

Philip Gould
Proplend Security Ltd
15 Little Green
Richmond Upon Thames
TW9 1QH

08 August 2018

Dear Sirs,

Property: 797 London Road, Thornton Heath, CR7 6AW
Customer: Beta Circle

You have requested that we refer to our valuation report dated 2nd April 2015 and confirm whether we believe the value is no less than that reported at that time, namely £2,275,000. We understand that you are proposing a short-term extension to the original loan whilst a sale is arranged.

We have been provided with an updated Tenancy Schedule which states that the current gross rent is circa £296,500 per annum, plus service charge. At the time of our original report the aggregate gross rent was circa £139,000 per annum.

We note that our Market Value was based on a Residual Appraisal for the proposed scheme of conversion to 71 residential units. Whilst we have not researched the residential sales market again it is evident that capital values have, in the meantime, risen for 'starter' flats in suburban London and, on this basis, are happy to confirm that the residual value of the building will not have fallen below that reported in 2015.

We are further comforted by, firstly, an offer from Kinsman Housing (date unknown) at £5m and, secondly, by the recommendation from JLL last month to market the property at 'offers in excess of £7.5m gross'.

We have not reinspected the property, nor have we made further investigations into, for example, the current planning position, supply and demand in the local area and development costs.

We hope that this is sufficient for your purposes. On the basis that this is merely a letter of comfort we will not be making a charge.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'R Maude', written in a cursive style.

Rupert Maude FRICS
Partner
Valuation Consultancy

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