



Prepared for:
Proplend Security Limited

Valuation Report

Properties: Portfolio of Four Properties

Borrower: Rammon Group (Properties)
Limited

19 August 2019

1

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EXECUTIVE SUMMARY

Address	Portfolio of Four Properties
Inspection Date	19 August 2019
Reporting Valuer	Graham Cooke BSc (Hons) FRICS ACI Arb Registered Valuer No: 0072624

The Properties

1. Velos House, Froxmer Street, Gorton, Manchester, M18 8EF
2. Unit 1, Froxmer Street, Gorton, Manchester, M18 8EF
3. The Mews, 189b Ashley Road, Hale, Altrincham, WA15 9SQ
4. Unit C, Adlow Enterprise Park, Blackett Street, Manchester, M12 6AE

Type

Industrial and Office.

Location

The Properties are located in various locations in Greater Manchester.

Description

The Properties comprise a portfolio of industrial buildings and an office.

Tenure	See individual property reports.
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Tenancies	See individual property reports.
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Factors Affecting Value

Strengths

- The properties are generally surrounded by other properties of similar uses.
- Transport links from all properties are generally good.
- The accommodation in all properties is generally either presented to a reasonable or good standard.

Weaknesses

- A portfolio such as this one is likely to be fairly management intensive and regular voids are possible.
- High management costs for Unit C, Adlow Enterprise Park.

Valuation Approach

We have valued the Properties using the Comparable and Investment methods of Valuation.

Valuations

Aggregate Market Rent

£403,000 pa (Four Hundred and Three Thousand Pounds Per Annum).

Aggregate Market Value

£2,783,000 (Two Million Seven Hundred and Eighty-Three Thousand Pounds).

Aggregate Market Value on Special Assumption (Full Vacant Possession)

£2,537,300 (Two Million Five Hundred and Thirty-Seven Thousand Three Hundred Pounds).

Aggregate Market Value on Special Assumption (Full Vacant Possession with 180 Days Restricted Marketing Period)

£2,233,600 (Two Million Two Hundred and Thirty-Three Thousand Six Hundred Pounds).

Suitability for Security

In our opinion, the Properties represent reasonable security for loan purposes, the amount of such loan to be at your discretion.

We have not been made familiar with the details of the loan under consideration.

Information Relied Upon

We have relied upon information provided in the Instruction Letter, the relevant Local Authority's planning database and online Council Tax records, as well as information provided by the Borrower (including a schedule of rental income), planning details relating to the approved applications, and information provided by various estate agents, including tenancy details and comparable evidence details.

Occupational and Investor Demand

In our opinion, there would be a moderate level of occupational and investor/purchaser demand for the Properties, whether made available for letting or sale. The subject locations are well-established areas.

Volatility of Capital and Rental Performance

We do not envisage any extreme level of volatility, in the capital or the rental markets, for such a property of the type and location stated. General property fundamentals are (e.g. good, and we estimate the Properties would broadly perform in line with other similar properties in the same locality).

Planning and Other Pertinent Issues

We have assumed that any development works undertaken are in accordance with full planning permission and/or building regulations.

We have not been provided with environmental or ground condition reports, and have assumed no contamination exists, thus the Properties are suitable for occupation and/or development. We have further assumed that there will be no additional as yet unidentified costs incurred due to damage of any of the subject building as at the Valuation Date.

Lender Action Points

- Review the Title details to confirm alignment with our assumptions;
- Review the planning position to confirm it is in line with our assumptions;
- Review the environmental position, to confirm this is in line with our assumptions;
- Review the tenancy agreements to confirm it they are in line with our assumptions;
- Ensure that an EPCs are prepared and reviewed.

Should there be any discrepancies or incorrect assumptions in relation to the above points, we must be notified as this may affect the values reported.

INTRODUCTION

Report Date 19 August 2019

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

FAO: Brian Bartaby

Your Reference AK

Our Reference 115374

The Properties Portfolio of Four Properties
(hereinafter in this Report to be referred to as 'the Properties')

Borrower Rammon Group (Properties) Limited

Valuation Date 19 August 2019

Valuer Credentials *Reporting Valuer:*

Graham Cooke BSc (Hons) FRICS ACI Arb
Registered Valuer No: 0072624

Counter Signatory:

Ben Hartley BSc (Hons) MRICS
Registered Valuer No. 1133419

We are acting as External Valuers

Inspection Date

The Properties were externally and internally inspected on 19 August 2019 by Graham Cooke BSc (Hons) FRICS ACI Arb. We were able to inspect all the Properties for the purposes of our Valuation.

Purpose and Bases of Valuation

To provide our opinion of value for Secured Lending Purposes.

The bases of Valuation are as follows, and these are defined the Definitions and Basis of Valuation section of this Report:

- Market Rent
- Market Value on Special Assumption of full Vacant Possession
- Market Value
- Market Value on Special Assumption of full Vacant Possession with 180 Day Restricted Marketing Period.

Instructions

Acting in accordance with your emailed instructions of 16th August 2019 (Copy at Appendix One) , the agreed scope and details of which are set out in our Letter of Engagement of 16th August 2019 (Copy at Appendix Two), we have inspected the Properties in order to advise you of our opinion of value of its Freehold interest, for Secured Lending purposes.

We have also advised upon the Reinstatement Cost of the Properties for building insurance purposes.

We confirm that this Valuation is prepared in accordance with the 2017 edition of the RICS Valuation – Professional Standards (incorporating the International Valuation Standards) – Global and UK edition published by The Royal Institution of Chartered Surveyors, as well as the UK national supplement (issued in November 2018 and effective from 14 January 2019). We confirm that in this respect we are acting as External Valuers and are qualified as asset Valuers as defined in the Standards.

This Valuation Report is provided for the stated purpose and for the sole use of Proplend. It is confidential to you and your professional advisors, and we accept no responsibility whatsoever to any third party. It is accepted that a copy of this Report may be passed to the Borrower, Rammon Group (Properties) Limited.

Neither the whole nor any part of this Report 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.

We confirm that we have no current, recent or prospective fee earning involvement with the Properties, the client, or any party connected with this transaction.

Special Assumptions

In preparing our report we wish to outline the following Special Assumptions which have been adopted in the preparation of our valuation:

- Vacant Possession Value has been prepared on the Special Assumption of full Vacant Possession.
- Vacant Possession Value with Restricted Marketing Period has been prepared on the Special Assumption of full Vacant Possession with a Restricted Marketing Period of 180 days.

PROPERTY REPORT

1.0 Location

The subject properties are all located within Greater Manchester which is a metropolitan county in North West England, with a population of approximately 2.8 million.

It encompasses one of the largest metropolitan areas in the United Kingdom and comprises ten metropolitan boroughs: Bolton, Bury, Oldham, Rochdale, Stockport, Tameside, Trafford, Wigan and the cities of Manchester and Salford.

A brief description of the area around each property can be found within the individual property reports in Appendix Three.

The approximate location of the Properties are indicated in red on the attached Land Registry Plan and map extract for identification purposes only (Copies at Appendices Three and Four).

2.0 Description

The portfolio comprises a mixture of industrial and office. Descriptions of each property can be found within the individual property reports in Appendix 3.

3.0 Accommodation

We have measured the portfolio in accordance with the first edition of RICS Property Measurement (2015), incorporating the International Property Measurement Standards (IPMS), and the RICS Code of Measuring Practice (sixth Edition). We have adopted Gross Internal Area (for the industrial properties) and Net Internal Area (for the office property) as defined in the RICS Code of Measuring Practice, in line with current UK market practice.

Measurements of each property can be found within the individual property reports in Appendix Three.

4.0 Condition

We would specifically refer you to our Letter of Engagement, where it has been agreed that we would not carry out a structural survey. However, during the course of our inspection, we noted that the Properties generally appeared to be in reasonable condition.

Our opinion of value is based on the assumption that no major expenditure would be required to rectify any wants of repair, and we reserve the right to revise our figures should this prove to not be the case.

5.0 Tenure

The tenure information for each property can be found within the individual property reports in Appendix Three.

6.0 Tenancies

The tenancy information for each property can be found within the individual property reports in Appendix Three.

7.0 Statutory Enquiries

The statutory enquiries information for each property can be found within the individual property reports in Appendix Three.

8.0 Environmental Matters

The environmental information for each property can be found within the individual property reports in Appendix Three.

9.0 Factors Affecting Value

Location

The Properties are generally surrounded by other properties of similar uses.

The transport links from all Properties are generally good.

Properties

The accommodation is all generally presented to a reasonable or good standard.

A portfolio such as this one is likely to be management intensive and regular voids are possible.

The Energy Performance Asset Rating for Velos House is below the minimum requirement.

Tenancy

The majority of the properties in the portfolio are currently let or owner occupied.

10.0 Current Market Commentary

General Economic Overview

According to the Bank of England Inflation Report of August 2019, CPI inflation rose slightly to 2.0% in June 2019, from 1.9% in March 2019. CPIH (including housing costs) remains unchanged from January 2019 at 1.8%. The rates have been particularly volatile; however, both have remained below 3.0% from December 2017. Inflation remains close to the target rate of 2% due to cost pressures for the fall in sterling value and higher energy prices. The trend may alter depending upon the outcome of Brexit negotiations. Over the next few years GDP forecasts have been lowered due to the ongoing Brexit uncertainty.

UK Bond prices continue their general downward trend, currently standing at circa 0.381% for 10-Year Gilts. This is against 2-Year Gilts at 0.408%, showing an inverse correlation that many believe predicts future recessions. Germany has recently issued 30 years bonds with an interest rate of 0.0% and 0% coupon, again showing a worrying sign for investor confidence.

According to PWC, unsecured personal debt in the UK has increased to approximately £300bn or £11,000 per household, which is almost 30% higher than the pre-crisis levels. Lending to companies in the UK is now above £390bn.

The Confederation of British Industry (CBI) reported that UK manufacturing output has fallen to a three year low, its weakest level since April 2016, which was largely attributed to investor uncertainty.

The UK unemployment rate has fallen to a 44-year low. It now stands at 3.9%. This is slightly lower than the MPC's judgement of the equilibrium rate of unemployment of 4.25% and suggests very little scope for unemployment to fall further without generating excess wage pressure. Annual wage growth has been above 3%, putting some pressure on the Bank of England MPC to keep a watchful eye on long term inflation.

With Brexit looming ever closer there is potential for market volatility over the remainder of 2019 and into 2020. The ongoing uncertainty is holding back company investment. Economic outlooks and future global asset values are becoming increasingly difficult to predict.

The Bank of England announced in August 2018 meeting the Bank of England MPC voted in favour of raising the Bank Rate from 0.5% to 0.75% which was widely expected. The committee voted in favour of maintaining that rate on 31 July 2019. Any future increases in the Bank Rate are likely to be gradual and to a limited extent, but ultimately will depend on inflation remaining below 2% and the outcome of Brexit negotiations.

Offices

The London office market is in a state of change but has so far proven adaptable to the changing trends within both supply and demand factors after a robust few years. 2018 saw more transactions than any other global city, which has been the case for nine of the last ten years. However wider economic uncertainties and slowdown in growth are unlikely to dissipate until the terms of Brexit become clearer.

Strong level of activity both within the occupational and investment sectors have continued into Q1 2019. Technology companies are leading the way in terms of occupation, with around 25% more tech/creative workers today than there are financial services workers.

However, with almost 20% of lease transactions involving flexible office providers (and at 11% over half of this is down to the rapid expansion of WeWork, whose business model continues to provoke scepticism from established investors and operators) there are wider structural changes ahead. Broader technological changes have so far overridden the slowdown in consumer incomes and Brexit uncertainty, with shrinking supply chains and greater occupier flexibility.

Indeed, a growing bubble effect created by WeWork is surely stoking the risk of owners losing smaller footloose occupiers to the operators of serviced offices, potentially providing a buying opportunity a few years out, after a downward rental correction. In the meantime, rent free periods for new leases of offices suites below 5,000 sq ft have pushed out by ten weeks to ten months on a typical five-year lease, as landlords seek to prop up headline rentals. Rental growth is predicted to be very moderate in real terms with anticipated capital growth also not expected to pick up until 2021.

Rental tone is stabilising across the market after quarterly decreases since Q3 2016, while availability rates moved inwards for the third successive quarter. A rise in pre-letting at the highest value spots in the West End and the City suggest this trend will continue with grade A space clustering around £80 per sq ft in these areas and top rents achieving £120 per sq ft. These values haven't increased since 2016 and supply is widely viewed as stabilising with demand at least in the medium term.

A significant change in 2018 was the rise of pre-letting in London, accounting for 40% of the West End space for example, though skewed by Facebook acquiring 600,000 sq ft at King's Cross and other notable lettings to media firms at W12's Television Centre and Nike in Midtown.

The occupational market remains strong but Q1 2019 saw a decrease on the final quarter of 2018, being the most active since 2015, backed up by a three year high in development completions.

The investment market remains focussed on the City although 2018 saw 12 lots in excess of £100 million changing hands, driven mainly by UK institutional investment which is significantly above the ten year average, and the highest volume level since 2014. Most acquisitions within the prime markets were by overseas purchasers, with a rise in European demand compensating for the fall in Far Eastern investors.

In terms of construction, a 10 year high for the City core office is anticipated in 2019. According to figures from Radius Data Exchange, 3.7m sq ft is set to complete in the City next year, beating the previous recorded high of 2.5m sq ft which came through in 2017 and accounted a large share of the space let in 2018 so far, a historic high 62% of City transactions.

Within the South East more broadly, take-up has fallen since the Brexit decision and the picture is far more mixed, with a particular gap between secondary and tertiary office yields at a national level. However, the realisation that this will be an ongoing process has prevented a complete cessation of demand for new space.

New opportunities are emerging for investors prepared to explore beyond the increasingly scarce pool of prime or secure assets though the immediate opportunities following Permitted Development rights have largely been exhausted. Yields across office markets remain higher than much of Europe and Asia. Longer term, there is more unpredictability in the office market than other some other more settled sectors. However, fundamentals for occupiers and investors remain attractive.

Industrial

After a generally subdued start to the year, occupier demand picked up in Q2 2019 to bring take-up in line with its 10-year average. Initial indications suggest that the investment market has softened, but prime yields have stayed relatively firm.

Prime rental growth has slowed but is likely to be steady as newly developed space could potentially set new headline rents. Prime rents in the South East remain at circa £15.50 per sq ft (London Heathrow) with other prime London/South East locations at circa £10 - £14 per sq ft. In the regions, Manchester and Birmingham prime rents stand at circa £7.00 per sq ft, with circa £7.25 per sq ft in Bristol and £6.25 per sq ft in Leeds.

On the supply side a rise in speculative development should broaden occupiers' choice in some markets. Turning to demand factors, eCommerce expansion continues to fuel demand that may help mitigate any negative Brexit impacts.

Looking at the investment market there is a suggestion of a decline in appetite for logistics investment, but good quality well let assets remain in demand and continue to command sharp yields. Prime yields in the South East remain at circa 4.00% (London Heathrow) with other prime London/South East Locations at circa 4.25% - 4.75%. In the regions, prime yields in Manchester and Birmingham stand at circa 4.75%, with circa 5.00% in both Bristol and Leeds.

The outlook over Q4 2019 remains uncertain, with the delay of Brexit and the prospect of a no-deal solution being the main driver to the market. Whilst the occupier market has remained resilient, a recent surge in supply may temper this. From an investor perspective, stock selection will be key to identify potential rental growth and performance generation.

11.0 Marketability

We consider that the most appropriate method of sale for the Properties would be by Private Treaty or Auction individually, and that they would need to be fully exposed to the market, utilising various marketing initiatives including production of marketing details and circulation of details to agents in the market and to targeted investors.

Given current market conditions, we are of the opinion that a marketing period of around 180 days would be required to sell the Properties at our opinion of Market Value. As with most multi-let serviced office suites, we would predict a regular turnaround of tenants at the some of the properties with regular voids between tenancies. If market conditions and demand were to weaken from their current levels, extended marketing periods may be required.

The Valuation Methodology applied to each of the properties is detailed within the individual property report.

12.0 Comparable Evidence & Opinion of Value

Comparables relating to each of the properties can be found within the individual property report appendices.

13.0 Valuations

Aggregate Market Rent

In our opinion, the aggregate Market Rent of the units within the Properties, if let on, as at date, and subject to the comments and assumptions in this Report, is **£403,000 pa (Four Hundred and Three Thousand Pounds Per Annum)**.

Aggregate Market Value

In our opinion the Market Value of the property, Freehold, subject to and with the benefit of the lettings set out in this report, in its existing condition, is **£2,783,000 (Two Million Seven Hundred and Eighty-Three Thousand Pounds)**.

Aggregate Vacant Possession Value

In our opinion the Market Value of the property, Freehold, on the Special Assumption of Vacant Possession, in its existing condition, is **£2,537,300 (Two Million Five Hundred and Thirty-Seven Thousand Three Hundred Pounds)**.

Aggregate Vacant Possession with Restricted Marketing Period

In our opinion the Market Value of the property, Freehold, on the Special Assumption of Vacant Possession and on the Special Assumption of a sale within a 180-day selling period, in its existing condition, is **£2,233,600 (Two Million Two Hundred and Thirty-Three Thousand Six Hundred Pounds)**.

14.0 Reinstatement Cost

Our informal estimate of the aggregate Reinstatement Cost of the Properties is **£5,990,000**.

We reiterate that the Properties have not been inspected by a suitably qualified Building Surveyor from Matthews and Goodman LLP. This figure is indicative only and you and/or the Borrower should seek a formal assessment from a specialist insurance Valuer if insurance cover is to be affected.

15.0 Suitability for Security

In our opinion, the Properties represent reasonable security for loan purposes, the amount of such loan to be at your discretion.

16.0 Strengths & Weaknesses

Strengths

- The properties are generally surrounded by other properties of similar uses.
- Transport links from all properties are generally good.
- The accommodation in all properties is generally either presented to a reasonable or good standard.

Weaknesses

- A portfolio such as this one is likely to be fairly management intensive and regular voids are possible.
- High management costs for Unit C, Adlow Enterprise Park.

17.0 Verification

This Report has been based, to some extent, on information provided verbally which should be checked by your Solicitor. In particular, this applies to tenure and planning. Such checks may also reveal whether any historical use of the Properties are likely to have resulted in contamination.

We reserve the right to amend our Valuation following any information that is provided which differs from that stated in this Report and/or is not in line with the assumptions we have made.

18.0 Signatories

Whilst we trust that this Report is satisfactory for your immediate purposes, should you have any queries or points which require further clarification we shall be pleased to hear from you.



Signatory:

Graham Cooke BSc (Hons) FRICS ACI Arb

Registered Valuer No: 0072624

For and on behalf of Matthews & Goodman LLP

19 August 2019

Dated

Proplend Security Limited

Portfolio of Four Properties



Counter Signatory:

Ben Hartley BSc (Hons) MRICS

Registered Valuer No. 1133419

19 August 2019

Dated

For and on behalf of Matthews & Goodman LLP



Appendix One

Letter of Instruction

Graham Cooke
Centurion House
129 Deansgate
Manchester
M3 3VR

Ref: AK

Rammon Group (Properties) 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: Rammon Group (Properties) Limited

Contact Name: David Weisberg

Phone Number: 07798707172

Email: david@rammongroup.com

Properties: 1) Velos House, Froxmer Street, Gorton, Manchester, Greater Manchester M18 8EF, 2) Unit 1, Froxmer Street, Gorton, Greater Manchester, M18 8EF, 3) The Mews, 189B Ashley Road, Hale, ALTRINCHAM, WA15 9SQ, 4) Unit C, Aldow Enterprise Park, Blackett Street, Manchester, M12 6AE

Tenure: Freehold

Use: Office and industrial units

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. A valuation of the Property on the assumption of Vacant Possession.
4. Please provide comparable evidence to support your assumptions on values.
5. Please provide an estimated rental value for the Subject Properties.
6. Please provide commentary on continued likely market demand for properties of this size and nature, in this location, for sale and to let.
7. Please provide an estimated reinstatement cost of the buildings for insurance purposes.
8. 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.
9. 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 £3,950 + VAT for this undertaking. Whilst a receipted invoice for this service should be supplied with your report, we ask that you seek settlement of your fee from the proposed Borrowers whose contact details are supplied above. Proplend Security Limited cannot accept any responsibility for non-payment of your fees in this regard.

Contact Details

Please contact Proplend on 0203 637 8418 if you have any queries regarding this instruction.

Please send the Valuation Report to borrower@proplend.com, with hard copy to 15 Little Green, Richmond TW9 1QH. Draft reports are not acceptable. Following provision of the Valuation Report, you should be prepared to discuss its contents with the Lender.

Yours Faithfully,



Brian Bartaby
Director

Proplend Security Limited



Appendix Two

Letter of Engagement

Your Ref: AK
Our Ref: 115374

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

Centurion House
129 Deansgate
Manchester M3 3WR

t 0161 839 5515
f 0161 839 5590

w matthews-goodman.co.uk

16 August 2019

Dear Sirs

Terms of Engagement

We acknowledge receipt of your instructions dated 16 August 2019 to carry out a valuation in respect of the below property. We write in accordance with The 2017 Edition of the RICS Valuation – Professional Standards (incorporating the International Valuation Standards) – Global and UK edition to set out our Terms of Engagement, and to confirm that the scope and the details of the service provided will be in accordance with your letter of instruction and the requirements of the RICS. Compliance with the Valuation Standards may be subject to monitoring under the Institution's compliance and disciplinary regulations.

Our Terms of Engagement include the specific items contained in this letter, together with our standard Terms & Conditions of Engagement for Valuations, which are attached hereto, and will be attached to our report.

Please sign and return the attached copy of this letter by way of acceptance.

1. Our Client

Proplend Security Limited

2. Borrower or other Third Party

Rammon Group (Properties) Limited

3. Property Addresses

Velos House, Froxmer Street, Gorton, Manchester, M18 8EF
Unit 1, Froxmer Street, Gorton, Manchester, M18 8EF
The Mews, 189b Ashley Road, Hale, Altrincham, WA15 9SQ
Unit C Adlow Enterprise Park, Blackett Street, Manchester, M12 6AE

4. Interest to be valued

Freehold Assumed

5. Property Type and Use

Mixed Use / Investment.

6. Purpose of Valuation

The valuations are required for Secured Lending Purposes.

7. Basis of Valuation

The basis of valuation will be Market Value which is defined in VPS4 section 4 and IVS 104 paragraph 30.1 in the 2017 edition of the RICS Valuation – Professional Standards (incorporating the International Valuation Standards) – Global and UK edition, as well as the UK national supplement (issued in November 2018 and effective from 14 January 2019) as set out in the attached Terms & Conditions of Engagement.

8. **Valuation Date**
Will be as at the Date of our inspection.
9. **Special Assumptions**
There are no Special Assumptions requested in your instruction letter.
10. **Conflicts of Interest**
We confirm that we have no current, recent or prospective fee earning involvement with the properties, the client, or any party connected with this transaction.
11. **Name and Status of Valuer and Counter-Signatory**
The valuation will be undertaken by Graham J Cooke BSc (Hons) FRICS ACIARB who is a Registered Valuer, with relevant knowledge, skills and experience in the valuation of this type of asset. We will be acting as Independent Valuers. The work will be countersigned by a Valuation Partner in the firm, who is also suitably qualified and experienced in the valuation of this type of asset.
12. **Extent of Inspection**
Unless prevented from doing so, we will inspect the property both internally and externally via site.
13. **Fees**
We have agreed a fee of **£3,950 + VAT** (including disbursements) and we confirm our fee account has been paid by your customer, Rammon Group (Properties) Limited. As requested in your instruction, a Receipted Invoice will be supplied to you with the final report.
14. **Other Matters**
This letter should be read in conjunction with the accompanying Standard Terms and Conditions of Engagement since they contain important conditions, caveats and assumptions pertinent to our engagement.

If any of the details set out above are incorrect, please let us know – we will assume they are correct unless you advise us to the contrary.

Yours faithfully



Graham J Cooke BSc (Hons) FRICS ACIARB
For and on behalf of
Matthews & Goodman LLP



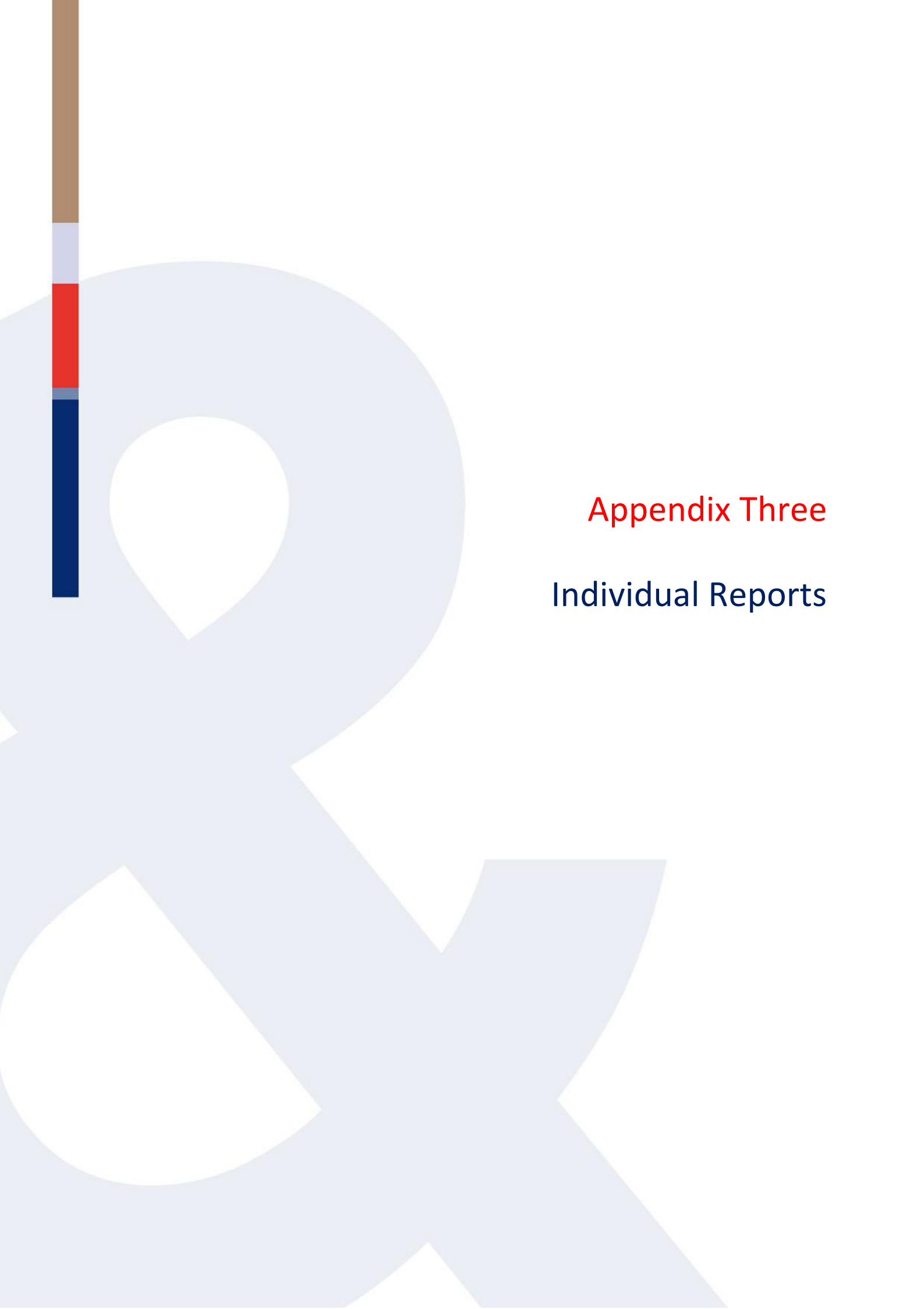
Acceptance of Terms of Engagement

I/We agree to the definitions, terms and conditions of engagement included in this letter and the accompanying standard terms of engagement and understand that they will form part of our report.

Signed For and on behalf of Proplend Security Limited

Dated





Appendix Three

Individual Reports

Velos House, Froxmer Street, Gorton, Manchester, M18 8EF



1.0 Location

The Property is accessed from Froxmer Street in a predominantly industrial location around three miles to the east of Manchester city centre.

Road communication links are good with Ashton Old Road (A635) and Hyde Road (A57) both located around half a mile to the north and south respectively of the Property. Both roads provide direct access into Manchester city centre and Hyde Road also leads directly to Junction 24 of the M60 motorway. Gorton Railway Station is also located around half a mile from the Property.

2.0 Description

The Property comprises two warehouse buildings that have been divided to create four separate units that were all let at the time of our inspection. Three of the units (namely Velos House (Unit 7), Unit 3a and Unit 3b) are each accessed from the same yard area at the centre of the site which provides around 20 car parking spaces. Unit 4 is separately accessed from another yard that is shared with other properties.

Velos House (Unit 7) is located to the north of the central yard area and comprises a two-bay warehouse with brick elevations beneath a pitched part profile steel and part corrugated asbestos covered roof incorporating approximately 10% translucent light panels. This unit has an eaves height of approximately 6.3m and benefits from a loading door onto Froxmer Street.

A two storey office block is located towards the front of this building incorporating office areas, toilets and a kitchen area. Part of this two storey office block has been separated from the rest of the accommodation in this building and forms part of the accommodation within Unit 3a. A front lean-to and additional side extension also form part of the accommodation within Unit 7. An additional storage mezzanine is located to the rear of the building but provides very basic accommodation added by the tenant and we have therefore not included any additional value for this rear mezzanine.

The second warehouse building also comprises a two bay warehouse with predominantly clad brick and block elevations beneath a pitched part profile steel and part corrugated asbestos covered truss roof incorporating approximately 20% translucent light panels. The building has been divided to create three self-contained units. It has an eaves height of approximately 4.5m and each unit has a roller shutter loading door (two in the case of Unit 4).

Unit 3a is accessed from the central yard area and is the central of the three units. It comprises predominantly open plan warehouse accommodation with a small office and toilet block. As mentioned above, part of the two storey office block within Unit 7 forms part of the accommodation of this unit.

Unit 3b is located to the north of Unit 3a and is also accessed from the central yard area. It comprises predominantly open plan warehouse accommodation with a small kitchen and toilet block and a separate office block.

Unit 4 is located to the south of Unit 3a and accessed from a separate yard area shared with other properties. It comprises predominantly open plan warehouse accommodation although with an office / storage block within one of the bays and with a mezzanine storage area above this. Two loading doors provide access to the yard are shared with other properties.

Just mention layout of remainder ie 1-2 5 and 6 etc... to be clear.

Property Services

Whilst we have not undertaken specific tests of the Property Services, we assume that the Property is connected to mains services including electricity, water and drainage.

3.0 Accommodation

Unit Number	Description	Square Metres	Square Feet
3a	Warehouse	595.7	6,412
3a	Ground Floor Office Block	81.2	874
3a	First Floor Office Block	102.1	1,099
Total (GIA)		779.0	8,385

Unit Number	Description	Square Metres	Square Feet
3b	Warehouse	703.0	7,567
Total (GIA)		703.0	7,567

Unit Number	Description	Square Metres	Square Feet
4	Warehouse	1,081.9	11,646
4	Mezzanine	271.4	2,921
Total (GIA)		1,353.3	14,567

Unit Number	Description	Square Metres	Square Feet
7	Warehouse Including Ground Floor Office Block	1,087.0	11,701
7	First Floor Office Block	61.1	658
Total (GIA)		1,148.1	12,359

4.0 Site

The site extends to approximately 0.52 hectares (1.28 acres) as scaled from the digital Ordnance Survey Plans provided by Promap. Site coverage is approximately 70%.

5.0 Condition

During the course of our inspection, we noted that the property provides a basic but functional quality of industrial accommodation suitable for letting. We did note some areas of water staining to the brickwork within parts of the accommodation although it does appear to be longstanding.

6.0 Tenure

We have not been provided with a copy of the Title documents however we understand the property is held Freehold and have assumed that it is unencumbered and free from any onerous or restrictive covenants.

We have assumed that appropriate rights of way are in place over the shared yard area providing access to Unit 4. The Bank's solicitor should confirm this.

7.0 Tenancies

We have not been provided with copies of any lease documents but have been informed that the property is let on informal licences with the salient terms detailed in the table below.

Unit Number	Start Date	Licence Length	Rent (pa)
3a	September 2018	6 years	£42,280
3b	September 2019	3 years	£31,634
4	July 2015	5 years	£45,000

7

July 2017

5 years

£45,326

This equates to a total current gross income for the property of £164,240 per annum.

We would recommend that the Bank's solicitors undertake a detailed review of all occupational agreements to confirm that the above information is correct.

8.0 Statutory Enquiries

Planning

We have made online enquiries of the Manchester City Council planning website and have located the following recent planning permission applications relating to the Property.

Date	Application Number	Decision	Description
08 Jul 2014	105356/FO/2014/N2	Withdrawn	(Unit 4) Change of use of industrial unit to Children's Soft Play Area with associated elevational alterations and formation of 19 space car parking area
31 Jan 2014	104117/FO/2013/N2	Withdrawn	(Unit 4) Change of use of industrial unit to childrens soft play area
28 Apr 2008	085857/FU/2008/N2	Approved	Change of use to warehouse storage (Use Class B8) and light industrial (Use Class B1)
08 Aug 2007	082979/FO/2007/N2	Approved	Retrospective application for continued use of premises for parking and storage of coaches/buses
31 Aug 2000	059708/FO/NORTH2/00	Approved	Erection of additional warehouse space

We are not aware of any breaches of planning permission or enforcements actions and this Valuation has assumed that all works have been completed in accordance with their planning permission and the Bank's legal advisors should confirm this.

The Property is not listed nor is it located in a conservation area.

Business Rates

We have researched the Valuation Office Agency's online rating database which records that the Property is assessed as follows:

Address	Description	Rateable Value
Units 3a & Pt Unit 7, Froxmer Street, Manchester, M18 8EF	Warehouse, office and premises	£26,250
Unit 3b, Froxmer Street, Manchester, M18 8EF	Warehouse and premises	£19,000

Unit 4, Froxmer Street, Manchester, Warehouse and premises	£25,250
M18 8EF	
Part Unit 7, Froxmer Street, Workshop and premises	£35,500
Manchester, M18 8EF	

The Uniform Business Rate multiplier is 49.1 pence for 2019/20.

Highways

We understand that Froxmer Street is an adopted highway.

We are not aware of any highway proposals in the surrounding area which might adversely affect the property, but we recommend that your legal advisor investigate this matter.

9.0 Environmental Matters

Contamination

We have not been provided with an environmental report in respect of the property, and we have not investigated whether any historic uses of the property may have resulted in an instance of contamination.

However, our inspection of the property did not reveal any obvious sources of contamination that would affect the property and we consider the risk to be acceptable. 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 now reported. As the property is located in a predominantly industrial location, the possibility of contamination can not be dismissed.

Flooding

We have researched the Government's flood map for planning website which suggests that the property is in Flood Zone 1 which has a low probability of flooding.

Energy Efficiency

Property owners are required to produce an Energy Performance Certificate (EPC) when properties are either sold or let. EPCs give information on a building's energy efficiency on a sliding scale from 'A' (very efficient) to 'G' (least efficient), as well as making recommendations as to how to improve these ratings.

The Energy Act 2011 stipulates that following full implementation, expected before April 2018, a property with an Energy Efficiency Rating below Band E (Bands F and G), will not be able to be let or sold until improvements have been carried out to improve the Energy Efficiency Rating at or above band E, unless they are exempt. Failure to do this may result in renting such rated properties as being unlawful, with an associated impact on marketability and value.

We have located EPCs for the four units and each has an Energy Performance Asset Rating of C, D or E. These EPC certificates indicate that the subject property will fall within the acceptable energy performance range for the purposes of the Act.

Although the legislation is not expected to be reviewed again until 2020, for properties within the A to E bands, the method of assessment may have changed since their certificates were issued. For such properties, it is therefore advisable to obtain the opinion of an expert as to whether the building would still comply with the minimum standard if they were re-certified under the current methodology.

Japanese Knotweed

We have not undertaken a detailed inspection of the Property for the presence of Japanese Knotweed or any other invasive plant species. Japanese Knotweed is more easily identifiable at different times of the year and where the site is subject to overgrown vegetation, near a railway embankment or sloping ground, close to water course or other sources of pathway. During our inspection, we did not observe the presence of any invasive plant species at the property.

Mining

The Property is located in a coal mining reporting area. This could affect insurance premiums and deter potential purchasers.

Radon

The Property is not situated in an area that could be affected by radon gas at high levels.

Asbestos

Obligations encompassed within the Control of Asbestos Regulations 2012, require that owners and occupiers of buildings manage asbestos within their buildings. This may involve having an asbestos survey undertaken and maintaining a register of any asbestos containing materials.

We have not been informed of whether or not a full survey or register has yet been prepared and would recommend that the Bank's solicitor clarifies this.

Landfill

We have checked the Environment Agency website which confirms the property is neither built upon nor situated close to either a historic or authorised landfill site.

10.0 Comparable Evidence

We have considered a wide range of comparables, details of the most relevant of which are set out below:

Rental Comparables

Velos House, Froxmer Street, Gorton (The Subject Property)

As with any multi-let property, the best comparable evidence is often the existing lettings within the property. The existing rents passing equate to the following rents per sq. ft.

Unit 3a £5.04 per sq. ft.

Unit 3b £4.18 per sq. ft.

Unit 4 £3.09 per sq. ft.

Unit 7 £3.67 per sq. ft.

It should be noted that in calculating the above approximate rates, we have reduced the rental received by the business rates payable by the Landlord (Units 3a and 3b) and the building insurance (divided equally between the four units) to arrive at a net rental income figure.

We have also used the area of the ground floor only for Unit 4 therefore excluding the mezzanine used for storage.

Suite 14, Lees Street, M18 8QU

£7.64 per sq ft

Letting: January 2019

We are aware that a 13,530 sq. ft. warehouse over ground and first floor levels has been let in January 2019 at a rental of £103,369 per annum, equating to £7.64 per square foot.

This property is located around half a mile from the subject property and provides a slightly higher quality of industrial accommodation. We have applied a slightly lower Market Rent per sq. ft. to the units at the subject property to reflect that each unit is significantly smaller than this property but of a lower quality of accommodation.

Unit 1-12 City Works, M11 2NB

£6.50 per sq ft

Letting: December 2017

We are aware that a 7,436 sq. ft. two storey warehouse let in December 2017 at a rental equating to £6.50 per square foot on an overall basis. The lease is 10 years with a rent free of 3 months at the beginning of the lease creating an effective rent of £6.29 per square foot.

This property is located half a mile from the subject property and provides a higher quality of industrial accommodation and is similar size to the two smaller units of the subject Property.

Debdale Metal Powders, M18 7JF**£3.96 per sq ft****Letting: August 2019**

We are aware of the letting of this 4,457 sq. ft. warehouse property on a five-year lease from August 2019. The property was let at a rental of £12,000 per annum equating to £3.96 per sq. ft. on an overall basis.

This property is located around one mile south of the subject property and comprises a warehouse building which is slightly smaller than the subject property and in need of maintenance. The surrounding area is residential with no other industrial units in the immediate vicinity.

Units 1-2 Buchan Street, M11 4BS**£6.10 per sq ft****Letting: May 2018**

We are aware that a 5,126 sq. ft. warehouse has been let for £31,269 per annum equating to £6.10 per square foot. The unit has a steel frame, an eaves height of 6.2 meters and a small office and WC within the unit.

The Unit is one and a half miles north of the subject property within an industrial area with good road links.

13 West Street, M11 4EF**£3.82 per sq ft****Letting: November 2017**

We are aware that a 13,613 sq. ft. industrial unit with separate office has been let for £52,000 per annum, equating to £3.82 per square foot. The unit has four separate meeting rooms, a kitchen and WC along with canopy storage.

The accommodation is slightly higher quality and is larger than the subject property. The unit is located off Ashton New Road in an industrial area.

Based on the above comparables, we have applied a Market Rent of £4.00 to £5.00 per sq. ft. to the units at the subject property. For Unit 4, we have applied this rate to the ground floor area only as the mezzanine only provides storage accommodation and any added value it generates is off-set by the reduced eaves height.

This equates to the following Market Rents for the subject property and are on the basis of the tenants paying their own business rates and the units being let on an FRI basis: -

Unit 3a £41,925 per annum

Unit 3b £30,268 per annum

Unit 4 £58,268 per annum

Unit 7 £49,436 per annum

This equates to a combined Market Rent of £179,897 per annum (say £180,000 per annum) for the subject property.

Yield Comparables

667 Stockport Road, Manchester, M12 4QE

£150,000 (11.13% NIY)

Sold: February 2019

We are aware of the freehold of a detached single storey office building sold at auction in February 2019. The property is located on a prominent main road location in Levenshulme comprising approximately 872 square foot. The property was let by way of a 10-year lease from October 2018 on a full repairing and insuring terms at an initial rental of £17,000 per annum, which rises to £20,000 per annum. We have applied a similar yield to the subject property by way of comparison.

Alexandra and Blenheim Court, Carrs Road, Cheadle SK8 2JY

£1,600,000 (10.32% NIY)

Sold: May 2018

We are aware of this purpose-built office building which sold for £1,600,000 in May 2018. The accommodation in three storey, purpose built office building. The property was multi-let at the time of sale and had a passing rental income of £180,818 per annum. The sale equated to a net initial yield of 10.32%.

99 Higher Ardwick, Manchester, M12 6DD

£311,200 (19.00% NIY)

Sold: October 2018

This property comprises a 14,100 square foot industrial unit sold as a joint sale with the neighbouring unit. The rental for the unit is £60,100 per annum on a three year lease. The property comprises a single-storey terrace of industrial units of steel portal frame construction with brick and blockwork walls and profile steel cladding to the roof and upper elevations. The premises is configured to provide accommodation at ground floor level only.

11.0 Marketability

We consider that the most appropriate method of sale for this property would be by Private Treaty or Auction and that it would need to be fully exposed to the market, utilising various marketing initiatives including production of marketing details and circulation of details to agents in the market and to targeted investors.

12.0 Valuation Methodology

We have valued the Property by considering the Investment Method of Valuation. We have had regard to the passing rent and the Market Rent of the property and then capitalised the income streams using an appropriate yield determined by direct comparison with yields obtained from other similar property investment sales.

We understand that the Property is currently producing a gross rental income of £164,240 per annum although this is inclusive of building insurance and business rates for two of the units. We have therefore arrived at a current net rental income of £151,352 per annum. We would suggest that the Market Rent for the four units of £180,000 per annum. We have applied a void period of six months to each of the units following the expiry of the individual licence agreements as well as a rent-free period of three months.

We have applied an equivalent yield on a quarterly in advance basis of 11.27% (True Equivalent Yield) and on an annually in arrears basis of 12.06% (Traditional Method). This has resulted in a value of the Property of £1,400,000.

In calculating the Market Value of the property on the Special Assumption of Vacant Possession, we have applied our opinion of the Market Rent of the property following a six-month void periods and three month rent free periods from the date of Valuation.

13.0 Valuations

Market Value

In our opinion the Market Value of the property, Freehold, subject to and with the benefit of the lettings set out in this report, in its existing condition, is **£1,400,000 (One Million Four Hundred Thousand Pounds)**.

Vacant Possession Value

In our opinion the Market Value of the property, Freehold, on the Special Assumption of Vacant Possession, in its existing condition, is **£1,260,000 (One Million Two Hundred and Sixty Thousand Pounds)**.

Vacant Possession Value (Restricted Marketing Period)

In our opinion the Market Value of the property, Freehold, on the Special Assumption of Vacant Possession and on the Special Assumption of a sale within a 180 day selling period, in its existing condition, is **£1,120,000 (One Million One Hundred and Twenty Thousand Pounds)**.

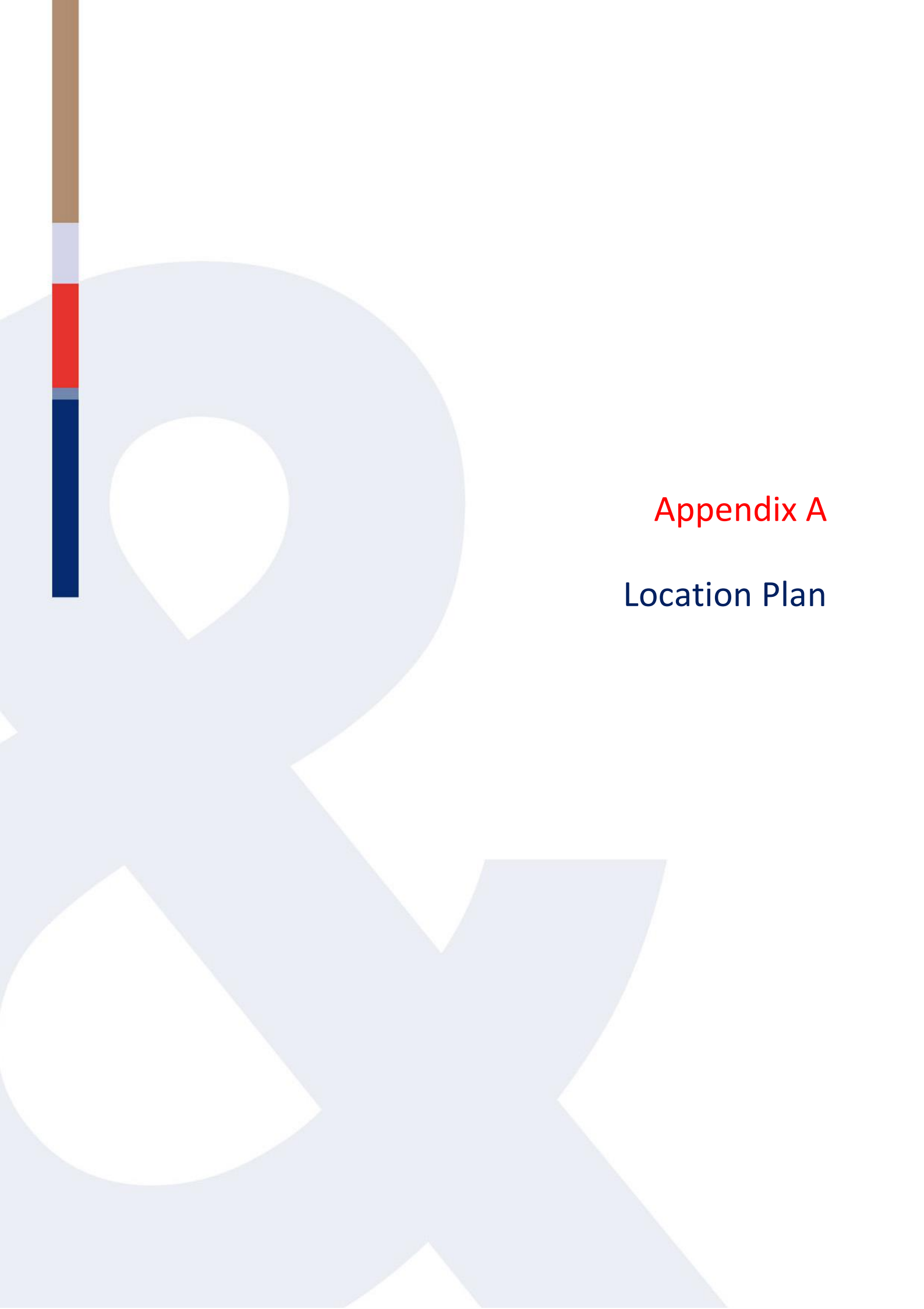
Market Rent

In our opinion the Market Rent of the property when fully let is **£180,000 (One Hundred and Eighty Thousand Pounds)**.

14.0 Reinstatement Cost

Our informal estimate of the reinstatement cost of the Property is some £3,000,000.

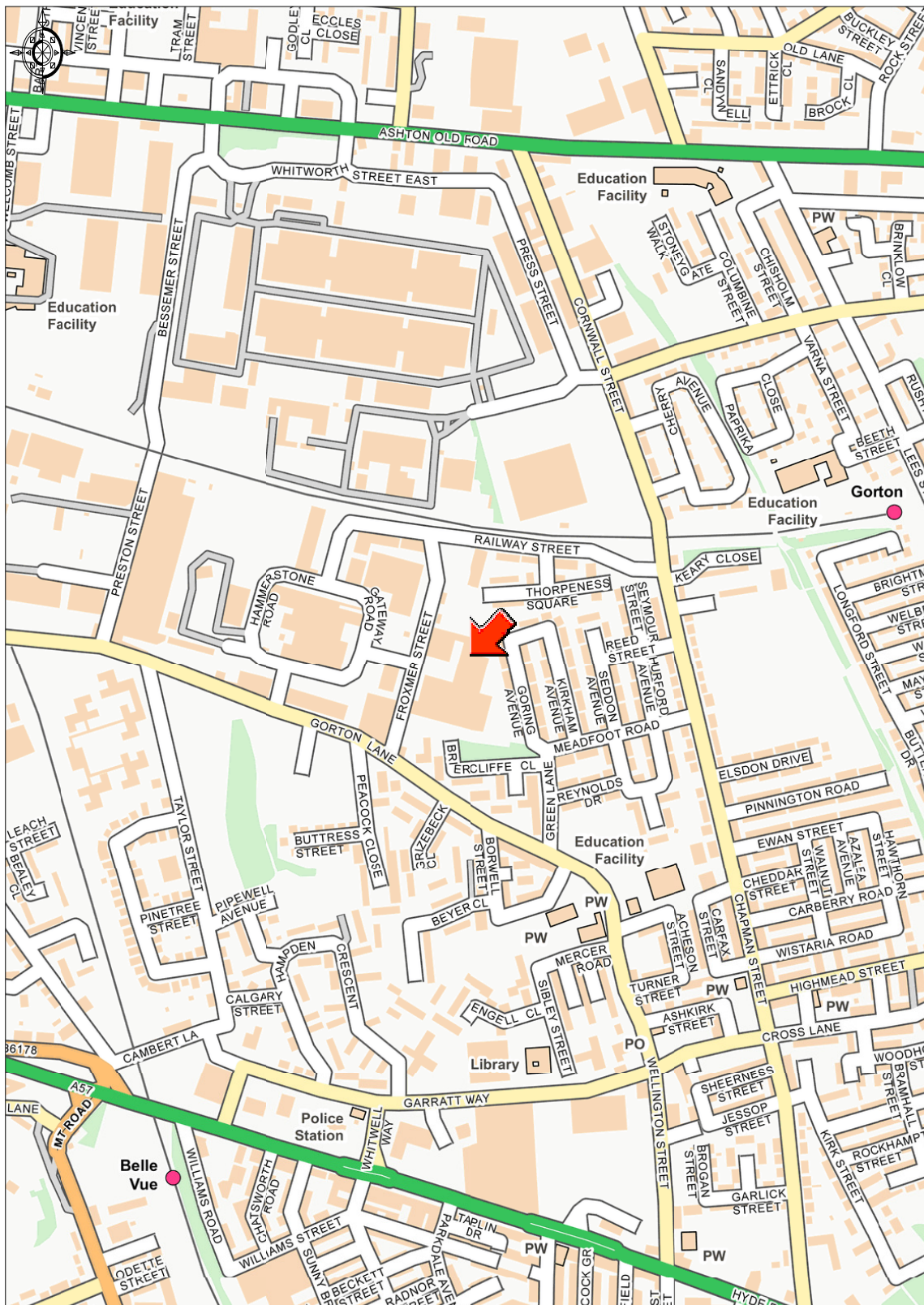
We reiterate that the property has not been inspected by a suitably qualified Building Surveyor from Matthews and Goodman LLP. This figure is indicative only and the borrower should seek a formal assessment from a specialist insurance valuer if insurance cover is to be effected.

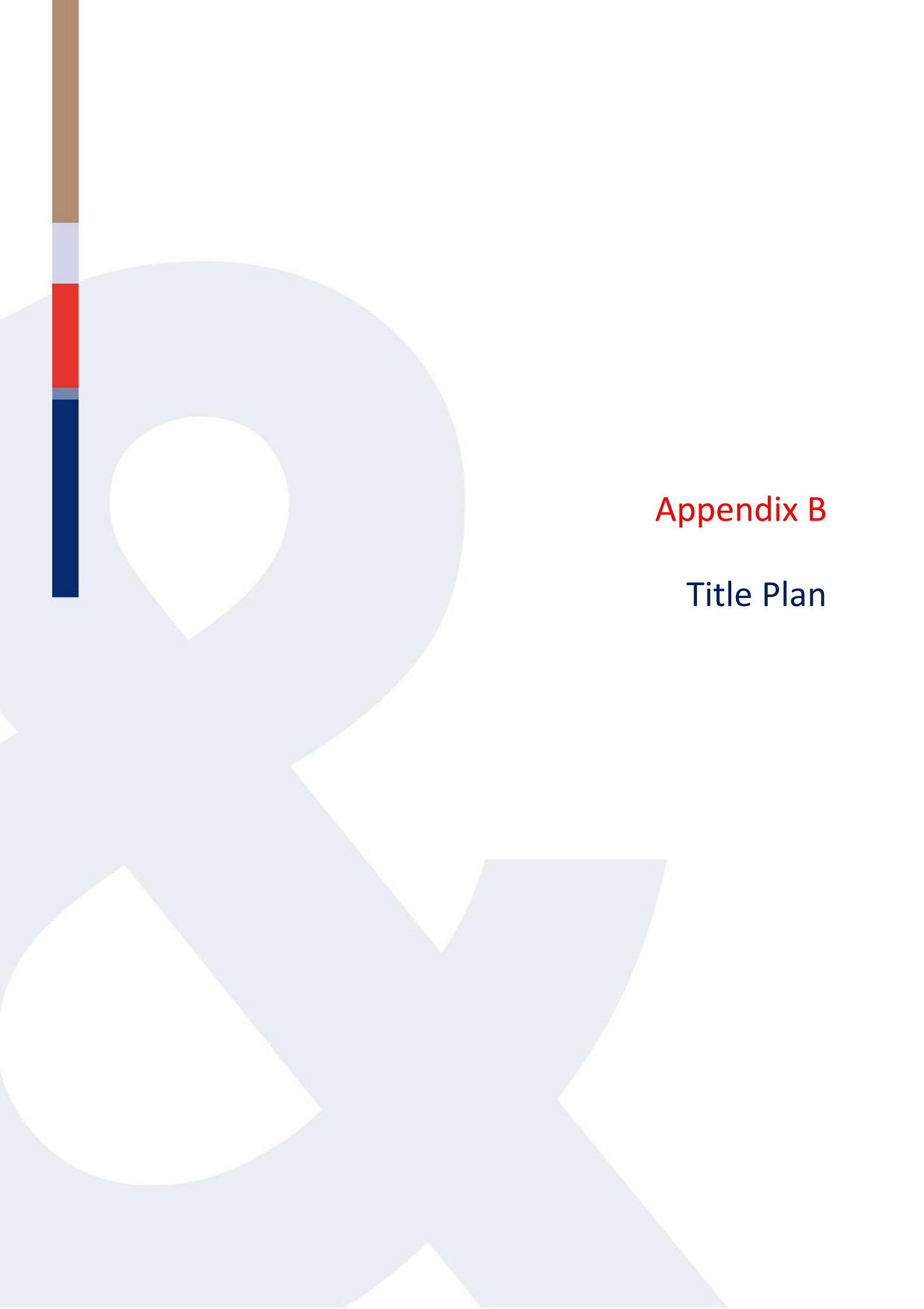


Appendix A

Location Plan

Velos House, Froxmer Street, Gorton



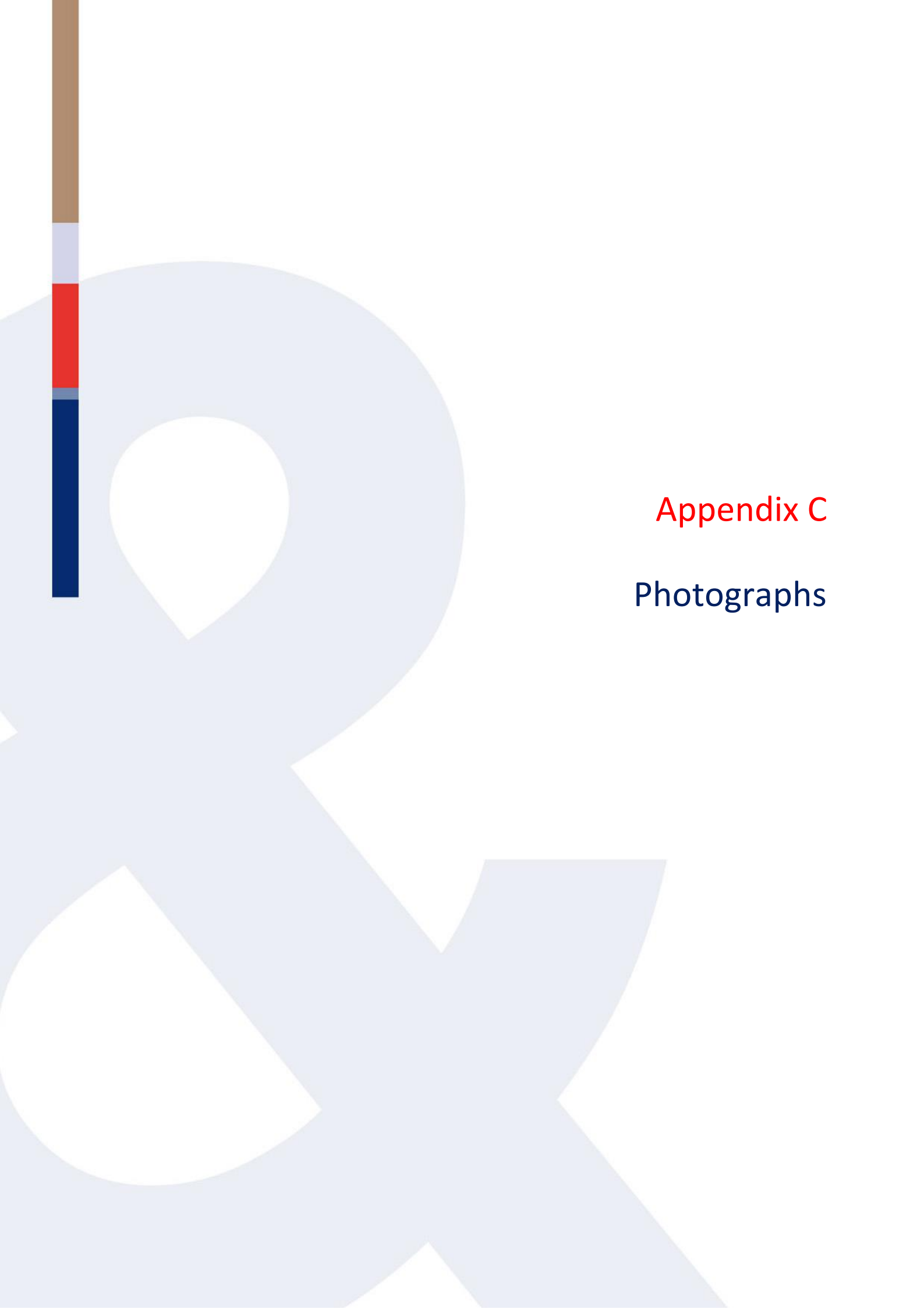


Appendix B

Title Plan

Velos House, Froxmer Street, Gorton





Appendix C

Photographs

External Views



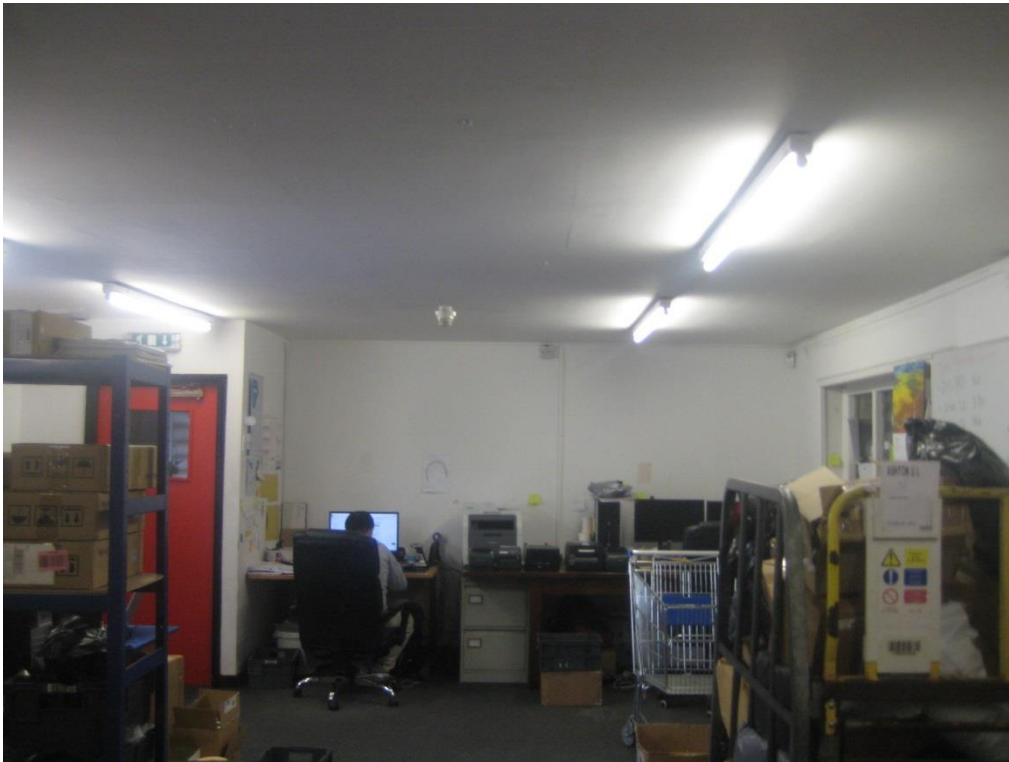




Internal Views



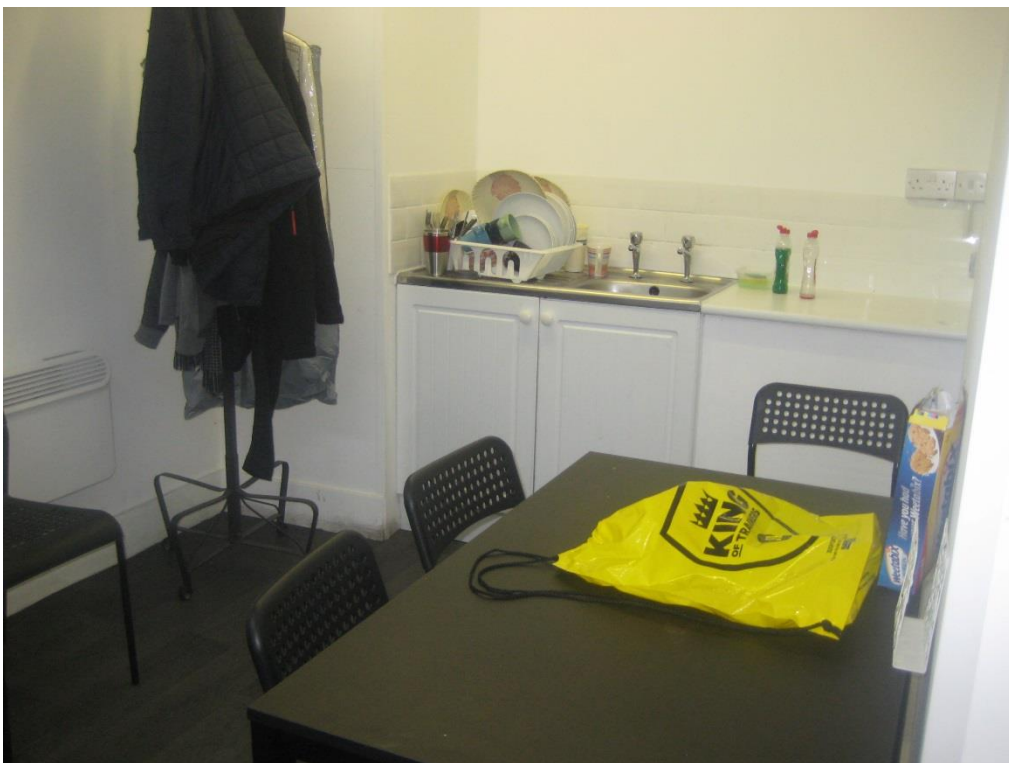












Unit 1 Froxmer Street, Gorton, Manchester, M18 8EF



1.0 Location

The Property is accessed from Froxmer Street in a predominantly industrial location around 3 miles to the east of Manchester city centre.

Road communications and links are generally good with Ashton Old Road (A635) and Hyde Road (A57) both located around 0.5 of a mile to the north and south respectively of the Property. Both roads provide direct access into Manchester city centre and Hyde Road (A57) leads directly to Junction 24 of the M60 motorway, approximately 4 miles to the east. Gorton railway station is located around 0.5 of a mile from the Property.

2.0 Description

Unit 1 is a single storey warehouse/industrial building of steel portal frame construction with brick and blockwork elevations and cladding to the upper parts. The roof is of pitched construction with an asbestos cement decked roof. Internally the Property is predominantly open plan and divided into two separate bays which are interlinked.

The floor is of solid concrete and lighting is provided by suspended sodium light fittings.

There are Powermatic type hot air blowers internally and the Property has roller steel shutter access from two doors to the frontage of the building leading on to a concrete loading yard area.

Internally, office accommodation has been created top part of the building. This has suspended ceilings, plastered walls and Category II lighting and various floor finishes.

A staircase leads to a first floor mezzanine area which comprises WCs, stores and further office accommodation.

Property Services

We have not undertaken specific tests of the Property services and assume the Property is connected to mains services including electricity, water, gas and drainage.

3.0 Accommodation

The Property has been measured in accordance with the RICS Code of Measuring Practice (Sixth Edition) and we report the following gross internal floor areas:

Unit Number	Description	Square Metres	Square Feet
Bay 1		1,396	15,025
Bay 2		267	2,874
Offices	Including kitchen and WC facilities	153	1,646
Workshops		156	1,679
First Floor		210	2,260
Mezzanine Area			
External Office	Including kitchen and WCs	22	237
Building			
Total (GIA)		2,204	23,721

4.0 Site

The site extends to approximately 0.248 hectares (0.613 acres). The site coverage is approximately 80%.

5.0 Condition

During the course of our inspection we noted the Property provides a basic but functional quality of industrial accommodation. We did not see some areas of damage to the internal insulation panelling to the roof areas, however, generally the Property appeared to be wind and watertight.

We have not undertaken a detailed survey of the building in accordance with our terms and conditions; therefore, we have assumed the building to be structurally sound. We therefore assume there to be no items of expenditure required to the main fabric of the building.

It is apparent however that some improvement works have been undertaken externally within the last 12 months.

6.0 Tenure

We have not been provided with a copy of Title documentation relating to the tenure of the Property, however, understand it is freehold. We further assume that the Title is unencumbered and free from any onerous or restrictive covenants.

There would appear to be a right of way held in common with other occupiers to the southern elevation of the Property leading from Froxmer Street through to Followay Street. We recommend the Bank's solicitors confirm that there is a legal right of access leading to the Property.

7.0 Tenancies

We have not been provided with any copies of any lease documentation, however, have been informed by the Bank's Customer that the Property is let on the following terms:

Lease No 1

Tenant – Debona Wallcoverings Limited. A 5 year lease from July 2018 at a current rental of £47,250 per annum.

Yard No 1 – Motor Movement Limited

A Licence Agreement with effect from August 2019 for a term of 3 years at an annual licence fee of £12,900 per annum.

Yard No 2

Currently being marketed at a rental of £10,140 per annum.

The Property therefore has a current passing rental of £60,150 per annum.

We would recommend the Bank's solicitors undertake a detailed review of all occupational agreements to confirm the above information is correct.

8.0 Statutory Enquiries

Planning

We have made online enquiries of Manchester City Council Planning website and note that the current planning permission for the Property's current use is lawful and that the Property is not subject to any enforcement action. We are not aware of any breaches of planning permission and we have not been made aware of any current planning applications in respect of the Property which would adversely affect the values herein reported.

The Property is not Listed nor is it located in a Conservation Area.

Business Rates

We have researched the Valuation Office Agency's online rating database which records that the property is assessed as follows:

Address	Description	Rateable Value
Unit 1, Gorton Industrial Estate Froxmer Street Manchester M18 8EF	Warehouse and Premises	£43,378

The Uniform Business Rate multiplier is 49.1 pence for 2019/2020.

Highways

We understand that Froxmer Street is an adopted highway.

The Bank's solicitors should confirm that there is a legal right of access from Froxmer Street to the subject Property.

9.0 Environmental Matters

Contamination

We have not been provided with an Environmental Report in respect of the Property and we have not investigated whether any historic uses of the Property may have resulted in an incidence of contamination.

However, our inspection of the Property did not reveal any obvious sources of contamination that would affect the Property and we consider the risk to be acceptable, 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 now reported.

As the Property is located in a predominantly industrial location, the possibility of contamination cannot be dismissed.

Flooding

We have researched the Government's Flood Map online which suggests that the Property is in Flood Zone 1, which has a low probability of flooding.

Energy Efficiency

Property owners are required to produce Energy Performance Certificates (EPC) when properties are either sold or let. EPCs give information on a building's energy efficiency on a sliding scale from A very efficient to G least efficient as well as making recommendations as to how to improve these ratings.

The Energy Act 2011 stipulates that following full implementation a property with an energy efficiency below Band E (Band F and G) will not be available or able to be let or sold until improvements have been carried out to improve the energy efficiency rating at or above Band E unless they are exempt. Failure to do this may result in letting such rated properties as unlawful with an associated impact on marketability and value. We have located an EPC rating for the Property which is classified at 106 (E) which was undertaken on 4 September 2018.

Japanese Knotweed

We have not undertaken a detailed inspection of the Property for the presence of Japanese Knotweed or any other invasive plant species. Japanese Knotweed is more easily identifiable at different times of the year and where the site is subject to overgrown vegetation, near a railway embankment or sloping ground, close to water course or other sources of pathway. During the course of our inspection, we did not observe the presence of any invasive plant species at the property.

Mining

The Property is located in a coal mining reporting area. This could affect insurance premiums and deter potential purchasers.

The Bank's solicitors should confirm as part of their Report on Title that a Coal Board Report should be sought.

Radon

The Property is not situated in an area which could be affected by radon gas at high levels.

Asbestos

Obligations encompassed within the Control of Asbestos Regulations 2012 require that owners and occupiers of buildings manage asbestos within their buildings. This may involve having an asbestos survey undertaken and maintaining a register of any asbestos containing materials.

The Bank's Customer was unable to confirm whether a full survey or register has been prepared in respect of the subject Property and we would recommend that the Bank's solicitors confirm the presence or otherwise of any current documentation.

We did note that there are asbestos based materials utilised in the construction of the roof area.

Landfill

We have checked the Environment Agency website which confirms that the Property is neither built on nor situated close to any historic or authorised landfill sites.

10.0 Comparable Evidence

We have considered a wide range of comparables, details of the most relevant of which are set out below:

Rental Comparables

Velos House, Froxmer Street, Gorton

£3.09 - £5.04 per sq ft

This property neighbours the subject property. As with any multi-let property, there is a range of rents per sq. ft. shown below;

Unit 3a £5.04 per sq. ft.

Unit 3b £4.18 per sq. ft.

Unit 4 £3.09 per sq. ft.

Unit 7 £3.67 per sq. ft.

It should be noted that in calculating the above approximate rates, we have reduced the rental received by the business rates payable by the Landlord (Units 3a and 3b) and the building insurance (divided equally between the four units) to arrive at a net rental income figure.

We have also used the area of the ground floor only for Unit 4 therefore excluding the mezzanine used for storage.

Suite 14, Lees Street, M18 8QU

£7.64 per sq ft

Letting: January 2019

We are aware that a 13,530 sq. ft. warehouse over ground and first floor levels has been let in January 2019 at a rental of £103,369 per annum, equating to £7.64 per square foot.

This property is located around half a mile from the subject property and provides a slightly higher quality of industrial accommodation. We have applied a slightly lower Market Rent per sq. ft. to the units at the subject property to reflect that each unit is significantly smaller than this property but of a lower quality of accommodation.

Unit 1-12 City Works, M11 2NB**£6.50 per sq ft****Letting: December 2017**

We are aware that a 7,436 sq. ft. two storey warehouse let in December 2017 at a rental equating to £6.50 per square foot on an overall basis. The lease is 10 years with a rent free of 3 months at the beginning of the lease creating an effective rent of £6.29 per square foot.

This property is located half a mile from the subject property and provides a higher quality of industrial accommodation and is similar size to the two smaller units of the subject Property.

Debdale Metal Powders, M18 7JF**£3.96 per sq ft****Letting: August 2019**

We are aware of the letting of this 4,457 sq. ft. warehouse property on a five-year lease from August 2019. The property was let at a rental of £12,000 per annum equating to £3.96 per sq. ft. on an overall basis.

This property is located around one mile south of the subject property and comprises a warehouse building which is slightly smaller than the subject property and in need of maintenance. The surrounding area is residential with no other industrial units in the immediate vicinity.

Units 1-2 Buchan Street, M11 4BS**£6.10 per sq ft****Letting: May 2018**

We are aware that a 5,126 sq. ft. warehouse has been let for £31,269 per annum equating to £6.10 per square foot. The unit has a steel frame, an eaves height of 6.2 meters and a small office and WC within the unit.

The Unit is one and a half miles north of the subject property within an industrial area with good road links.

13 West Street, M11 4EF**£3.82 per sq ft****Letting: November 2017**

We are aware that a 13,613 sq. ft. industrial unit with separate office has been let for £52,000 per annum, equating to £3.82 per square foot. The unit has four separate meeting rooms, a kitchen and WC along with canopy storage.

The accommodation is slightly higher quality and is larger than the subject property. The unit is located off Ashton New Road in an industrial area.

Yield Comparables**667 Stockport Road, Manchester, M12 4QE****£150,000 (11.13% NIY)****Sold: February 2019**

We are aware of the freehold of a detached single storey office building sold at auction in February 2019. The property is located on a prominent main road location in Levenshulme comprising approximately 872 square foot. The property was let by way of a 10-year lease from October 2018 on a full repairing and insuring terms at an initial rental of £17,000 per annum, which rises to £20,000 per annum. We have applied a similar yield to the subject property by way of comparison.

Alexandra and Blenheim Court, Carrs Road, Cheadle SK8 2JY**£1,600,000 (10.32% NIY)****Sold: May 2018**

We are aware of this purpose-built office building which sold for £1,600,000 in May 2018. The accommodation in three storey, purpose built office building. The property was multi-let at the time of sale and had a passing rental income of £180,818 per annum. The sale equated to a net initial yield of 10.32%.

99 Higher Ardwick, Manchester, M12 6DD**£311,200 (19.00% NIY)****Sold: October 2018**

This property comprises a 14,100 square foot industrial unit sold as a joint sale with the neighbouring unit. The rental for the unit is £60,100 per annum on a three-year lease. The property comprises a single-storey terrace of industrial units of steel portal frame construction with brick and blockwork walls and profile steel cladding to the roof and upper elevations. The property is configured to provide accommodation at ground floor level only.

Disclaimer: Where possible we have taken reasonable steps to verbally corroborate comparable transaction evidence. However, where we have no direct involvement with the transaction we are unable to guarantee the accuracy of the information provided and we reserve the right to amend our valuation, if it is established that any information on which we have relied is subsequently established to be materially inaccurate.

11.0 Marketability

We consider the most appropriate method of sale for this type of Property would be by Private Treaty of Auction. It would need to be fully exposed to the market, utilising various marketing initiatives, including the production of details and particulars and circulation to agents in the market and to targeted investors.

12.0 Valuation Methodology

We have valued the Property by an Investment Method of Valuation. We have had regard to the passing rent and the Market Rental Value of the Property and capitalise the income streams using an appropriate yield determined by direct comparison with yields obtained from other similar property investment sales.

We understand the Property is current producing a gross rental income in the order of £70,290 per annum. We have adopted a Market Rental Value of £3.50 per sq ft to arrive at our estimate of Rental Value of £83,023.50 per annum (say £83,000 per annum).

We have applied an equivalent yield on a quarterly in advance basis of 11.50% (true equivalent yield) on an annually in arrears basis (traditional method). This has resulted in a value for the subject Property of £617,000.

In calculating the Market Value of the Property on the Special Assumption of Vacant Possession, we have applied our opinion of the Market Rental Value following a six month void period and three month rent-free period from the date of valuation.

13.0 Valuations

Market Value

In our opinion the Market Value of the Property, Freehold, subject to and with the benefit of the lettings set out in this report, in its existing condition, is **£617,000 (Six Hundred and Seventeen Thousand Pounds)**.

Vacant Possession Value

In our opinion the Market Value of the Property, Freehold, on the Special Assumption of Vacant Possession, in its existing condition, is **£555,300 (Five Hundred and Fifty Five Thousand Three Hundred Pounds)**.

Vacant Possession Value (Restricted Marketing Period)

In our opinion the Market Value of the Property, Freehold, on the Special Assumption of Vacant Possession and on the Special Assumption of a sale within a 180 day marketing period, in its existing condition, is **£493,600 (Four Hundred and Ninety Three Thousand Six Hundred Pounds)**.

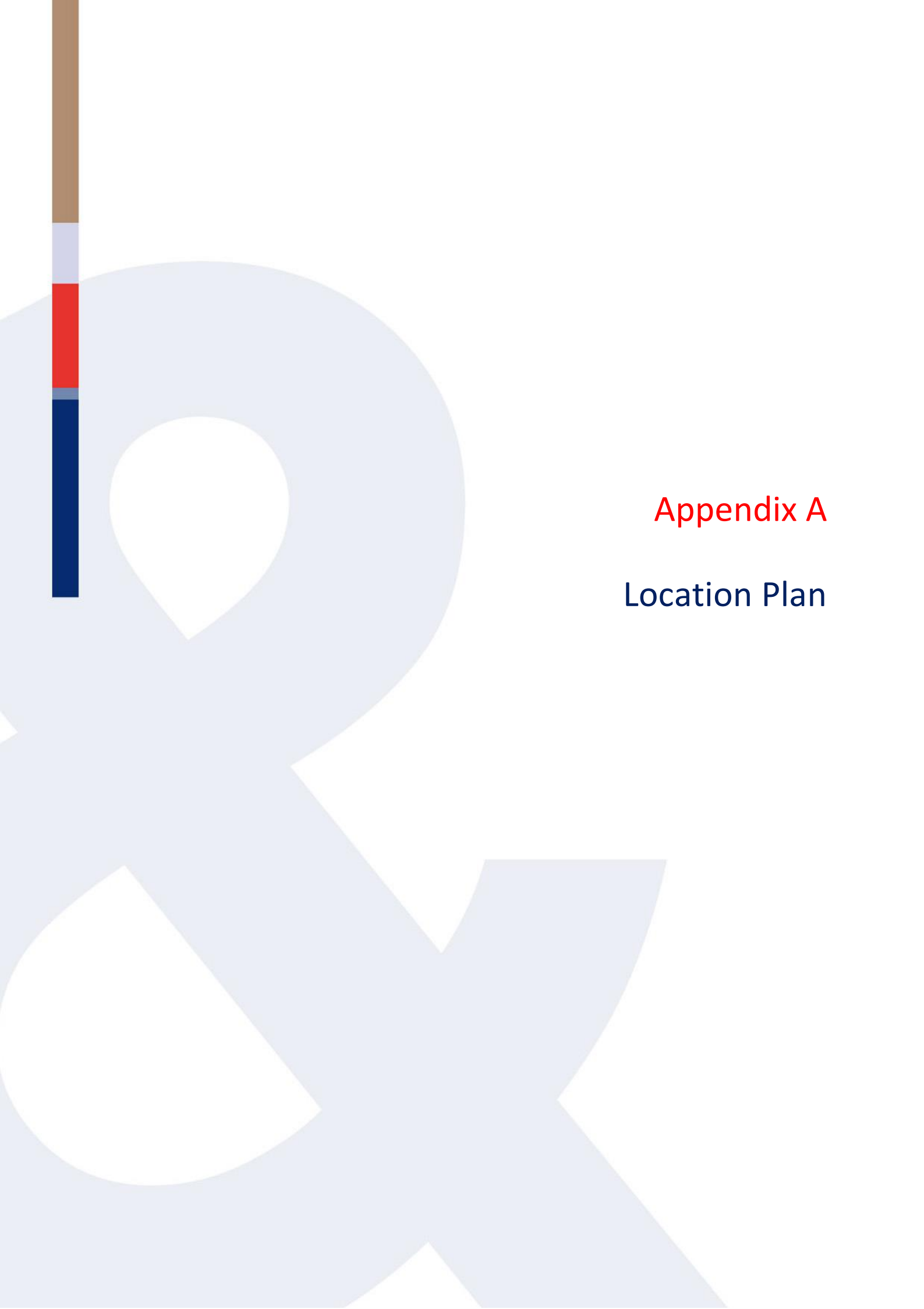
Market Rent

In our opinion the Market Rental Value of the Property when fully let is **£83,000 (Eighty Three Thousand Pounds) per annum**.

14.0 Reinstatement Cost

Our informal estimate of the reinstatement cost of the Property is some £2,040,000.

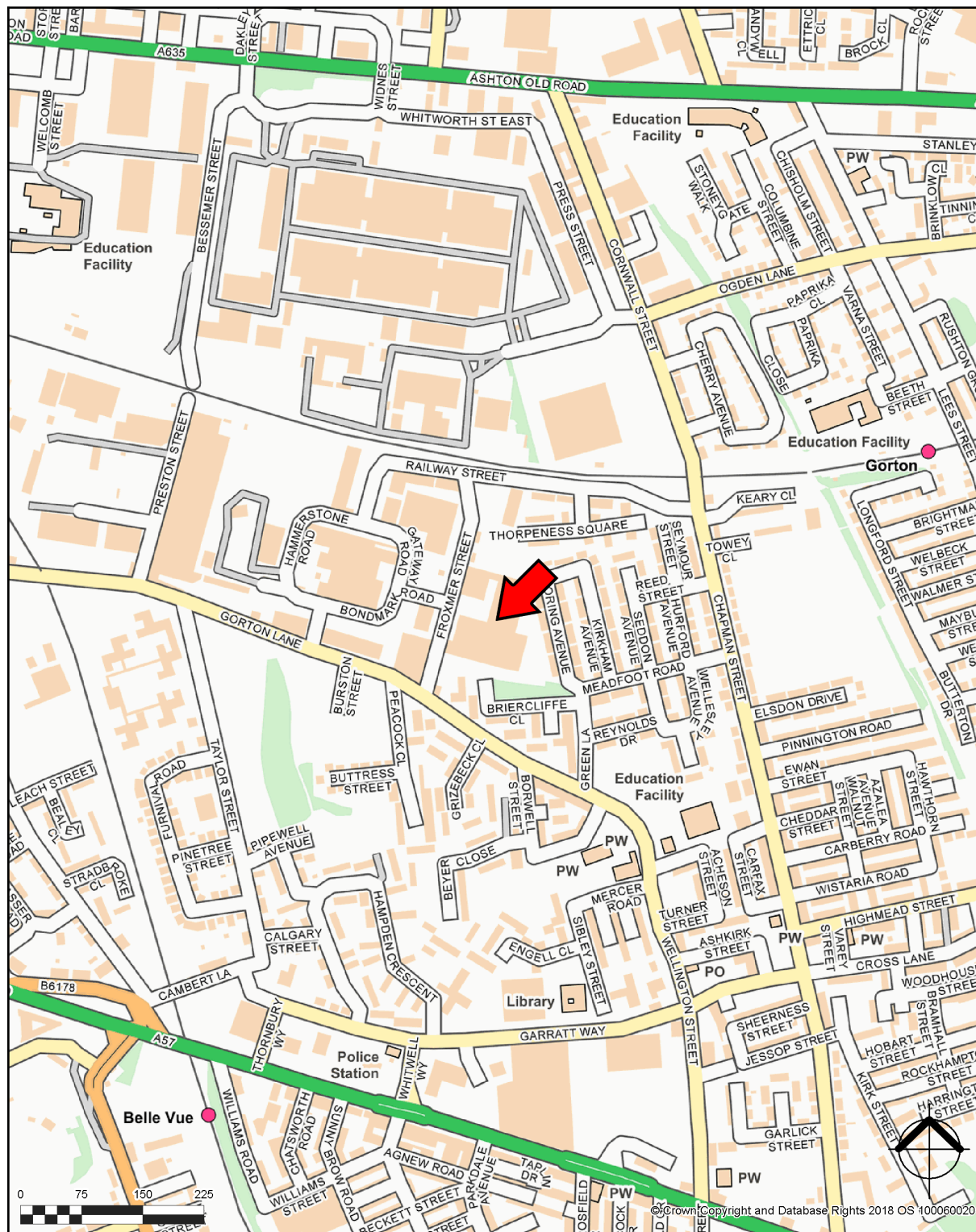
We reiterate that the property has not been inspected by a suitably qualified Building Surveyor from Matthews and Goodman LLP. This figure is indicative only and the borrower should seek a formal assessment from a specialist insurance valuer if insurance cover is to be effected.



Appendix A

Location Plan

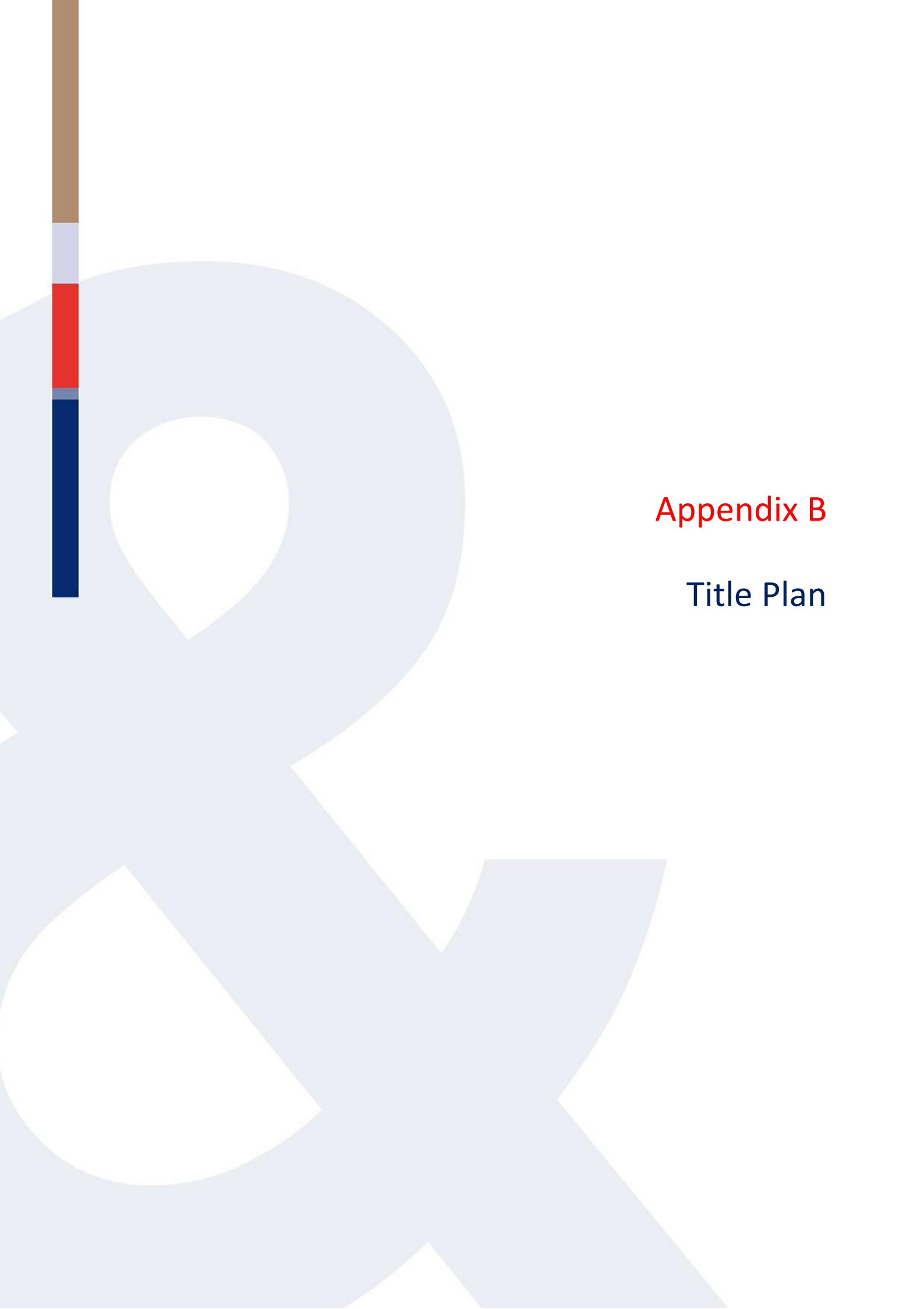
Debona Ltd, Unit 1, Froxmer Street Industrial Estate, Manchester, M18 8EF



created on **edozo**

Plotted Scale - 1:7,500

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Appendix B

Title Plan

These are the notes referred to on the following official copy

The electronic official copy of the title plan follows this message.

Please note that this is the only official copy we will issue. We will not issue a paper official copy.

This official copy was delivered electronically and when printed will not be to scale. You can obtain a paper official copy by ordering one from HM Land Registry.

This official copy is issued on 20 September 2019 shows the state of this title plan on 20 September 2019 at 10:15:20. It is admissible in evidence to the same extent as the original (s.67 Land Registration Act 2002). This title plan shows the general position, not the exact line, of the boundaries. It may be subject to distortions in scale. Measurements scaled from this plan may not match measurements between the same points on the ground.

This title is dealt with by the HM Land Registry, Fylde Office .

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H M. LAND REGISTRY

NATIONAL GRID PLAN
GREATER MANCHESTER

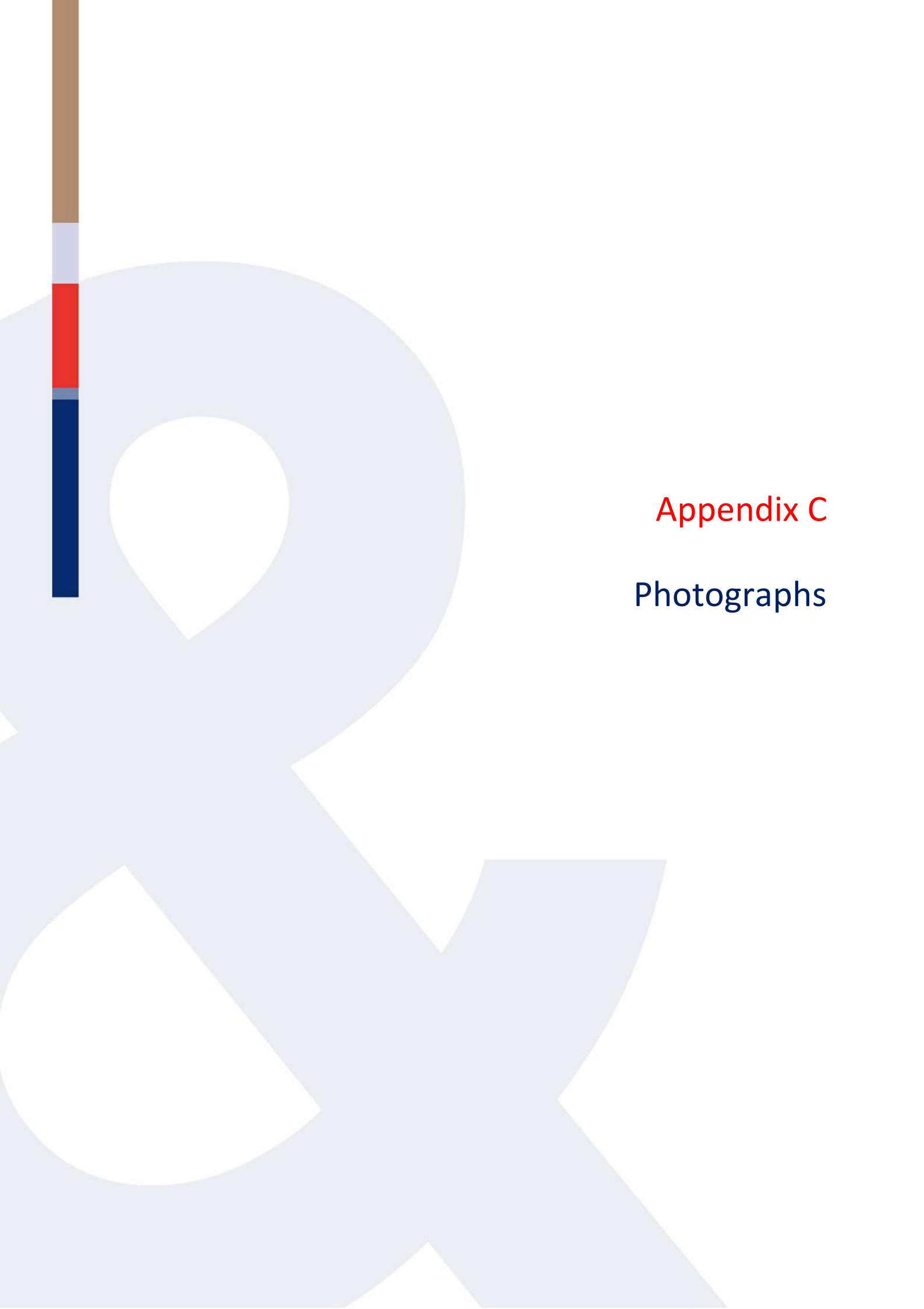
SJ 8896

SECTION A

MANCHESTER DISTRICT Scale 1/1250



TITLE No. GM214316



Appendix C

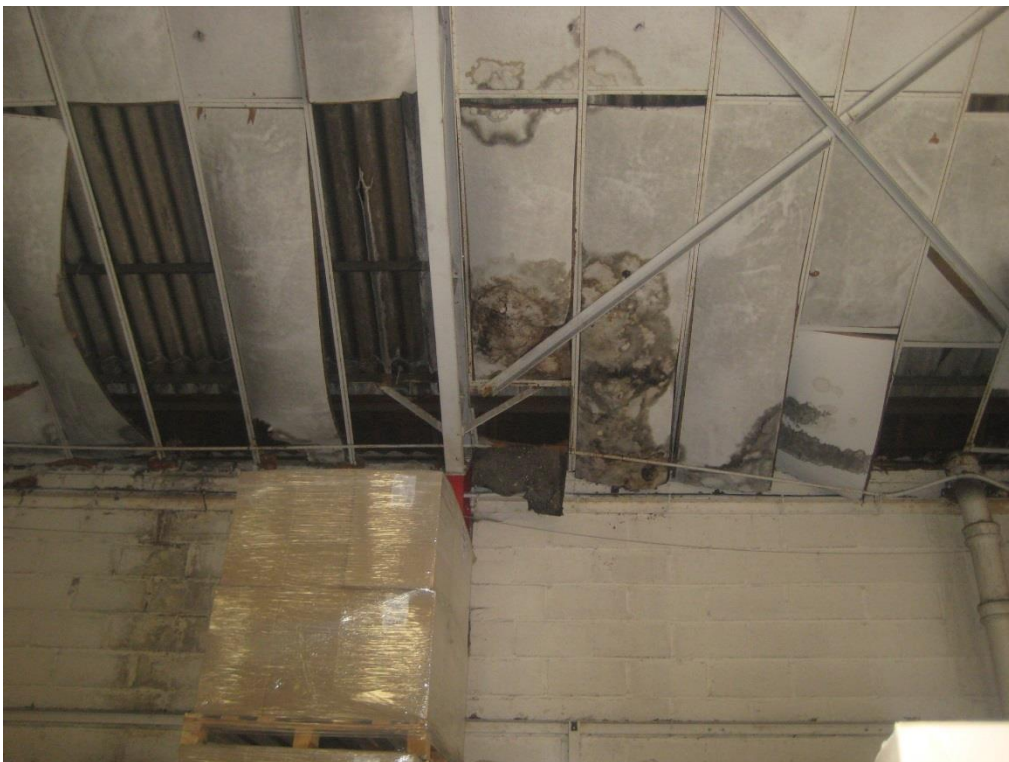
Photographs

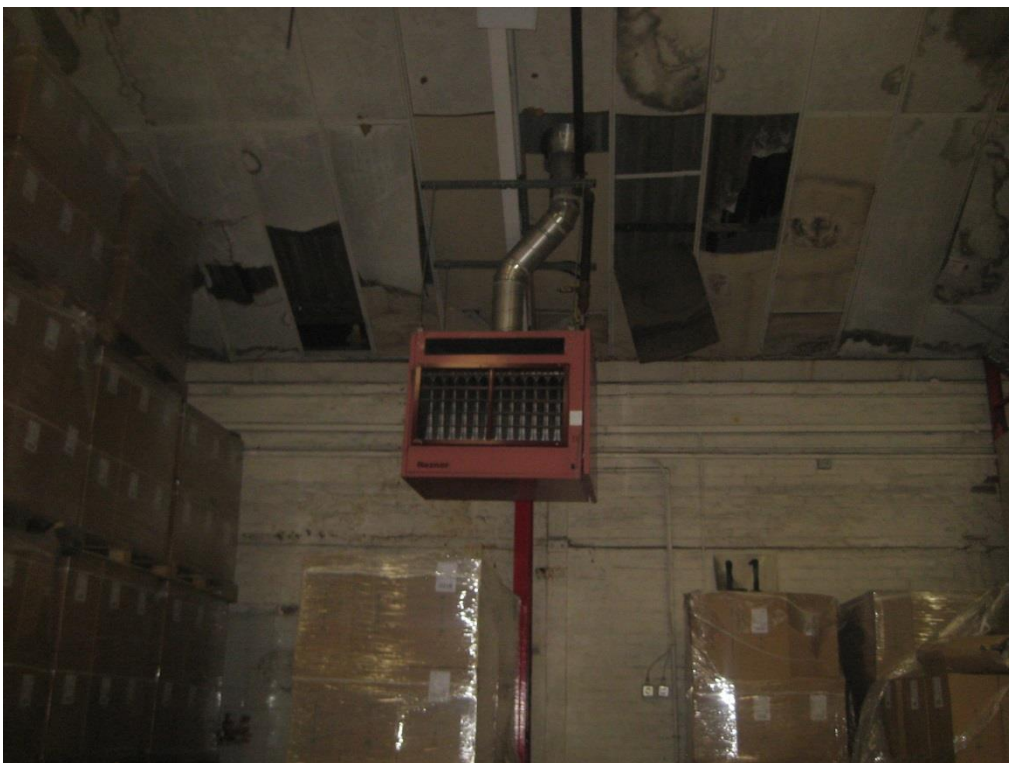
External Views





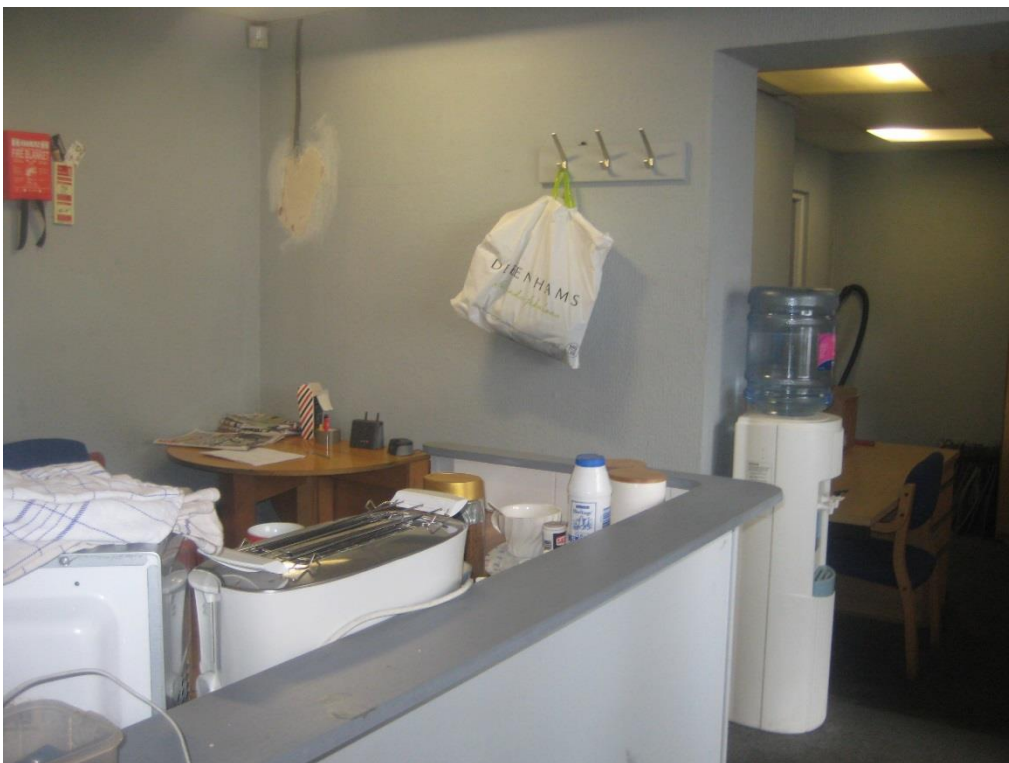
Internal Views











The Mews, 189b Ashley Road, Hale, WA15 9SQ



1.0 Location

The Property is located behind buildings fronting onto Ashley Road (B5163) and is accessed from a passageway from Ashley Road between two retail units. This section of Ashley Road comprises the centre of Hale Village with a variety of retail units, restaurants and bars in the immediate vicinity.

Road communication links are good with Junction 7 of the M56 motorway located less than two and a half miles from the property providing access to the greater motorway network. Hale Railway Station is located within quarter of a mile from the property.

2.0 Description

The Property comprises a detached two storey office building with brick elevations beneath a part mono-pitched roof with a slate tile covering and a part flat roof with a felt covering.

Internally there is an entrance foyer, two office rooms and a toilet to the ground floor with a kitchenette and two further office rooms to the first floor. Heating is by way of electric under-floor heating as well as wall mounted air conditioning units and fenestration is by way of double-glazed sash windows.

We understand that the property has almost 100% site coverage.

Property Services

Whilst we have not undertaken specific tests of the Property Services, we assume that the property is connected to mains services including electricity, water and drainage.

3.0 Accommodation

Floor	Description	Square Metres	Square Feet
Ground	Entrance Foyer	3.7	40
Ground	Offices	34.6	372
First	Kitchenette	1.8	19
First	Offices	29.3	315
Total NIA		69.4	746

4.0 Site

The site extends to approximately 0.007 hectares (0.018 acres) as scaled from the digital Ordnance Survey Plans provided by Promap.

5.0 Condition

During the course of our inspection, we noted that the property was very well presented throughout providing modern office accommodation.

6.0 Tenure

We have not been provided with a copy of the Title documents however we understand the property is held Freehold and have assumed that it is unencumbered and free from any onerous or restrictive covenants.

We have assumed that appropriate rights of way are in place over the passageway leading to the property. The Bank's solicitor should confirm this.

7.0 Tenancies

We understand that the property is owner occupied.

8.0 Statutory Enquiries

Planning

We have made online enquiries of the Trafford Council planning website and have located the following planning permission applications relating to the subject property.

Date	Application Number	Decision	Description
18 Jul 2014	82573/FULL/2014	Approve with Conditions	Erection of a detached two storey building for B1 office use.

We are not aware of any breaches of planning permission or enforcements actions and this Valuation has assumed that all works have been completed in accordance with their planning permission and the Bank's legal advisors should confirm this.

The property is not listed nor is it located in a conservation area.

Business Rates

We have researched the Valuation Office Agency's online rating database which records that the property is assessed as follows:

Address	Description	Rateable Value
The Mews 189b, Ashley Road, Hale, Cheshire, WA15 9SQ	Offices and Premises	£12,363
The Mews 189b, Ashley Road, Hale, Cheshire, WA15 9SQ	Car parks	£700
Rateable value (Rounded down)		£13,000

The Uniform Business Rate multiplier is 49.1 pence for 2019/20.

Highways

We understand that Ashely Road is an adopted highway.

We are not aware of any highway proposals in the surrounding area which might adversely affect the property, but we recommend that your legal advisor investigate this matter.

9.0 Environmental Matters

Contamination

We have not been provided with an environmental report in respect of the property, and we have not investigated whether any historic uses of the property may have resulted in an instance of contamination.

However, our inspection of the property did not reveal any obvious sources of contamination that would affect the property and we consider the risk to be acceptable. 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 now reported.

Flooding

We have researched the Government's flood map for planning website which suggests that the property is in Flood Zone 1 which has a low probability of flooding.

Energy Efficiency

Property owners are required to produce an Energy Performance Certificate (EPC) when properties are either sold or let. EPCs give information on a building's energy efficiency on a sliding scale from 'A' (very efficient) to 'G' (least efficient), as well as making recommendations as to how to improve these ratings.

The Energy Act 2011 stipulates that following full implementation, expected before April 2018, a property with an Energy Efficiency Rating below Band E (Bands F and G), will not be able to be let or sold until improvements have been carried out to improve the Energy Efficiency Rating at or above band E, unless they are exempt. Failure to do this may result in renting such rated properties as being unlawful, with an associated impact on marketability and value.

We have located an EPC for the subject property which confirm that it has an Energy Performance Asset Rating of D. This EPC certificate indicates that the subject property will fall within the acceptable energy performance range for the purposes of the Act.

Although the legislation is not expected to be reviewed again until 2020, for properties within the A to E bands, the method of assessment may have changed since their certificates were issued. For such properties, it is therefore advisable to obtain the opinion of an expert as to whether the building would still comply with the minimum standard if they were re-certified under the current methodology.

Japanese Knotweed

We have not undertaken a detailed inspection of the property for the presence of Japanese Knotweed or any other invasive plant species. Japanese Knotweed is more easily identifiable at different times of the year and where the site is subject to overgrown vegetation, near a railway embankment or sloping ground, close to water course or other sources of pathway. During our inspection, we did not observe the presence of any invasive plant species at the property.

Mining

The property is not located in a coal mining reporting area.

Radon

The property is not situated in an area that could be affected by radon gas at high levels.

Asbestos

Obligations encompassed within the Control of Asbestos Regulations 2012, require that owners and occupiers of buildings manage asbestos within their buildings. This may involve having an asbestos survey undertaken and maintaining a register of any asbestos containing materials.

We have not been informed of whether or not a full survey or register has yet been prepared and would recommend that the Bank's solicitor clarifies this.

Landfill

We have checked the Environment Agency website which confirms the property is neither built upon nor situated close to either a historic or authorised landfill site.

10.0 Comparable Evidence

We have considered a wide range of comparables, details of the most relevant of which are set out below:

Rental Comparables

205a Ashley Road, Hale, WA15 9SQ

£8,952 pa (£14.21 per sq ft)

Letting: June 2019

We are aware that this 630 sq. ft. office building was let in June 2019 at a rental of £8,952 per annum equating to £14.21 per sq. ft.

The property comprises a first and second floor office suite, with rear entrance and parking space, entrance hall, cellar, three offices on the first floor with a WC and fourth office on the second floor. The premises are in Hale Village, in a central location close to the subject property.

1-5 The Downs, Altrincham

£8,900 pa (£19.91 per sq ft)

Letting: May 2018

We are aware of this letting of 447 sq. ft. let in May 2018 for £8,900 per annum equating to £19.91 per sq. ft.

The premises are predominantly situated on a popular street in Altrincham, approximately two miles from the subject property. The property is end of terrace with access from Cecil Road and provides office accommodation over first and second floors together with kitchenette and toilet facilities.

Lowry House, 12 Kennerleys Lane, SK9 5EQ

Various Lettings (£32.57 to

Letting: 2017

£37.72 per sq ft)

We are aware of these lettings of around 160 sq. ft. each let in 2017 for with rents ranging from £32.57 to £37.72 per sq. ft.

The property comprises a building of masonry construction arranged over three floors offering office accommodation within. The office is located on the second floor. The property is located on Kennerleys Lane, Wilmslow with access to the A34 Handforth bypass and Wilmslow Railway station situated close by and located seven miles east of the subject Property.

3a Cecil Road, Hale, WA15 9NY**£13,000 pa (£23.13 per sq ft)****Letting: October 2018**

We are aware of this letting of 562 sq. ft. let in October 2018 for £13,000 per annum equating to £23.13 per sq. ft.

The premises are predominantly situated fronting Ashely Road in the centre of the village. The property is mid terrace with access from Cecil Road and provides office accommodation over first and second floors together with kitchenette and toilet facilities.

Kings Court, Railway Street, Altrincham**Range of values****Letting: September 2018**

Two lettings have been agreed in Suite E and Suite F with rents of £9,000 per annum and £7,200 per annum equating to £14.68 per sq. ft. and £21.60 per sq. ft.

Kings Court is part of a mixed use development with the property accommodating two offices, Suite E, 613 sq.ft, and Suite F, 332 sq. ft. The property has recently undergone a comprehensive refurbishment upgrade with high specification accommodation.

First Floor, 30 Park Road, Hale, WA15 9NN**£8,000 pa (£13.76 per sq ft)****Letting: August 2018**

We are aware of the letting of a first-floor unit over 581 sq. ft. The rent is £8,000 per annum, equating to £13.76 per sq. ft.

The unit is arranged over first floor providing two open plan rooms and a WC facility. There is the ability to park a number of vehicles directly in front of the unit and then accommodation is accessed from the rear.

Comment

The subject Property comprises a small self-contained two storey office building that is presented to a very high standard in a desirable and affluent location.

We would expect strong interest for the Property if it were to become available to rent. Due to the high quality and niche nature of the Property, as can be noted in the photographs, we consider the rental value is in excess of the comparables shown above some of which are offices above retail accommodation and not self-contained.

Accordingly, we have applied a rate of £33.50 per square foot as a rental value, equating to £25,000 per annum.

Sales Comparables

Evidence of recent sales of office accommodation in Hale is extremely limited and we have therefore extended our comparable search to a wider area making appropriate adjustments where necessary.

199 Ashley Road, Hale

Over £1,000,000 (over £424.27 per sq. ft.)

Sold: 2018

From conversations with the sales agent, we understand that this former bank has recently sold for a price in excess of £1,000,000. It is located very close to the subject property and provides 2,357 sq. ft. of accommodation over ground, first and second floors (excluding the basement). The sale price equates to in excess of £424.27 per sq. ft.

This property is significantly larger than the subject property and presented to a lower standard. It does however have frontage to Ashley Road. We do however understand that the purchases had a special interest in the property and therefore paid a price well in excess of the asking price.

16 Old Market Place, Altrincham WA14 4DF

£395,000 (£124.76 per sq. ft.)

Sold: May 2018

We understand that this circa 3,166 sq. ft. three storey office building sold in May 2019 for a price of £395,000. The sale price equates to approximately £124.76 per sq. ft.

This property is significantly larger than the subject property and presented to a lower standard. It is located approximately two miles north of the subject property in Altrincham, an area with a larger supply of office accommodation but a less reputable location.

Roberts House, 80 Manchester Road, WA14 4PL

£1,775,000 (£138.56 per sq. ft.)

Sold: April 2018

We understand that this circa 12,810 sq. ft. multi tenanted office building sold in April 2018 for a price of £1,775,000 equating to approximately £138.56 per sq. ft.

This property is significantly larger than the subject property in a purpose-built office block. It is located approximately two miles north of the subject property on Manchester Road, with main road access within an office and residential area.

Units 10-11 Century Park, WA14 5BJ

£425,000 (£106.04 per sq. ft.)

Sold: March 2018

We are aware of the sale of this office premises providing 4,000 sq. ft. of accommodation within a building of 8,000 sq. ft. The accommodation sold in March 2018 for a price of £425,000. The sale price therefore equates to £106.04 per sq. ft. on an overall basis.

This property is significantly larger than the subject property in a purpose-built office block. It is located approximately two miles west of the subject Property in an out of town office park.

Unit 1 Alexander House, Pacific Road, WA14 5BJ**£550,000 (£124.10 per sq. ft.)****Sold: February 2018**

We are aware of the sale of this two storey office premises providing 4,432 sq. ft. of accommodation. The accommodation was sold in February 2018 for a price of £550,000 equating to £124.10 per sq. ft. on an overall basis.

This property is significantly larger than the subject property in a purpose-built office block. It is located approximately two miles west of the subject Property in an out of town office park.

We would expect there to be a strong level of interest in the property if it became available for sale particularly from local businesses. There is little office accommodation available for sale in Hale or the surrounding area and particularly at the specification of the subject property.

We have applied a capital value of £435 per sq. ft. to the subject property which equates to a rounded Market Value of £325,000. This rate per sq. ft. is in excess of the above comparables although we would suggest that this is justified given the size, location and quality of accommodation at the subject property.

Disclaimer: Where possible we have taken reasonable steps to verbally corroborate comparable transaction evidence. However, where we have no direct involvement with the transaction we are unable to guarantee the accuracy of the information provided and we reserve the right to amend our valuation, if it is established that any information on which we have relied is subsequently established to be materially inaccurate.

11.0 Marketability

We consider that the most appropriate method of sale for this property would be by Private Treaty or Auction and that it would need to be fully exposed to the market, utilising various marketing initiatives including production of marketing details and circulation of details to agents in the market and to targeted investors.

12.0 Valuation Methodology

We have valued the property by way of the Comparative Method as this is the basis upon which such properties are bought and sold. In arriving at our valuation, we have had regard to recent sales of similar properties in the market, considering both overall holistic property values and where possible the Capital Value rate.

13.0 Valuations

Market Value

In our opinion the Market Value of the property, Freehold, with Vacant Possession, in its existing condition, is **£325,000 (Three Hundred and Twenty-Five Thousand Pounds)**.

Vacant Possession Value

In our opinion the Market Value of the property, Freehold, on the Special Assumption of Vacant Possession, in its existing condition, is **£325,000 (Three Hundred and Twenty-Five Thousand Pounds)**.

Vacant Possession Value (Restricted Marketing Period)

In our opinion the Market Value of the property, Freehold, on the Special Assumption of Vacant Possession and on the Special Assumption of a sale within a 180-day selling period, in its existing condition, is **£290,000 (Two Hundred and Ninety Thousand Pounds)**.

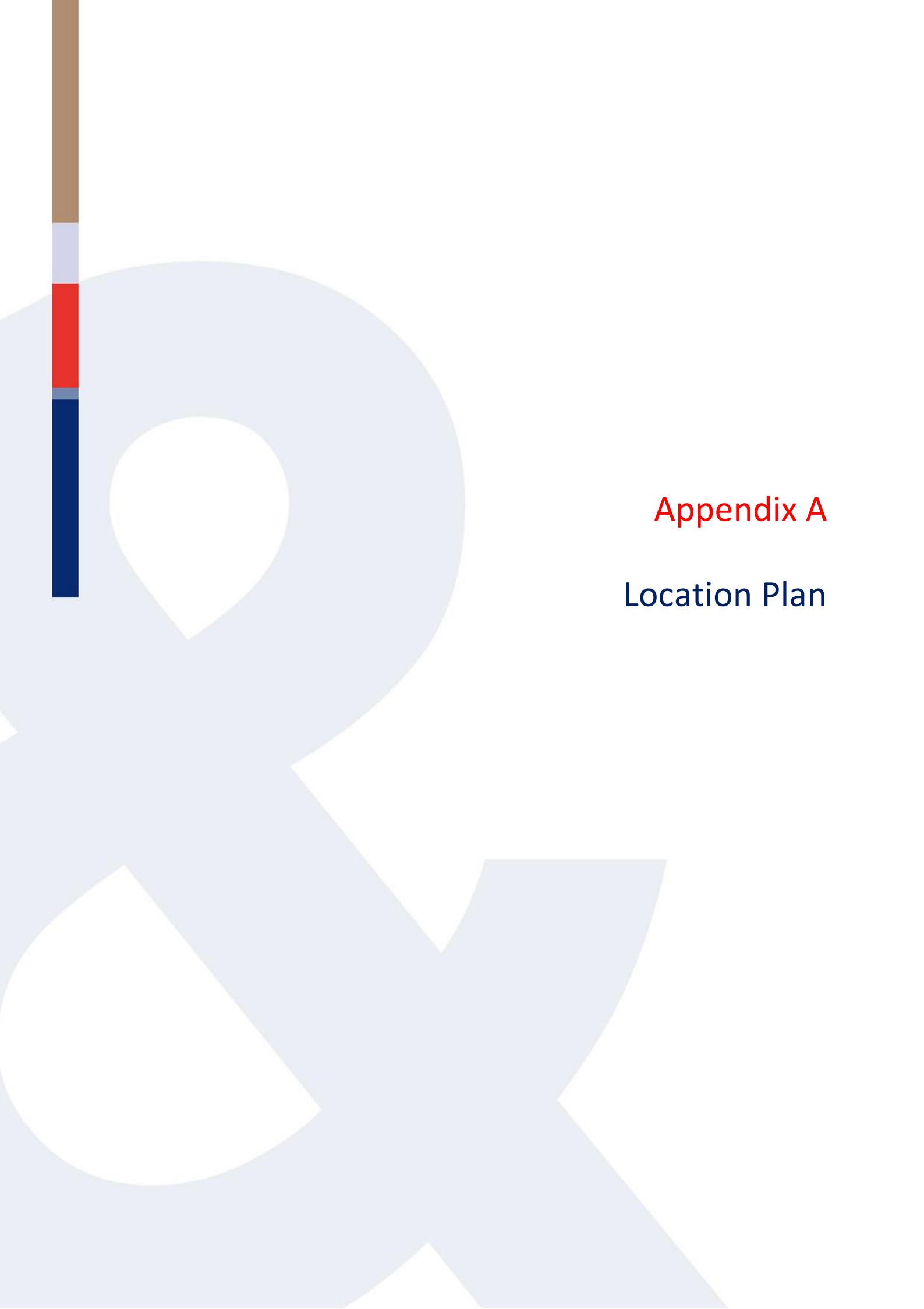
Market Rent

In our opinion the Market Rent of the property is **£25,000 (Twenty-Five Thousand Pounds) per annum**.

14.0 Reinstatement Cost

Our informal estimate of the reinstatement cost of the property is some £300,000.

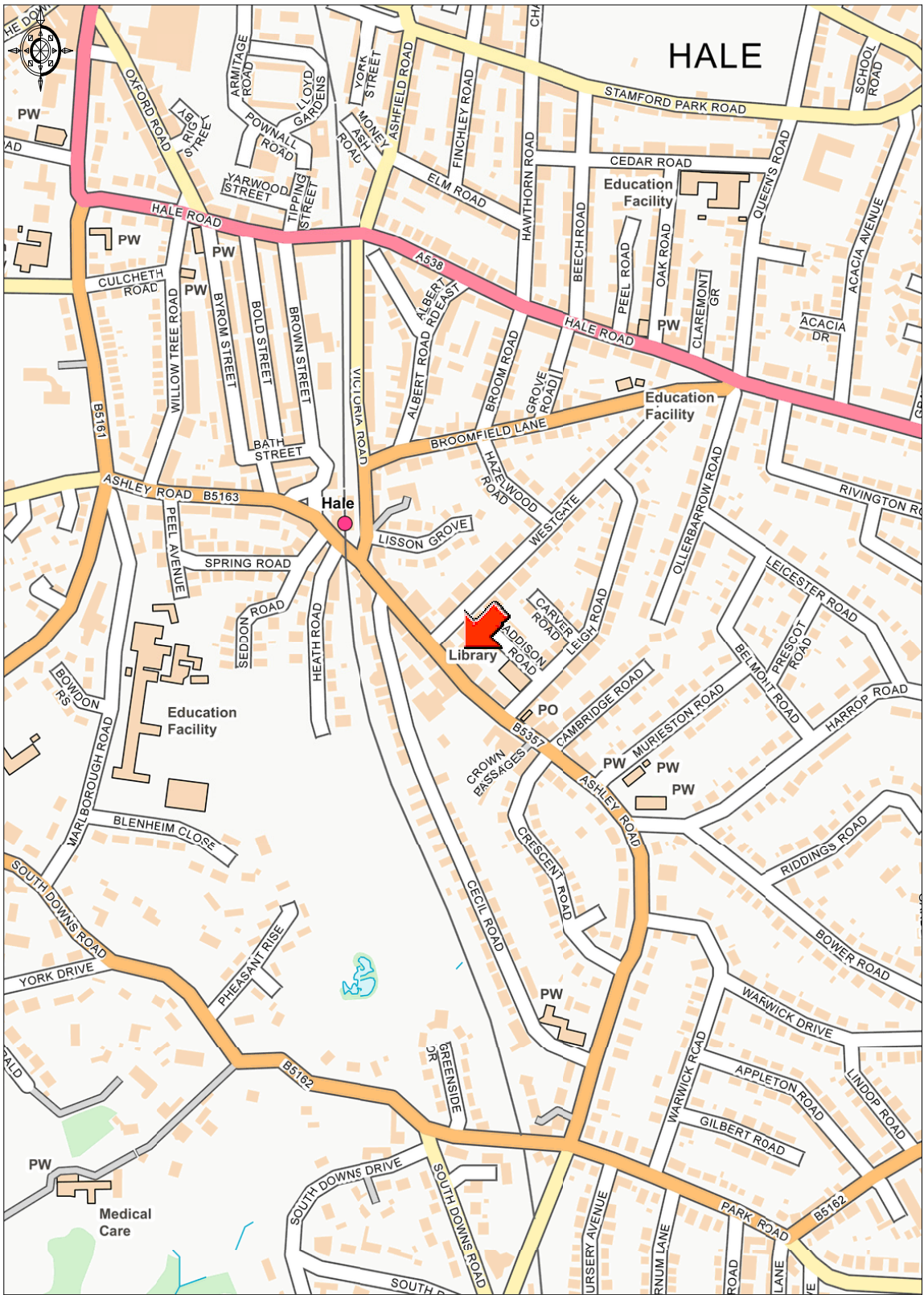
We reiterate that the property has not been inspected by a suitably qualified Building Surveyor from Matthews and Goodman LLP. This figure is indicative only and the borrower should seek a formal assessment from a specialist insurance valuer if insurance cover is to be effected.

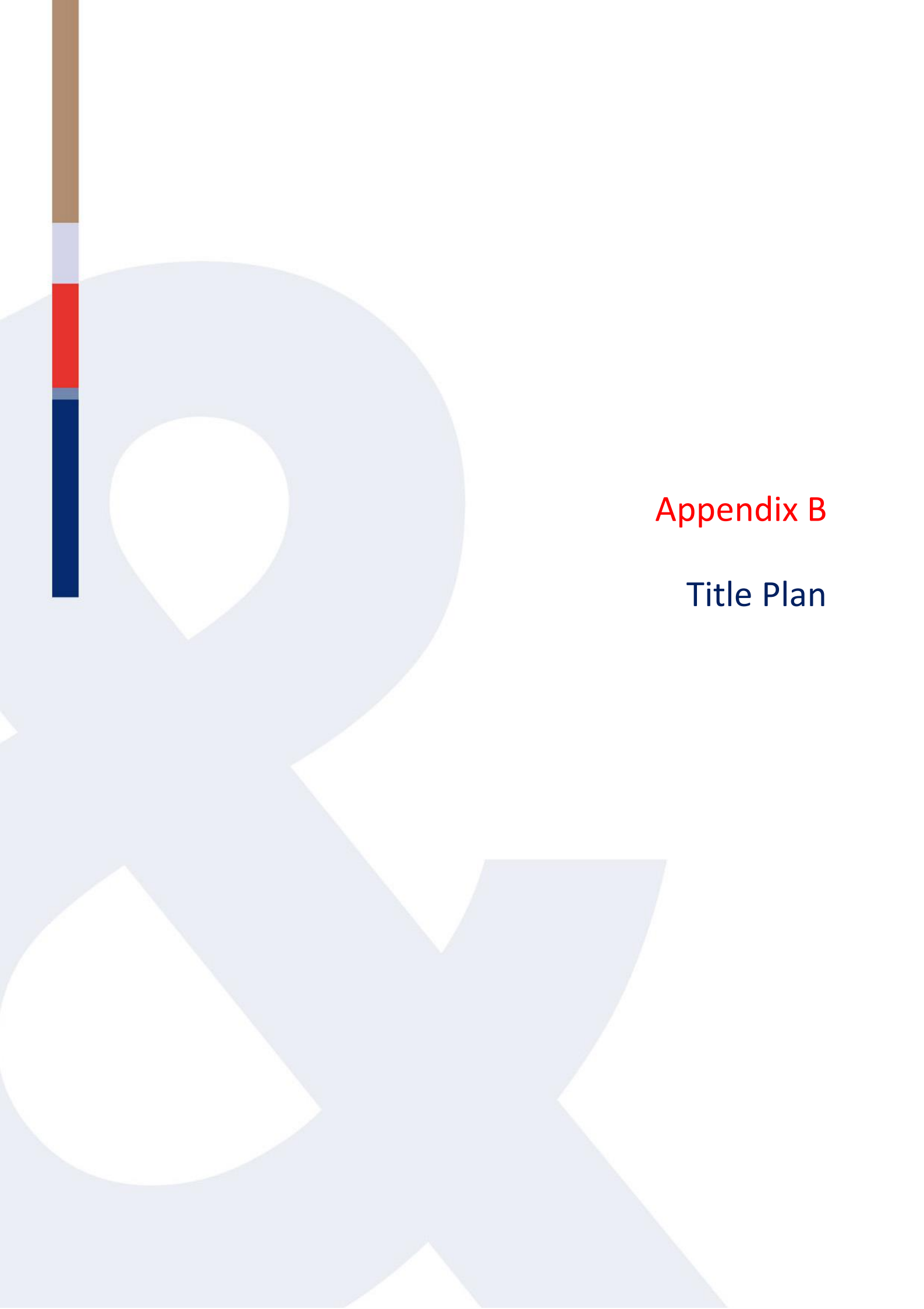


Appendix A

Location Plan

The Mews, 189b Ashley Road, Hale





Appendix B

Title Plan

These are the notes referred to on the following official copy

The electronic official copy of the title plan follows this message.

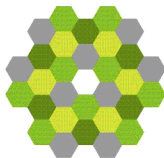
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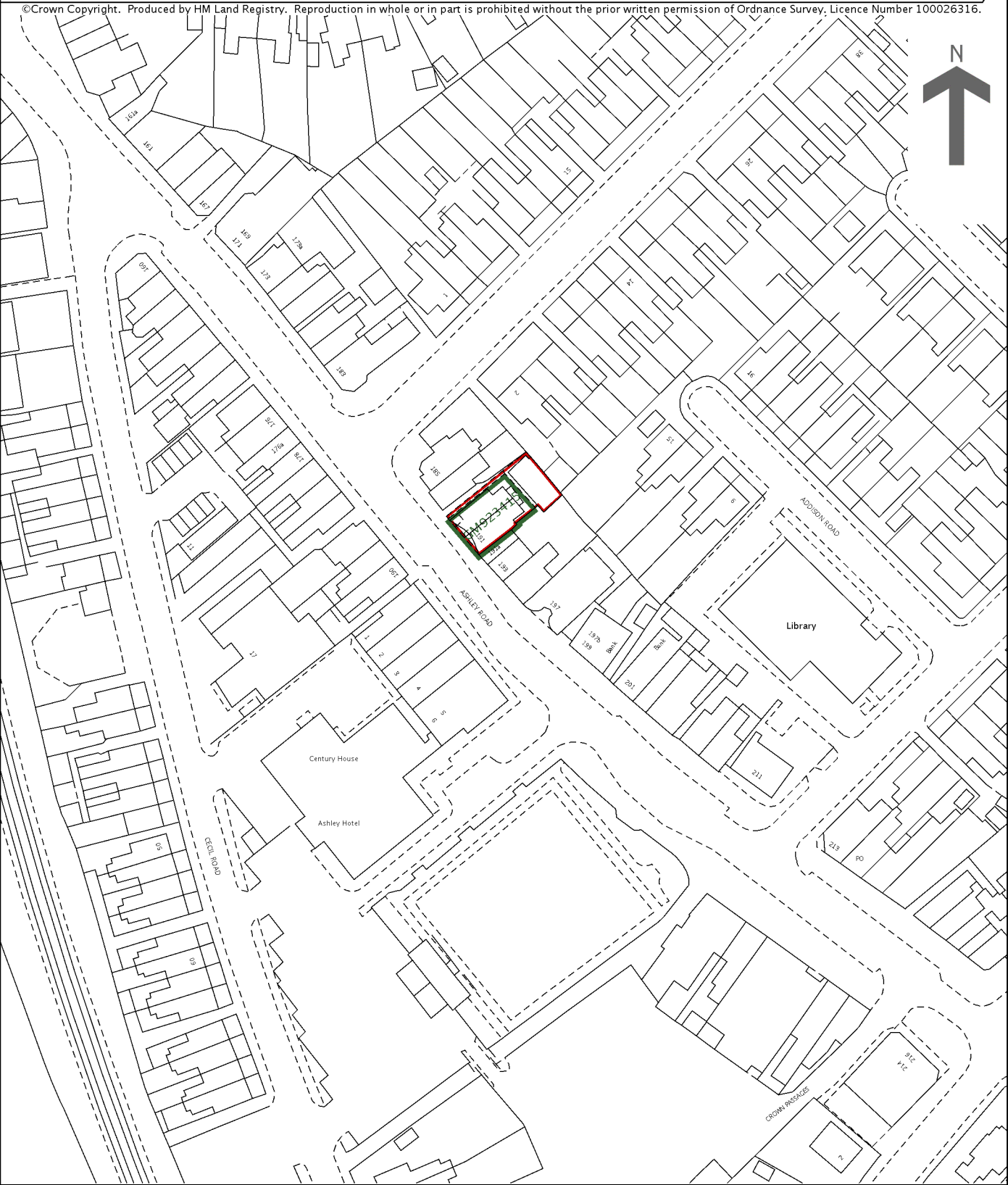
This official copy is issued on 23 March 2018 shows the state of this title plan on 23 March 2018 at 12:57:36. It is admissible in evidence to the same extent as the original (s.67 Land Registration Act 2002). This title plan shows the general position, not the exact line, of the boundaries. It may be subject to distortions in scale. Measurements scaled from this plan may not match measurements between the same points on the ground. This title is dealt with by the HM Land Registry, Fylde Office .

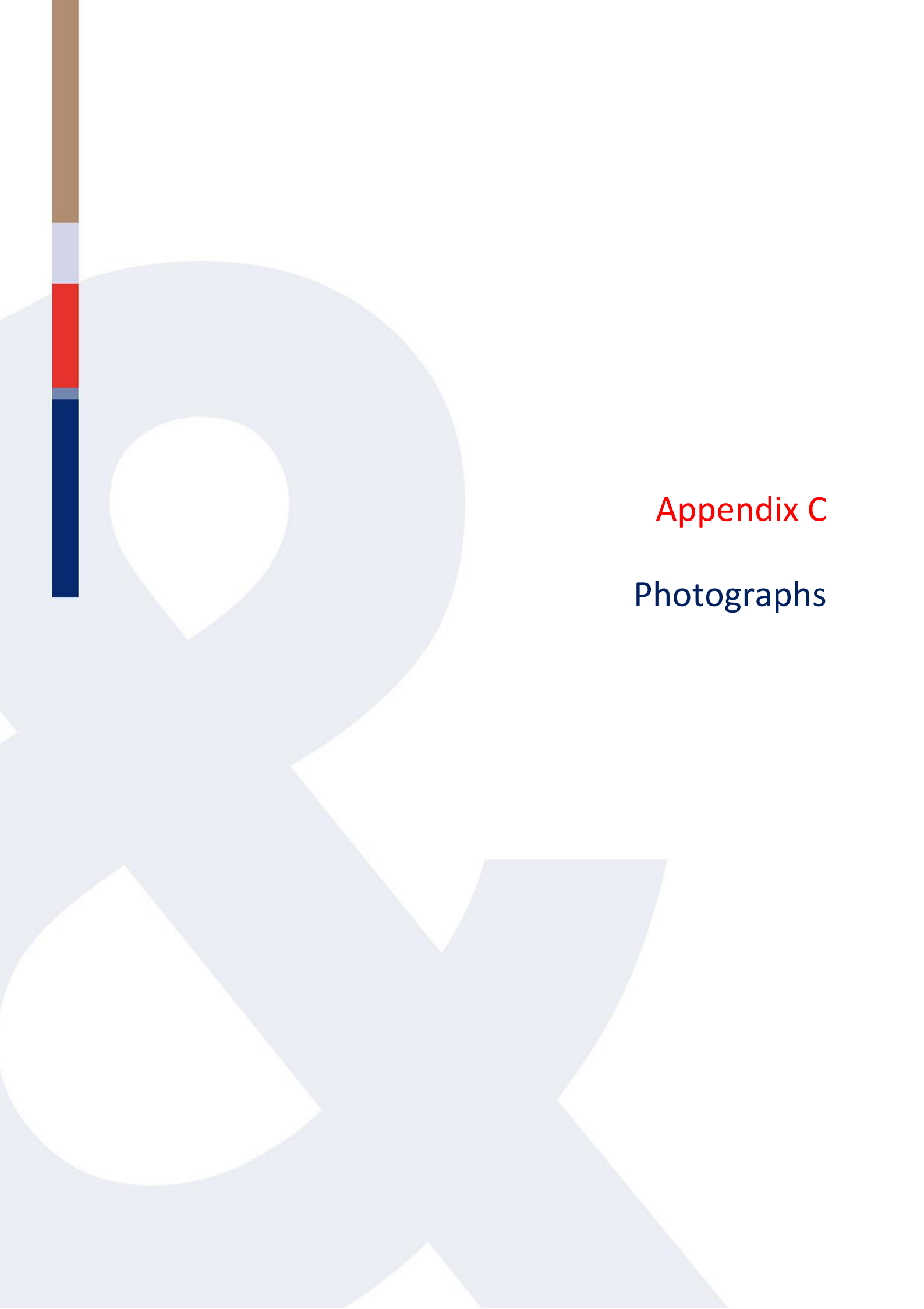
HM Land Registry
Official copy of
title plan

Title number **GM79512**
Ordnance Survey map reference **SJ7786NW**
Scale **1:1250**
Administrative area **Greater Manchester :**
Trafford



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Appendix C

Photographs

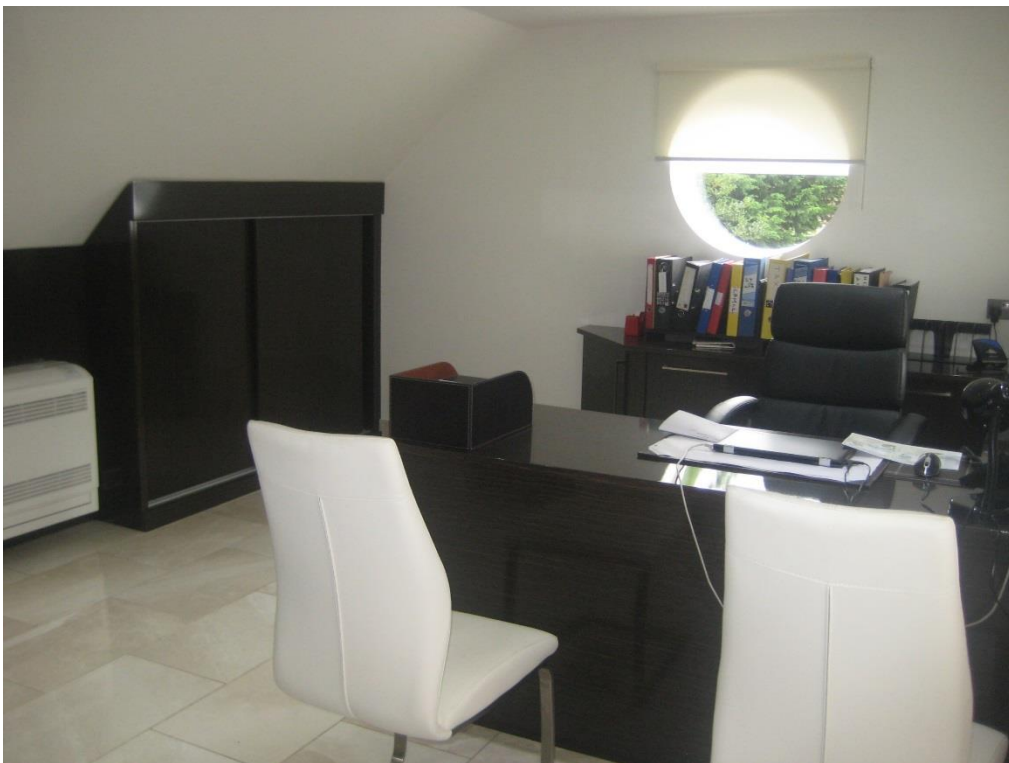
External Views



115374 / The Mews, 189b Ashley Road, Hale, Altrincham, WA15 9SQ

Internal Views





Unit C Aldow Enterprise Park, Blackett Street, Ardwick, Manchester, M12 6AE



1.0 Location

The Property is located within the Aldow Enterprise Park in Ardwick just within the 'Inner Manchester Ring Road' to the east of the city centre. The estate is accessed from Blackett Street next to its junction with the A635.

Road communication links are good with the A635 providing direct access to the start of the M602 motorway around three miles to the west, providing access to the greater motorway network.

2.0 Description

The Property comprises a detached steel portal framed warehouse building with part brick and part profile steel clad elevations beneath a pitched profile steel clad roof.

Internally the Property has been substantially converted from its former industrial use to create serviced office suites. To the ground floor there are five office suites of various sizes and shared toilet and kitchen facilities. A first floor full cover mezzanine can be accessed from either of two staircases and provides a further nine office suites of various sizes and a management office / server area.

Heating to the property is by way of wall mounted electric heaters and fenestration is by way of UPVC framed double glazed windows.

Externally we understand that four car parking spaces (of which two are disabled access spaces) located to the front of the building form part of the accommodation. We also understand that the property has access to at least 20 additional car parking spaces to the north of the property. While these spaces are shared with the other units within the estate, we have been informed that they are rarely used by the other units and there is generally always enough spaces for tenants of the Property and their visitors.

Property Services

Whilst we have not undertaken specific tests of the Property Services, we assume that the Property is connected to mains services including electricity, water and drainage.

3.0 Accommodation

We have measured the individual office suites within the Property and report the following approximate floor areas of the lettable areas: -

Floor	Suite Number(s) or Tenant Name	Square Metres	Square Feet
Ground	1 and 4	30.4	327
Ground	2, 3 and 5	42.8	461
Ground	6	11.9	128
Ground	a	73.2	788
Ground	b	81.0	872
First	7	30.2	325
First	8	26.5	285
First	9	17.3	186
First	10 and 12	37.4	403
First	11	43.2	465
First	14	20.5	221
First	15, 17 and 19	38.7	417
First	16	10.2	110
First	18 and 20	25.4	273

4.0 Site

The site extends to approximately 0.065 hectares (0.16 acres) as scaled from the digital Ordnance Survey Plans provided by Promap. Site coverage is approximately 60%.

5.0 Condition

During the course of our inspection, we noted that the Property was generally well presented and understand its conversion to create office suites was carried out within the last two years.

6.0 Tenure

We have not been provided with a copy of the Title documents however we understand the Property is held Freehold and have assumed that it is unencumbered and free from any onerous or restrictive covenants.

We understand that the Property has the benefit of at least 20 shared car parking spaces which are rarely used by the other occupiers within the estate. We would suggest that this is a strong attraction to the tenants of the building and our Valuation assumes that the building continues to have the benefit of the use of these car parking spaces.

7.0 Tenancies

We have not been provided with copies of any lease documents but have been informed that the property is let on informal one-year licences (except for one unit) with the salient terms detailed in the table below.

Suite Number(s) or Tenant Name	Start Date	Rent (pa)	Measured Area (sq. ft.)	Passing Rent per sq. ft.
a	September 2019	£11,700	770	£15.19
b	August 2018	£11,700	934	£12.53
1	May 2017	£5,720	223	£25.65
2	November 2018	£4,160	179	£23.24
3	November 2019	£4,680	135	£34.67
4	May 2017	£3,120	117	£26.67
5	October 2018	£3,640	123	£29.59
6	August 2019	£4,160	128	£32.50
7	August 2018	£6,500	332	£21.03
8	February 2019	£5,720	274	£20.88
9	N/A	£6,240	180	£34.67
10	August 2019	£5,720	190	£30.11
11	July 2019	£10,140	484	£20.95
12	February 2019	£5,720	190	£30.11

14	September 2019	£6,500	240	£27.08
15	N/A	£4,680	145	£32.28
16	Vacant	£4,160*	129	£32.25
17	June 2019	£5,200	145	£35.86
18	Vacant	£4,160*	129	£32.25
19	April 2019	£4,680	145	£32.28
20	June 2019	£5,720	174	£32.87

* This unit was vacant at inspection but on the market for this rent.

This equates to a total current gross income for the property of £115,720 per annum. We understand that all rents are inclusive of service charge, business rates, utility bills and broadband.

We would recommend that the Bank's solicitors undertake a detailed review of all occupational agreements to confirm that the above information is correct.

8.0 Statutory Enquiries

Planning

We have made online enquiries of the Manchester City Council planning website and have been unable to locate any recent planning permission applications relating to the subject property. We are not aware of any breaches of planning permission or enforcements actions and this Valuation has assumed that all works have been completed in accordance with their planning permission and the Bank's legal advisors should confirm this.

The Property is not listed nor is it located in a conservation area.

Business Rates

We have researched the Valuation Office Agency's online rating database which records that the property is assessed as follows:

Address	Description	Rateable Value
Unit C Aldow Enterprise Park, Blackett Street, Manchester, M12 6AE	Warehouse and premises	£23,750

The Uniform Business Rate multiplier is 49.1 pence for 2019/20.

Highways

We understand that Blackett Street is an adopted highway.

We are not aware of any highway proposals in the surrounding area which might adversely affect the Property, but we recommend that your legal advisor investigate this matter.

9.0 Environmental Matters

Contamination

We have not been provided with an environmental report in respect of the Property, and we have not investigated whether any historic uses of the property may have resulted in an instance of contamination.

However, our inspection of the Property did not reveal any obvious sources of contamination that would affect the property and we consider the risk to be acceptable. 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 now reported. As the property is located in a predominantly industrial location, the possibility of contamination can not be dismissed, an environmental report would be recommended.

Flooding

We have researched the Government's flood map for planning website which suggests that the property is in Flood Zone 1 which has a low probability of flooding.

Energy Efficiency

Property owners are required to produce an Energy Performance Certificate (EPC) when properties are either sold or let. EPCs give information on a building's energy efficiency on a sliding scale from 'A' (very efficient) to 'G' (least efficient), as well as making recommendations as to how to improve these ratings.

The Energy Act 2011 stipulates that following full implementation, expected before April 2018, a property with an Energy Efficiency Rating below Band E (Bands F and G), will not be able to be let or sold until improvements have been carried out to improve the Energy Efficiency Rating at or above band E, unless they are exempt. Failure to do this may result in renting such rated properties as being unlawful, with an associated impact on marketability and value.

We have located an EPC for the subject property which suggests it to have an Energy Performance Asset Rating of E. This EPC certificate indicate that the subject property will fall within the acceptable energy performance range for the purposes of the Act.

Although the legislation is not expected to be reviewed again until 2020, for properties within the A to E bands, the method of assessment may have changed since their certificates were issued.

For such properties, it is therefore advisable to obtain the opinion of an expert as to whether the building would still comply with the minimum standard if they were re-certified under the current methodology.

Japanese Knotweed

We have not undertaken a detailed inspection of the Property for the presence of Japanese Knotweed or any other invasive plant species. Japanese Knotweed is more easily identifiable at different times of the year and where the site is subject to overgrown vegetation, near a railway embankment or

sloping ground, close to water course or other sources of pathway. During our inspection, we did not observe the presence of any invasive plant species at the Property.

Mining

The property is located in a coal mining reporting area. This could affect insurance premiums and deter potential purchasers.

Radon

The Property is not situated in an area that could be affected by radon gas at high levels.

Asbestos

Obligations encompassed within the Control of Asbestos Regulations 2012, require that owners and occupiers of buildings manage asbestos within their buildings. This may involve having an asbestos survey undertaken and maintaining a register of any asbestos containing materials.

We have not been informed of whether or not a full survey or register has yet been prepared and would recommend that the Bank's solicitor clarifies this.

Landfill

We have checked the Environment Agency website which confirms the property is neither built upon nor situated close to either a historic or authorised landfill site.

10.0 Comparable Evidence

We have considered a wide range of comparables, details of the most relevant of which are set out below:

Rental Comparables

Unit C Aldow Enterprise Park, Ardwick (The Subject Property)

As with any multi-let property, the best comparable evidence is often the existing lettings within the property. The existing rents passing equate to a range of rents between £12.53 per sq. ft. and £35.86 per sq. ft. although with an average rent passing of £18.16 per sq. ft.

Empress Buildings, 380 Chester Road M16 9EA Letting: 2018

Various Rents

This building comprises a mill converted into serviced office suites located in the southern fringe of Manchester around two miles from the subject property. Two units have been let in 2018 with an area of 176 sq. ft. and 194 sq. ft. with rents of £42.56 per sq. ft. and £48.68 per sq. ft. These leases have terms of one year.

This Property is also located on the edge of Manchester city centre and provides attractive office accommodation.

Jactin House, 24 Hood Street, Manchester
Letting: January 2018

£66,000 per annum (£26.40 per sq. ft.)

We are aware of the letting of a fourth floor 2,500 sq. ft. office suite within Jactin House at a rental of £66,000 per annum from January 2018. The rental achieved equates to £26.40 per sq. ft. and the rental is inclusive of utility of bills, rates and service charge.

This property is also located on the edge of Manchester city centre and provides attractive office accommodation.

Beehive Mill, Jersey Street M4 6JG
Letting: March 2018

£6,355 per annum (£31.00 per sq. ft.)

We are aware of the letting of a 205 sq. ft. office suite within this property at a rental of £6,355 per annum from March 2018 for a term of 3 years. The rental achieved equates to £31.00 per sq. ft. The unit is 205 sq. ft. within a building of 46,000 sq. ft. located on the north east outskirts of Manchester city centre.

The rentals per sq. ft. currently being paid at the subject property are rather disjointed as is often the case with multi-let buildings with small unit sizes. Based on the above comparables, we have applied market rents to the units averaging £23.00 per sq. ft. based on their size. The actual rents applied to the individual units are displayed in the table below. The subject property benefits significantly from the availability of car parking on the adjoining land and the rents that we have applied reflect this.

This equates to a Gross Market Rent of £ 115,000 per annum for the subject property when fully let.

Yield Comparables

7 Constance Street
Sold: December 2018

£1,600,000 (NIY 5.81%)

We are aware that this 6,105 sq. ft. office building with three tenants sold in December 2018 for a price of £1,600,000. The net initial yield for the property is 5.81%.

This property is located in a similar style location to the subject Property, being south of the city, out of the city centre. The property is a converted warehouse accommodating three tenants with each tenant on each floor.

77-88 High Street, The Landmark M4 1FR
Sold: July 2018

£3,900,000 (NIY 5.58%)

We are aware that this 14,757 sq. ft. office block was sold in Jul 2018 for £3,900,000, equating to £264 per sq. ft. The average rent for the property at sale was £14 per sq. ft. with office space on four floors and retail space on the ground and basement levels. The net initial yield equates to 5.58%.

The property is located in the Northern Quarter in the city centre of Manchester, a highly demanded area for retail and office space. There is no car parking with the property, there are good transport links.

Talbot Road, Alexander House M16 0PG**£6,500,000 (NIY 9.8%)****Sold: March 2018**

We are aware that this 62,353 sq. ft. office building in single occupation sold in March 2018 for a price of £6,500,000. We understand that at the time of the sale the property was let Horwich Farrelly Ltd occupying 50,724 sq. ft. of the property. The net initial yield is 9.8%.

This property is located approximately two miles south west of Manchester city centre on the south side of White City retail park and in close proximity to Manchester United Football Club and Old Trafford Cricket Ground. The neighbouring properties are office use.

Comment

We have applied a net initial yield of 9.5% taking into account the above comparable evidence.

Disclaimer: Where possible we have taken reasonable steps to verbally corroborate comparable transaction evidence. However, where we have no direct involvement with the transaction we are unable to guarantee the accuracy of the information provided and we reserve the right to amend our valuation, if it is established that any information on which we have relied is subsequently established to be materially inaccurate.

11.0 Marketability

We consider that the most appropriate method of sale for this property would be by Private Treaty or Auction and that it would need to be fully exposed to the market, utilising various marketing initiatives including production of marketing details and circulation of details to agents in the market and to targeted investors.

As with most multi-let services office suites, we would expect a regular turnaround of tenant at the subject property with regular voids between tenancies.

12.0 Valuation Methodology

We have valued the Property by considering the Investment Method of Valuation. We have had regard to the passing rent and the Market Rent of the property and then capitalised the income streams using an appropriate yield determined by direct comparison with yields obtained from other similar property investment sales.

In calculating the value of the Property we have considered the potential gross Market Rent for the subject property when fully let (£115,000 per annum) and have reduced this income figure by 10% to allow for rental voids during any given year equating to an average rounded figure of £103,500 per annum. We have then deducted Landlord's outgoings (which we understand currently stand at around £60,000 per annum). This therefore equates to a rounded Net Market Rent of £43,500 per annum.

We have applied an equivalent yield on a quarterly in advance basis of 10.09% (True Equivalent Yield) and on an annually in arrears basis of 9.50% (Traditional Method). This has resulted in a value of the Property of £441,000.

In calculating the Market Value of the property on the Special Assumption of Vacant Possession, we have applied our opinion of the Market Rent of the property following a six month void period from the date of Valuation.

13.0 Valuations

Market Value

In our opinion the Market Value of the property, Freehold, subject to and with the benefit of the lettings set out in this report, in its existing condition, is **£441,000 (Four Hundred and Forty-One Thousand Pounds)**.

Vacant Possession Value

In our opinion the Market Value of the property, Freehold, on the Special Assumption of Vacant Possession, in its existing condition, is **£397,000 (Three Hundred and Ninety-Seven Thousand Pounds)**.

Vacant Possession Value (Restricted Marketing Period)

In our opinion the Market Value of the property, Freehold, on the Special Assumption of Vacant Possession and on the Special Assumption of a sale within a 180-day selling period, in its existing condition, is **£330,000 (Three Hundred and Thirty Thousand Pounds)**.

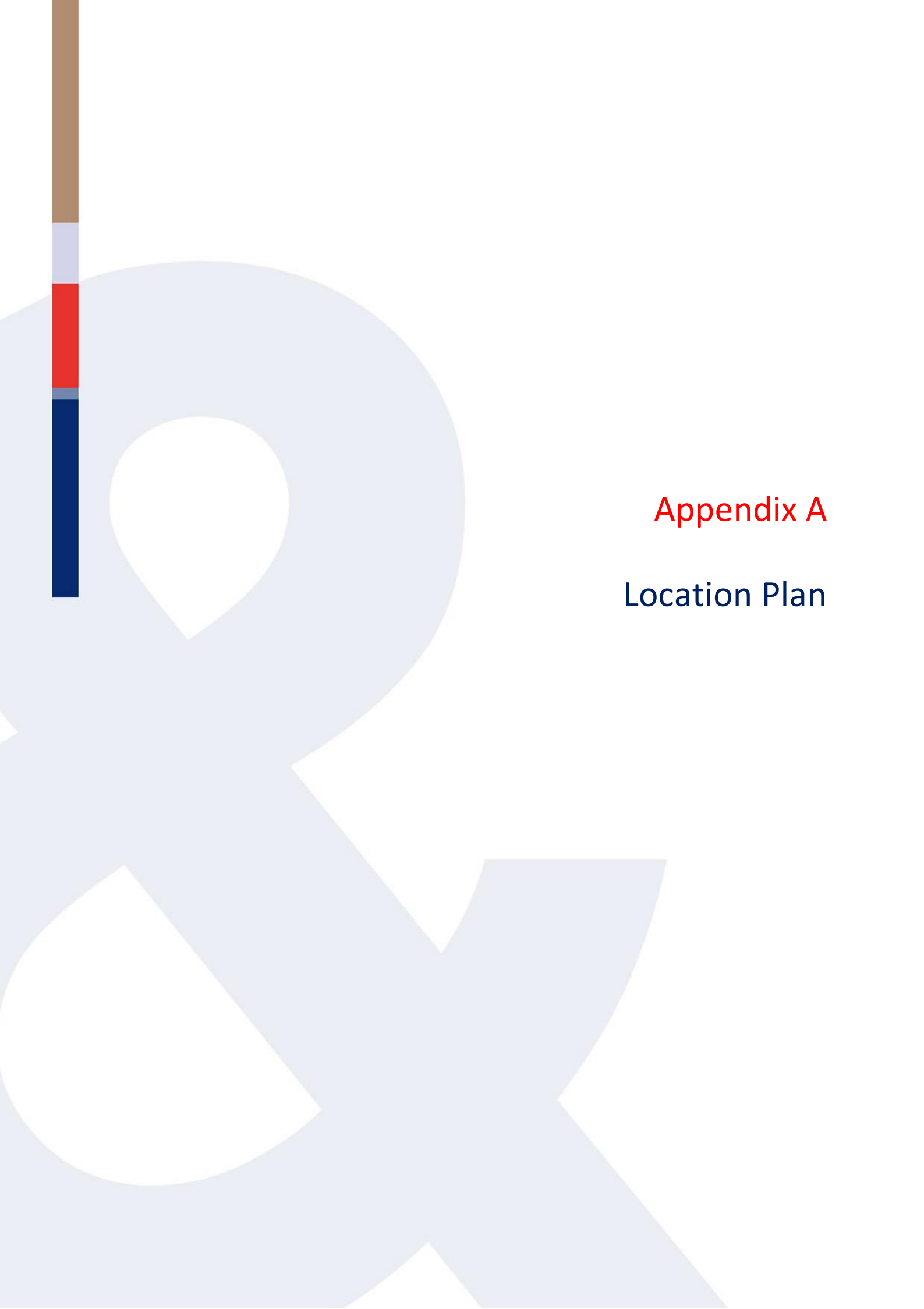
Market Rent

In our opinion the Gross Market Rent of the property when fully let is **£115,000 (One Hundred and Fifteen Thousand Pounds) per annum**.

14.0 Reinstatement Cost

Our informal estimate of the reinstatement cost of the property is some £650,000.

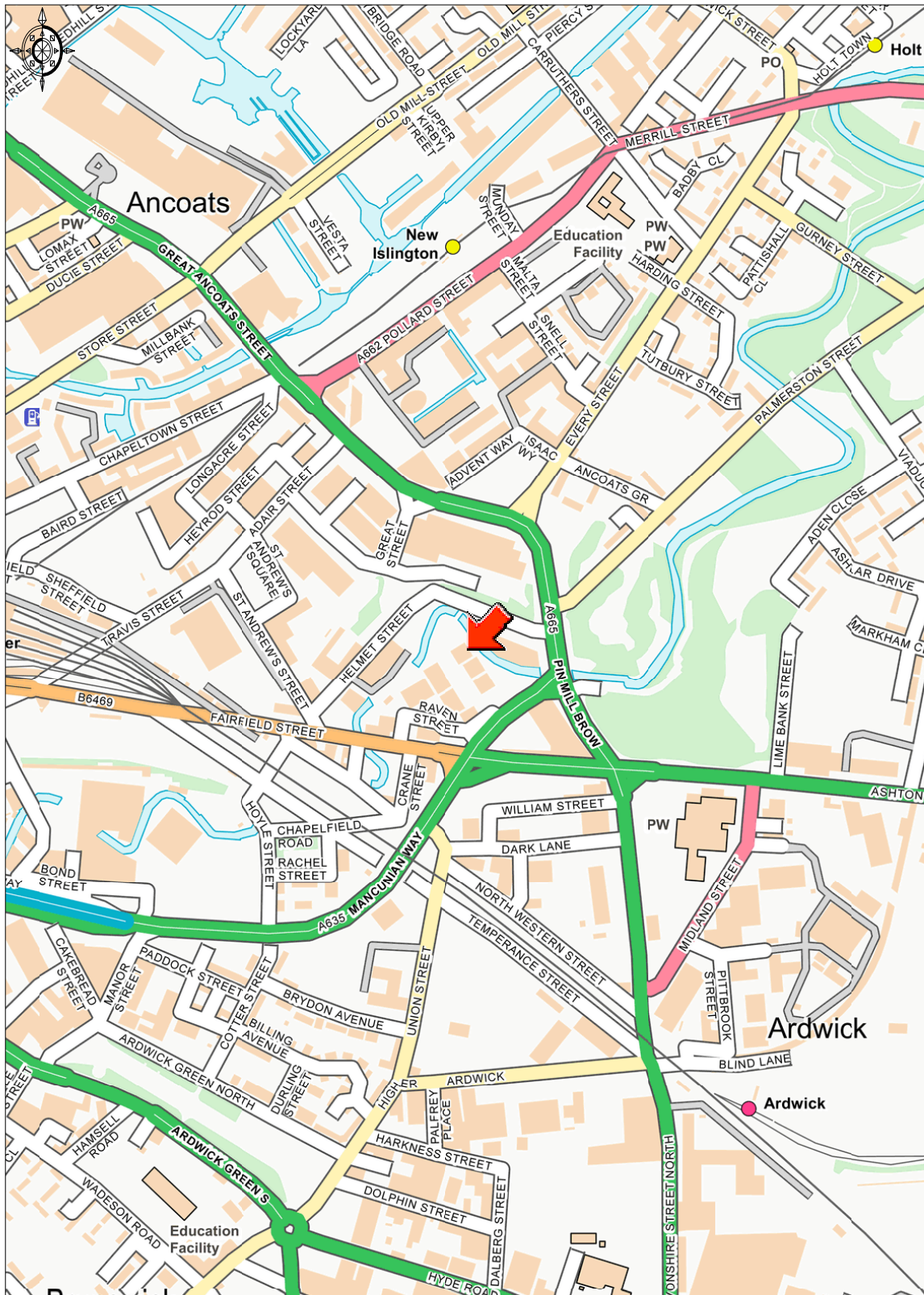
We reiterate that the property has not been inspected by a suitably qualified Building Surveyor from Matthews and Goodman LLP. This figure is indicative only and the borrower should seek a formal assessment from a specialist insurance valuer if insurance cover is to be effected.

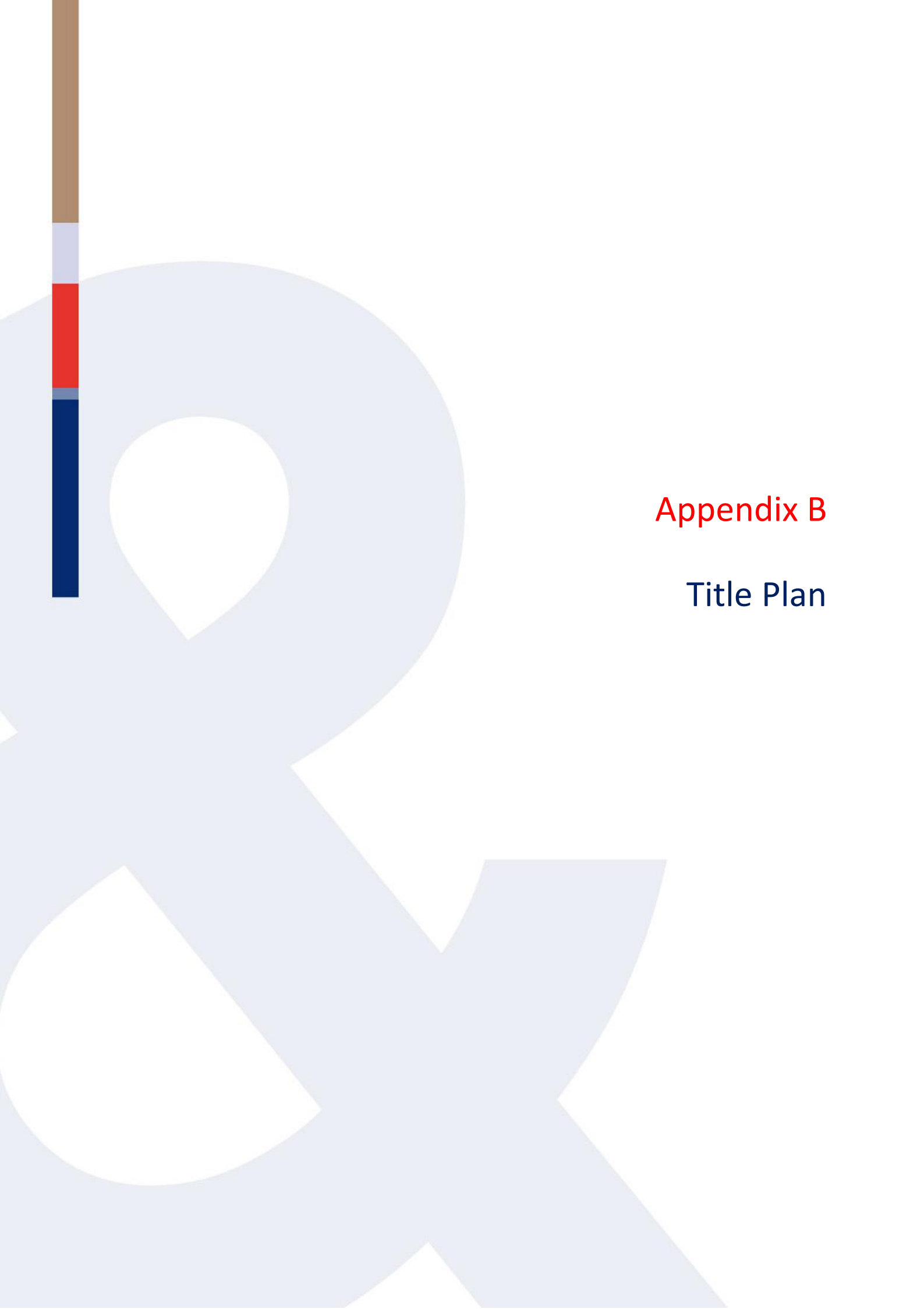


Appendix A

Location Plan

Unit C Aldow Enterprise Park, Blackett Street, Ardwick





Appendix B

Title Plan

These are the notes referred to on the following official copy

The electronic official copy of the title plan follows this message.

Please note that this is the only official copy we will issue. We will not issue a paper official copy.

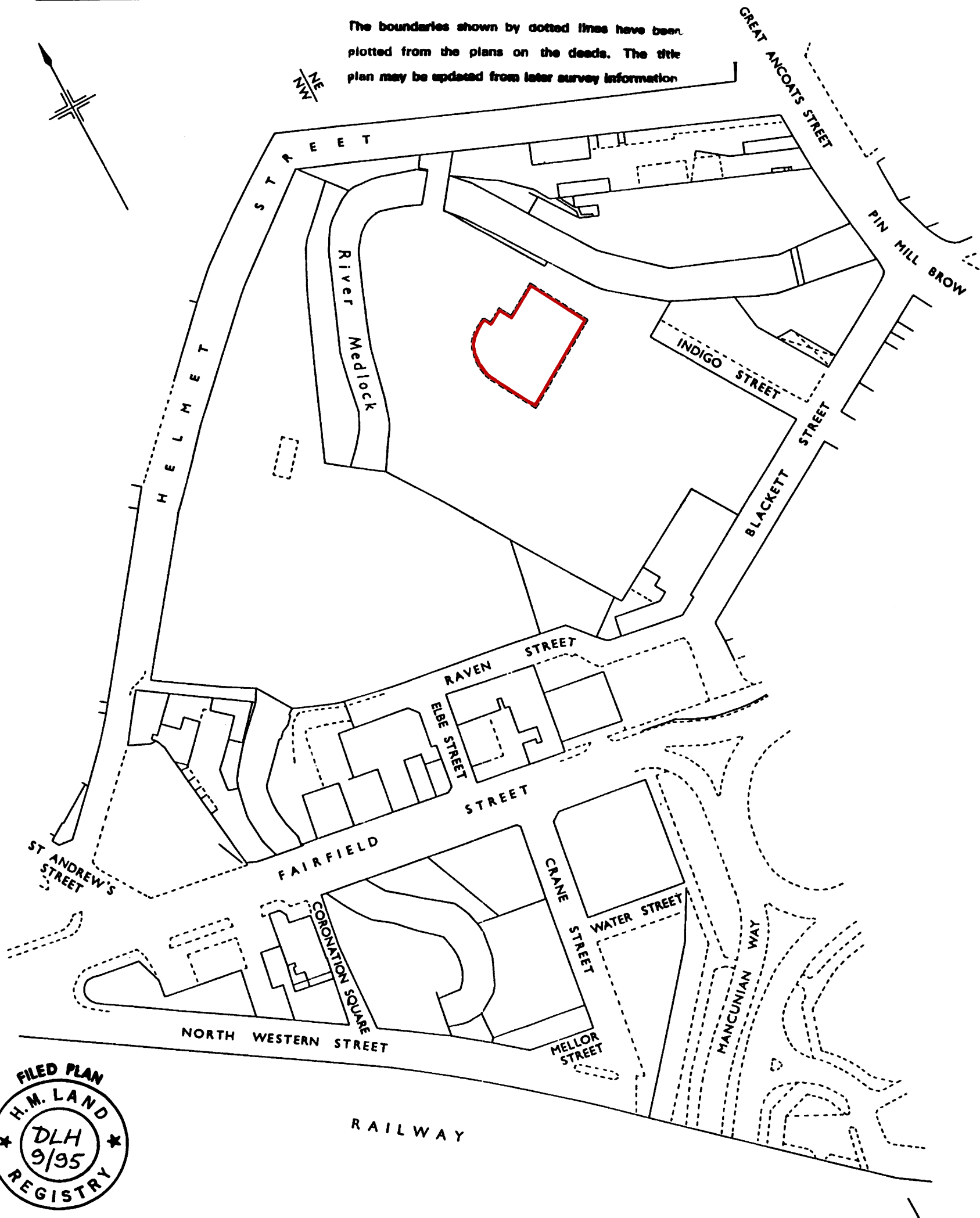
This official copy was delivered electronically and when printed will not be to scale. You can obtain a paper official copy by ordering one from HM Land Registry.

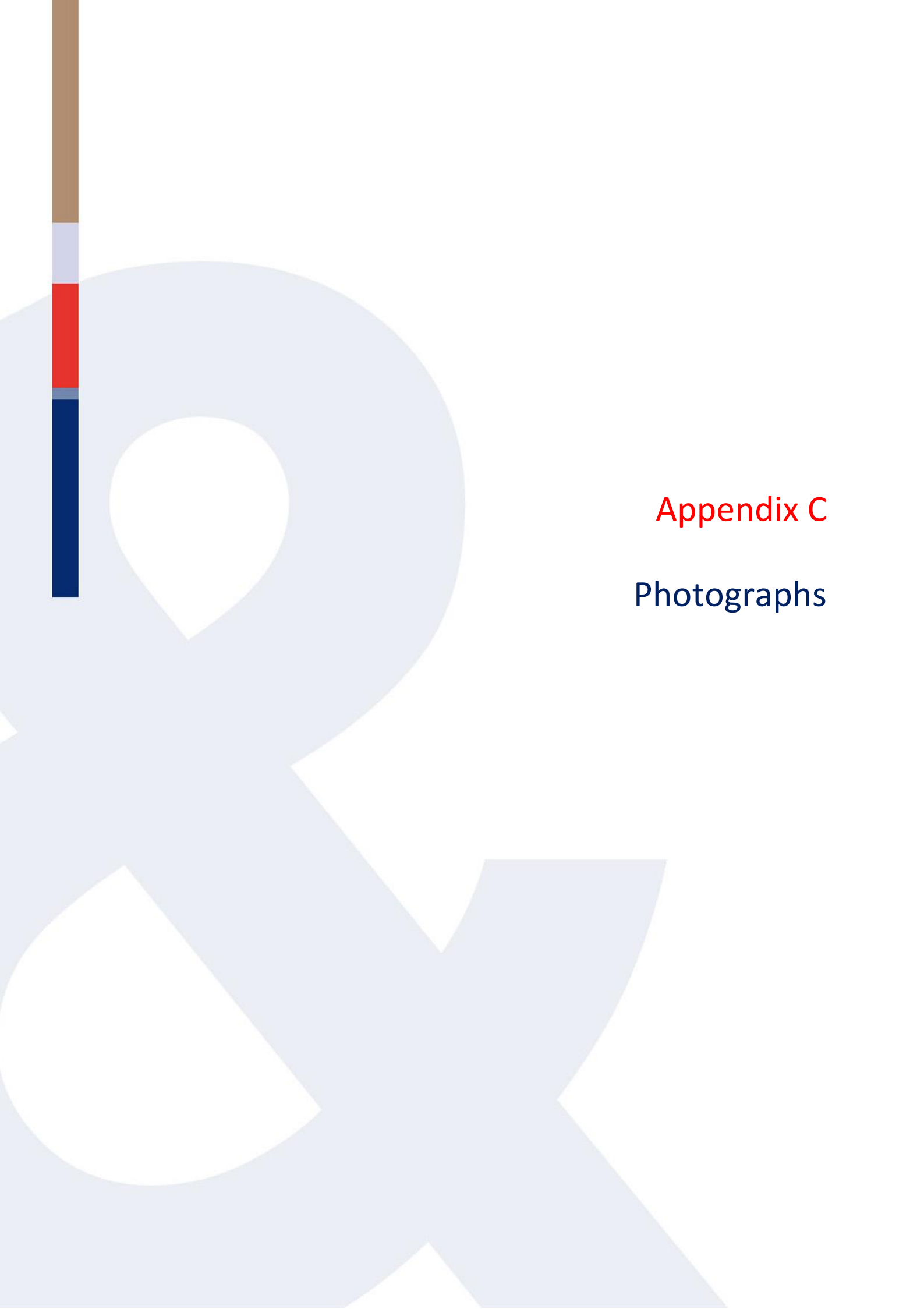
This official copy is issued on 02 April 2018 shows the state of this title plan on 02 April 2018 at 13:29:10. It is admissible in evidence to the same extent as the original (s.67 Land Registration Act 2002). This title plan shows the general position, not the exact line, of the boundaries. It may be subject to distortions in scale. Measurements scaled from this plan may not match measurements between the same points on the ground. This title is dealt with by the HM Land Registry, Fylde Office .

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H.M. LAND REGISTRY		TITLE NUMBER	
		GM 6 9 8 8 9 7	
ORDNANCE SURVEY PLAN REFERENCE ©	SJ 8597	SECTION B	Scale 1/1250
COUNTY GREATER MANCHESTER DISTRICT MANCHESTER			© Crown copyright 1983

The boundaries shown by dotted lines have been plotted from the plans on the deeds. The title plan may be updated from later survey information





Appendix C

Photographs

External Views



115374 / Unit C Adlow Enterprise Park, Blackett Street, Manchester, M12 6AE



Internal Views



115374 / Unit C Adlow Enterprise Park, Blackett Street, Manchester, M12 6AE

