents.

To summarise the Property currently benefits from planning consent for a mixture of A1 (retail) and A3 (restaurant) uses at ground floor level and largely C3 residential above.

The separate proposals include A3 / A4 Bar and Restaurant accommodation being provided at ground and upper ground floor, with C3 residential use on the various floors above. Confirming this planning consent and potential is appropriate is essential to the value of the property.

A further consent (IP/16/00092) was granted in 2016 to increase the number of units to 43, by increasing the height of the existing building by 275mm (within an additional three storeys extension above the existing building).

Affordable House and Community Contributions

We understand that there is no affordable housing contribution within the Property and that this provision has already been provided elsewhere as part of the wider Cranfield Mill development.

4.2 Environmental Issues

Being beyond the scope of your instructions, we have not carried out an investigation into contamination at either the subject or any surrounding properties, and have assumed for the purposes of our valuation that no contamination exists. From our inspection, the property

appears to be an historic wharf building, together with ancillary uses, which may give rise to issues of contamination. We understand, however, this was addressed when the original development commenced, and we understand there are not outstanding issues of contamination.

4.3 Potential Flooding

We have made online enquires of the Environment Agency, and confirm that the postcode IP4 1FT is located within Flood Zone 3, which is land assessed as having a 1 in 100 or greater annual probability of river flooding (>1%), or a 1 in 200 or greater annual probability of flooding from the sea (>0.5%) in any year. We note that the Environment Agency states that this location benefits from flood defences.

4.4 EPC Certificate

We have not been provided with EPCs for the Property.

The Minimum Energy Efficiency Standards 2015 have made it a legal requirement to have a minimum EPC rating of Level E in order to let a building (residential and commercial) from 1st April 2018 onwards. From 1st April 2020 this will also apply to all existing residential leases and from 1st April 2023 to all existing commercial leases.

In the absence of any EPC's for the Property we cannot comment on whether or not it complies with the MEES regulations. However, having regard to the newly refurbished nature of the building we consider it likely that the energy efficiency will comply with the minimum required level.

4.5 VAT and Capital Allowances

We are uncertain as to the Property's VAT registration status and, therefore, we have assumed that VAT issues should not adversely affect the value of the Property.

We are uncertain on the position with regard to any Capital Allowances available for the Property, although have valued the building on the assumption that these will not make any material difference.

4.6 Stamp Duty

Stamp Duty at the rate of 0% on the first £150,000, 2% on the next £100,000 and 5% on any amount above £250,000 will be charged on a sale of the Property. We have taken account of this within our assessment of the value of the Property.

5. LEGAL INTEREST

5.1 Tenure

We understand that the Property is held on a Freehold basis under title SK361894.

We have not been provided with a Report on Title relating to the Property and have assumed for the purposes of our valuation that the title is good and marketable and free from any onerous or unusual easements or covenants. We recommend this is verified by your solicitors, and we would be happy to review and comment on a Report on Title if it is provided to us. We reserve the right to alter our valuation figure following provision of a Report on Title if necessary.

5.2 Tenancies

The Property is fully vacant. On completion of the works, we assume the flats will be sold on long leases to owner occupiers.

5.3 Rental Income

The Property is currently vacant and generates no income.

6. MARKET COMMENTARY

6.1 Economic Overview

Economic Growth and Employment

Despite performing strongly in recent years, a significant threat to the UK economy arose in the result of the UK referendum on continued membership of the European Union in June 2016. A period of economic and political uncertainty followed this event as the value of Sterling fell immediately.

Whilst there was little immediate statistical impact of the Brexit vote on the UK economy, economic growth did slow to 1.8% in 2017, down from 1.9% in 2016 and the slowest annual growth since 2012. This has continued into 2018, with the economy growing by just 0.2% in Q1 and 0.4% in Q2. Despite the pick-up in growth in Q2, underlying growth remains modest by historical standards

In its August Inflation Report the Bank of England maintained its UK GDP forecast for 2018 at 1.4%, rising to 1.8% in 2019.

The uncertainty associated with Brexit, coupled with a weakened minority government, is likely to create an unsettled business environment until clarity is provided as to the trade deals the UK will be able to agree following Brexit. This may have a corresponding impact on UK real estate markets, albeit the main property fundamentals, in terms of the occupational markets, are in most sectors fairly robust. Furthermore, bank lending has been much more prudent in recent years so we are unlikely to face another banking crisis, and there is still a significant volume of equity seeking property investments.

Unemployment fell by 65,000 to 1.36 million in the three months to June 2018, making the UK unemployment rate of 4% the lowest for more than 40 years (source: ONS). This provides further evidence that the UK jobs market remains robust and should help to drive wages growth.

Average earnings excluding bonuses increased by 2.7% in the three months to June, showing no change from the previous month. Wage growth is now higher than inflation (see below).

Inflation and Consumer Spending

UK inflation (CPI) increased to 2.5% in July after holding steady at 2.4% in the previous three months, as the cost of transport and computer games increased. This represents the first jump in CPI since November and was in line with forecasts.

Nevertheless, inflation has generally been falling since November 2017 and the UK now appears to be past the peak of the recent spike in inflation and price growth will ease further over the coming months as the impact of the post-EU referendum decline in sterling drops out of the calculation. This suggests that the squeeze in earnings is coming to an end, as wages rose by 2.7% per year in the three months to June.

The latest consumer confidence data from GfK showed that the headline index fell by one point to -10 in July 2018. Despite the World Cup, Wimbledon and a prolonged spell of warm weather, the index again revealed a decline in consumer confidence. The Overall Index Score has now

registered at zero or negative since February 2016. Concerns about personal finances, and especially the general economic outlook, have contributed to this long slump.

In August the Bank of England raised the base rate by 25 bps to 0.75% - only the second rate rise in a decade and the highest level since March 2009. Further gradual rate rises are expected moving forward.

As for consumer spending, retail sales (volume, seasonally adjusted) rose by 3.5% in July year-on-year, up on the 2.9% increase recorded in June (ONS). A sustained period of good weather and the football World Cup encouraged spending on food and drink, but this has been off-set by declining in-store sales.

Year-on-year growth rates for the quantity bought in all retailing



(Source: ONS)

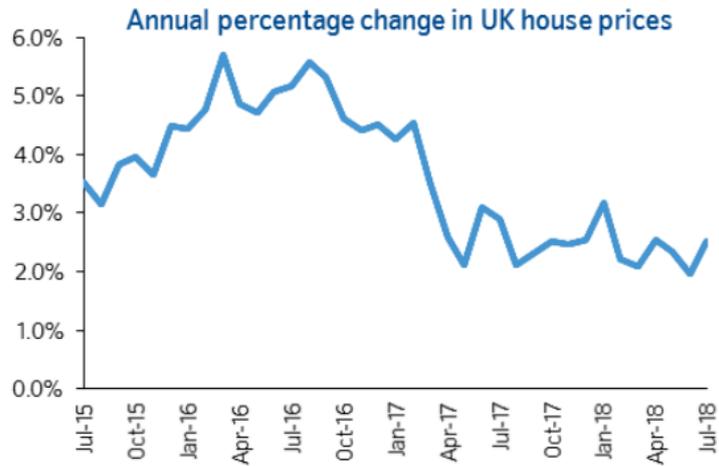
Housing Market

UK house price growth increased to 2.5% in July, up from 2.0% recorded in June. House prices grew by 0.6% over the month, after taking account of seasonal factors (source: Nationwide).

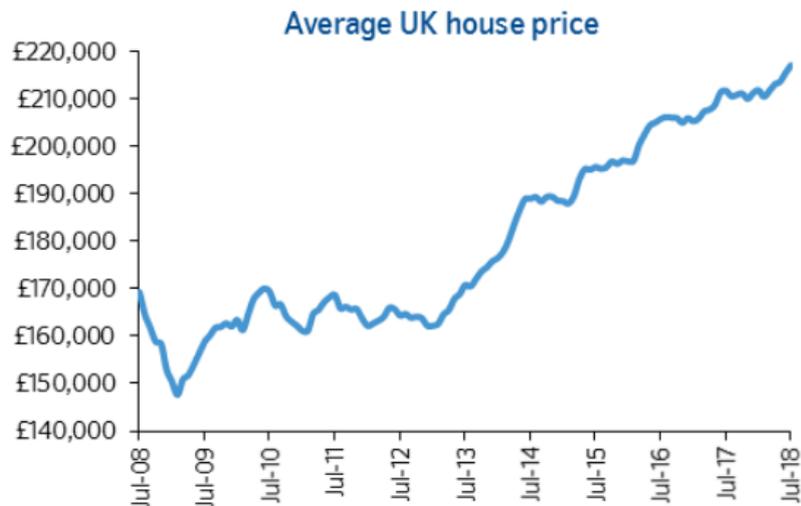
On the surface, the relatively subdued pace of house price growth appears at odds with recent healthy rates of employment growth, a modest pick-up in wage growth and historically low borrowing costs. However, consumer confidence has remained subdued, due to the ongoing squeeze on household finances.

Looking ahead, much will depend on how broader economic conditions evolve, especially in the labour market, but also with respect to interest rates. Subdued economic activity and the ongoing squeeze on household budgets is likely to continue to exert a modest drag on housing market activity and house price growth this year. However, historically low unemployment and mortgage interest rates together with the lack of properties on the market is likely to provide some support for house prices. Overall, Nationwide expects house prices to be broadly flat in 2018, with a marginal gain of 1% over the course of the year.

Given the ongoing uncertainties around the UK's future trading arrangements, the economic outlook remains unusually uncertain, and housing market trends will depend crucially on developments in the wider economy.



(Source: Nationwide)



(Source: Nationwide)

6.2 Ipswich Residential Market

The IP4 postal district has recently seen a decline in house price growth over the last 12 months; however, has outperformed the national average growth over the longer term.

Price Trends

Growth Rate	IP4	Ipswich	UK
6 month house price growth	-1.34%	-0.95%	-0.71%
12 month house price growth	-0.32%	0.12%	-0.56%
5 year house price growth	30.91%	32.48%	25.18%
10 year house price growth	36.16%	40.19%	30.94%

Source: Zoopla / Land Registry

The average price of a home in the IP4 postcode area is marginally cheaper than the average for the whole of Ipswich, and around 10% below the UK average, making the area a relatively cheap residential location.

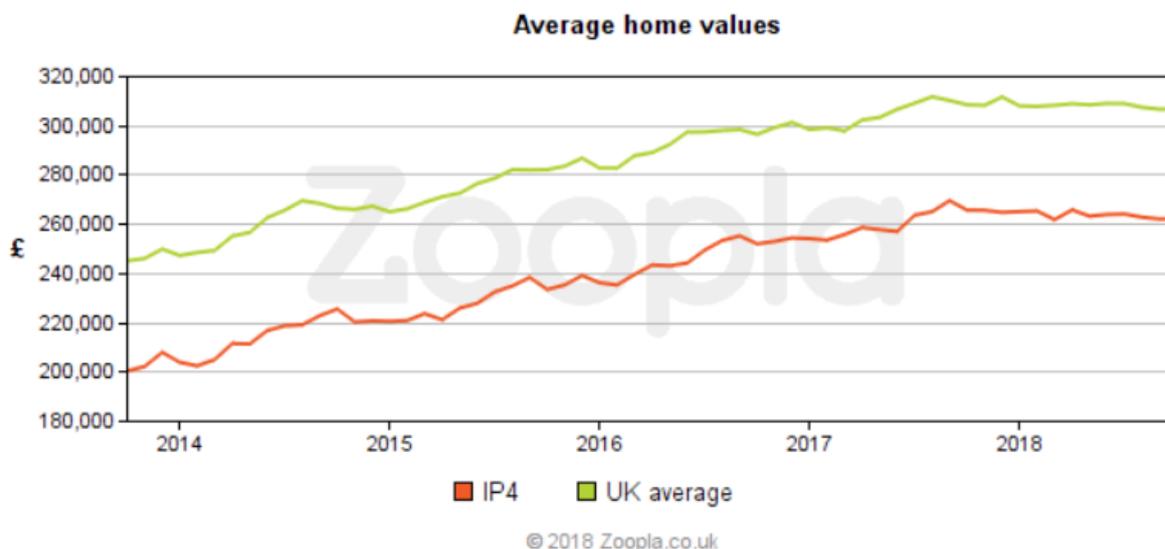
Average Prices Paid (last 12 months)

	IP4 Average	Ipswich Average (per sq ft)	UK Average (per sq ft)
Detached Houses	£347,703	£377,661	£387,370
Semi-Detached Houses	£245,262	£232,240	£249,395
Terraced Houses	£192,296	£191,295	£231,494
Flats	£132,344	£128,374	£248,798

Source: Zoopla / Land Registry

The House Price Index Graph below shows that during the last 12 months, house prices in IP4 have plateaued in comparison to previous years where it is evident that there has been an upward trajectory.

IP4 (Ipswich) House Price Index Graph



Source: Zoopla / Land Registry

Comparable Sales Evidence

We have researched residential sales in the locality, with a focus on new build studios, 1 and 2 bedrooms flats.

Block D1 Albion Wharf, IP4 (the subject Property): We have been provided sales information by the Borrower showing that 20 units have been sold/completed and that a further 5 have exchanged pending completion subject to electrical power upgrades within the building. The evidence shows a range of achieved prices between £229 and £330 per sq ft and an average of **£292 per sq ft**.

The units have been finished to a low specification; offering basic accommodation appealing to either first time buyers or rental investors attracted to low capital values. It must be noted that although none of these flats benefit from waterside views, they are very small, typically extending to only 400 to 500 sq ft. As such they have achieved higher prices on a capital value per sq ft basis in comparison to neighbouring properties.

Block D1, Albion Wharf, IP4					
Flat Number	Floor	Beds	sq ft	Price	£psf
Unit 6	2nd	2	647	£159,000	£246
Unit 7	2nd	1	632	£167,500	£265
Unit 8	2nd	1	560	£155,000	£277
Unit 9	2nd	1	500	£149,000	£298
Unit 10	2nd	1	575	£152,500	£265
Unit 11	3rd	2	647	£148,000	£229

Unit 12	3rd	1	502	£142,000	£283
Unit 13	3rd	1	430	£138,000	£321
Unit 14	3rd	1	400	£132,000	£330
Unit 15	3rd	1	425	£134,000	£315
Unit 16	4th	2	497	£143,000	£288
Unit 17	4th	1	502	£142,000	£283
Unit 18	4th	1	430	£138,000	£321
Unit 19	4th	1	401	£132,000	£329
Unit 20	4th	1	425	£134,000	£315
Unit 21	5th	2	497	£141,000	£284
Unit 22	5th	1	502	£140,000	£279
Unit 23	5th	1	430	£136,000	£316
Unit 24	5th	1	401	£129,950	£324
Unit 25	5th	1	425	£132,000	£311
Unit 26	6th	2	497	£141,000	£284
Unit 27	6th	1	502	£140,000	£279
Unit 28	6th	1	430	£136,000	£316
Unit 29	6th	1	401	£129,950	£324
Unit 30	6th	1	425	£132,000	£311
Average					£292

Block E, The Mill, College Street IP4 1FT: This building occupies the south eastern part of the Cranfield Mill development, situated above commercial premises at ground floor, and with marina views. It comprises a modern scheme developed in 2009, and we are aware of the following resales:

Quayside, The Mill IP4 1FT					
Flat Number	Price	Date	sq m	sq ft	£psf
Flat 807 Quayside	£145,000	Oct-17	66	710	£204
Flat 812 Quayside	£117,500	Sep-17	54	581	£202
Flat 401, Quayside	£108,000	Nov-16	55	592	£182
Flat 108, Quayside	£150,000	Mar-16	53	570	£263
Average					£212

Block A4, The Mill, College Street, IP4 1FP: This building occupies the north western part of the Cranfield Mill development, situated above Dance East with inland views. It comprises a modern scheme developed in 2009, and we are aware of the following resales:

Foundry, The Mill IP4 1FP					
Flat Number	Price	Date	sq m	sq ft	£psf
Flat 516	£136,000	Apr-18	83	893	£152
Flat 109	£107,000	Nov-17	43	463	£231
Flat 507	£93,000	Sep-17	32	344	£270
Flat 106	£124,000	Sep-17	62	667	£186
Flat 902	£126,000	Jul-17	52	560	£225
Flat 309	£102,000	Jun-17	43	463	£220
Flat 304	£84,000	May-17	32	344	£244
Flat 614	£120,000	Feb-17	52	560	£214
Flat 408	£127,000	Feb-17	62	667	£190
Average					£215

Regatta Quay, IP4 1FF: The wider Regatta Quay scheme consists of a conversion and extension of the historic RW Paul's site which was originally a brewery. It was converted in 2008 to provide a collection of apartments combining modern construction with a selection of the original features retained. More recently, the Borrower has converted surplus office space on the 1st floor of the scheme to eight flats.

We are aware that the Borrower has successfully sold four of the eight apartments within the 1st floor conversion, details are provided below:

Regatta Quay – 1 st Floor Conversion				
Flat Number	Price	sq m	sq ft	£psf
1	£175,000	57	618	£283
2	£185,000	57	615	£300
6 *	£235,000	65	700	£335
7	£350,000	99	1,070	£327
Average				£315

* The sale of Unit 6 included a £20,000 furniture package. The price stated above reflects the purchase price net of the furniture package.

We are aware that Unit 5 within the subject Property is currently being marketed for sale on behalf of the Borrower at £199,950, equating to **£330 per sq ft**.

Further to the transactions listed above; we are aware of the following resales within the wider development constructed in 2008:

Regatta Quay IP4 1FF					
Flat Number	Price	Date	sq m	sq ft	£psf
11 (The Cambria)	£132,000	Oct-17	48	517	£255
82 (The Cambria)	£161,000	May-17	53	570	£282
88 (The Cambria)	£211,000	Feb-17	63	678	£311
18 (The Shamrock)	£192,000	Aug-17	82	883	£218
20 (The Shamrock)	£175,000	Jul-17	100	1076	£163
10 (The Shamrock)	£205,000	Feb-17	92	990	£207
Average					£228

Neptune Square, IP4 1QH: This luxury scheme was developed in 2000 and is situated a short distance to the east of the subject Property, benefitting from a waterfront position. There are some small retail units at ground floor level, facing the marina, and some of the upper floor flats benefit from balconies overlooking Albion Wharf. We are aware of the following resales, which all comprise 2 bedroom flats:

Neptune Square IP4 1QH					
Flat Number	Price	Date	sq m	sq ft	£psf
Flat 7	£181,500	May-18	61	656	£276
Flat 59	£182,250	Apr-18	68	731	£246
Flat 65	£155,000	Oct-17	54	581	£267
Flat 33	£330,000	Sep-17	63	678	£487
Flat 66	£185,000	Aug-17	70	753	£246
Flat 47	£293,000	Mar-17	88	947	£309
Flat 62	£121,500	Mar-17	45	484	£251
Flat 1	£185,000	Mar-17	69	743	£249
Flat 59	£140,000	Feb-17	68	732	£191
Average					£280

Neptune Marina, 1 Coprolite Street, IP3 0BN: This residential development was built in 2004 and is located adjacent to the University of Suffolk Campus, approximately 0.5 miles to the east of the subject Property. It benefits from a waterfront location and we are aware of the following resales:

Neptune Marina IP3 0BN					
Flat Number	Price	Date	sq m	sq ft	£psf
Flat 421	£205,000	Jun-18	71	764	£268
Flat 506	£272,500	Oct-17	74	797	£342
Flat 607	£273,000	Oct-17	81	878	£313
Flat 502	£198,750	Aug-17	77	829	£240
Flat 516	£230,000	Jul-17	121	1302	£177
Flat 606	£255,000	Mar-17	81	872	£292
Flat 604	£137,000	Mar-17	50	538	£255
Flat 216	£187,000	Mar-17	72	775	£241
Average					£266

7 Anchor Street, IP3 0BW: this residential block is situated slightly further along the waterfront, just over 0.5 miles to the south east of the subject Property. It was constructed in 2005 and comprises predominantly residential accommodation with a small ground floor commercial unit. We are aware of the following resales:

7 Anchor Street IP3 0BW					
Flat Number	Price	Date	sq m	sq ft	£psf
Apartment 202	£230,000	Nov-17	70	753	£305
Apartment 302	£220,000	Nov-16	70	753	£292
Average					£299

Foundry Lane, IP4 1DJ: The scheme was developed in 2000 with commercial at ground floor and 9 floors of residential accommodation above. It is situated within close proximity to the subject Property, at the junction of Foundry Lane and College Street and does not benefit from waterfront views. We are aware that Unit 26 (410 sq ft) sold in October 2017 for £140,000, equating to **£342 per sq ft**.

Conclusion

The sales evidence detailed above shows a range of values for modern, purpose-built flats located in the Waterfront area, of between approximately £200 and £300 per sq ft depending on quality of the scheme and if the flats benefit from marina views.

We would note that some of the transactions detailed above constitute resales within blocks that are generally between nine and 18 years old. The flats proposed at the subject Property will be newly created within an historic and prominent building. However, there is a large number of units being delivered in the area, raising the prospect of a glut of supply.

Taking all factors into account, we anticipate that residential flats developed at the Property will attract average exit values of approximately between £250 and £300 per sq ft, depending on the outlook (marina or courtyard). We have not been provided with detailed plans or a breakdown of units, so have assumed around half of the units will have a marina outlook and half will overlook the courtyard to the north. As such we have adopted a banded capital value of £275 per sq ft for the proposed residential accommodation.

This is in line with levels being achieved elsewhere within the wider Regatta Quay / Mill development, and is based on the expectation that the subject Property will be developed to an appropriate quality and specification.

6.3 Retail Market Overview

Ipswich's primary retail area runs east-west along Carr Street, Tavern Street and Westgate Street in the town centre. Upper Brook Street is the only non-pedestrianised street in the core retail area; it runs north-south and intersects Tavern Street and Carr Street.

Town centre retail floor space in Ipswich is estimated at 1.30 million sq ft. This is below the average volume of retail provision relative to the size of the population. This implies a shortfall in the provision of retail floor space; however, could indicate that the town has a small shopping population.

Ipswich is well represented by lower and mid-market fashion retailers, including Marks & Spencer, Primark, H&M, New Look, Topshop and River Island. Budget retailers such as Wilkinson, Bon Marche, Poundland, Peacocks and 99p Stores are also located in the town. Ipswich therefore has a good retail offering spread across the main retail locations within the town centre.

The Waterfront area has now emerged as one of the town's leading leisure areas. Immediately to the west of the Property are a café and Dance East, a dance class facilitator and theatre venue. To the east, along Albion Wharf occupiers include Anytime Fitness, Pizza Express, Grand Central Bar and Grill, Isaac's public house and the Salthouse Harbour Hotel. Further to the east, there are a number of bars and restaurants along the Waterfront, as well as the University of Suffolk campus.

To the west of the subject Property, on the other side of Bridge Street, there is a large retail and leisure offering at Cardinal Park, which comprises the Punch and Judy public house, Cineworld cinema and a number of fast food outlets including McDonalds, Nando's and KFC.

Leasing Evidence

There is a dearth of recent leasing activity in the Waterfront area, but we are aware of the following:

- **5 Wherry Quay, IP4** comprising of ground and first floor retail/office accommodation was let in January 2016 at a rent of £14,000 per annum, equating to **£11.66 per sq ft**. The property comprises of a former warehouse building which has been converted to provide

retail/office accommodation over ground and first floors. We consider the transaction comparable in terms of location.

- **Unit 1, Orwell Quay (Athena Hall), Duke Street, IP3** was let in October 2017. The unit comprises of 1,480 sq ft of retail accommodation within a newly constructed student residence. The development is part of several University related buildings known as University Quay located within close proximity to the Waterfront. The rent was £14,000 per annum, equating to **£9.46 per sq ft**.
- **Unit 3, Orwell Quay (Athena Hall), Duke Street, IP3** was let In November 2015. It comprises 1,835 sq ft and was let to ATOS IT Solutions for £20,000 per annum, equating to **£10.90 per sq ft**. Orwell Quay is similar in character to the Property, however, the location is further from the town centre and the main leisure facilities of the Waterfront. As such we anticipate that a higher rent is likely to be achieved at the Property.

The lack of recent leasing evidence is primarily due to the lack of new development completions in the Waterfront in recent years. Following our inspection it is clear that retail and leisure units along the Waterfront are well-let, with no vacant units noted. This suggests that strong demand exists from occupiers.

Due to the lack of more recent evidence we have also taken in to account historic lettings in the Waterfront area. We set out below relevant transactions:

- In September 2008, Pizza Express took a 2,603 sq ft restaurant over ground and first floor on the Marina Front at **14 Regatta Quay** on a 25 year lease at a rent of £70,000 per annum, reflecting **£26.89 per sq ft** overall, or £29.51 per sq ft if the 1st floor is taken at half rate.
- **12 Regatta Quay** was let to Mirahan Limited in September 2009 at a rent of £70,000 per annum on a 25 year lease, with tenant break in year 15. This comprised a ground floor restaurant of 2,535 sq ft, together with 1st floor area of 945 sq ft and a balcony area. The rent reflected just over **£20.00 per sq ft** overall, or approximately £23.50 per sq ft with the 1st floor taken at half rate, and excluding the balcony.
- **15 Regatta Quay** comprised a slightly more compromised unit, as it was set within the heavy frontage of a Grade II Listed mill building; although it also looked out over the marina, the window openings were small, leaving the restaurant suffering from low levels of natural light. It comprised 1,416 sq ft on the ground floor with 1,359 sq ft on the 1st floor and was let to a private individual, trading as The Waterfront Bar & Bistro for 25 years from May 2008. The rent reflected **£17.85 per sq ft** overall, or £23.64 per sq ft if the 1st floor is taken at half rate.
- **11 Neptune Quay** is a ground floor retail unit situated within close proximity to the subject Property to the east, overlooking the marina. It is a small unit, providing 433 sq ft at ground floor only. It was let in May 2009 on a 6 year term with a tenant break clause in year three at a rent of £8,500 per annum which equates to **£19.63 per sq ft**.
- The adjacent **Dance East Cafe** located on Foundry Lane (Dance Eats), in October 2009 the tenant took a new 25 year lease over ground and mezzanine floor levels. The rent

equated to **£13.00 per sq ft** overall, or £17.10 per sq ft if the mezzanine is taken at half rate.

Sales Evidence

We are aware of the following retail investment sales that we consider to be relevant:

- **Christies Warehouse, 3 & 5 Wherry Wharf, IP4:** Former warehouse comprising ground, first and second floor office accommodation with planning permission for A3/A4. The building is part occupied, with the waterside unit being marketed for £60,000 per annum, equating to £12.75 per sq ft (assuming half rent for first floor accommodation), whilst the front section was let for £14,000 per annum with four years remaining on the lease. The property sold in December 2016 for £775,000, equating to a yield of **9.50%** once fully let.
- **9-13 St Matthews Street, IP1:** The unit extends to 4,378 sq ft and is located in Ipswich town centre. The property comprises of two ground floor retail units with self-contained office accommodation located on the first and second floors. The property is fully occupied (one of the tenants is holding over, the remaining WAULT is 2.65 years) at a rent of £36,375 per annum. Sold in December 2016 for £375,000 reflecting a net initial yield of **9.70%**
- **29-33 Upper Brook Street, IP4:** Retail unit prominently located within Ipswich town centre. It is leased to Savers Health and Beauty Ltd (5 years unexpired) at a rent of £55,000 per annum. Sold in December 2017 for £690,000, reflecting a net initial yield of **7.57%**.
- **19-21 Upper Brook Street, IP4:** Comprises two adjoining retail units, providing ground floor retail accommodation with ancillary accommodation on the first floors. The combined rental income was £64,500 per annum (WAULT 4.8 years). Sold in December 2017 for £700,000, reflecting a net initial yield of **8.75%**.
- **14 Regatta Quay, Ipswich (Waterside location):** The restaurant unit is occupied by Pizza Express and extends to 2,603 sq ft, the passing rent is understood to be £70,000 per annum. The property sold July 2016 for £1,000,000 with approximately 17 years remaining on the lease. Sale price reflects a net initial yield of approximately **6.57%**.
- **13 St Nicholas Street, Ipswich:** this restaurant unit extends to 4,255 sq ft and is located in Ipswich town centre. It is leased to Ask Restaurants t/a Zizzi (23 years unexpired; 18 years to break) at a rent of £70,000 per annum. It was purchased by a private investor in October 2013 for £1,000,000, reflecting a net initial yield of **6.25%**.
- **12 Regatta Quay, Ipswich (Waterside location):** In January 2017 the property was sold to Grand Central Bar and Grill. The unit comprised a ground/first floor restaurant of 3,480 sq ft and sold with vacant possession for £560,000, reflecting **£161 per sq ft**.
- **Dance East Café, Foundry Lane, IP4:** The unit extends to 2,303 sq ft and is situated adjacent to the Property in a waterside location. The Tenant (Dance Eats) is understood to have purchased the unit for £380,000 in March 2017, reflecting a capital value of **£165 per sq ft**.

The above transactions indicate a prevailing yield tone of between approximately 6.25% and 9.50% for retail and restaurant units in Ipswich town centre, albeit the yields at the lower end of this range relate to leading restaurant operators such as Pizza Express and Zizzi. Units let to weaker or independent covenants attract softer yields.

Conclusion

The shortage of recent leasing activity in the Waterfront area makes it difficult to establish the Market Rent of the retail unit. Historic evidence around the marina shows rental levels of between approximately £20.00 and £25.00 per sq ft on ground floor accommodation that benefits from waterside frontages or close proximity to the marina. However, since these lettings conditions in the UK retail and casual dining markets have deteriorated, with a number of operators going into administration. More recent lettings in the Ipswich Waterfront area have been at materially lower rents of around £10.00 per sq ft, albeit these units do not benefit from waterside positions.

Based on the above letting transactions we expect the retail accommodation at the subject Property, which will benefit from a waterside frontage, to achieve a rent of around **£17.50 per sq ft.**

In determining the appropriate capitalisation yields we have had regard to recent sales in both the Waterfront area and Ipswich town centre. We anticipate that the units will be let to national and regional restaurant and leisure operators and once let are likely to attract yields of **9.50%**. The yield reflects the nature of the development and surrounding properties, the corresponding leasing risk, and the uncertainty relating to tenant covenant and specific lease terms.

7. VALUATION CONSIDERATIONS

The Property has outline planning consent to develop approximately 10,592 sq ft of ground floor retail space and 30,315 sq ft of residential accommodation over five upper floors. We therefore used the residual method of valuation, assessing the gross development value of the completed scheme and making allowances for the cost of undertaking the works required, as well as developer's profit. We highlight the principal valuation considerations as follows:

7.1 Location and Nature of the Property

The Property is located on the northern edge of the Waterfront, an area of Ipswich that has undergone considerable regeneration to provide high-density residential schemes, cafes, bars, restaurants and a new campus for the University of Suffolk. Although the recession dramatically curtailed this regeneration, there are signs that some appetite for speculative development, from both funders and developers, is returning to the local market and a number of stalled schemes are being reactivated.

The Property comprises a derelict Victorian warehouse within a wider development known as the Mill. It fronts the marina waterfront to the south and backs onto the development's central courtyard to the north. The building is of traditional construction with a timber frame with wrought iron supporting columns, brick elevations and a pitched tiled roof. The Property is unoccupied and extremely dilapidated, especially on the ground floor, and appears to have been last used for grain storage. It is currently boarded up for security.

In accordance with the extant planning consent (04/00313/FUL) for the entire Mill site, the Borrower intends to create A3/A5 restaurant and bar units at ground and mezzanine level, with residential apartments above. The upper five floors are designated under the outline planning permission for the wider Mill development for C3 residential accommodation.

We understand that the Borrower intends to adapt the existing outline planning consent to secure planning permission to increase the developable residential area to provide approximately 100 apartments over eight storeys incorporating a three storey extension. At this stage there has not been any discussions with the Local Authority over this revised scheme, and our valuation is prepared based on the existing outline consent for 30,315 sq ft of residential accommodation.

7.2 Market Value – Approach and Methodology

We have adopted the residual method of valuation to establish the Market Value of the proposed extension, establishing the gross development value (GDV) of the completed flats and then making various deductions for the costs of development, developer's profit and risk allowances.

Project Timescales

We have adopted the following project timescales in our appraisal:

Phase	Duration	Comment
Pre-Construction	6 months	To secure detailed planning permission and appoint contractors.
Construction	12 months	Reflects the refurbishment / conversion nature of the project.
Post Development	12 months	Reflects a sales rate of approximately four units per month.

Gross Development Value

With regards to the commercial element of the Property, we assume the units will be completed to a good standard, with glazed elevations and period features retained.

Based on the rental evidence detailed above, we anticipate the retail accommodation will achieve an overall rent of £17.50 per sq ft, equating to a Market Rent of approximately £185,000 per annum. We have capitalised our opinion of Market Rent assuming a six month rent free incentive at a yield of 9.50% to arrive at a GDV of £1,865,000.

With regard to the residential upper parts of the Property, we consider that the GDV to be approximately £8,300,000, based on a blended exit value of £275 per sq ft.

We therefore consider the proposed scheme to have a total GDV of approximately £10,085,000.

Development Costs

We have adopted construction costs of £45.00 per sq ft for the ground floor commercial units, and £100 per sq ft for the residential upper parts.

In addition we have allowed for a contingency allowance of 7.50%, professional fees at 10%, debt finance costs, marketing costs and agency fees.

We have allowed for a developer's profit of 20% of costs.

Residual Site Value

The above valuation approach suggests a residual site value of approximately **£2,200,000** for the Property.

Rights to Light Claim

Our valuations have been prepared on the basis that there are no claims or counter claims with regard to rights to light, and that the assets have good and unencumbered title.

7.3 Liquidity and Saleability

If the Property was to be offered for sale, we would anticipate a period of at least 12 months from commencement of marketing in order to achieve an exchange of contracts at our opinions of value.

8. VALUATIONS

8.1 Market Value

We are of the opinion that the Market Value of the freehold interest held in the Property, as at the date of this report, is:

£2,200,000
(Two Million Two Hundred Thousand Pounds)

8.2 Market Rent

We are of the opinion that the Market Rent of the Property, as at the date of this report but on the assumption that the proposed scheme has been completed is:

£185,000 per annum
(One Hundred and Eight Five Thousand Pounds)

Our valuations are stated after the deduction of purchaser's costs, including stamp duty at the usual rates.

This valuation report, together with its appendices, is provided for the use only of the party to whom it is addressed and is for the sole purpose for which it was commissioned; no responsibility is accepted to any third party for the whole or any part of its content. The report is specifically not provided for the benefit of the Borrower, who should seek independent advice on the asset, should this be required. The basis of valuation may not be appropriate for other purposes and should not be so used without prior consultation with us.

Neither the whole nor any part of this Valuation Report nor any reference thereto may be included in any published document, circular or statement, nor published in any way without our written approval of the form and context in which it may appear.

8.3 Reinstatement Cost Estimate

We are unable to provide an estimate of the cost of reinstating the Property due to its derelict condition and an absence of any information regarding the size of the current building.

9. CONCLUSIONS

9.1 Property as Security

In accordance with the Valuation – Global Standards (2017) of the Royal Institution of Chartered Surveyors it is appropriate for us to draw the attention of the Bank to those points that are relevant in assessing the suitability of the Property for loan security purposes.

We have not been provided with details of your proposed loan arrangements and cannot, therefore, comment specifically on the suitability of the Property to provide security for this loan.

- The market in Ipswich for residential accommodation appears buoyant and the Borrower will be bringing forward residential flats that are very much in demand for the area. The area will continue to improve as the Cranfield Mill site, “the Wine Rack”, and the surrounding development sites are brought forward.
- Sales evidence for flats within Ipswich saw values rise through 2017 into 2018. The Brexit vote in June 2016 created uncertainty. However, demand in Ipswich remains due to relatively affordable housing for commuters and first time buyers.
- The letting prospects of the commercial element of Property relies on the success of the neighbouring schemes that are either undergoing construction or are scheduled for redevelopment. These projects lie outside the control of a prospective purchaser of the Property.
- Based on the high level of occupation within the Waterfront area, we anticipate that the commercial element of the Property is likely to let readily once progress is made on site and neighbouring Properties are completed. As the quality of the area improves, we anticipate that the lettable and Market Value of the Property will increase.
- The outlook for the UK retail and casual dining market remains challenging, and there is a risk that market conditions could deteriorate further, having an adverse impact on the Market Value of the Property.

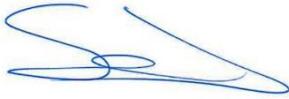
In general terms, we can say that we are of the opinion that the Property is a readily marketable asset and therefore suitable for loan security purposes.

9.2 Confidentiality

This valuation report, together with its appendices, is provided for the use only of the party to whom it is addressed and is for the sole purpose for which it was commissioned; no responsibility is accepted to any third party for the whole or any part of its content. The report is specifically not provided for the benefit of the Borrower, who should seek independent advice on the asset, should this be required. The basis of valuation may not be appropriate for other purposes and should not be so used without prior consultation with us.

Neither the whole nor any part of this Valuation Report nor any reference thereto may be included in any published document, circular or statement, nor published in any way without our written approval of the form and context in which it may appear.

Yours faithfully,



Sam Holdsworth
MRICS, Registered Valuer
Surveyor
Montagu Evans LLP

(The Surveyor who has prepared the report)



Oliver Chivers
MRICS, Registered Valuer
Partner
Montagu Evans LLP

(The Partner who has overseen, checked and approved the report)

Montagu Evans LLP
Chartered Surveyors
5 Bolton Street
London W1J 8BA
Tel: 020-7493 4002
Fax: 020-7312 7548

**APPENDIX 1 –
INSTRUCTION LETTER & TERMS OF BUSINESS**

Ref: Cardinal Lofts (Victorian Building) Limited

Montagu Evans Chartered Surveyors
5 Bolton Street
London
W1J 8BA

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:	Cardinal Lofts (Victorian Building) Limited
Contact Name:	Larry Isherwood
Phone Number:	01473 737430
Email:	matt.slater@teamabsl.co.uk
Properties:	Blocks B & C, Old Victorian Mill, Ipswich, Suffolk, IP4 1FT
Tenure:	Freehold
Use:	Land
Tenancies:	N/A - vacant.
Access:	via Larry Isherwood

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 £2500-00 + 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, 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.

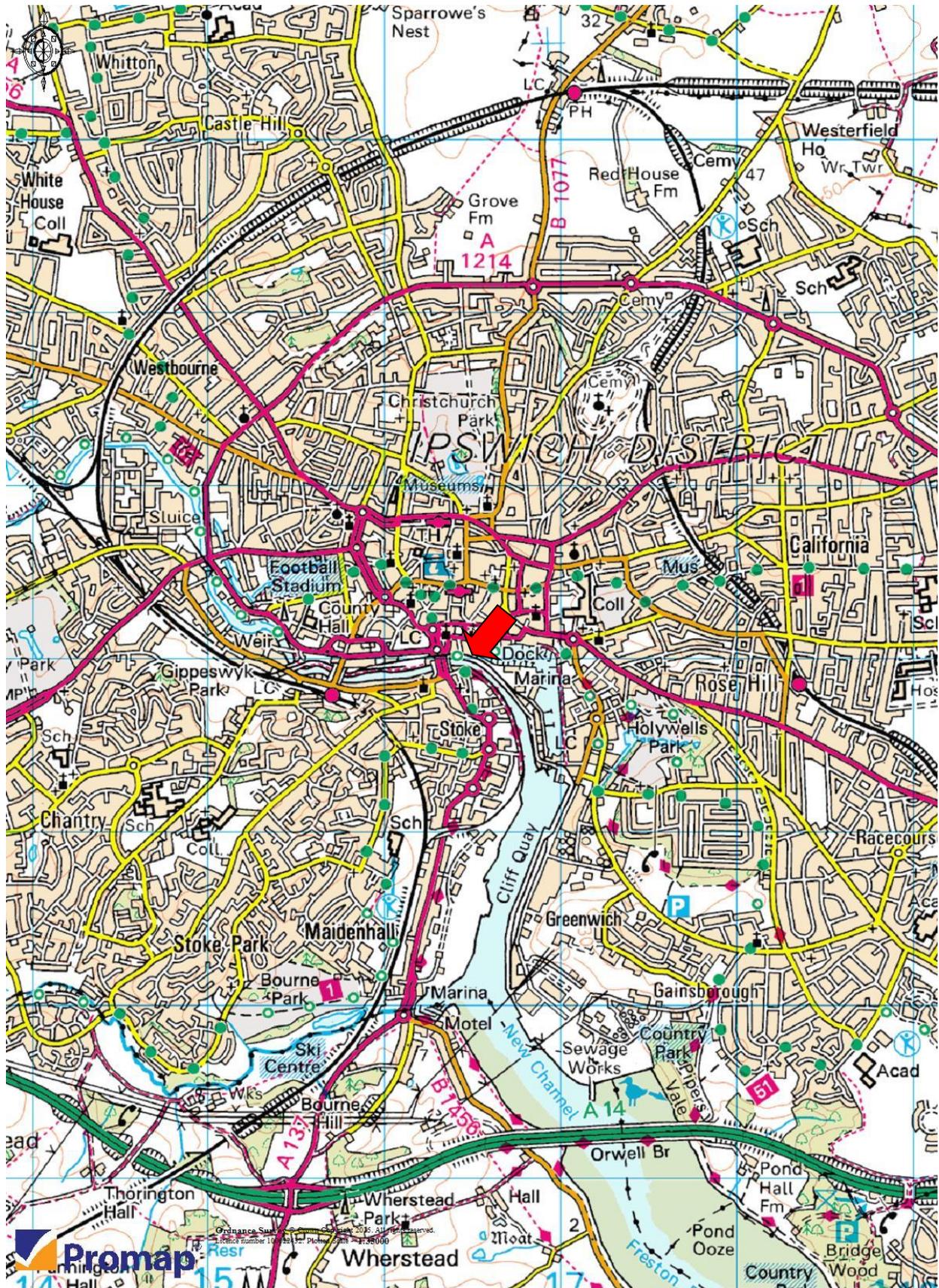
Yours Faithfully,



Brian Bartaby
Director

Proplend Security Limited

**APPENDIX 2 –
LOCATION, SITE AND ORDNANCE SURVEY PLANS**



PROPLEND SECURITY LTD

THE MILL, ALBION WHARF,
IPSWICH

LOCATION PLAN

OCTOBER 2018

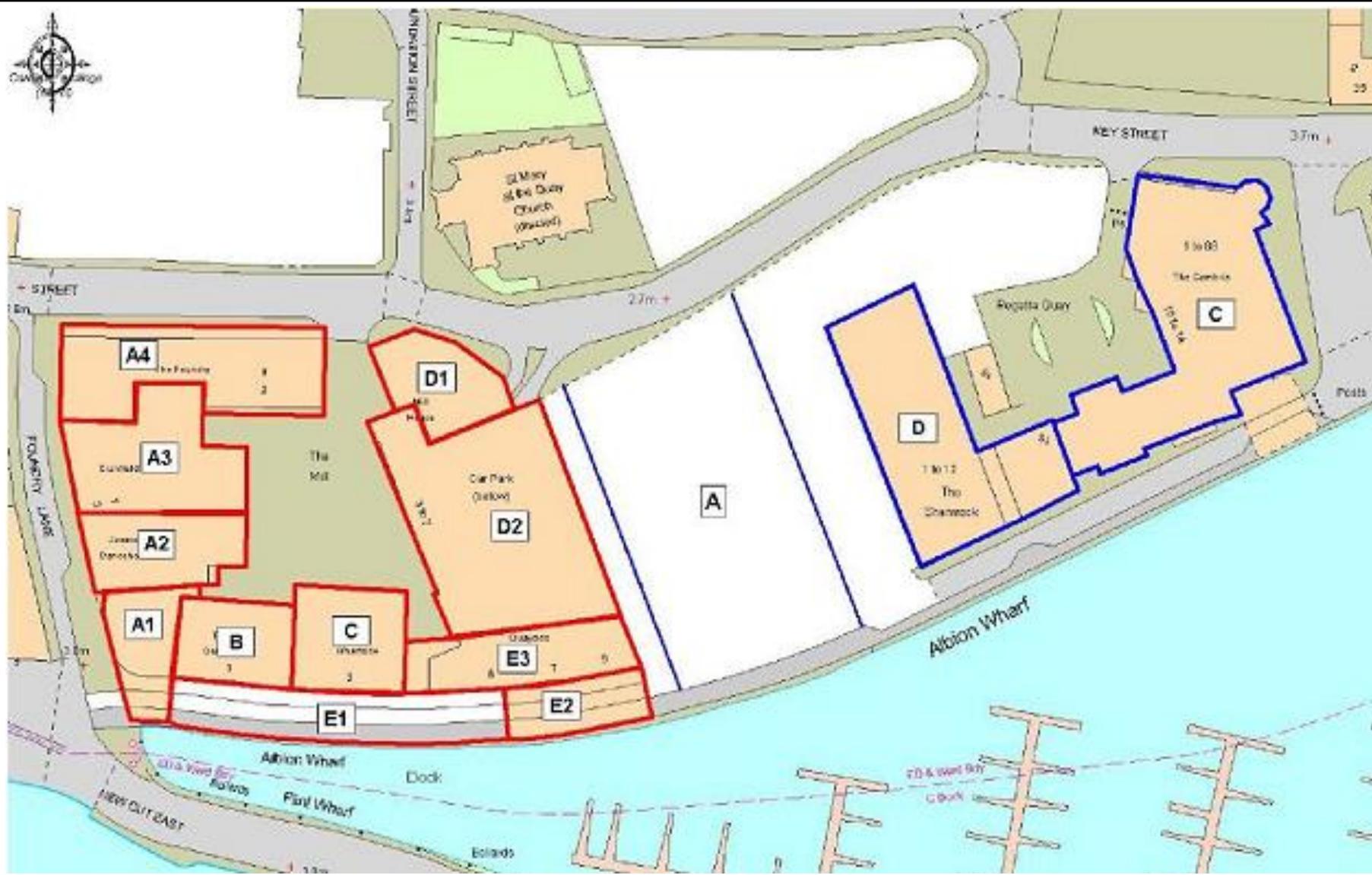
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**MONTAGU
EVANS**



PROPLEND SECURITY LTD

ALBION WHARF, IPSWICH
SITE PLAN

OCTOBER 2018

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▲ North

**MONTAGU
EVANS**
CHARTERED SURVEYORS
5 Bolton Street London W1J 8BA
Tel: 020-7493 4002 Fax: 020-7312 7548

**APPENDIX 3 –
PHOTOGRAPHS**

Blocks B & C Frontage from other side of Marina



Block E3 Frontage from other side of Marina



Blocks B&C from courtyard



Block D2 from courtyard



Alley between Blocks B & C and Blocks D2 & E3 (facing the marina)



Blocks B & C Existing frontage onto Marina



View of Marina from Blocks B&C

