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Valuation Report

Address	11 Royal Parade, Dawes Road, London SW6 7RE
Lender	Proplend Security Ltd
Lender Address	20-22 Wenlock Road, London, N1 7GU
Applicant Name	R Berenson
Date	15 th April 2019
Valuation Company	Levene Chartered Surveyors
Valuer	Fred Pilkington MRICS

PROPERTY DETAILS

Property Address:	11 Royal Parade, Dawes Road, London SW6 7RE		
Lender:	Proplend Security Ltd	Date of Valuation:	15 th April 2019
Purpose of Valuation:	Loan Security	Valuation Method:	Residual



VALUATION

(please carefully read the lenders instruction letter and make sure that valuations are provided on the required basis)

Market Value	£800,000
Existing Use Value	£500,000
Market Rent (MR)	£32,250 per annum (in existing use) £55,000 per annum (on completion of flats)
Insurance Reinstatement Estimate:	£375,000

VALUATION ISSUES:	Estimated Sales period:	6 to 9 months
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LOCATION / DESCRIPTION

Location Summary:	The subject property is located on the south side of Dawes Road in the area of Fulham and close to its junction with Munster Road. Dawes Road and the immediate surrounding area are a mix of residential and commercial in nature and comprise mostly two and three storey Victorian buildings.		
Description Summary:	The property lies in the middle of a parade of retail units with further accommodation on the first and second floors. The property used to be a clothes shop and tailor with storage facilities in the basement and upper floors.		
Condition Summary:	The property is in a poor state of repair and would need to undergo a complete refurbishment.		
Floor Area:	Current Floor Area (GIA) 129.7 sq m / 1,396 sq ft	Site Area:	0.05 ha(0.013 acres)

	Proposed Floor Area (NSA) 165.5 sq m / 1,781 sq ft		
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TENURE / TENANCY

Tenure:	<ul style="list-style-type: none"> Freehold 	<ul style="list-style-type: none"> Tenancy: 	<ul style="list-style-type: none"> The property is vacant
Passing Rent:	<ul style="list-style-type: none"> Vacant Possession 	<ul style="list-style-type: none"> Market Rent: 	<ul style="list-style-type: none"> £32,250 per annum

SWOT ANALYSIS

<p>Strengths:</p> <ul style="list-style-type: none"> Strong Residential Location Permission has been granted for residential use 	<p>Weaknesses:</p> <ul style="list-style-type: none"> Weak Secondary Location On a main road
<p>Opportunities:</p> <ul style="list-style-type: none"> Conversion to residential Potential for good rental income 	<p>Threats:</p> <ul style="list-style-type: none"> The building work will need to be carried out to a high standard More suitable for rental properties than as a family home with limited size to the units.

DEFECTS & SPECIALIST REPORTS

(Please identify any structural, legal or environmental issues from the drop-down lists. Please confirm the status of the defect and provide further commentary below if you have recommended that a specialist report is required)

Legal Issues	Report Required / Issue Identified	Structural Issues	Report Required / Issue Identified	Environmental Issues	Report Required / Issue Identified
Choose an item.	N/A	Choose an item.	N/A	Choose an item.	N/A
Choose an item.	N/A	Choose an item.	N/A	Choose an item.	N/A
Comments:	N/A				

RECOMMENDED ACTION POINTS / SUITABILITY FOR LOAN SECURITY

We would recommend the following action points:	<ul style="list-style-type: none"> N/A
Is the property suitable for loan security?	Yes

Please note that this Executive Summary is merely a summary of the valuation report and should not be read in isolation to the full valuation report provided overleaf.

LEVENE CHARTERED SURVEYORS

Jubilee House, Jubilee Close, Hampton Wick
Kingston upon Thames KT1 4DG

T 020 8977 6886 E valuations@levene-surveyors.com



Valuation Report For Secured Lending

**11 Royal Parade,
Dawes Road,
Fulham, London, SW6 7RE**



On behalf of

**Proplend Security Limited
20-22 Wenlock Road
London
N1 7GU**



HEAD OFFICE
Jubilee House
Jubilee Close
Hampton Wick
Kingston upon Thames
KT1 4DG



Valuation Report Details

Addressee: Proplend Security Limited, 20-22 Wenlock Road, London, N1 7GU

Reference: N/A

Applicant: R Berenson

Date of Inspection & Valuation: 15th April 2019

Date of Report: 16th April 2019

Purpose of Report: Loan Security

IMPORTANT NOTICE TO MORTGAGE APPLICANTS

This report has been prepared to allow the mortgage lender to assess the suitability of the property as security: it has not been prepared for the benefit of the Mortgage Applicant who is not entitled to rely on the report. The services have not been tested and a detailed survey has not been carried out and thus defects could exist which are not mentioned in the report. The Valuer is entitled to make certain assumptions which during subsequent legal or other investigations may prove to be inaccurate. Applicants acquiring property interests are strongly advised to obtain their own detailed advice from suitably qualified professionals before exchanging contracts.

Report Prepared by:

Fred Pilkington MRICS
RICS Registered Valuer
Levene Chartered Surveyors
Jubilee House
Jubilee Close
Hampton Wick
Kingston upon Thames
KT1 4DG

Telephone: 020 8977 6886

Email: valuations@levene-surveyors.com

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APPENDICES

- A Instructions
- B Title, Street & Location Plans
- C Photographs
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1.0 INSTRUCTIONS

1.1 Levene Chartered Surveyors received instructions to inspect and report to you on the value of the subject property.

1.2 This report provides you with our opinion of:

a.) Market Value

b.) Market Value subject to the special assumption that a 180 day marketing period is available in which to achieve a sale.

c.) Market Value subject to the special assumption that a 90 day marketing period is available in which to achieve a sale.

d.) Market Rent

1.3 Our report has been undertaken in accordance with the RICS Valuation – Global Standards 2017, incorporating the IVSC International Valuation Standards ('The Red Book').

1.4 Definitions for Market Value and Market Rent are as follows:

Market Value is 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 is 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.

1.5 We understand our advice is required for the purpose of assisting you in considering the suitability of this property for commercial secured lending. This valuation is intended solely for this and for no other purpose and should not be relied upon by any third party to whom it is not addressed.

2.0 CONDITIONS OF ENGAGEMENT

2.1 Our Terms of Engagement have been agreed in accordance with our panel agreement and/or by terms and conditions forwarded via email.

2.2 We have discussed and agreed with you any special assumptions (if any) prior to commencing the valuation process.

2.3 We are external valuers as defined in the Red Book.

3.0 DETAILS OF INSPECTION

3.1 The property was inspected on 15th April 2019 and the report prepared by Fred Pilkington MRICS, RICS Registered Valuer, acting as an independent valuer, with the relevant knowledge, skills and understanding to undertake the valuation competently.

3.2 At the time of our inspection, the property was vacant.

3.3 The weather conditions at the time of my inspection were fair.

4.0 LOCATION

4.1 The subject property is located on the south side of Dawes Road in the area of Fulham and close to its junction with Munster Road. Dawes Road and the immediate surrounding area are a mix of residential and commercial in nature and comprise mostly two and three storey Victorian buildings.

4.2 The property is within walking distance of the shops and amenities of both Fulham Broadway and Parsons Green, which includes a range of high-end shops, bars and restaurants and underground stations (District Line). Additionally, there is a wide choice of bus routes linking directly, and quickly, into Central London and the West End.

4.2 The property is conveniently located for transport links with the Fulham Palace Road a short distance to the north linking with the A4 to the east in turn providing access to the national motorway network.

4.3 Parking on Dawes Road is mostly restricted to permit holders only with some pay and display spaces.

4.4 The property is situated within the London Borough of Hammersmith and Fulham. It is bordered by Brent to the north, Kensington and Chelsea to the east, Wandsworth and Richmond to the south and Ealing and Hammersmith to the west.

4.5 For identification purposes, we have included title, street and location plans in Appendix B.

5.0 DESCRIPTION, AGE, CONSTRUCTION & CONDITION

5.1 The property lies in the middle of a parade of retail units with further accommodation on the first and second floors. The property used to be a clothes shop and tailor with storage facilities in the basement and upper floors.

5.2 On entry into the property there is a hall with stairs leading up to the first floor and an entrance to the right into the main retail area. To the back of the shop is a small patio. The first floor includes a cutting room, a break out room with a kitchen and a WC. The second floor includes two further rooms. The property has a cellar that has been used for file storage.

5.3 We estimate the building was constructed in the late 1800s.

5.4 The planning consent for three flats involves extending the rear of the property above the existing ground floor extension, and the main building at first and second floors. There is also a new basement extension. A rear private courtyard is created at basement level for the lower maisonette. All the flats will be accessed by the existing front entrance door and via a communal entrance hall to the ground / basement floor flat, and communal stairs up to the first and second floor flats.

5.5 The basement and ground floor flat will be a 1-bedroom unit for up to two occupants. The flat will have a double bedroom, a living room and kitchen at ground floor level. A new basement will create space for a media room and bathroom. The first floor flat will be a 1-bedroom unit for one occupant and will have an open plan kitchen, living room, one bedroom and a bathroom. The second floor flat will have an open plan kitchen, a living room, 1 bedroom and a bathroom.

5.6 External, internal and street scene photographs are attached in Appendix C.

5.7 We have not undertaken a structural or building survey of the property.

5.8 We have made a visual internal and external inspection only. The external inspection has been undertaken from ground level only. We have not inspected those parts of the property which are covered, unexposed or inaccessible including the roof space and such parts are assumed to be in good repair and condition.

5.9 At the time of our inspection, the premises appeared to be in a very tired condition and state of repair having regard to the age and construction and would require a complete refurbishment.

5.10 We have not tested the services or arranged for investigations to be carried out to determine whether any deleterious materials have been used in the construction of the subject premises or subsequent additions. In the event that a subsequent survey reveals defects in the subject property we reserve the right to revise our valuation advice.

6.0 ACCOMMODATION & MEASUREMENT RECORD

6.1 We have measured the premises in accordance with RICS Property Measurement 2nd Edition and calculated that it provides the following approximate areas in accordance with the requirements of that document which may be viewed at http://www.rics.org/Global/prop%20measurement_2ndedition_2018.pdf

FLOOR	ACCOMMODATION	AREA
Existing (GIA)	Basement, Ground First and Second Floors	150.87 sq m (1,624 sq ft)
Existing (NIA)	Basement	15.7 sq m (169 sq ft)
	Ground Floor	41.8 sq m (450 sq ft)
	First Floor	33.2 sq m (358 sq ft)
	Second Floor	39.0 sq m (420 sq ft)
	Total	129.7 sq m (1,396 sq ft)
	Area ITZA	40 sq m (430 sq ft)
Proposed		
Flat 1 (NSA)	Basement and Ground Floor	
	One Bedroom Flat	82.7 sq m (890 sq ft)
Flat 2 (NSA)	First Floor	45 sq m (484 sq ft)
	One Bedroom Flat	
Flat 3 (NSA)	Second Floor	37.9 sq m (407 sq ft)
	One Bedroom Flat	
	Total	165.5 sq m (1,781 sq ft)

7.0 MORTGAGE REGULATION

7.1 The property is wholly commercial.

8.0 SERVICES

8.1 We have not been able to make specific enquiries with the statutory undertakers in the time available regarding the availability, capacity, or location of services. However, our observations indicate that mains water, gas, electricity and drainage are connected to the property. Heating is by way of a gas boiler.

8.2 It is assumed for the purposes of this valuation that all services are regularly inspected by appropriately qualified persons and any requirements complied with in full.

9.0 BUILDING & PLANNING

9.1 The local authority is the London Borough of Hammersmith & Fulham.

9.2 The current occupation of the building is retail (Class A1) as defined in the Use Classes Order 1987 – as amended.

9.3 We have researched on line the recent recorded planning history of the subject property and report as follows:

Planning application No. 2019/00122/FUL

Application details: Change of use of the shop (Class A1) at ground floor level and ancillary workshop and storage space at basement, first and second floor levels into 3no. one bedroom self-contained residential flats (Class C3) at basement, ground, first and second floor level; erection of a part one, part two and part three storey rear extension at ground, first and second floor level; excavation of part of the rear garden to form a lightwell, in connection with the enlargement of the existing basement.

Decision and date: 4 April 2019

9.4 We have assumed that all statutory consents were obtained with regard to the use, occupation and any alterations at the premises in the past.

9.5 The National Heritage List for England confirms the building is not listed.

9.6 The local authority website confirms the property is not located in a conservation area.

9.7 The local authority will not respond to verbal enquiries other than on a general basis. The local authority search will in due course confirm or otherwise the current use is lawful and whether or not the property is the subject of enforcement action.

9.8 We are not aware of any development proposals for the immediate area that may have an adverse effect upon the property.

9.9 The property is accessed over Dawes Road, we believe that this is made up and adopted roadway. Solicitors should confirm this during their pre contract enquiries.

9.10 The Disability Discrimination Act 1995 now incorporated with the Equality Act 2010 imposes statutory duties to prevent unfair discrimination against disabled people.

From our inspection of the property there do not appear to be valuation issues resulting from the Disability Discrimination Act, but we are not qualified or registered Access Consultants. The purchase should, perhaps, undertake an access audit. If such an access audit were to identify necessary works, then this might reduce the value now reported.

9.11 We have not carried out a survey to determine whether asbestos is present in the property nor completed a risk assessment. The presence of asbestos may have an adverse effect on the reported valuation.

9.12 The responsible person is required to obtain a Fire Risk Safety Assessment which should be kept under review. We have assumed full legislative compliance and that the appropriate risk assessment is in place.

10.0 ENVIRONMENTAL ISSUES

10.1 We have not been provided with an Environmental Audit. Based upon our visual inspection of the site including immediately adjoining land, there are no obvious contaminative or potentially contaminative use which might reduce the values now reported. We reserve the right to review our valuation in the event that contamination issues come to light.

10.2 The Environment Agency flood map confirms that the property is not located in flood risk area.

10.3 Energy Performance Certificates (EPC) are required by law when a dwelling is constructed or marketed for sale or to let. The flats will be assessed for Energy Performance once complete.

10.4 We have not carried out a survey to determine whether there are vermin or Japanese Knotweed or other invasive species on the site that would adversely affect value. None were noticed but this is often not possible at this time of year and any presence of Japanese Knotweed could have an adverse effect on the reported valuation.

11.0 TENURE & OCCUPATIONAL LEASES

11.1 We are informed that your customers propose to acquire the freehold interest in these premises. We have assumed that there is a good and marketable title being free from any charges or encumbrances that would deter an informed and prudent purchaser.

11.2 The property is being valued assuming vacant possession.

11.3 We have attached in Appendix B an extract of the Land Registry Title Plan which shows edged red the surveyors understanding of the site boundaries. We confirm that the property valued falls within the red line as shown in the plan. No Title Deeds or Report on Title have been inspected and therefore the areas are for Identification purposes only.

11.4 It is important that your legal advisors verify the above details in their Report on Title and should confirm the above information and assumptions during the course of their pre-contract enquiries. This confirmation should include that there are no residential tenancy agreements in place giving the tenant security of tenure longer than the fixed term specified in the agreement. Should any documentation become evident to the contrary, we reserve the right to amend our valuation advice accordingly.

12.0 BUSINESS RATES

12.1 We have examined the Non-Domestic Business Rates Database on the Valuation Office website www.voa.gov.uk. The entry is:-

Description	Rateable Value
Shop and Premises	£16,250

13.0 INSURANCE RE-STATEMENT COST

13.1 We have been requested to provide a Reinstatement Cost Estimate and have carefully considered the style and construction of the property, whether or not it is listed or in a conservation area and after reference to the most recent edition of the Building Cost Information Service (BCIS) of RICS it is our advice that the property should be insured for a minimum sum of **£375,000 (Three Hundred and Seventy Five Thousand Pounds)** when completed. Our sum is on a day one basis and allows for demolition, site clearance, full reinstatement and professional fees but excludes loss of rent provision and any allowance for inflation.

13.2 Partial rebuild may attract VAT.

13.3 This insurance reinstatement appraisal is provided for guidance only. It does not take into account any additional Local Authority requirements, which may be involved in the

rebuilding and assumes that there are no foundation problems or need for abnormal foundations or rebuilding. It should therefore be verified by a specialist commercial buildings insurance assessor.

13.4 The cost of rebuilding bears no relationship to Market Value.

14.0 MARKET COMMENTARY & VALUATION METHODOLOGY

14.1 The February 2019 RICS UK Residential Survey results continue to signal the market is struggling for momentum, with key indicators on enquiries, sales and new instructions all remaining subdued. In an extra question included this month, aimed at drawing out the most significant force holding back activity at this point in time, 77% of respondents across the UK cited Brexit uncertainty as the biggest challenge facing the housing market at present. Furthermore, 71% felt it was impacting both buyers and sellers, while only 8% were of the view that Brexit was not having an effect on either (see chart below).

14.2 Focusing on buyers, demand reportedly fell for the seventh consecutive month, as the pace of decline accelerated (in net balance terms) relative to the January results. Another crucial factor holding back demand appears to be the lack of stock available on the market, with respondents highlighting this as the second most significant challenge after Brexit uncertainty. On this front, the further decline in new instructions being listed recently will only have exacerbated the issue, reflected in the average number of properties on estate agents' books returning to a record low in February.

14.3 The volume of agreed sales also continued to slip, with virtually all parts of the UK displaying a flat or negative trend in the latest results. Alongside this, the average time taken to sell nationally, from listing to completion, was unchanged at 19.4 weeks (the joint longest average since the question was introduced to the survey two years ago). For the time being, sentiment regarding the sales outlook for the coming three months remains subdued, although twelve-month expectations suggest a slightly more positive trend may emerge further out. Indeed, a net balance of +23% of respondents anticipate sales returning to growth at the twelve-month horizon.

14.4 The headline price growth indicator slipped once more, posting a net balance of -28% (down from -22% previously), representing the weakest momentum since May 2011. The most negative feedback continues to come from London, and the South East, as well as East Anglia and the South West. That said, Scotland and Northern Ireland are now the only parts of the UK displaying positive readings on this measure, while all remaining areas exhibit a flat trend at present. This marks a noticeable change when compared to six months ago, when eight out of the twelve regions/ countries covered by the survey were still seeing prices increase.

14.5 Sentiment for the year ahead remains very different however, as respondents foresee price growth resuming across most parts of the UK. London and the South East are the only exceptions, with a further decline anticipated in the former and a flat picture for the latter.

In the lettings market, tenant demand posted a modest monthly increase (on a non-seasonally adjusted basis), while the indicator on new landlord instructions remained negative for a twenty-ninth successive month. On the back of this, near term rental growth expectations picked-up slightly, with the net balance rising to +22% (from +16% in January).

14.6 According to Lonres, average flat prices in Fulham are now 0.7% higher than they were 5 years ago, with buyers paying £6 more per square foot than they did 5 years ago. Achieved prices per square foot have decreased by 8.6% for flats over the last year and have decreased by 10.3% for houses. 20.0% of properties sold within 3 months, compared with 16.0% for the whole of Central London. The average price for a one bedroom flat is £483,000 which equates to (£903 per sq ft).

14.7 The valuation has been prepared in accordance with normal practice taking into account comparable evidence and current market conditions. In determining our opinion of market value, we have had regard to the comparison method of valuation.

14.8 We have carried out our usual research and enquiries and have analysed the existing commentaries and data in determining our opinion as to the market value of the subject property. Information has also been obtained from internal records.

14.9 Arriving at our opinion of value we have had regard, inter alia, to the following comparable evidence: -

Address	Description	Transaction Details
1st/2nd Floor Flat 55 Dawes Road London SW6 7DT	Two Bedroom Flat Leasehold Expiring December 2086 91 sq m (975 sq ft) Good condition	Sold April 2019 £645,000 £662 per sq ft
14 Regal Court (1st/2nd Floor) Dawes Road London SW6 7DT	Two Bedroom Flat Maisonette Leasehold 70 sq m (757 sq ft) Average Condition	Sold December 2018 £580,000 £766 sq ft
Flat F, 3rd Floor 202 Dawes Road London SW6 7RQ	Two Bedroom Flat Leasehold 66 sq m (710 sq ft) Good condition	Sold September 2018 £568,000 £800 per sq ft

42 Dawes Road London SW6 7EN	Four Bedroom House Freehold 189 sq m (2,032 sq ft) Good condition	Sold September 2018 £1,300,000 £640 per sq ft
Flat 2 (Ground Floor) 41 Dawes Road London SW6 7DT	One Bedroom Flat Leasehold/ Share of Freehold 39 sq m (419 sq ft) Very Good condition	Sold January 2018 £460,000 £1,098 per sq ft
Flat 1 (First Floor) 237a Munster Road London SW6 6BT	Two Bedroom Flat Leasehold 59 sq m (632 sq ft) Good condition	Sold November 2018 £527,000 £835 per sq ft
Ground Floor Flat 75 Munster Road London SW6 5RE	One Bedroom Flat Leasehold 30 sq m (323 sq ft) Good condition	Sold September 2018 £395,000 £1,223 per sq ft
Flat B Ground /Lower Ground Floor Flat 184 Munster Road London SW6 6AU	Two Bedroom Flat Leasehold 110 sq m (1,185 sq ft) Good condition	Sold July 2018 £925,000 £781 per sq ft
19 Munster Road London SW6 4ER	Freehold House 161 sq m (1,735 sq ft) Dated condition	Sold September 2018 £1,281,500 £739 per sq ft
77 Dawes Road London SW6 7DT	Three bed house 116 sq m (1,249 sq ft) Good Condition	Let March 2019 £750 per week £3,250 pcm £31 per sq ft
Flat A (Gnd/Lwr Gnd Fl) 159 Dawes Road London SW6 7EE	Two bed flat 59 sq m (639 sq ft) Good Condition	Let February 2019 £387 per week £1,677 pcm £31 per sq ft
Flat 1 (Gnd/Lwr Gnd Fl) 108 Dawes Road London SW6 7EG	Two bed flat 71 sq m (760 sq ft) Good Condition	Let September 2018 £404 per week £1,751 pcm £28 per sq ft

Flat 1 (Lwr Gnd Fl) 45 Dawes Road London SW6 7DT	One bed flat 54 sq m (578 sq ft) Good Condition	Let February 2019 £420 per week £1,820 pcm £38 per sq ft
Flat 2 (1st Floor) 108 Dawes Road London SW6 7EG	One bed flat 34 sq m (364 sq ft) Good Condition	Let September 2019 £360 per week £1,560 pcm £51 per sq ft
5b Salisbury Pavement (2nd Floor) Dawes Road London SW6 7HT	Two bed flat Good Condition 55 sq m (595 sq ft)	Let July 2018 £385 per week £1,668 pcm £34 per sq ft
314 Munster Road London SW6 6BH	Ground Floor Retail 64.5 sq m (695 sq ft) 15 year lease (VOA) Area ITZA 22.2 sq m (239 sq ft)	January 2018 £14,467 p.a.
219 Munster Road London SW6 6BU	Ground Floor Retail 68.75 sq m (740 sqft) 15 year lease (VOA) Area ITZA 28 sq m (301 sq ft)	Let January 2018 £16,000 p.a.
6/6A Charleville Road London W14 9JL	Basement & Ground Floor Retail 68.75 sq m (740 sqft) 10 year lease (VOA) Area ITZA 26.3 sq m (285 sq ft)	Let January 2018 £19,128 p.a.
325 Lillie Road London SW6 7NR	Ground Floor Retail 38.1 sq m (410 sqft) £48.78 Area ITZA 21.2 sq m (228 sq ft)	Let August 2017 £20,000 p.a.
99 Lillie Road London SW6 7SX	Storefront building 72.09 sq m (776 sq ft)	Sold in August 2018 £425,000 £547 per sq ft

245 Lillie Road London SW6 7LN	Storefront building 167.5 sq m (1,803 sq ft) residential 52.8 sq m (568 sq ft) commercial Total 220.3 sq m (2,371 sq ft)	On the Market £1,495,000 Passing Rent £84,020 per annum Yield 5.62%
32-33 Parsons Green Lane London SW6 4HS	Maisonette 1057 sq ft Shop GF 466 sq ft Bsmt 315 sq dt Total Area 2,190 sq ft	Sold January 2019 £1.3 million £593 per sq ft
632 Fulham Road 2A Lilyville Road London SW6 5RT	Ground Floor 53.14 sq m(572 sq ft) Basement Area Not Measured Let to Breteuil Estate Agents £48,000 per annum £2,000 for a parking space £ 100 per annum ground rent	Sold May 2018 £850,000 Total Rent £50,100 per annum 5.89% yield
123 Dawes Road London SW6 7DU	Retail/Residential Building 52.49 sq m (565 sq ft) Passing Rent of Shop £18,000 per annum Ground Rent £ 50 p.a.	Sold July 2017 £275,000 Net Initial Yield 6.55%
25-29 Fulham High Street, London SW6 3JH	First Floor Office 189.06 sq m(2,035 sq ft)	Let October 2018 £55,962 per annum £296 per sq m (£27.50 per sq ft)
Sedlescombe Road London SW6 1RH	First Floor Office 55.74 sq m (600 sq ft)	Let July 2018 £18,000 per annum £322.92 per sq m (£30.00 per sq ft)

14.10 In terms of the Existing Use value of the property, we have valued the ground floor as retail and the remaining area as ancillary retail. We have applied a rate of £807 per sq m (£75 per sq ft ITZA) which equates to a Market Rent of circa £32,250 per annum. We have applied a yield of 6.5%, allowed for a one year letting and rent-free period, plus made deductions for purchasers' costs, equating to a Market Value of circa £500,000. The highest and best use for the valuation accounts for the residential planning consent that is in place as it results in a higher current Market Value.

14.11 The above transaction evidence of nearby flats would indicate a broad price range of £640 to £1,223 per square foot depending on size, condition and location. Higher values tend to be larger two- or three-bedroom flats in purpose built blocks or attractive conversions and

on quieter residential roads. Many of these have some shared outdoor space and allocated parking. We would estimate that the one bedroom flats would sell for between £400,000 and £450,000 and the ground floor and basement flat which is much larger in size to sell for circa £600,000.

14.12 In arriving at the Gross Development Value of the three flat scheme we have had regard to the location of the site, which is well located in terms of transport links and proximity to shops, restaurants and local amenities. The site, however, is situated on a busy road close to surrounding buildings with very little outdoor space and no parking spaces. We have had regard to the position of the flats within the development.

14.13 In view of the transactions listed above and other research, we consider that, on the assumption that the flats are finished to a standard in keeping with this location, that would achieve the following values in the current market:

	Sq m (Sq Ft)	£	£ per sq ft
FLAT 1			
Ground Floor	39.0 sq m (420 sq ft)		
Basement	43.7 sq m (470 sq ft)	£625,000	£702
FLAT 2			
First Floor	45 sq m (484 sq ft)	£425,000	£878
FLAT 3			
Second Floor	37.9 sq m (407 sq ft)	£375,000	£921
Total	165.5 sq m (1,781 sq ft)	£1,425,000	£800

14.14 Having arrived at the cumulative Gross Development Value (GDV) of £1,425,000, we have used a residual approach to arrive at the current Market Value of the site. We have provided below an abbreviated summary of a residual calculation carried out to assist in arriving at an opinion of value of the proposed development site at the present time:

Development Value (GDV)	£1,425,000
Total Construction Costs (incl. 7% contingency)	£294,186
Total Professional Fees	£24,745
Total Disposal Costs	£24,937
Total Finance Costs	£27,468
Total Costs	£371,335
Gross Value	£1,053,664
Developer's Profit	£200,000
Land Value (before purchaser's costs)	£853,664
Land Value (after purchase costs)	£801,664
	Say £800,000

14.15 We have applied a lower 180 day value as we consider it could take more than 6 months to sell the unit in the current market.

14.16 Overall, it is our view that given the size, age and nature of the premises, it would be attractive to the investor and developer sectors of the market. Therefore, if the property were offered on the open market we believe there would be reasonable demand for the premises. The value of the property is likely to increase or fall in line with the surrounding area. Should the property be placed on the market we would expect that a sale or letting could be secured within six to nine months.

14.17 In terms of the Market Rents of the flats, we consider that they would achieve the following approximate values on completion on the assumption that they are finished to a good standard:

	Sq Ft	£ per week	£ per annum
FLAT 1			
Ground/Basement	890	£425	£22,100
FLAT 2			
First Floor	518	£325	£16,900
FLAT 3			
Second Floor	455	£310	£16,120
Total	1,863	£1,060	£55,120
		Say	£55,000

15.0 VALUATION

15.1 Having regard to the comments set out above, we have considered the matter of value in accordance with the appropriate RICS guidelines and have pleasure in setting out our valuation assessments below:

(A) In our opinion the Existing Use Value of the property is:

£500,000
(Five Hundred Thousand Pounds)

(B) In our opinion the Market Value of the property is:

£800,000
(Eight Hundred Thousand Pounds)

(C) Market Value subject to the special assumption that a 180 day marketing period is available prior to exchange of contracts:

£750,000
(Seven Hundred and Fifty Thousand Pounds)

(D) Market Value subject to the special assumption that a 90 day marketing period is available prior to exchange of contracts:

£700,000
(Seven Hundred Thousand Pounds)

(E) In our opinion the aggregate Market Rent of the property is currently:

£32,250 p.a.
(Thirty Two Thousand Two Hundred and Fifty Pounds per annum)

16.0 SECURITY & RECOMMENDATIONS

16.1 Allowing for regular maintenance including decoration and repairs as appropriate it is anticipated that the building will retain a useful economic life of at least 25 years.

16.2 Subject to the above comments, the property is considered to provide suitable security for an advance by the mortgage lender on its usual terms for an asset of this type and age.

16.3 Any matters arising which contradict this report and the assumptions stated herein, or are otherwise likely to affect the valuation should be referred back for reconsideration.

16.4 In the current banking climate many lenders will not provide funding for the purchase of newly converted or built property where the property is not covered by a recognised defect liability warranty e.g. NHBC or a Council of Mortgage Lenders Professional Consultant Certificate. Without an approved warranty or certificate being obtained for the proposed new housing the value of the property could be adversely affected and our opinion of value may be lower than that stated within this report.

16.5 It should be ensured that adequate and appropriate building insurance is put in place. It should be ensured that the use of the building is accepted and compliant under the insurance policy held or to be provided. Some insurances could be rendered void, although some only require notifications, if there is sub-letting or is left empty or there is change of use or there is a licenced HMO.

17.0 LIMITATION & PUBLICATION

17.1 This valuation is prepared solely for the use of the addressee and no responsibility is accepted to any other party for the whole or any part of its contents. It may be disclosed to other professional advisors assisting in respect of the purpose for which the valuation is prepared.

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

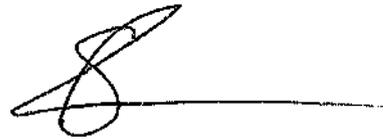
17.3 We deem there to be no conflict of interest in relation to providing this valuation.

18.0 SIGNATURE OF VALUER

AUTHORISED BY COUNTER SIGNATORY



Fred Pilkington MRICS
RICS Registered Valuer
For and on behalf of
Levene Chartered Surveyors
Date: 16th April 2019



Simon Levene MRICS
RICS Registered Valuer
For and on behalf of
Levene Chartered Surveyors

Appendix A – Instructions



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

VAS Panel/Levene Chartered Surveyors

Ref: R Berenson SPV (tbc)

Dear VAS,

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 Report 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. The Valuation Report should be completed within 5 or 7 (for development appraisals) business days of the inspection. Please notify us if there will be any delay. 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:	R Berenson SPV (tbc)
Properties:	11 Royal Parade, Dawes Road, Fulham, London, SW6 7RE
Tenure:	Freehold
Use:	Commercial Mixed Use (Retail with Office uppers)
Tenancies:	Being purchased with vacant possession
Access:	To arrange access to the Property please contact the client directly - Richard Berenson / 07899 767674 / richard@tnsn.com. Please provide details of any parts of the Property that were not inspected within your report.

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 and valuation must be undertaken and signed by a qualified valuer with a minimum 2 years PQE. A qualified valuer must be both a member of the Royal Institution of Chartered Surveyors, MRICS/FRICS and an RICS registered valuer. The Lender requires all residential and commercial valuation reports (excluding short form residential templates) are to be countersigned by a Chartered Surveyor, MRICS/FRICS and an RICS registered valuer with a minimum of 5 years PQE.

Whilst your report will be addressed to Proplend Security Ltd, it will need to be uploaded to the Proplend website and 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.

Proplend Security Limited Registered in England and Wales Company No: 08620117 T: 0203 397 8290

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 on 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.

Please provide as appendices:

1. Sufficient colour photographs of the street scene, exterior (front and rear) and interior of the Property.
2. A general location map and a more detailed plan showing boundaries you have assumed for the Property.
3. Land registry extract.

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

VAS Panel will collect the valuation fee directly from the client and will pay your invoice 30 days from receipt of the completed valuation report. Proplend Security Limited cannot accept any responsibility for non-payment of your fees in this regard.

Yours Sincerely,



Brian Bartaby
Director
Proplend Security Ltd

Proplend Security Limited Registered in England and Wales Company No: 08620117 T: 0203 397 8290

****PLEASE SEND ALL REPORTS TO VAS PANEL****

Following our recent communications, please take this as our formal instruction to carry out a valuation of the property detailed below on behalf of:

Proplend Security Limited

Please note that our client's requirements are attached. Please make sure all Lender requirements are adhered to, including their basis of valuation.

***IMPORTANT* - Please append the VAS Executive Summary to the front of your Valuation Report (Not as a separate document as this will be rejected at Audit Stage) – As agreed in our Panel Agreement**

Please ensure that a minimum of 10 photographs of the property - including internal photographs are taken at the time of the inspection

The Service Level Agreement (SLA) for this instruction is: **5 days** from date of inspection

Should there be any reason that the SLA cannot be adhered to, VAS Panel should be notified immediately in order to keep our client informed of the delay in issuing the Report.

Your Report should be submitted electronically to info@vas-group.co.uk no later than 12pm on the Report return date.

THE INSPECTION DATE MUST BE COMMUNICATED TO VAS PANEL WITHIN 24 HOURS OF INSTRUCTION

Property Address:

11 Royal Parade
Dawes Road
London
UK
SW6 7RE

Estimated Value:

£800,000

Property Description:

Previously used as tailors shop with workshop above, being bought with VP.

Property Type:

Commercial



PANEL
SOFTWARE
AUDIT

01642 26 22 17
info@vas-group.co.uk
vas-group.co.uk
The Palace Hub, 28-29 Esplanade,
Redcar, TS10 3AE

Type of Report Requested:

Red Book & VAS Panel Executive Summary

Valuation Requirements:

AS IS

Additional Information:

N/A

Report to be carried out on behalf of:

Proplend Security Limited
20-22 Wenlock Road, London, N1 7GU

Applicant Name:

R Berenson SPV
Richard Berenson

Access Arranged Through:

Richard Berenson

Access Contact Details:

rpberenson@outlook.com / richard@tnsn.com
07899 767 674

NB: Copies of the Report are NOT to be distributed to any third party, including Brokers or the Applicant, without full consent of VAS Panel. Valuation figures are also not to be disclosed to those parties stated without written consent from VAS Panel, failure to acquire consent may result in exclusion from the panel.

Please note: Valuation reports are subject to an internal quality control (QC) check. The emphasis of this is to check that all points outlined in the Clients specific valuation instruction letter have been adhered to, provision of rental / sales comparables with full valuation methodology / justification to support your valuation.

We might require you to discuss various aspects of your report and we require the primary valuer to provide a prompt response to any queries raised.

We trust the above is self-explanatory, however; should you require any further information or assistance please do not hesitate to contact us.

vas-group.co.uk

VAS incorporates Valuation Audit Services UK Ltd T/A VAS Audit, [registration number 09719651], VPanel T/A VAS Panel and VAS Software, [registration number 10893297] whose registered offices are at The Palace Hub, 28-29 Esplanade, Redcar, TS10 3AE.

Kind Regards,

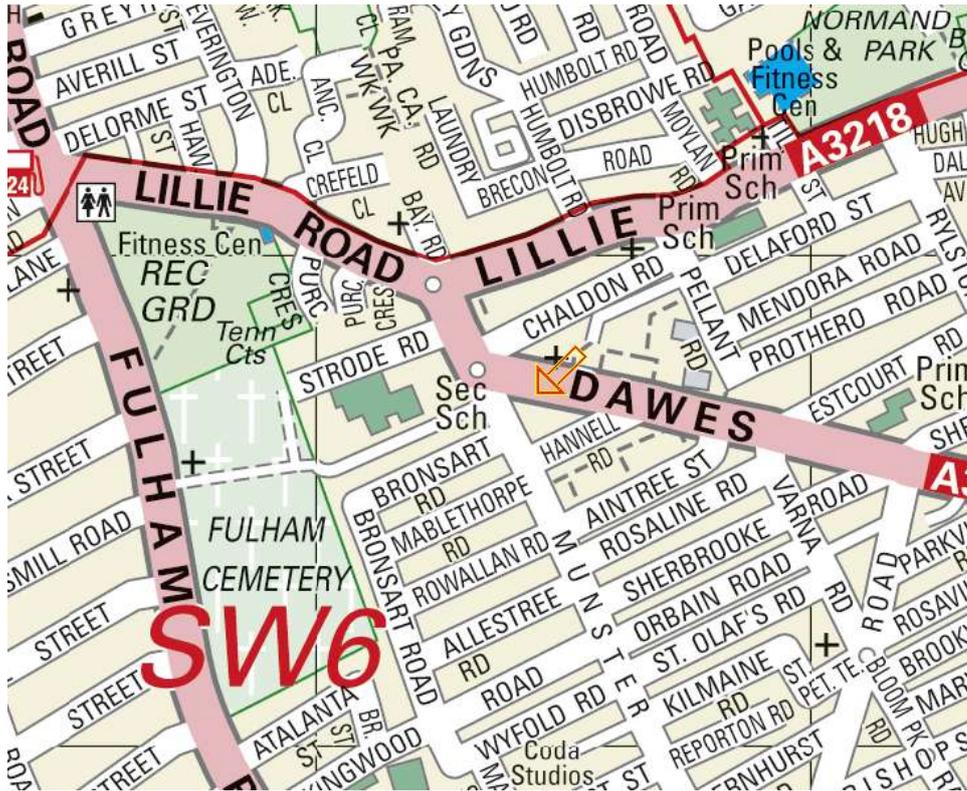
Team VAS

vas-group.co.uk

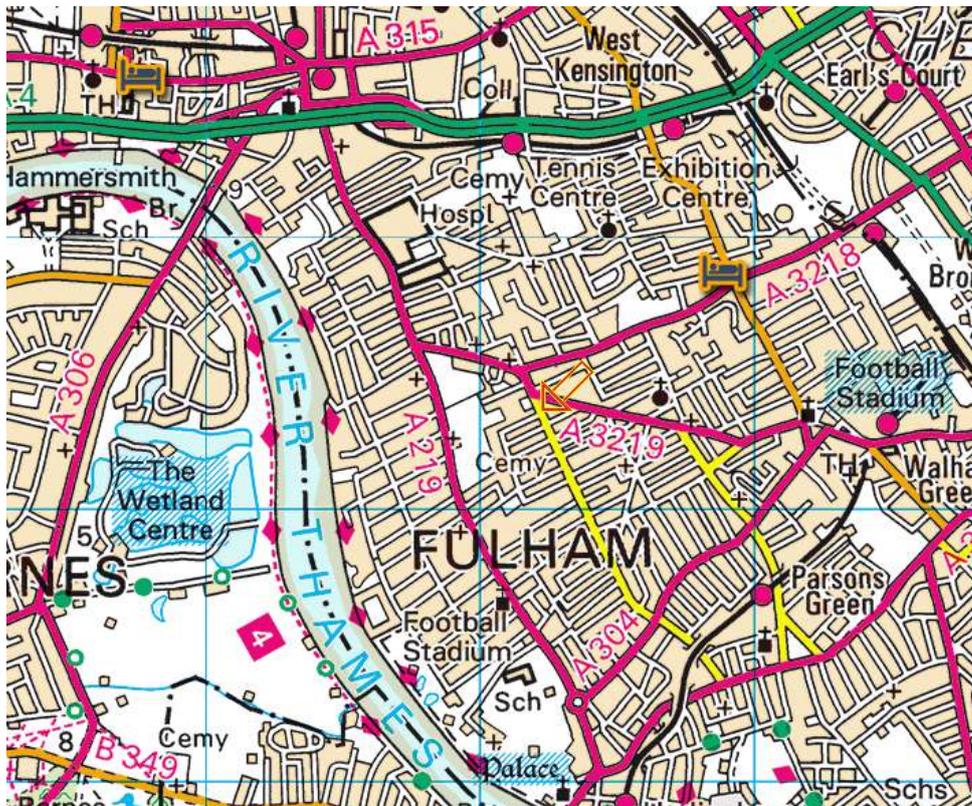
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Appendix B – Title, Street & Location Plans





Immediate area



Surrounding area

Appendix C – Photographs



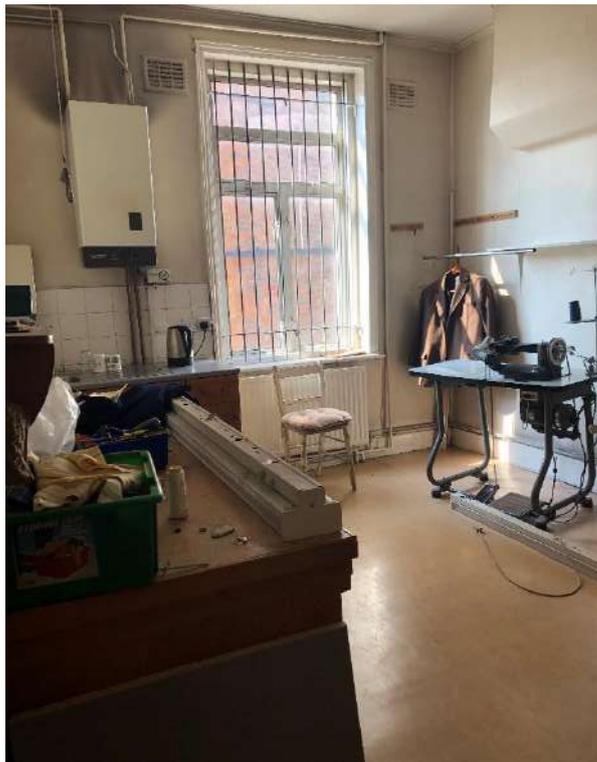
Front Facade



Street View



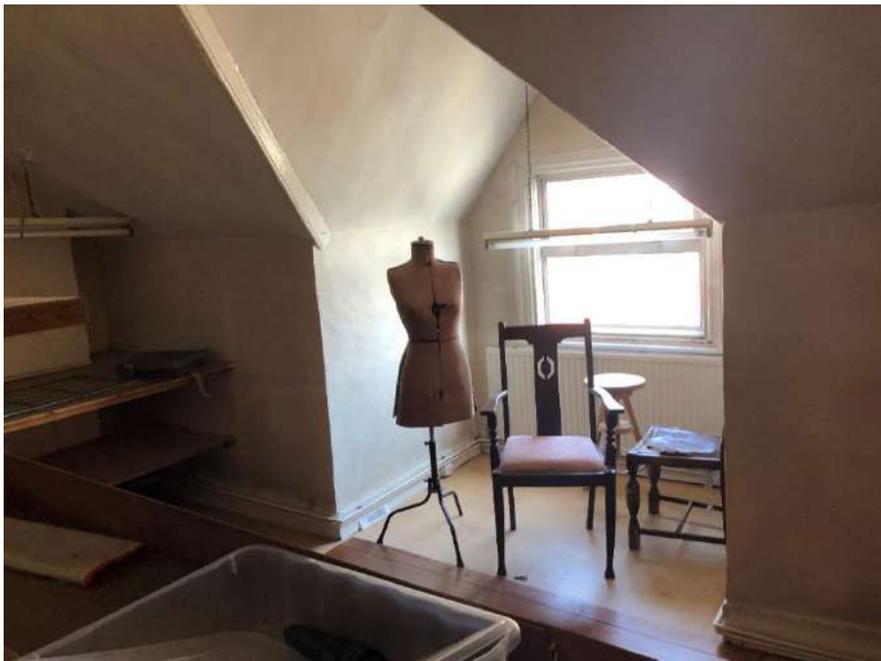
Shop Interior



Ground Floor Rear



First Floor Front



Second Floor Front



Cellar



Ground Floor Rear Yard

Appendix D - Caveats & Assumptions

INSPECTION

We have undertaken a visual inspection of the exterior and interior of the property to the extent which is accessible with safety and without undue difficulty. We have not carried out a building survey or inspected those parts of the property which are covered, unexposed or inaccessible and such parts are assumed to be in good repair and condition.

We have not tested the electrical, heating or other services and we have assumed that the services are connected to the main supplies and that they conform to necessary regulations.

In preparing the report, unless otherwise stated, the following assumptions have been made and which we have no duty to verify:

- (a) that no deleterious or hazardous materials or techniques were used in the construction of the property or have since been incorporated;
- (b) that inspection of those parts which have not been inspected would neither reveal material defects nor cause us to alter the valuation materially;
- (c) that no exceptional problems would be encountered in construction with regard to the nature of the subsoil, underground services and site conditions etc; and
- (d) that the property complies in all respects with all legislation, statutory provisions and regulations relating to its construction, use and occupation, that any necessary consents are in place and that no notices are outstanding against the property.

MEASUREMENTS

All measurements are carried out in accordance with the Code of Measuring Practice issued by the Royal Institution of Chartered Surveyors.

GENERAL ASSUMPTIONS

Unless otherwise stated, all items normally associated with the valuation of land, business and buildings are included in the valuation and reinstatement costs to the extent that they existed at the date of inspection.

ENVIRONMENTAL CONSIDERATIONS

We do not undertake any environmental testing as part of a normal valuation inspection and will therefore usually report that our enquiries have not revealed any contamination affecting the property or neighbouring property, which would affect the valuation. However, should it be established subsequently that contamination exists at the property or on any neighbouring land or that the premises have been or are being put to any contaminative use, this might reduce the values reported. When valuing a property where we suspect contamination may exist this has been reported.

VERIFICATION OF TITLE

Unless otherwise expressly agreed we have relied upon information provided by the client and other professional advisers relating to tenure, leases and all other relevant matters. We have assumed that good Title can be shown, and that the property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoing. It is understood that if a Report on Title is subsequently obtained which is in conflict with our report, it will be referred to us for further consideration. No responsibility or liability is accepted for the true interpretation of the legal position of the lender and other parties. Any interpretation of legal documents and legal assumptions should be checked by the client or suitably qualified person, if it is to be relied upon.

TOWN PLANNING, HIGHWAYS & OTHER STATUTORY REGULATIONS

We have made such informal, verbal planning and highways enquiries which are appropriate and possible in the circumstances. It is an assumption that the property and its value are unaffected by any matters which would be revealed by a local search and replies to the usual enquiries and that neither the property nor its condition, nor its use, nor its intended use is, or will be, unlawful. It is recommended that verification is obtained from your solicitors that:

- (a) our findings in respect of planning and highways matters are correctly stated in the report;
- (b) the property is not adversely affected by any other decisions made or conditions prescribed by Local Authorities; and
- (c) the property complies with all other statutory regulations.

REINSTATEMENT COST

We have not carried out a formal assessment of the current cost of reinstatement of the buildings and our opinion is given solely as a guide and is indicative only.

Our opinion is based on our measured areas and average rebuilding cost data, assuming the buildings are in their present form or that buildings under construction will be completed as proposed.

Our figure is on a day one basis and includes an allowance for the costs of demolition, clearance and professional and statutory fees. No allowance has been made for cost inflation, loss of rent, cost of alternative accommodation, cost of treatment or removal of contamination or Value Added Tax except on fees.

Our indicative figure should not be relied upon and is for informal guidance only.

COSTS AND TAX

Where appropriate allowance has been made in our valuation for a purchaser's costs of acquisition, but no allowance has been made for expenses of realisation or for any taxation that may arise on disposal or acquisition.

The valuation excludes any Value Added Tax that may be payable either on disposal or acquisition or any Value Added Tax that may be payable on any passing rental.

CONFIDENTIALITY

This report is provided for the stated purpose and for the sole use of the client. We accept responsibility to the client alone that the report has been prepared with the skill, care and diligence to be expected of a competent valuer. It is confidential to the client and his professional advisers and we accept no responsibility whatsoever to any parties other than the client. Any third parties rely upon the report at their own risk.

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

CONFIRMATION

That the valuer has the knowledge, skills and understanding to undertake the valuation competently.