

BRADSTOWE CHARTERED SURVEYORS

Appraisals, Building Surveys, Condition Surveys, Development, Expert Witness
Homebuyers Reports, Party Wall, Project Management, Rent Reviews, Valuations

Station Gates, 133 High Street, Broadstairs, CT10 1NG.
Tel: 01843 603325. Email: enquiries@bradstowe.com.

VALUATION REPORT

Property	Sherwood Hotel 8 Ethelbert Crescent Margate Kent CT9 2AY
Client	Proplend Security Limited (Borrower: Sherwood Margate Limited)
Inspected on	Wednesday 15 th May 2019
Inspected by	Bradstowe Chartered Surveyors Station Gates 133 High Street Broadstairs Kent CT10 1NG Telephone 01843 603325



Bradstowe Chartered Surveyors is the Trading Name of Bradstowe Ltd.
VAT Reg. No. 817 732 616

Registered Office:
133 High Street, Broadstairs CT10 1NG
Registered in England & Wales No.4744471

**1.0
EXECUTIVE SUMMARY**

**1.1
PROPERTY
ADDRESS** Sherwood Hotel, 8 Ethelbert Crescent, Margate, Kent, CT9 2AY

**1.2
DESCRIPTION** The property is a five storey mid terraced building arranged as a private Hotel/
Guest House.

**1.3
RENTAL VALUE** £20,000 (twenty thousand pounds) per annum.

**1.4
MARKET VALUE** Current market value with vacant possession
£700,000 (seven hundred thousand pounds).

180 day sale value
£700,000 (seven hundred thousand pounds).

90 day sale value
£575,000 (five hundred and seventy five thousand pounds).

Subject to the property being maintained to a satisfactory standard, it should
prove to have an economic life of at least 25 years.

Subject to regular inspection, the property should provide suitable security for
loans advanced against it on the usual terms.

**1.5
INSURANCE
ASSESSMENT** We would recommend that the building be insured for a minimum sum as
follows:

£1,200,000 (one million two hundred thousand pounds).

This sum allows for demolition, site clearance, full reinstatement, professional
fees, but excludes loss of rent provision and any allowance for inflation and
should accordingly be updated annually to keep pace with rising costs.

**1.6
DATE OF
VALUATION** 16th May 2019

2.0
PHOTOGRAPHS



Front Elevation



Rear Elevation



Dining Room



Guest Lounge



Guest Room En-suite



Front Elevation View

3.0 INSTRUCTIONS

In accordance with instructions received from Proplend Security Limited, we have inspected the property known as Sherwood Hotel, 8 Ethelbert Crescent, Margate, Kent, CT9 2AY to provide a valuation for the purposes of secured lending.

The directors and staff of Bradstowe Chartered Surveyors have no financial interest in the property. We have had no prior involvement with regard to the subject property.

3.1 CONDITIONS OF ENGAGEMENT

Your instructions are accepted on the basis of our Terms and Conditions appended with this report. Any variance from the appropriate Terms and Conditions which have been agreed, are noted in this report.

We are not aware of any conflicts of interest that preclude us from preparing this valuation.

This report has been prepared by Jeremy Parkin MRICS VRS 99012, who is a registered valuer under the RICS Valuer Registration Scheme. The valuer has over 30 years' experience in the appraisal of commercial and residential property in the South East Kent area.

In accordance with Practice Statement 2 of the RICS Valuation Global Standards January 2017, it is confirmed that this firm does not have any anticipated or has not had any current or recent fee earning involvement with the property to be valued, with the current owner, or with any other person connected with the transaction for which the valuation is required.

We understand that this valuation is required for the purposes of secured lending. The valuation is intended solely for this and for no other purposes and should not be relied upon by any third party to whom it is not addressed who would do so entirely at their own risk.

We have measured the property in accordance with the RICS Property Measurement Professional Statement 2nd Edition, May 2018.

In assessing our valuation, we shall follow the Appraisal and Valuation Manual/Practice Statements and Guidance Notes of the Royal Institution of Chartered Surveyors and Incorporated Practice Statements and Guidance Notes in accordance with International Valuation Standards 2014 (IVS).

We are independent and external valuers as defined in the RICS Appraisal and Valuation standards (The Red Book).

3.2 ASSUMPTIONS & CAVEATS

In arriving at our opinion of Market Value, we have taken account of the following Assumptions:

- a) That the extent of the property/properties is as shown indicated on any attached plan;
- b) That the information as to tenure, tenancies, rating and planning set out within this report is correct;



- c) That there are no onerous restrictions or unusual outgoings attached to the property/properties of which we have no knowledge and which would be likely to have an adverse effect on value;
- d) That no high alumina cement concrete or calcium chloride additive or other deleterious materials or techniques were used in the construction of the property/properties and that there are no serious defects in the state of any wall ties or cladding fixings;
- e) That the property and its value is/properties and their values are unaffected by any matters which would be revealed by a local search, replies to the usual enquiries or by statutory notice that neither the property nor its condition, nor its use, nor its intended use/properties nor their condition, nor their use, nor their intended use, is or will be unlawful;
- f) That no account has been taken of any good will fixtures, fittings or equipment other than those which would normally pass with the interest to be valued;
- g) That inspection of those parts which have not been inspected would neither reveal material defects nor cause the Valuer to alter the valuation materially;
- h) That the property complies/properties comply with all planning, building, fire precaution/means of escape and public health Statutes, Regulations and Bye-laws;
- i) That there are no undisclosed matters which would materially affect our opinion as to the value of the property/properties;
- j) The inspection is not to be construed as a Building Survey or Homebuyers Report & Valuation. We also refer you to our Terms and Conditions of Engagement appended to, and included with, this Report.

3.3 BASIS OF VALUATION

Using the Comparable Method of valuation, we will form an opinion of the Market Value of the subject property at the relevant valuation date.

The market value is defined in RICS Valuation – Global Standards 2017, effective 1st July 2017 as ‘the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.’

Using the Comparable Method of valuation, we will form an opinion of the Market Rental Value of the subject property at the relevant valuation date.

The market rental value is defined in RICS Valuation – Global Standards 2017, effective 1st July 2017 ‘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’.

Our valuation has been made in the light of the RICS Valuation – Global Standards, and any particular assumptions which have been made, have been drawn to your attention in this report.

The premises have been valued on the unencumbered interest as stated, no account being taken of any fixtures and fittings other than those normally designated as landlord's fixtures and fittings, outstanding mortgages or loans that may have existed at the time of valuation. No deductions have been made for any costs involved in the sale of the property and no allowances have been made for VAT or any other taxes.

**3.4
DATE OF
VALUATION**

The valuation given is at the date of this report and is based upon the description of the property and its surroundings as at the date of inspection.

**3.5
CIRCUMSTANCES
OF INSPECTION**

The property was inspected on Wednesday 15th May 2019. Weather conditions were dry and sunny. Access was provided by the building contractor, Tom. The property was fully furnished with fitted floor coverings throughout.

**4.0
DESCRIPTION**

The property is a five storey mid terraced building arranged as a private Hotel/ Guest House. There are ten principal letting rooms, eight of which have en-suite facilities. There are sea views from the front elevation.

**5.0
LOCATION**

The property is situated in an established mixed use residential and commercial area, with the commercial element being private Hotels and Guest Houses. The property is situated on the sea front with uninterrupted sea views to the front elevation.

A site location plan is appended with this report.

**6.0
ACCOMMODATION**

We have been able to download a plan from the UK Planning website, which gives indicative floor layouts.

The accommodation comprises:

Steps up to Ground Floor – entrance hall, guest lounge 5.8m (into bay) x 4.8m, Guest room 1: 4.5m x 4.2m (incorporating en-suite shower room with shower cubicle, wash hand basin and close coupled WC), Manager's office 3.4m x 1.7m, Manager's bedroom 2.9m x 2.2m, cloakroom.

Lower Ground Floor – dining room/bar; dining area 6.5m x 4.4m, bar area 4.5m x 4.3m, kitchen 3.4m x 3.0m, preparation/store 3.1m x 3.1m, laundry room 2.1m x 1.8m, plant room 3.4m x 1.6m.

First Floor Half Landing (Owner's quarters) – kitchen 2.4m x 1.6m, shower room 2.2m x 1.9m, lounge 3.5m x 3.1m, bedroom 3.1m x 2.8m.

First floor – landing, Guest room 2: 4.5m x 4.3m (incorporating en-suite shower room with shower cubicle, wash hand basin and close coupled WC),

Guest room 3: 4.4m x 3.9 (incorporating en-suite shower room with shower cubicle, wash hand basin and close coupled WC). There are doors to the balcony with sea views. Guest room 4: 3.3m x 2.5m – there is no en-suite facility but there are double doors leading to the balcony with sea views.

Second floor – landing, Guest room 5: 4.6m x 4.4m (incorporating en-suite shower room with shower cubicle, wash hand basin and close coupled WC), Guest room 6: 4.4m x 3.8m (incorporating en-suite shower room with shower cubicle, wash hand basin and close coupled WC). There are sea views. Guest room 7: 3.2m x 2.5m – there is no en-suite facility. There are sea views.

Third floor – landing, Guest room 8: 4.6m x 4.4m (incorporating en-suite shower room with shower cubicle, wash hand basin and close coupled WC), Guest room 9: 4.4m x 3.8m (incorporating en-suite shower room with shower cubicle, wash hand basin and close coupled WC). There are sea views. Guest room 10: 3.2m x 2.5m plus en-suite shower room 2.5m x 1.5m (with shower cubicle, wash hand basin and close coupled WC). There are sea views from the room.

Outside – to the rear is a small courtyard with potential off road parking for two cars.

The gross external area of the property is approximately 464m².

7.0 SERVICES

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 all mains services are connected to the property.

There is a gas fired central heating system throughout the property powered by combination boilers with hot water being stored in pre-insulated water storage cylinders.

No plant or machinery has been included in this valuation other than that normally considered to form a service installation for the benefit of the properties in general.

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

8.0 CONSTRUCTION

The property is of 9” and 13” solid brick and masonry construction under a double pitched timber roof with an outer covering of slates. The lower ground floor is of solid construction and the upper floors are of suspended timber. The internal walls are solid and timber stud with plasterboard. The windows are UPVC double glazed sealed units.

**9.0
CONDITION**

This valuation is made on the assumption that the property is in a condition commensurate with its age, character, style of construction and mode of use at the date of this valuation and that it will remain so throughout the term of the loan.

We have made a visual internal and external inspection of the premises on the date of inspection prior to preparing this valuation. 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.

We have not been instructed to undertake any structural or building survey, test the services or arrange 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 premises, we reserve the right to reconsider our valuation in the light of the revised facts.

The property has undergone substantial upgrading and refurbishment internally. There are external decoration works to be undertaken and we understand from the Building Contractor that these will be commenced at the end of the summer season.

A moisture detecting meter was used at various accessible points around the property and no significant high damp meter readings were noted. We are pleased to report that the property appears to be free from rising and/or penetrating damp.

There were no obvious signs of active beetle boring infestation visibly apparent during the course of our inspection.

**10.0
TENURE AND
OCCUPATIONAL
LEASES**

We believe title to the property is freehold. Legal advisers should verify and confirm.

We have not yet seen any Title Plans but will be pleased to subsequently confirm our understanding of the extent of the properties to the client when one is available.

We have not been provided with any reports on Title. Accordingly, we assume that good Title can be shown. We reserve the right to vary our report and valuation if any adverse matters are discovered. Your legal advisers should make their own investigations and satisfy themselves in respect of the Title of the property.

We have not seen sight of any licenses or other agreements in favour of any third parties which would have an adverse effect upon the enjoyment or valuation of the property.

11.0 STATUTORY REQUIREMENTS

The property lies within the area covered by Thanet District Council, which is the Local Planning Authority. In view of online enquiries, we have concluded that the present use is fully in accordance with current Planning Law, although we would reserve the right to review our valuation on the basis of any alternative facts should they come to light.

The property is a Guest House/private Hotel falling into Use Class C1 of the Use Classes Order 1987 (as amended).

We believe that Ethelbert Crescent is a made up and publicly adopted highway and there are appropriate rights of connecting into the mains drainage system. Legal advisers should verify and confirm.

The Disability Discrimination Act 1995 imposes statutory duties to prevent unfair discrimination against disabled people. From October 2004, reasonable adjustments must have been made to remove physical barriers, which prevent access to a service provided in the building. In some instances, it may be possible for the service to be provided in an alternative way in order to comply with the Act. From our inspection of the properties there do not appear to be valuation issues resulting from the Disability Discrimination Act, but we are not qualified or registered Access Consultants. Our inspection was of a limited visual nature and we cannot give any assurances that a specialist access audit would not identify works. A purchaser in the open market might, in practice, undertake an access audit. If such an access audit were to identify necessary works, then this might reduce the value now being reported.

Under Regulations, dated 6th April 2008, the Government required an Energy Performance Certificate (EPC) to be produced for property transactions including the sale, rent or construction of non-dwellings and dwellings. These regulations are the UK Government's statutory instrument to meet the EU Energy Performance of Buildings Directive. These regulations were brought into effect on a planned basis and from 1 October 2008. Under current legislation, properties available to let must have a minimum Energy Efficiency Rating of 39, being Band E.

We have not seen any EPC certificate for the property. We would advise that if the rating is F or G, this would mean the property cannot be let, or relet to an existing tenant. You should be aware that if the property currently has a rating of D or E and the EPC certificate is nearing end of its validity, then a new EPC may reduce the current rating. We strongly advise the EPC be checked prior to release of funds.

We have not carried out a survey to determine whether asbestos is present in the property or completed a risk assessment. Please note, asbestos in good condition presents little or no hazard to health but, if disturbed, can create a health hazard. Future management of asbestos can be very costly due to the need to employ specialist licensed contractors and this factor along with increasing legislative requirements could have a future adverse effect upon the value of the subject premises.

The relevant legislation is contained in the Control of Asbestos Regulations 1987 and the control of Asbestos at Work Regulations 2002. The control of Asbestos at Work Regulations imposes a duty to protect workers from exposure to Asbestos Containing Materials (ACM's). If it is reported that asbestos is known to exist in the premises, a written management plan for the property should be in place.

We have been unable to identify or inspect an Asbestos Register or Asbestos Management Plan. Any asbestos disclosures in the Asbestos Register requiring work or management may have an adverse effect on the reported valuation.

The Fire Regulatory Reform (Fire Safety) Order 2005, came into effect on 1 October 2006 and replaces most fire safety legislation. Fire authorities no longer issue Fire Certificates and those previously in force now have no legal status. Under this legislation, the 'responsible person' must now carry out a 'Fire Risk Assessment' (or more particularly ensure one is carried out by a suitably qualified person). Unlike the old Fire Certificates, the Fire Risk Assessment is in respect of the way the premises are used and thus this is something that runs with the property/properties or is transferred to a new occupier. Lenders are advised to ensure that occupiers are required to obtain a Fire Risk Safety Assessment which should be kept under review.

We assume there are no outstanding Enforcement Notices or proceedings in respect of the subject property. Legal advisers should verify and confirm.

From enquiry of the Valuation Office website, we are aware the premises is listed as Guest House and premises with a rateable value of £12,000.

12.0 ENVIRONMENTAL ISSUES

We are not aware of the content of any other Environmental Audit or other Environmental investigation or soil survey which may have been carried out on the property and which may draw attention to any contamination or the possibility of any such contamination. Based upon visual inspection on site, and discussions with both the current occupier and the local Planning Office, we are of the opinion that no contaminative or potentially contaminative uses have been carried out at the property, which might reduce the values now reported. However, we reserve the right to review our valuation in the event that such matters come to light.

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

We believe the sub soil to be of chalk but this has not been verified or confirmed. Based on our inspection for valuation purposes, of both the property and its surrounding area, no evidence was noted to suggest that either the property or the surrounding area may have been affected in the past by any adverse ground conditions.

There were no obvious signs or indications of any Japanese knotweed or other invasive plants. However, we are not qualified botanists and, should you have any concerns in this regard, you should obtain a specialist report from appropriately qualified personnel. This should be obtained prior to a binding commitment to purchase the property.

13.0 INSURANCE ASSESSMENT

We would recommend that the building be insured for the minimum sum as follows:

£1,200,000 (one million two hundred thousand pounds)

This sum allows for demolition, site clearance, full reinstatement, professional fees, but excludes loss of rent provision and any allowance for inflation and should accordingly be updated on an annual basis to keep pace with rising costs.

We emphasise that the figure detailed above is our estimate of the cost of rebuilding the premises and bears no direct relationship to current Market Value.

14.0 VALUATION METHODOLOGY

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 and market rent, we have had regard to the comparison method of valuation, comparing similar type properties which have been sold recently on the open market.

We have carried out our usual research and enquiries, including discussion with the local agents. We have analysed the existing market commentaries and data in determining our opinion of market value and market rent of the subject property. Information has also been obtained from internal records. We use external databases such as Zoopla and RightMovePlus.

15.0 COMPARABLE EVIDENCE

There is very little directly comparable evidence of similar type properties having been sold or let recently in the market.

We are aware the Crescent Victoria Hotel, 25-26 Fort Crescent, Margate, CT9 1HX is being marketed by Colliers Commercial inviting offers in the region of £1,750,000 for the freehold interest. The property is a Grade II Listed five storey building with fourteen en-suite guest bedrooms plus a bar and restaurant. There is also a former residential property used for storage rooms. The forecasted net turnover for the year ending June 2019 is £396,000. The property is in a similar location to the subject property, being within 0.24 miles.

At 9 Buenos Ayres, Margate, CT9 5AE, a five storey nine bedroom Grade II Listed Guest House is being marketed at a figure of £550,000. The property has seven en-suites to the guest rooms. It is situated in close proximity to the station but the area is not so well regarded as that of the situation of the subject property. This comparable is within 0.89 miles of the subject property.

14 Palace Hotel, Buenos Ayres, Margate, CT9 5AE is a mixed use investment property comprising a restaurant to the ground floor with letting rooms arranged as an HMO above, producing a total of £83,500 per annum. The property is currently sold subject to contract at a figure of £650,000, which represents a yield of 12.85%. The property requires refurbishment to the external fabric. Internally it is likely to require refurbishment of the letting rooms. Again, the property is approximately 0.89 miles from the subject property.

At 38 Edgar Road, Margate, CT9 2RF, a five bedroom mid terraced house with accommodation arranged on three floors is currently sold subject to contract at a figure of £455,000. The property has one reception room, two bathrooms and separate WC.

At 30 Fort Crescent, Margate, CT9 1HX, a six bedroom mid terrace house with four reception rooms and two bathrooms plus a garage to the rear is sold subject to contract at a figure of £525,000. The property is a Grade II Listed house and is approximately 0.24 miles from the subject property.

There is little or no rental evidence available. The Valuation Office Agency indicates the rateable value of the property to be £12,000 per annum. Given the accommodation, we would suggest an appropriate rental figure would be in the region of £20,000 per annum.

16.0 SUMMARY AND VALUATION

The property is a recently refurbished Guest House/small Hotel which is well presented and in an ideal position for attracting guests and visitors. If the business was to fail, the alternative use would be that of a residential dwelling. We are of the opinion that the residential values would underpin the current valuation now being reported.

Despite the uncertainty of Brexit, there is still strong demand for well presented properties with substantial accommodation.

With the Turner Centre gallery, the renovation of Dreamland amusement park and the high-speed Network Rail link to St. Pancras, Margate has been attracting great interest from purchasers from the London market. The town has experienced a significant revival within the last ten years.

Taking into consideration the available comparable evidence, we are of the opinion the market value of the freehold interest of the property known as Sherwood Hotel, 8 Ethelbert Crescent, Margate, Kent, CT9 2AY with vacant possession is £700,000 (seven hundred thousand pounds).

Taking into consideration the available comparable evidence, we are of the opinion the market value of the freehold interest of the property known as Sherwood Hotel, 8 Ethelbert Crescent, Margate, Kent, CT9 2AY on the basis of a sale required within 180 days is £700,000 (seven hundred thousand pounds).

Taking into consideration the available comparable evidence, we are of the opinion market value of the freehold interest of the property known as Sherwood Hotel, 8 Ethelbert Crescent, Margate, Kent, CT9 2AY on the basis of a sale required within 90 days is £575,000 (five hundred and seventy five thousand pounds).

As we have not been provided with any trading figures, we cannot make a comment with regard to the value of the property as a going concern.

We are of the opinion the market rental value of the property known as Sherwood Hotel, 8 Ethelbert Crescent, Margate, Kent, CT9 2AY would be in the region of £20,000 (twenty thousand pounds) per annum.

Allowing for regular maintenance and decoration it is anticipated the building should have a useful economic life of at least 25 years.

Subject to regular inspection, the property should provide suitable security for loans advanced against it.

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

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.

We confirm the Report has been prepared in accordance with the client instructions and the relevant Practice Statements contained within the RICS Global Standards (July 2017).

The 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 advisers assisting in respect of the purpose for which the valuation has been prepared.

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 approval of the form and context in which it may appear.

Following the 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 market, relating to owner occupation, investment and development.

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 closely 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.

We are concerned that the rise in values experienced within the last few years within the Thanet area cannot be justifiably sustained in the long term. It is likely that, within the next year, there could be a levelling out of values and, if interest rates rise, there could be a reversal. However, the valuation given is subject to current market conditions and activity.

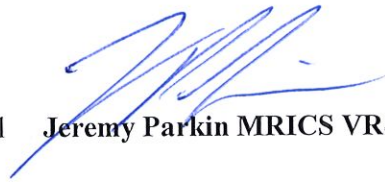
This report has been prepared by Bradstowe Chartered Surveyors who hold Professional Indemnity Insurance Cover of £1,000,000 on an each and every claim basis.

I certify that the property in this report has been inspected by me, that I valued the property and prepared this report, and that I am not disqualified from reporting on the property.

Bradstowe Chartered Surveyors has a complaints handling procedure, a copy of which is available on request.

Compliance with the standards may be subject to monitoring under RICS' Conduct and Disciplinary Regulations.

Signature



Surveyor's Name & Professional Qualifications

Jeremy Parkin MRICS VRS 99012

Name & Address of Surveyor's Organisation

**Bradstowe Chartered Surveyors
Station Gates
133 High Street
Broadstairs, CT10 1NG**

Date of Report

16th May 2019

APPENDIX A - TERMS AND CONDITIONS

Gail Wetherell
Bradstowe Chartered Surveyors
Station Gates
133 High Street
Broadstairs,
Kent,
CT10 1NG

Ref: Sherwood Margate Limited

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:	Sherwood Margate Limited
Contact Name:	Dr Enam Abood
Phone Number:	07710036908
Email:	enamabood@hotmail.com
Properties:	The Sherwood Hotel, 8 Elthelbert Crescent, Margate, Kent, CT9 2AY
Tenure:	Freehold
Use:	Hotel

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 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.
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 3,200.00 + 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

**BRADSTOWE CHARTERED SURVEYORS
TERMS OF ENGAGEMENT
VALUATION REPORT**

Identification and status of Valuer

Name: Jeremy Parkin

Qualifications: MRICS

Registered Valuer status: Registration VRS 99012

Previous involvement with the property or parties to the case: We have not had any prior involvement with the subject property.

Declaration of independence and objectivity: Bradstowe Chartered Surveyors are independent external valuers.

Client and any other users

Dr Enam Abood

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

The report will be for the stated purpose and for the sole use of the named Client. It will be confidential to the Client and the Client's professional advisers. The Valuer accepts responsibility to the Client alone but the report will be prepared with the skill, care and diligence reasonably to be expected of a competent Chartered Surveyor, but accepts no responsibility whatsoever to any parties other than the Client. Any such parties rely upon the report at their own risk. Neither the whole nor any part of the report nor any reference to it may be included in any published document, circular or statement, nor published in any way without the Valuer's written approval of the form and context in which it may appear. In the event of a proposal to place a loan on the subject property in a syndicate, the Client must notify the Valuer, with a view to agreeing responsibility to the further, named parties.

Property to be valued

The Sherwood Hotel, 8 Ethelbert Crescent, Margate, Kent, CT9 2AY

Interest to be valued: Freehold

Tenancies, if any:

Purpose of valuation

Commercial valuation (to include market valuation and 180 day valuation).

Basis of Valuation

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 and without compulsion'.

Our assumptions of what are 'appropriate lease terms' for this property will be set out in our report.

No allowance is made in the Valuation for any tax (including VAT) or expenses which may be incurred as a result of the disposal of the property, and the Valuation does not reflect the cost of acquisition or realisation.

If a reinstatement cost is required for buildings insurance purposes, the figure reported will be the current cost of reinstatement of the buildings in their present form (unless otherwise stated) including demolition, site clearance and fees, but excluding VAT (except on fees). Regard will be had to the ABI/BCIS House Rebuilding Cost Index.

Valuation Date

Inspection date (unless otherwise instructed).

Assumptions

The Valuation will be undertaken on the assumption that the following statements are true in respect of the property to be valued and it has been agreed between the Valuer and the Client that the Valuer will not undertake any inspections or make any enquiries to ascertain that they are true:

- The Property conforms to all Planning Consents.
- The Property conforms with Building Regulations to the extent that they could apply to the property.
- The site and adjoining sites are free from contamination.
- No deleterious or hazardous materials, or techniques, have been used in the construction of the building.
- No radon gas is present and that the site is not land-filled ground.
- The property is not subject to any harmful levels of magnetic field strengths from electricity installations below or above ground, on the site or within land adjacent.
- The electricity wiring system is in adequate condition for its function and that it is connected to a mains supply.
- The plumbing system is in adequate condition, complies with any by-laws and is connected to a mains supply.
- The gas system, if any, is in adequate condition, complies with any by-laws and is connected to a mains supply.
- Any boilers, water heating systems, air conditioning systems, if installed, are in serviceable condition.
- Any septic tank or cesspit used to take foul drainage from the property is in serviceable condition, or that the drainage is connected to the mains sewer.
- Any system for taking surface water drainage from the property is in serviceable condition.
- The sewers, main services and the roads giving access to the property have been adopted, and that any lease provides right of access and egress over all communal estate roadways, pathways, corridors, stairways, and the use of communal grounds, parking areas and other facilities.
- Any oil storage tank is in serviceable condition.

- Inspection of those parts that have not been inspected would not reveal material defects or cause the Valuer to alter the Valuation materially.
- The boundaries as marked by physical structures such as hedges, walls or fences correctly mark the legal boundaries of the site.
- In the case of a new property, the construction of which has not been completed, the construction will be satisfactorily completed.
- In the case of a newly constructed property the builder is a registered member of the NHBC or equivalent and has registered the subject property in accordance with the scheme concerned.
- Vacant possession is provided unless otherwise advised.
- The property is not subject to any unusual or especially onerous covenants, restrictions, borrowings, encumbrances or outgoings, and that good Title can be shown.
- The property and its value are unaffected by any matters which would be revealed by inspection of any register or by a Local Search and Replies to the usual Enquiries or by Statutory Notice and that neither the property nor its condition nor its use nor its intended use is or will be unlawful.
- No responsibility or liability will be accepted for the true interpretation of the legal position of the Client or other parties.
- Information provided by the Client or directed by the Client to obtain from a third party will be assumed to be correct and that the Valuer can safely rely upon this information.
- Trade fixtures, machinery, furnishings and other equipment will be excluded from the Valuation.

Flats and Maisonettes:

- Where the property is part of a building comprising flats or maisonettes, the following Assumptions will also be made, unless instructed to the contrary:
 - The costs of repairs and maintenance to the building and grounds are shared equitably between the flats and maisonettes.
 - There are suitable, enforceable covenants between all leaseholders or through the landlord or the freeholder/any feuholder.
 - There are no onerous liabilities outstanding.
 - There are no substantial defects or other matters requiring expenditure (in excess of the current amount or assumed amount of service charge payable on an annual basis), expected to result in charges to the leaseholder or feuholder, of the subject property, during the next 5 years, equivalent to 10% or more of the reported Market Value.
- Where the dwelling is leasehold, and because the Valuer has no further or better knowledge or information.
 - The unexpired term of the lease is 70 years and no action is being taken by any eligible party with a view to acquiring the freehold or to extending the lease terms;
 - There are no exceptionally onerous covenants upon the leaseholder;
 - The lease cannot be determined, except on the grounds of a serious breach of covenant in the existing lease agreement;
 - If there are separate freeholders, head and/or other sub-head leaseholders, the terms and conditions of all the leases are in the same form and contain the same terms and conditions.
 - The lease terms are mutually enforceable against all parties concerned.

- There are no breaches of covenant or disputes between the various interests concerned.
- The leases of all the properties in the building/development are materially the same.
- The ground rent stated or assumed is not subject to review and is payable throughout the unexpired lease term.
- In the case of blocks of flats or maisonettes of over six dwellings, the freeholder manages the property directly or there is an appropriate management structure in place.
- Where the subject property forms part of a mixed residential or commercially used block or development, there will be no significant changes in the existing pattern of use.
- Where the property forms part of a development containing separate blocks of dwellings, the lease terms of the subject property apply only to the subject block, and there will be no requirement to contribute towards costs relating to other parts of the development, other than in respect of common roads, paths, communal grounds and services.
- Where the property forms part of a larger development, the ownership of which has since been divided, all necessary rights and reservations have been reserved.
- There are no unusual restrictions on assignment or sub-letting of the subject property for residential purposes.
- There are no outstanding claims or litigation concerning the lease of the subject property or any others within the same development.
- Where the subject property benefits from additional facilities within the development, the lease makes adequate provision for the lessee to continue to enjoy them without exceptional restrictions, for the facilities to be maintained adequately, and that there are no charges over or above the service charge for such use and maintenance.
- In respect of insurance, that
 - the property can be insured under all risks cover, which includes subsidence, landslip and heave, for the current reinstatement cost.
 - the cover assumed is available on normal terms.
 - there are no outstanding claims or disputes.
 - where individuals in a block make separate insurance arrangements, the leases make provision for mutual enforceability of insurance and repairing obligations and
 - any landlord responsible for insurance is required to rebuild the property with such alterations as may be necessary to comply with current building regulations and planning requirements.

Extent of inspection

The level of inspection that will be undertaken will be sufficient to enable the Valuer to assess the value of the property on the basis of the assumptions set out above. Our Valuer will not, however, carry out the detailed search for defects that is undertaken as part of a Building Survey or Homebuyer Survey and Valuation, and will not necessarily report the various defects observed unless they have a significant bearing on valuation appraisal. The Valuer will not inspect those parts of the property that are covered, unexposed or inaccessible and such parts have been assumed to be in good repair and condition.

In undertaking the inspection, the Valuer will not carry out any of the following:

- Lift any floor coverings.
- Move items of furniture.
- Enter the roof space other than by a head and shoulders inspection through any accessible hatches.
- Examine the external elements of the building except from ground level.
- Test the effectiveness of any damp proof course other than at random points.
- Test the electrical installation, gas installation, heating systems, drainage system and any other service.
- Comment on the size, condition or efficiency of any leisure installations in the grounds of the property.
- In the case of flats, maisonettes or similar units forming part of a larger building or group of related buildings, inspect any parts of the building or buildings other than the interior of the subject unit, communal entrance areas to the unit and a general inspection of the exterior to ascertain its general state of repair. No inspection of the roof space is made unless access is directly available from the subject unit.

If a more detailed approach is required by the Client, alternative reporting formats should be considered. Further information on the Building Survey and Home Buyer Survey and Valuation is available upon request.

Restrictions on publication

Neither the whole nor any part of the valuation report 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.

Third Party Liability

The 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 has been prepared.

RICS Valuation Standards

The Valuation and Report will be prepared in accordance with the RICS Valuation – Global Standards 2017.

Description of Report

The report will be made available in hard copy form.

Fee

Fee	£1,500.00
VAT	£300.00
Total	£1,800.00

Complaints

Bradstowe Chartered Surveyors has a complaints handling procedure, and a copy of the firm's complaints handling procedure is available on request.

Data Protection

Bradstowe Chartered Surveyors is concerned with the protection of your privacy and this applies to the handling of your data. We are committed to protecting your privacy and our responsibility to hold your information securely and confidentially.

Processing of personal data

Bradstowe Chartered Surveyors will only collect, process or use your personal data upon express consent. Your consent may be withdrawn at any time with effect for the future. Should you transmit to us personal data (such as name, address or e-mail address) in order to receive information on the products offered by Bradstowe Chartered Surveyors, you consent to use of such data for the applicable purpose. Your personal data will in each case be stored until the purpose for which they were entrusted to us has been attained. If you no longer agree with the storage of your data before that time or if such data has become incorrect, they will be deleted or, as the case may be, corrected, according to your instruction.

Contacting us

You have the right to request a copy of the information held by us about you. We are entitled, by law, to charge a small fee for this. You also have the right to access your data, to request a change regarding any inaccuracies in the details we hold about you, to object to the use of your data and the right to block any specific uses of your data, by means of a request in writing to: Bradstowe Chartered Surveyors, 133 High Street, Broadstairs, Kent, CT10 1NG

RICS Monitoring

The firm and valuer are registered with RICS Valuer Registration. Please note that our files may be subject to monitoring under the Institution's conduct and disciplinary regulations.

We accept these terms of engagement as an accurate summary of the instructions to provide a valuation

Signed:

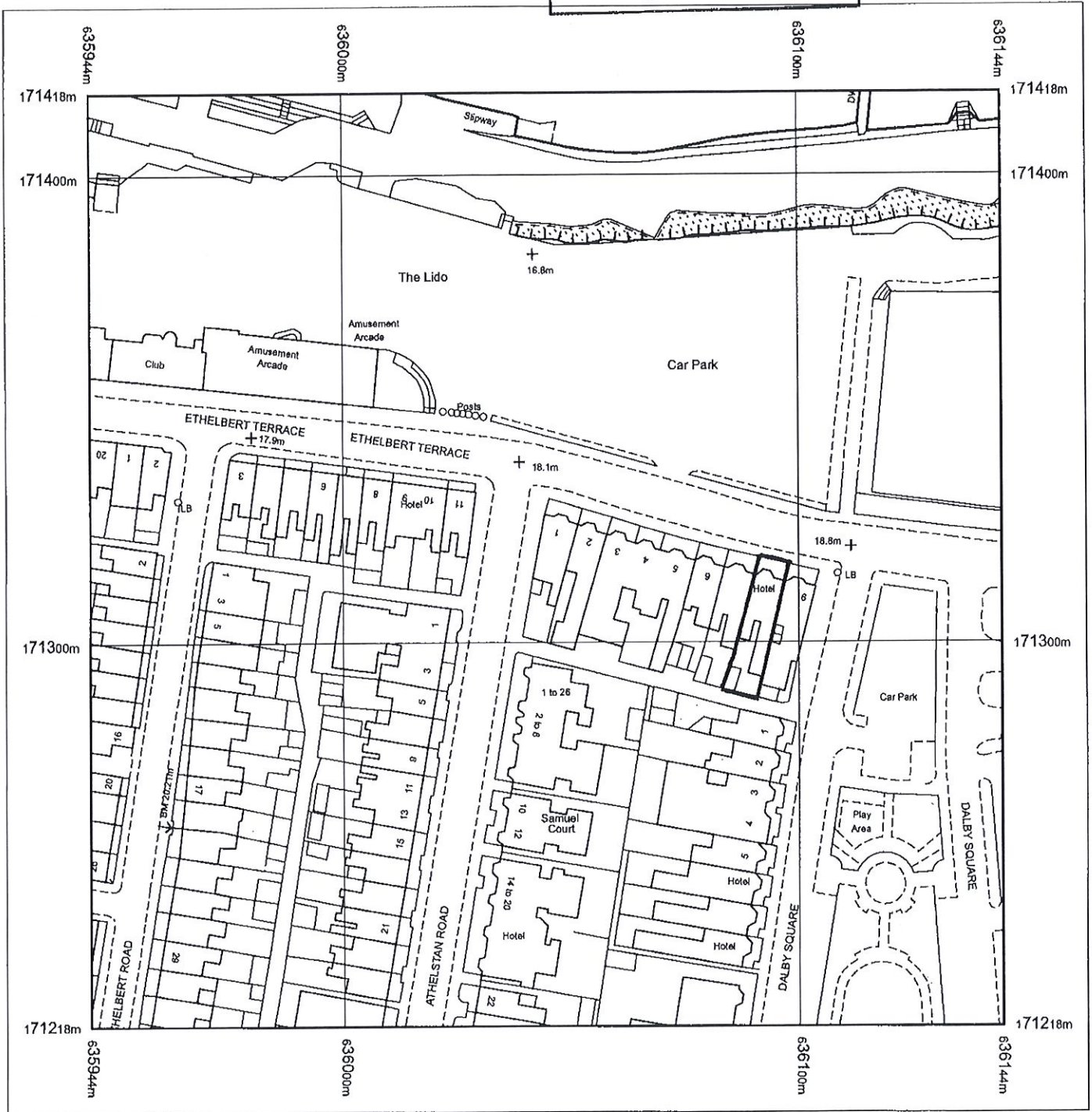


Name (printed) **STEWART BRUCE**

Dated

14/5/2019

APPENDIX B – SITE PLAN



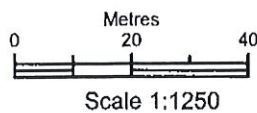
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The representation of a road, track or path is no evidence of a right of way.

The representation of features as lines is no evidence of a property boundary.

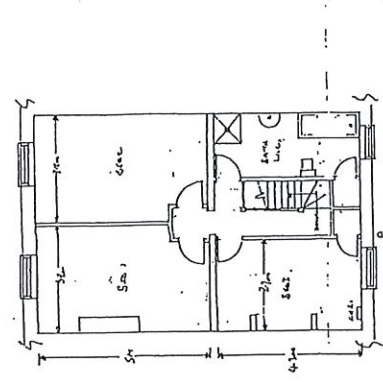
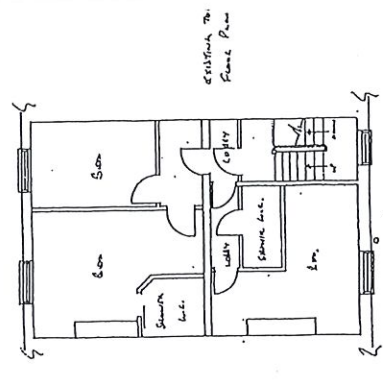
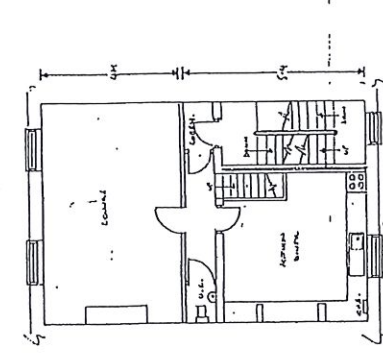
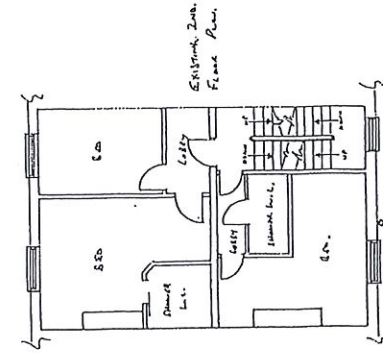
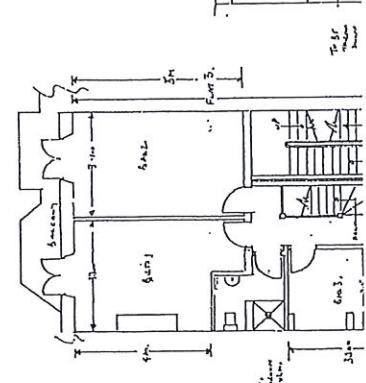
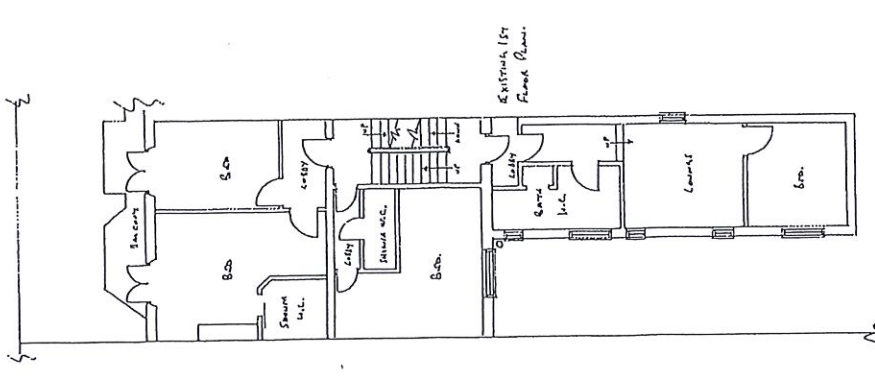
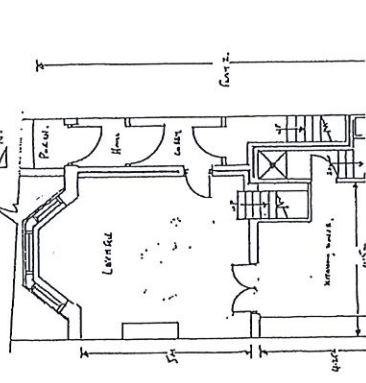
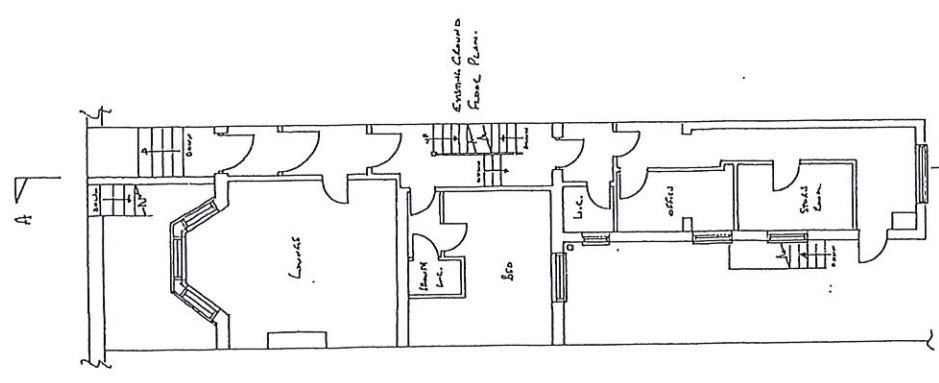
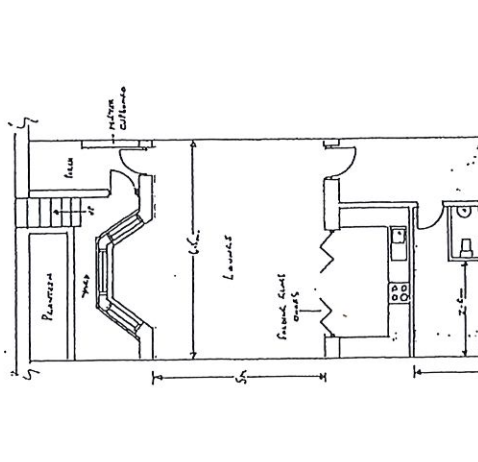
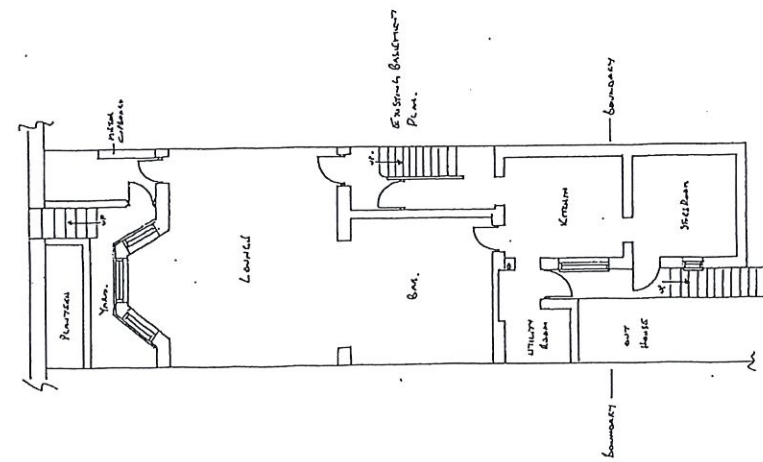


PLANNING
TH/08/0716

Supplied by: **National Map Centre**
Serial number: 00322100
Centre coordinates: 636044.38 171317.5

Further information can be found on the OS Sitemap Information leaflet or the Ordnance Survey web site:
www.ordnancesurvey.co.uk

APPENDIX C – INDICATIVE FLOOR PLANS



FLATS 2, 3 TO BE FITTED WITH BATHROOM INCLUDING SHOWER

FLATS 1, 4 TO BE FITTED WITH BATHROOM

