

REPORT AND VALUATION

FOR YOUR CUSTOMER:- SUTTON CARTER INVESTMENTS LTD

**OF THE FREEHOLD INTEREST
OF THE PROPERTY**

BEING

**UNIT 3 IMEX BUSINESS PARK
UNION ROAD
OLDBURY
WEST MIDLANDS
B69 3EX**

DATE OF INSPECTION:- 11 SEPTEMBER 2018
DATE OF INSTRUCTION:- JANUARY 2019

On behalf of:-

Proplend Security Limited
15 Little Green
Richmond
TW9 1QH

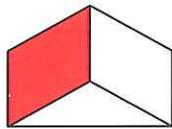
For the attention of B Bartaby Esq

PHOTOGRAPHS



PHOTOGRAPHS





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CHARTERED SURVEYORS – RICS REGISTERED VALUERS

Sales, Lettings, Acquisitions, Investments, Valuations, Building Surveying, Management, Rating, Rent Reviews, Lease Renewals, Planning & Development

Date: 25 February 2019

Our ref: JTT/IP/LM.V1205

Your ref:

Proplend Security Limited
15 Little Green
Richmond
TW9 1QH

Dear Sirs

Customer:- Sutton Carter Investments Ltd

Property:- Unit 3 Imex Business Park, Union Road, Oldbury, B69 3EX

In accordance with your instructions, an inspection of the building has been carried out by Ian Parker MRICS Registered Valuer on 11 September 2018, in accordance with the RICS Valuation – Professional Standards (The Red Book) and in accordance with International Valuation Standards 2017 (The 'IVS'), as follows:-

We confirm that there is no conflict of interest arising from our undertaking of this valuation. Our Valuer has appropriate knowledge and sufficient experience to undertake this Valuation and Report.

We confirm that the valuation has been carried out to assist in consideration for a loan facility.

OUR VALUATIONS

1. **Market Value** - £240,000 (Two Hundred and Forty Thousand Pounds).
2. **Market Value on the assumption of a restricted marketing period of six months** - £240,000 (Two Hundred and Forty Thousand Pounds).
3. **Market Value on the assumption of vacant possession** - £270,000 (Two Hundred and Seventy Thousand Pounds).
4. **Market Rent** – £21,000 (Twenty-One Thousand Pounds) per annum.

The Valuations, unless otherwise stated, are provided subject to the Standard Limitations and Assumptions contained at the rear of this report.

Your attention is drawn to the fact that this report is not a Building Survey but a Valuation prepared in accordance with your requirements and appropriate RICS guidelines.

We confirm that we have Professional Indemnity Insurance cover in the sum of £2 million.

Our report is set out in numbered paragraph format as follows:

1.0 SITUATION AND LOCATION

The Property is located in Oldbury, which is situated within the Sandwell Local Authority in the West Midlands and forms part of the Black Country. Surrounding towns and suburbs include West Bromwich, located approximately 1km to the north-east, Dudley approximately 3km to the west and Smethwick approximately 3km to the south-east.

Union Road is accessed via Railway Lane, which connects to Dudley Road East approximately 200 metres to the south-west. This in turn provides access to Junctions 1 & 2 of the M5 Motorway, both within 2km radius of the Property. The nearest Train Station is Sandwell and Dudley, which is located approximately 1km to the south-east.

The Property is located at the end of Union Road, which is a cul-de-sac comprising industrial units of various age and style.

To the north-west is a large metal recycling plant occupied by EMR Group; whilst to the south is the Anglo-African Industrial Estate and surrounding occupiers on the Oldbury Road include Pressbond Fabrications, Bitumen Products Ltd, Clark Transport and TG Metals Ltd Recycling.

All major urban amenities are available close by.

2.0 DESCRIPTION

The Property comprises a self-contained, single-storey detached Industrial Unit with integral two-storey Office accommodation.

The Property has a total Gross Internal Floor Area of 5,923 sq ft (550 sq m).

Outside, the Property benefits from a deep Forecourt, providing parking and space for loading and unloading. In addition, there is a communal Car Park to the rear, which provides additional space for loading and unloading.

Site and location plans are provided at the rear of this Report.

3.0 ACCOMMODATION

The accommodation is arranged as follows:-

Ground Floor – Open-plan Warehouse measuring 30'5" x 112'1" benefitting from an eaves height of 19'7" together with detached Stores; Loading Bay and good complement of male and female WCs.

First Floor – Office accommodation.

The total Gross Internal Floor Area is 5,923 sq ft (550 sq m).

Outside, there is a deep Forecourt, providing parking and space for loading and unloading.

4.0 CONSTRUCTION

The Property was constructed with a concrete portal frame supporting masonry walls and a ridged and pitched lined profile steel clad roof.

Floors are of solid concrete of unspecified, but assumed to be adequate, load-bearing capacity.

Windows are single-glazed aluminium casements.

The Property has been over-clad to the front elevation with profile steel sheeting.

5.0 SERVICES

All mains services are available and connected.

6.0 STATE OF REPAIR

The Property requires redecoration throughout but is generally sound.

7.0 TENURE

Freehold, subject to the tenancy detailed below.

8.0 TENANCY

The Property is let to Daniel Chojnowska to 31 December 2022 at a rent of £21,000 per annum. The Tenant is responsible for all outgoing.

9.0 TOWN PLANNING AND OTHER STATUTORY MATTERS

9.1 Planning

We understand the property is in an area zoned for B1 & B2 Uses. A local search has not been submitted nor any previous such document inspected.

9.2 Highways

The Property is accessed via a communal Estate Road, over which it assumed they have permanent Rights of Access, with no onerous or unusual restrictions.

9.3 Fire Regulations

We have not yet ascertained whether a Fire Safety Assessment is in existence. For the purpose of our Valuation we have explicitly assumed that there is.

9.4 Control of Asbestos at Work Act

We have not had sight of an Asbestos Register with regard to the subject premises; however, we have assumed that there are no onerous or unusual requirements with regard to management of asbestos contained therein.

9.5 The Equality Act 2010

Not applicable.

9.6 Offices, shops and Railways Premises Act

No matters were noted in the course of our survey which would materially impact upon our Valuations.

9.7 Energy Performance Certificates

We have not been provided with an up-to-date EPC rating for this Property and, as such, our Valuation is based on the assumption that the subject Property will meet the minimum requirements laid down by the legislation and that there will be no adverse impact on value and marketability. 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 with the legislative requirements.

9.8 Housing Acts

Not applicable.

9.9 Licences

Not applicable.

10.0 ENVIRONMENTAL CONSIDERATIONS

10.1 Contamination

No indications of past or present contaminative land uses were noted during our inspection; however, the Property has been used for heavy industrial purposes and it may be prudent to obtain a more in-depth online Contamination Report.

10.2 Flooding

We understand that the Property is not in an area affected by flooding, as identified on the gov.uk website.

10.3 Radon Gas

We are advised the Property is not in an area affected by elevated Radon levels.

10.4 Made up ground

The Property does not appear to have been constructed on made up ground.

10.5 Invasive Species

We did not observe any invasive species or Japanese Knotweed in the course of our inspection.

11.0 METHODOLOGY, COMPARABLE EVIDENCE AND GENERAL COMMENTS

11.1 Whilst the Commercial Property Market was hit hard by the recession and difficult economic climate following the banking crisis in 2008, the Market has improved steadily, year on year, reflecting the increase in occupier activity, with Values having now returned generally to pre-recession rates.

11.2 The subject Property forms part of an established popular commercial location, where there is good demand for commercial premises, with the area appealing to car traders and repairers.

11.3 The Comparable Method/Market Approach of Valuation has been adopted and we have had regard to the following transactional evidence.

(a) Unit 19 Corngreave Industrial Estate, New Road, Dudley – An industrial unit of similar age was let in June 2016 at a rent of £15,125 per annum, equating to £3.50 psf.

(b) Unit 12 Western Way, Wednesbury – Industrial unit of portal frame construction, with similar eaves height to the subject was let late 2017 at £3.25 psf.

(c) Unit 4 Church Lane, West Bromwich – A steel-framed industrial unit measuring 4,000 sq ft was recently let at £16,000 per annum, creating a total rent of £4.00 psf.

(d) Unit 7 Imex Business Park – 5,359 sq ft is let at a rent equating to £3.50 psf.

- 11.4 Given the lofty nature of the premises, we have adopted a rate of £4.00 psf and made allowances for the Stores and condition to calculate the Market Rent.
- (e) Unit 6 Imex Business Park – 4,800 sq ft was sold recently at £220,000, equating to £45.83 psf.
 - (f) Unit 2F Percival Drive – End-terrace factory/warehouse of 1,926 sq ft was sold recently at £50.00 psf.
 - (g) Unit 2 Swan Lane Industrial Estate, West Bromwich – A mid-terrace factory/warehouse of 4,812 sq ft was recently sold at £190,000 (£39.48 psf).
- 11.5 Having regard to the above, we have used a rate of £45.00 psf to calculate the Market Value.
- 11.6 The Property is let to a Tenant of unknown covenant strength and Investors' preference is still for long-term secure Investments; therefore, we have reflected the unknown quality of the Tenant in our choice of yield. Given there is a high demand in the area for commercial premises from owner-occupiers, the Market Value, subject to Vacant Possession, is higher than the Market Value, subject to Lease.

11.7 Our Valuations

(a) Market Rent

5,923 sq ft @ £4.00 psf = £23,692

Less allowance for repairs & condition

Market Rent say = £21,000 per annum

(b) Market Value (subject to Vacant Possession)

5,923 sq ft @ £45.00 psf = £266,535

say = £270,000

(c) Market Value (subject to Lease)

Market Rent = £21,000 per annum (same as passing)

X YP Perp @ 8.5% 11,765

£247,058

Less costs & repairs, say = £240,000

n.b. for the sake of completeness standard purchasers costs are included in the gross yield of 8.5%

12.0 MARKETABILITY

Under normal Market conditions, we would expect the disposal of the Property to take between 9-12 months.

Following the EU referendum held on 23 June 2016 concerning the UK's membership of the EU, a decision was taken to exit. We are now in a period of uncertainty in relation to many factors

that impact the property investment and letting markets. Since the Referendum date it has not been possible to gauge the effect of this decision by reference to transactions in the market place. The probability of our opinion of value exactly coinciding with the price achieved, were there to be a sale, has reduced. We would, therefore, recommend that the valuation is kept under regular review and that specific market advice is obtained should you wish to effect a disposal.

13.0 INSURANCE REINSTATEMENT VALUE (assumptions at end of Report)

£530,000

14.0 RATEABLE VALUE

£17,500

STIPULATIONS OF VALUATION AND REPORT

Market Value

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.

Market Rent

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

Jurisdiction

In the event of a dispute arising in connection with a Valuation, unless expressly agreed otherwise in writing, Benjamin Stanley Limited, the Client and any third party using this Valuation will submit to the jurisdiction of the British Courts only. This will apply wherever the property or the Client is located, or the advice is provided.

Reinstatement Value for Insurance Purposes

A Reinstatement Cost assessment is our opinion of the likely cost of reinstating all the buildings, normally for insurance purposes, on the date of this Valuation, based on current published cost information. A detailed assessment can only be provided by a Chartered Quantity Surveyor.

The brief description of the property is intended for guidance only and for no other purposes. We have not undertaken a Structural Survey and in the absence of detailed drawings, assumptions have also been made as to the construction of the buildings.

The Reinstatement Cost assessment is on the basis that:-

- a) That the accommodation provided will be similar in construction, design and area to the existing buildings.
- b) Will be in compliance with conditions imposed by Local Authorities in connection with the construction of the building.

- c) Unless reported separately, allowances are made to cover the cost of necessary demolition and site clearance prior to re-building, external work such as hard-standings, private roadways and fences and Professional Fees which would normally be incurred.

Unless otherwise stated, the Reinstatement Cost does not include any allowance for:-

- 1) Any loss of rent incurred during re-building.
- 2) Planning restrictions that a Planning Authority might impose.
- 3) Special foundations, drains and sewers, yard surfaces, private roadways, hard-standings, boundary walls and fences.
- 4) All plant, machinery, equipment, tanks, fixtures and fittings, loose tools, office furniture and equipment.
- 5) Any effect of inflation on building costs occurring after the date of this Valuation.
- 6) VAT, which will be payable in certain circumstances, both on building works and Professional Fees - you are advised to discuss this matter with your Insurance Broker.

Note - a Reinstatement Cost assessment is not a Valuation.

Date of Valuation

All figures in the Valuation are taken as at February 2019.

Information

All information supplied to us has been accepted as being current full and correct, unless otherwise stated, and that details of all matters relevant to value within your collective knowledge have been imparted to us.

Tenure and Title Deeds

We have not inspected any original deeds, documents, Leases or Land Registry Certificates, and it is consequently assumed that the property is unencumbered and free of any onerous covenants, easements or other undisclosed restrictions or liabilities including mortgages which may adversely affect the value.

Site Plan

This is attached, and is for identification purposes only. It is reproduced under Ordnance Survey Licence Number E100022432.

Floor areas and dimensions

All measurements are carried out in accordance with the Code of Measuring Practice issued by the Royal Institution of Chartered Surveyors (RICS), unless otherwise stated in our Report.

All floor areas and dimensions have been taken from surveys but must nevertheless be regarded as approximate. The following 2 bases are normally used:-

- i) the Gross Internal Area is measured to the interior faces of the external walls and includes internal walls, toilets, corridors, stairwells, plant rooms etc.
- ii) the Net Internal Area is measured to the internal faces of exterior walls and excludes internal walls, toilets, corridors, stairwells, plant rooms etc.

We have not carried out a detailed Site Survey, and where a site area is quoted it has been calculated either from Plans supplied by you to us, or using Ordnance Survey Plans. The site area quoted therefore cannot be guaranteed and is to be treated as approximate.

Soil and Mining Report

We have not carried out, commissioned or inspected a Site Investigation Report or Geophysical survey and can therefore give no opinion, assurance or guarantee that the ground has sufficient load-bearing strength to support any development that may be erected upon it in the future. Additionally, we cannot give any opinion, assurance or guarantee that there are no underground mineral or other workings beneath the site or its vicinity, nor that there is any fault or disability underground including but not limited to any contamination which could or might affect the property or its construction thereon.

Environmental Protection Act

For the purpose of this Valuation, we have assumed zero contamination.

Condition of Buildings

Although we have inspected the property we have not been instructed to carry out a structural survey nor have we inspected woodwork or other parts of the structure which are covered, unexposed or inaccessible. Also the various services and mechanical and electrical installations have not been tested. We are therefore unable to report that any such part of the property is free from defect.

We have not arranged for any investigation to be carried out to determine whether or not high alumina cement or concrete or calcium chloride additive or asbestos or any other deleterious material or permanent woodwool shuttering has been used in the construction of this property. 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 such investigation would not disclose the presence of any such material in any adverse conditions, or any rot, infestation, structural and design defects.

We have reflected in our Valuation any obvious defects or items of disrepair which we noted from our inspection for this Report.

Town Planning, Highway & other statutory considerations

We understand that the property is in an area zoned for B1 & B2 Uses. A Local Search has not been submitted nor any previous such documents inspected.

It is assumed that the buildings have been constructed in accordance with valid Planning Consents and Building Regulation Approvals or with the benefit of permanent existing use rights to the full satisfaction of the Local Authority and that there are no outstanding statutory or other Notices in connection with the property or its present or intended use. We have further assumed that the Town Planning Consents do not contain restrictions which may adversely affect the value of the property.

Taxation and Value Added Tax

Unless advised to the contrary, our Valuation assumes the property is exempt from VAT.

Fixtures and Fittings

All items normally regarded as Tenant's or trade fixtures and fittings have been excluded from our Valuation.

Listed Building

No

Reproduction and Use

This Report is for the use only of the party to whom it is addressed and should only be used within the context of the instructions under which it is prepared. It may be disclosed to other Professional Advisors assisting in respect of that purpose. No responsibility is accepted to any third party for the whole or any part of its contents.

Neither the whole nor any part of this Valuation nor Report or any reference thereto may be included in any published document, circular or statement, nor published in any way without written approval from John Truslove of the form and context in which it may appear. For the avoidance of doubt, such approval is required whether or not this Practice is referred to by name or whether or not our Report is combined with others.

Conflict of Interest

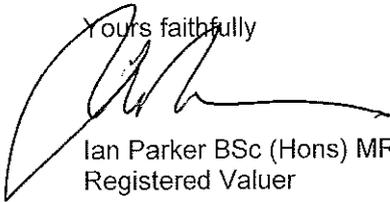
We confirm that there is no conflict of interest whatsoever, either in respect of this Practice or any individual employed there.

Our Qualifications

Our Valuers are Chartered Surveyors with appropriate knowledge and sufficient experience to undertake this Valuation and Report.

Trusting that the above is both self-explanatory and satisfactory for your purposes.

Yours faithfully



Ian Parker BSc (Hons) MRICS
Registered Valuer