

# *Valuation Advisory*

**Client:** Proplend

**Property:** Plot A Express Way, Newbury, Berkshire, RG14 5TU

October 2018



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## Plot A, Express Way, Newbury, Berkshire, RG14 5TU

### Executive Summary

#### Location

- Newbury is the principal town in West Berkshire and its administrative centre. It is situated on the River Kennet and is located approximately 60 miles west of London and 65 miles east of Bristol.
- The property is located four miles to the south east of the town centre being situated on the northern side of Hambridge Lane towards the western end near the junction with the B3421.
- The properties in this area are a mix of commercial offices and industrial/warehouse units as well as PD developments.

#### Description

- The site comprises one of two parcels of land at the northern end of Express Way, known as Plot A.
- It is broadly level, rectangular and bound by a mixture of fencing types.
- Plot A extends to 0.18 hectares (0.45 acres).
- The site is secure and are serviced.

#### Tenure

- Freehold.

#### Tenancy

- The property is currently vacant but is due to be let to Ressance Ltd at £40,000 per annum.

#### Planning

- Outline consent has been granted for B8 commercial development and ancillary B1 floor space with matters to be approved including Access and Layout.

#### Analysis

##### Strengths

- Outline consent for B8/B1 use.
- Serviced and secure storage land.
- Good levels of demand for storage land, although generally on short term lettings.

##### Weaknesses

- Reserved matters still to be determined.
- Access via a narrow service lane may deter some occupiers.
- Flooding risk.

##### Due Diligence and Lender Action Points

We have assumed:

- All necessary Title enquiries will be undertaken by your legal advisers.

##### Principal Risks

In considering this property as security for the proposed loan, we would draw your attention to the following main risks:

- Copies of all planning consents and associated documents will be supplied to and reviewed by your legal advisers.

**Valuations as at: 25 October 2018**

**Market Value:** £550,000

**Purchasers Costs:** Nil

**Suitability for Loan Security**

- On the basis of the information provided and subject to the comments contained within this report, we consider the property forms suitable security for a mortgage advance. In accordance with normal commercial practice, however, we would anticipate any advance being for only a proportion of our opinion of Market Value.

This Overview forms part of the Valuation Report dated October 2018 and should not be read in isolation.



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

Your ref            Rissance Land No 54 Ltd  
Our ref             AG/byh  
Direct line        +44 (0)117 930 5830  
Adam.Greenwood@eu.jll.com

2 July 2018

Dear Sir

### Terms of Reference

**Addressee:** Proplend Security Ltd  
20-22 Wenlock Road  
London  
N1 7GU

For the attention of Brian Bartaby

**Property Address:** Plot A, Express Way, Newbury, Berkshire, RG14 5TU

**Reliance:** This report is confidential to the party to whom it is addressed.

If at any stage it is intended to include the valuation or report, or any reference thereto, in any Prospectus or Circular to shareholders or similar public document, our written consent will be required. No part of this report may be disclosed to any third parties without our prior written approval of the form and context in which it will appear.

Save in respect of our liability for death or personal injury caused by our negligence, or the negligence of its employees, agents or subcontractors or for fraud or fraudulent misrepresentation (which is not excluded or limited in any way):

a) we shall under no circumstances whatsoever be liable, whether in contract, tort (including negligence), breach of statutory duty, or otherwise, for any loss of profit, loss of revenue or loss of anticipated savings, or for any indirect, special or consequential loss arising out of or in connection with this report; and,

b) our total liability in respect of all losses arising out of or in connection with this report, whether in contract, tort (including negligence), breach of statutory duty, or otherwise, shall not exceed £5,000,000. This amount shall be an aggregate cap on our liability to all relying parties together.

**Borrower:** Rissance Land No 54 Ltd

**Tenure:** Freehold

**Valuation Date:** 25 October 2018

**Instruction Date:** 16 October 2018

**Instruction and Purpose of Valuation:** In accordance with your letter dated 16 October 2018 (attached to Appendix 1) we are instructed to provide you with a report and valuation for loan security purposes.



<b>Proposed Loan Details:</b>	TBC
<b>Basis of Valuation:</b>	<p>Our valuation has been prepared in accordance with the RICS Valuation- Professional Standards, January 2014 published by the Royal Institution of Chartered Surveyors on the basis of Market Value as defined in Appendix 2.</p> <p>The report is subject to, and should be read in conjunction with, the attached General Terms and Conditions of Business and our General Principles Adopted in the Preparation of Valuations and Reports which are attached in Appendix 2.</p> <p>No allowance has been made for any expenses of realisation, or for taxation (including VAT) which might arise in the event of a disposal and the property has been considered free and clear of all mortgages or other charges which may be secured thereon.</p>
<b>Inspection:</b>	<p>The property was inspected specifically for this valuation. All significant parts of the property were inspected.</p> <p>The property was inspected on 25 October 2018 by Adam Greenwood MRICS.</p>
<b>Personnel:</b>	<p>The valuation has been prepared by Alastair Kimpton MRICS, Associate Director under the direction of Adam Greenwood MRICS, Director.</p> <p>We confirm that the personnel responsible for this valuation are qualified for the purpose of the valuation in accordance with the RICS Valuation – Professional Standards and are RICS Registered Valuers.</p>
<b>Status:</b>	In preparing this valuation we have acted as External Valuers, subject to any disclosures made to you.
<b>Disclosure:</b>	We confirm we have had no previous involvement with the property during the past 24 months.
<b>Assumptions:</b>	We have made no Special Assumptions.
<b>Sources of Information:</b>	We have been provided with site plans and areas.
<b>Market Value:</b>	<p>£550,000</p> <p>(Five Hundred and Fifty Thousand Pounds)</p>
<b>Purchase Price:</b>	We are unaware of the purchase price.
<b>Purchaser's Costs:</b>	<p>We have allowed for Stamp Duty Land Tax as follows: Market Value of up to £150,000, zero; next £100,000 (the portion from £150,001 to £250,000), 2.00%; remaining amount (the portion above £250,000), 5.00%.</p> <p>We have also allowed for agents and legal fees at standard market rates which amounts to 1.50%.</p>



**Confidentiality and Publication:** Finally, and in accordance with our normal practice we confirm that the Report is confidential to the party to whom it is addressed for the specific purpose to which it refers. No responsibility whatsoever is accepted to any third party and neither the whole of the Report, nor any part, nor references thereto, may be published in any document, statement or circular, nor in any communication with third parties without our prior written approval of the form and context in which it will appear.

Yours faithfully

A handwritten signature in black ink, appearing to read "Alastair Kimpton", written over a horizontal line.

**Alastair Kimpton MRICS**  
**Associate Director**  
**For and on behalf of Jones Lang LaSalle Limited**

Yours faithfully

A handwritten signature in black ink, appearing to read "Adam Greenwood", written over a horizontal line.

**Adam Greenwood MRICS**  
**Director**  
**For and on behalf of Jones Lang LaSalle Limited**

# 1. Location

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## 1.1. Location

### 1.1.1. General Location

Newbury is the principal town in West Berkshire and the administrative centre. It is situated on the River Kennet and is located approximately 60 miles west of London and 65 miles east of Bristol.

The district has excellent communication links to London and to the West via trunk roads, the M4 motorway and mainline railways.

West Berkshire is home to a number of well-known national and international companies such as Atomic Weapons Establishment (AWE), Bayer, Nextra, Quantel and Vodafone. A strong industrial base, characterised by new technology industries with a strong service sector and several manufacturing and distribution firms, combine to give West Berkshire one of the lowest unemployment rates in the country.



### 1.1.2. Local Economy

West Berkshire is within the Thames Valley, one of the most prosperous sub regions in Europe which includes South Buckinghamshire, South Oxfordshire, Berkshire, North Hampshire and Surrey. Within West Berkshire the existing employment areas are focussed on the urban town centres particularly Newbury.

Whilst West Berkshire has large businesses based in the area the majority of business are SMEs which cover a diverse range of sectors.

The service sector accounts for 65% of total employment in Newbury with the Professional and Business Services and Finance sectors accounting for 12.3% of total employment. The retail and leisure sectors account for 23.3% of total employment and manufacturing accounts for 11%.

West Berkshire is a high performing economy with a strong local skills bases. The area has higher than average levels of educational attainment and skills and relatively low numbers of young people not in education. West Berkshire however does suffer from an ongoing loss of people aged between 25-39 years, recorded between the 2001 and 2011 Census. Nationally 20-34 year olds make up 20% of the population whereas in West Berkshire it is 16% leading to an increasing average age of the population.

### 1.1.3. Demographic

As at 2011 Newbury had a population of 153,822. Between 2016 and 2021 Newbury is projected to see above average growth in population.

The Newbury catchment area includes a relatively high proportion of children aged 0-14 and working age adults between 45 and 64. In contrast young adults, those aged between 15 and 24 are particularly under represented and the retired aged over 65 are moderately under-represented.

Newbury is affluent with spending levels above national averages. In 2011 Newbury contained significantly above average proportions of adults of working age within the most affluent AB social group (managerial and professional occupation). The least affluent D and E social groups were particularly under-represented.

The level of car ownership is high and is above average. Owner occupation however is around average. House prices are above the average in Q2 2017 and have increased at a faster rate than the average between Q2 2016 and Q2 2017.

## 1.2. Communications

The M4, Junction 13 serves Newbury to the north with the A34 heading south to the M3. Approximately 22 miles east is Reading with central London approximately 59 miles to the east. Swindon is approximately 27 miles to the west, with Basingstoke 16 miles to the southwest.

Newbury is served by two railway stations, Newbury and Newbury Racecourse, which both lie on the Reading to Plymouth Line. Newbury Railway Station is within walking distance of the property. Newbury mainline railway station has services into London Paddington with a journey time of approximately 45 minutes. With the electrification of the main line into Paddington and the extension of Cross-Rail into Reading, journey times into central London are set to improve further increasing the desirability of the town to commuters.

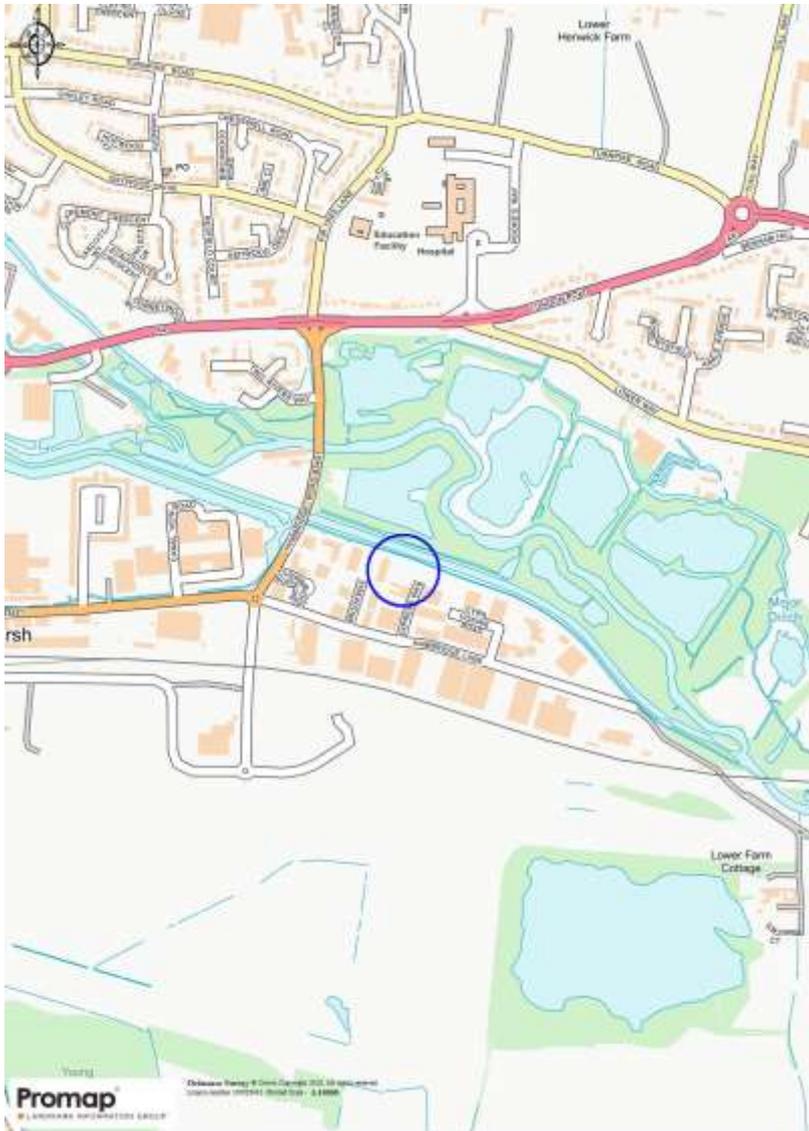
The nearest airport is London Heathrow which is located 40 miles to the east and provides flights to international and domestic destinations.

### 1.3. Situation

The property is on the south eastern outskirts of Newbury in an established industrial and commercial area.

Immediately north of the property runs the River Kennet.

Access is via Express Way, from Hambridge Lane, a principal industrial service road in the area.



## 2. Description

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### 2.1. Site

#### 2.1.1. Description

The site comprises one of two parcels of land at the northern end of Express Way, known as Plot A.

It is broadly level, rectangular and bound by a mixture of fencing.

Plot A extends to 0.18 hectares (0.45 acres).

The site is secure and are serviced with water, drainage and power.



### 2.1.2. Access

The property is currently accessed from Express Way. It is unclear if this is an adopted highway. We assume that there are full rights of way and shared maintenance obligations between all users of Express Way.



Access



Site

Further photographs of the property are shown at Appendix 4.

## 2.2. Accommodation

There are no structures on the site.

Plot A extends to 0.18 hectares (0.45 acres) and Plot B 0.27 hectares (0.67 acres).

## 2.3. Condition

### 2.3.1. General

The site has been used for storage over the years and it is unclear if any historic uses may have contaminated the land.

### 2.3.2. Deleterious Materials

It is unlikely that there will be any deleterious materials used within the fabric of any new build construction and, for the purposes of our valuation; we have assumed that there are no materials within the existing surface of the site which would adversely affect Market Value. Any materials found will need to be removed under controlled conditions. Finally, we have also assumed that no deleterious materials will be used within the construction of the remainder of the scheme.

### 2.3.3. Asbestos

The use of asbestos containing materials was banned in the United Kingdom in November 1999. Therefore, buildings constructed after this date will not contain asbestos. However, buildings constructed prior to this may contain asbestos.

We have assumed that any asbestos on site will be removed correctly and that no asbestos materials will be used in the construction of the new dwellings.

## 2.4. Environmental Considerations

### 2.4.1. Contamination

We recommend that your legal advisors obtain formal confirmation from the current owner and occupiers that no notices have been served on them by the Local Authority.

We have been instructed not to make any investigations, in relation to the presence or potential presence of contamination in land or buildings, and to assume that if investigations were made to an appropriate extent then nothing would be discovered sufficient to affect value. We have not carried out any investigation into past uses, either of the properties or any adjacent land, to establish whether there is any potential for contamination from such uses or sites, and have therefore assumed that none exists. In practice, purchasers in the property market do require knowledge about contamination. A prudent purchaser of this property would be likely to require appropriate investigations to be made to assess any risk before completing a transaction. Should it be established that contamination does exist, this might reduce the value now reported.

No indications of past or present contaminative land uses were noted during the inspection. Our inspection was only of a limited visual nature and we cannot give any assurances that previous uses on the site or in the surrounding areas have not contaminated subsoils or ground waters. In the event of contamination being discovered, further specialist advice should be obtained. You are advised to ensure that your legal adviser takes up the usual enquiries on your behalf, in respect of possible contamination issues, prior to entering a commitment to purchase.

### 2.4.2. Ground Conditions

We do not normally carry out or commission investigations on site in order to determine the suitability of ground conditions and services for the purposes for which they are, or are intended to be, put; nor do we undertake archaeological, ecological or environmental surveys. We cannot confirm whether invasive vegetation has been or is present on the site and our valuation assumes that none exists. Unless we are otherwise informed, our valuations are on the basis that these aspects are satisfactory and that, where refurbishment is contemplated, no extraordinary expenses, delays or restrictions will be incurred during the construction period due to these matters.

### 2.4.3. Flood Risk

We have reviewed the Environment Agency Flood Map for Planning (Rivers & Sea) which shows the property is located within flood zone 2; an area with a medium probability of flooding.

For the purposes of our valuation we have assumed that the property has not flooded historically. If the property has historically flooded, then our valuation will be affected. Our valuation assumes the property can be insured at normal risk and rates.

## 2.5. Sustainability Considerations

### 2.5.1. Energy Performance

Under the Energy Act 2011 Energy Performance Certificates (EPC's) are required when any building is sold, rented out, constructed and for major refurbishment projects. EPCs give information on a building's energy efficiency in a sliding scale from "A" (very efficient) to "G" (least efficient). EPC's will be required once the units are complete and we would expect them to adhere to current guidelines.

## 3. Legal

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### 3.1. Title Review

We understand the property is held freehold. We have not been provided with a copy of the Report on Title but if this becomes available we would be pleased to comment on it.

We have assumed that there are no encumbrances or unduly onerous or unusual easements, restrictions, outgoings or conditions, likely to have an adverse effect upon the value of the property, and we have assumed that a good and marketable title is held.

We would recommend that the information regarding tenure is verified by your legal advisers and, furthermore, we would stress that the above assumptions regarding tenure should not be relied upon until they have been confirmed as being accurate by your legal advisers.

### 3.2. Tenancy

The property is currently vacant, however, is due to be let to Ressance Ltd at £40,000 per annum.

### 3.3. Planning

#### 3.3.1. General

The property is situated under the jurisdiction of West Berkshire Council whose Planning Policy is guided by the Development Plan. The Development Plan is made up of a number of documents including the Housing Site Allocations Development Plan Document, adopted May 2017, Core Strategy Development Plan Document (2006 – 2026) adopted July 2012 and West Berkshire District Local Plan 1991 – 2006 (saved Policies 2007).

#### 3.3.2. History

We have made informal internet based enquiries of the Council's planning website; however, your legal advisors should confirm our assumptions and advise otherwise.

We have checked the online planning register which reveals there has been a single outline application for B8 use, as detailed below. Notwithstanding this, we have valued the site based on the current use, which we consider will provide the highest land value given the site has not been de-risked from a planning standpoint.

Reference	Detail	Decision
17/01708/OUT	Outline Planning Permission for: B8 commercial development and ancillary B1 floor space: Matters to be considered - Access and Layout.	Granted

#### 3.3.3. Listed Building Consent and Conservation Area

The property is not listed or within a conservation area.

### 3.3.4. Current Planning Issues

We are not aware of any current planning issues or highway proposals likely to have an adverse impact upon the value of the property in the foreseeable future.

## 3.4. Statutory and Tax Matters

### 3.4.1. Business Rates

The property currently assessed as “Land Used for Storage and Premises” with a rateable value of £26,250.

### 3.4.2. Value Added Tax

We are unaware of the VAT situation in relation to this site, although we assume that this will be investigated by your legal advisers. Our valuation does not reflect VAT.

### 3.4.3. Stamp Duty Land Tax

We have allowed for Stamp Duty Land Tax as follows: Market Value of up to £150,000, zero; next £100,000 (the portion from £150,001 to £250,000), 2.00%; remaining amount (the portion above £250,000), 5.00%.

If the transaction on this property is seeking to take advantage of an avoidance scheme, you should be aware that the Government is trying to close avoidance loopholes. We would therefore recommend advice is sought on any avoidance schemes in place at this property.

## 4. Market Commentary

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### 4.1. Industrial Market Overview

The Newbury economy is driven by small high tech manufacturing and financial & business services (F&BS) firms, many of which are linked to Vodafone, which operates its HQ in the town. Distribution occupiers are also of some importance within the wider Newbury market. In terms of jobs, Newbury is relatively small compared with other industrial centres. In percentage terms, Manufacturing and Transport & Storage employment accounts for 13.2% of total employment in Newbury. This share is comparable with the industrial average of 13.2%.

On average demand fell back by 31% in 2017. In comparison, the estimated take up in Newbury has actually risen 31% in 2017 to 84,000 sq ft. At this level, take up in Newbury was 12% below the 5 year average. In the last five years to Q2 2018 the amount of space pre-let/purpose-built in Newbury averaged 16,000 sq ft per year, or 16% of take up. However, over the last 12 months to Q2 2018 this figure totalled 29,000 sq ft, equating to 47% of take up. Big Sheds - units of over 100,000 sq ft - are of little importance in Newbury, with more activity seen within smaller production/warehouse units. Over the last five years the 25,000 to 50,000 sq ft sizeband has seen the largest share of take up at 44%. Over the last year to Q2 2018, this sizeband remained the most active.

The latest stock data for Newbury suggests that industrial stock at end-2007 is 9 million sq ft. This ranks the centre 46 in terms of floorspace of the industrial UK centres; similar sized centres include Croydon and Reading. The stock can be broken down into factories and warehousing. If this is done, 37% of the industrial stock is defined as factories, and 63% as warehouses. The share accounted for by warehousing is above the average for the industrial centres (excluding Scotland where no data is available). In Newbury, 4.5% of total industrial stock is new, having been built within the last five years. This is similar to the industrial centres average of 5%.

Over the last five years - end-2012 to end-2017 - completions in the main local authority district averaged 80,000 sq ft pa. This follows the previous five year period (end-2007 to end-2012) average of 202,000 sq ft pa. The current level of "new" stock - the space built over the last 5 years - is lower than the UK average. Based on the main local authority district, no space completed during 2017 in Newbury. The highest level recorded was 500,000 sq ft in 2000. In recent years the share of pre-let/purpose built space developed has fallen. The share during 2008 to 2017 of 47% compares to 63% over the period 2002-2007.

On average, availability in Newbury fell by 15.2%, to stand at 272,000 sq ft, based on data provided by EGI. At current levels, the vacancy rate in Newbury stands at an estimated 3.0%, compared to an UK average of 3.7%.

There is currently no space under construction in the Newbury industrial market. This compares with an annual average level of completions in the wider market area over the last five years of 73,000 sq ft.

In Newbury top rents remained unchanged over the last six months standing at £7.25 psf at mid-2018. At this level rents in Newbury are below the national average. Top rents in Newbury are now above the peak level recorded prior to the Global Financial Crisis.

## 5. Market Evidence & Analysis

### 5.1. Rental Value

#### 5.1.1. Letting Evidence

In arriving at our opinion of Market Rent we have had regard to the following transactions:

Address	Acres	£ pa	Comments
Faraday Site			
Ampere Road, Newbury	0.40	£28,575	<ul style="list-style-type: none"> <li>■ Let August 2018 to a private individual</li> <li>■ Equates to £71,438 per acre</li> <li>■ Includes 1,178 sq ft workshop of basic condition</li> </ul>
Land at the corner of Fleming Road, Newbury	0.27	£40,000	<ul style="list-style-type: none"> <li>■ Let June 2018 to a car sales operator</li> <li>■ Equates to £148,148 per acre</li> <li>■ Open and surfaced land with very good road side prominence</li> </ul>
Membury Airfield Industrial Estate, Hungerford	Various (0.25 – 1.00 acres)	Various	<ul style="list-style-type: none"> <li>■ A number of lettings in 2018</li> <li>■ Rents range from £87,120 to £103,237 per acre</li> <li>■ Unsurfaced railway sidings</li> </ul>

#### 5.1.2. Analysis

The above comparables provide a range of rental values achievable for small storage sites in the Newbury area ranging from £71,438 to £148,148 per acre. The range reflects the prominence of the site, surfacing, services and security. By way of example, the Fleming Road site is surfaced and has a good roadside prominence, which is reflected in the higher rental value achieved.

Contrastingly, the subject is comparable to the Ampere Road and Membury Airfield sites as it does not have a strong road side prominence and is of basic condition, with a compacted surface and inferior access. We are aware the letting at Ampere Road is short term, as the council wish to develop the land and, as such a discounted rent was agreed.

On balance, we consider the lettering of Membury Airfield to be the most comparable and have adopted £88,888 per acre, which equates to £40,000 per annum for Plot A.

### 5.2. Capital Values

#### 5.2.1. Storage Land Sales Evidence

Sales of storage land in the immediate area is very limited. As such, we have considered sales in the surrounding towns and villages. The product is homogenous as affordability drives the price. The exception being where there is a viable development potential.

In arriving at our opinion of Market Value we have had regard to the following transactions:

Address	Acres	Price	£ per acre	Comments
Bashfords Yard	0.70	£670,000	£957,143	<ul style="list-style-type: none"> <li>■ Sold July 2018</li> <li>■ Included a number of buildings</li> </ul>
Plot 103, The Beacon Centre, Solar Way, Amesbury	0.18	£200,000	£1,111,111	<ul style="list-style-type: none"> <li>■ Sold January 2018</li> <li>■ Open and unsecure scrubland</li> <li>■ Serviced by single and 3 phase</li> <li>■ Direct access from adopted highway</li> </ul>
172 South Street, Andover	0.21	£325,000	£1,547,619	<ul style="list-style-type: none"> <li>■ Sold December 2017</li> <li>■ Level and serviced land</li> <li>■ Located at edge of industrial estate</li> <li>■ Good access to A303</li> </ul>
Long Furlong Drive, Slough	0.1	£225,000	£2,250,000	<ul style="list-style-type: none"> <li>■ Sold June 2017</li> <li>■ Un-serviced land with development potential</li> </ul>
Greenham Business Park	2.00	£1,000,000	£500,000	<ul style="list-style-type: none"> <li>■ Sold 2017</li> <li>■ Substantially larger than subject</li> </ul>

### 5.2.2. Analysis

Storage land sales are scarce in the area as are any employment land sales indicating very limited supply and extremely strong demand. As such, we have considered evidence from further afield. The above comparables range from £1,111,111 to £2,250,000 per acre, with the higher values reflecting development potential.

The subject site is more comparable Plot 103 and 172 South Street, which are both small storage plots with limited alternative use potential; they are also of a similar size. We consider the subject would sit within the range although closer to the value of Amesbury, owing to the poor access, flood risk potential and no road side prominence. As such, we have adopted £1,200,000 per acre which equates to £548,578, which we have rounded to £550,000.

## 6. Valuation Commentary

### 6.1. Valuation Approach

In arriving at our opinion of value of the property, we have adopted the direct comparable method with reference to sales of vacant possession land storage accommodation.

Taking into account the above comparables we have applied a capital value of £1,200,000 per acre.

We have then cross checked this with the net initial yield produced, based on our opinion of Market Rent, which equates to 6.93%. We consider this to be in line with market sentiment for a site of this nature and supportive of opinion of value.

#### 6.1.1. Stamp Duty Land Tax

As the property is being put into a Special Purchase Vehicle (SPV) stamp duty is payable at 0.5%.

## 7. Loan Security Commentary

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### 7.1. Analysis

Strengths:	<ul style="list-style-type: none"> <li>■ Outline consent for B8/B1 use.</li> <li>■ Serviced and secure storage land.</li> <li>■ Good levels of demand for storage land, although generally on short term lettings.</li> </ul>
Weakness:	<ul style="list-style-type: none"> <li>■ Reserved matters still to be determined.</li> <li>■ Access via a narrow service lane may deter some occupiers.</li> <li>■ Flooding risk.</li> </ul>
Due Diligence:	<p>We have assumed:</p> <ul style="list-style-type: none"> <li>■ All necessary title enquiries will be undertaken by your legal advisers.</li> </ul>
Principal Risks:	<p>In considering this property as security for the proposed loan, we would draw your attention to the following main risks:</p> <ul style="list-style-type: none"> <li>■ Interest Rates - Expected rises in the Bank of England base rate will affect interest repayments on any loans obtained. If these are not fixed interest rates, then finance repayments will have an adverse effect on the level of profit anticipated on completion of this refurbishment.</li> </ul>

### 7.2. Suitability for Loan Security Purposes

On the basis of the information provided and subject to the comments contained within this report, we consider the property forms suitable security for a mortgage advance. In accordance with normal commercial practice, however, we would anticipate any advance being for only a proportion of our opinion of Market Value.

## 8. Valuation

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### 8.1. Market Value

Having regard to the foregoing, we are of the opinion that the Market Value (as defined in Appendix 2) of the freehold interest in the subject property with the benefit of full vacant possession, as at 25 October 2018 is:-

**£550,000**

**(Five Hundred and Fifty Thousand Pounds)**

### 8.2. Confidentiality and Publication

Finally, and in accordance with our normal practice we confirm that the Report is confidential to the party to whom it is addressed for the specific purpose to which it refers. No responsibility whatsoever is accepted to any third party and neither the whole of the Report, nor any part, nor references thereto, may be published in any document, statement or circular, nor in any communication with third parties without our prior written approval of the form and context in which it will appear.

# Appendix 1

## Letter of Instruction

Ref: Ressance Land No 54 Limited

Attn: Adam Greenwood  
Jones Lang LaSalle,  
31 Great George St,  
Bristol,  
BS1 5QD

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:	Ressance Land No 54 Limited
Contact Name:	Duncan Crook
Phone Number:	01635 277697
Email:	duncan@ressance.co.uk
Properties:	'Plot A' Express Way, Newbury, Berkshire, RG14 5TU
Tenure:	Freehold
Use:	Storage Yard
Tenancies:	To be a new lease with parent company, Ressance Limited, at a rental of £40,000-00 p.a.
Access:	via Duncan, as above.

### Instruction

The report should be addressed to Proplend Security Limited which must clearly state that it can be relied upon for lending purposes by the parties named herein. Please ensure that the report accords with the current RICS Appraisal and Valuation Manual.

Please indicate in your report if the valuer or your firm have had any previous involvement with the property forming the subject of the valuation. If so, please indicate the nature and extent of that involvement and confirm specifically that you consider there is no conflict of interest on the part of the valuer or your firm.

The report must be signed by a partner or director of the firm who is a member of the Royal Institute of Chartered Surveyors.

Whilst your report will be addressed to Proplend Security Ltd, it will need to be uploaded to the Proplend website and viewed by its Lending members on the understanding that only Proplend Security Ltd may rely on the report for mortgage purposes. Can you please confirm within your report that this is understood and accepted?

### Valuation and Report

The Market Valuation referred to below should be based on current values and should reflect market conditions prevailing at the date of the report, and changes in market conditions that you are able to predict, and should include:

1. The Market Valuation for loan security purposes of the Property in its current condition at the date of your inspection, subject to any current tenancies in place and sold as a going concern. Please indicate the period of marketing you have assumed in arriving at your valuation.

2. A valuation of the Property on the assumption that the Property was being sold without the benefit of a going concern.
3. Please provide comparable evidence to support your assumptions on values.
4. Please provide an estimated rental value for the Subject Properties.
5. Please provide commentary on continued likely market demand for properties of this size and nature, in this location, for sale and to let.
6. Please provide an estimated reinstatement cost of the buildings for insurance purposes.
7. Please provide a full description of the Property to include its accommodation, its size, its construction, location and general state of repair. These details should be supported with photos of the Properties. Whilst you are not instructed to carry out a structural survey on each Property, please comment of any noticeable defects that might warrant further investigation and which might affect the marketability of the Property.
8. Please certify that the Property is acceptable for secured lending purposes.

**Report on Title**

A copy of the solicitors Report on Title will be sent to you so that you can cross check your assumptions with the facts contained within the said report and comment on specific items which may affect your valuation.

**Fees**

You have quoted and the Borrower has agreed to pay a fee of £bc + VAT for this undertaking. Whilst a receipted invoice for this service should be supplied with your report, and addressed to this company, we ask that you seek settlement of your fee from the proposed Borrowers whose contact details are supplied above. Proplend Security Limited cannot accept any responsibility for non-payment of your fees in this regard.

**Contact Details**

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

Please send the Valuation Report to [borrower@proplend.com](mailto: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 2

General Terms and Conditions of Business

General Principles

Definition of Market Value

Definition of Market Rent

# General Terms and Conditions of Business

## a1. AGREEMENT

1.1. These Terms together with any Engagement set out the terms on which JLL will provide the Services to the Client. Each of the provisions provided in the Agreement are severable and distinct from the others.

1.2. The Engagement shall prevail to the extent of any conflict between the Terms, and the Engagement. The Agreement supersedes any previous arrangement concerning its subject matter. Unless the Parties agree otherwise, these Terms shall apply to any future instructions from the Client, although such instructions may be subject to a separate Engagement.

## 2. INTERPRETATION

The following definitions and rules of interpretation apply in these Terms:

### 2.1. Definitions

**“Affiliates”** includes in relation to either Party each and any subsidiary or holding company of that Party and each and any subsidiary of a holding company of that Party and any business entity from time to time controlling, controlled by, or under common control with, either Party, and **“holding company”** means a holding company as defined in section 1159 of the Companies Act 2006 or a parent undertaking as defined in section 1162 and schedule 7 of the Companies Act 2006, and **“subsidiary”** means a subsidiary as defined in section 1159 of the Companies Act 2006 or a subsidiary undertaking as defined in section 1162 and schedule 7 of the Companies Act 2006;

**“Agreement”** means any Engagement and these Terms together;

**“Client”** means the Party who enters into the Agreement with JLL;

**“Data Protection Legislation”** shall mean GDPR and any national implementing laws, regulations and secondary legislation in force in England from time to time.

**“Engagement”** means the agreement, letter of engagement or engagement agreement or email and any schedules/appendices sent to the Client by JLL (or agreed in writing) which sets out details of the Services to be provided to the Client pursuant to the Agreement;

**“GDPR”** means the General Data Protection Regulation ((EU) 2016/679) effective from 25 May 2018 and in this Agreement: “controller”, “processor”, “data subject”, “personal data”, “personal data breach”, “supervisory authority”, and

“processing” shall have the meaning set out in the GDPR, and references to “personal data” shall in addition mean personal data related to the Agreement.

**“Insolvent”** means in relation to:

- (a) a company (including any body corporate), that it:
  - (i) is unable to pay its debts as they fall due;
  - (ii) becomes or is deemed insolvent;
  - (iii) has a notice of intention to appoint an administrator filed at Court in respect of it, has an administrator appointed over, or has an administration order in relation to it, or has appointed a receiver or an administrative receiver over, or an encumbrancer takes possession of or sells the whole or part of its undertaking, assets, rights or revenue;
  - (iv) passes a resolution for its winding up or a court of competent jurisdiction makes an order for it to be wound up or dissolved or it is otherwise dissolved (other than a voluntary winding up solely for the purpose of a solvent amalgamation or reconstruction); or
  - (v) enters into an arrangement, compromise or composition in satisfaction of its debts with its creditors or any class of them or takes steps to obtain a moratorium or making an application to a court of competent jurisdiction for protection of its creditors;
- (b) a partnership, that it is dissolved by reason of the bankruptcy of one or more of its partners;
- (c) an individual, that he is bankrupt; and
- (d) a Party based outside England and Wales, that it is considered insolvent by the laws applicable to that Party;

**“JLL”** means Jones Lang LaSalle Limited of 30 Warwick Street London W1B 5NH registered in England with company number 01188567 and/or any Affiliate of JLL that provides the Services to the Client;

**“Materials”** means all materials, equipment, documents and other property of JLL made available to the Client by JLL in carrying out the Services

**“Party”** means either the Client or JLL (as the context requires) and **“Parties”** shall mean both of them;

**“Services”** means the Services set out in the Engagement or as otherwise agreed in writing between the Parties;

**“Terms”** means these terms and conditions.

2.2. Unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular.

2.3. A reference to a statute or statutory provision is a reference to it as it is in force as at the date of the Agreement and shall include all subordinate legislation made as at the date of the Agreement under that statute or statutory provision.

2.4. A reference to writing or written unless otherwise specified herein includes email.

2.5. Any words following the terms including, include, in particular or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

2.6. Headings are for convenience only and do not affect the interpretation of this Agreement.

### **3. SERVICES**

3.1. JLL shall provide the Services using reasonable care and skill.

3.2. JLL has no obligation to provide any services other than the Services and has no obligation to provide nor any liability for:

- a) an opinion on the price of a property (unless specifically agreed in writing);
- b) any advice regarding the condition of a property (unless specifically agreed in writing);
- c) the security or management of a property unless specifically instructed to arrange it;
- d) the safety of any third party entering any premises; or
- e) the management or payment of any third party suppliers.

3.3. Where the Parties have agreed that JLL shall carry out estate agency business, JLL shall (i) report in writing all offers it receives regarding the relevant property; and (ii) comply with its obligations under the Estate Agents Act 1979 and regulations made under that Act together with any other similar laws and regulations.

3.4. Where agreed in writing JLL shall use reasonable endeavours to meet any performance dates. JLL shall not be

responsible for any failure to meet performance dates due to causes outside its reasonable control and time shall not be of the essence for performance of the Services.

3.5. JLL shall have the right to make any changes to the Services which are necessary to comply with any applicable law, regulation, safety requirement, or which do not materially affect the nature or quality of the Services and JLL shall notify the Client in any such event.

3.6. Without prejudice to clause 9.2(b), if JLL becomes aware of a conflict of interest, it shall advise the Client and take reasonable steps to recommend a course of action.

### **4. CLIENT OBLIGATIONS**

4.1. The Client shall:

- a) notify JLL promptly if it considers that any details or requirements set out in the Engagement are incomplete or inaccurate;
- b) co-operate with JLL in all matters relating to the Services;
- c) provide JLL, its employees, agents, consultants and subcontractors, with access to the relevant property as reasonably required by JLL to provide the Services; and
- d) obtain and maintain all necessary licences, permissions and consents which may be required by the Client before the date on which the Services are to start.

4.2. The Client shall promptly provide JLL with such information and materials as it may reasonably require in order to supply the Services and warrants that:

- a) such information is complete and accurate and was obtained and drafted in accordance with all applicable laws;
- b) it shall ensure that where the information and material includes representations or descriptions of a property, that such information and material contains no misrepresentation or false impression;
- c) where the Client will advertise a property under JLL's logo, that such advertisement (including its content and context in which it will appear) is approved in writing by JLL prior to its publication; and

c) it shall immediately notify JLL on becoming aware of any changes or issues that may render inaccurate any information or material provided to JLL.

4.3. In the event of any act or omission by the Client in breach of the Agreement or failure by the Client to perform any relevant obligation (Client Default):

a) JLL shall without limiting its other rights or remedies have the right to suspend performance of the Services until the Client remedies the Client Default, and to rely on the Client to relieve it from the performance of any of its obligations to the extent the Client Default prevents or delays JLL's performance of any of its obligations; and

b) JLL shall not be liable for any costs or losses sustained or incurred by the Client arising directly or indirectly from the Client Default.

4.4. The Client is responsible for effecting and maintaining adequate property and public liability insurance in relation to its activities and any relevant properties owned or occupied by it and shall be responsible for the safety of any person entering the relevant property.

## 5. PAYMENTS

5.1. Whenever possible, the fees and expenses (if known) for the Services shall be as set out in the Engagement. Where fees and expenses for the Services are not specified in writing, JLL shall be entitled to the fee specified by the Royal Institution of Chartered Surveyors (RICS) or if there is none specified, by any other applicable professional body chosen by JLL (acting reasonably) or, if none is specified, a fair and reasonable fee by reference to time spent undertaking the Services; and reimbursement of any expenses properly incurred by JLL on the Client's behalf.

5.2. All amounts payable by the Client under the Agreement are exclusive of value added tax (VAT) or similar taxes which the Client shall pay at the applicable rate.

5.3. In consideration of the provision of the Services, the Client shall pay each invoice submitted by JLL in accordance with the Agreement within 28 days from the date of invoice.

5.4. If the Client fails to make any payment due to JLL under the Agreement by the due date for payment, then JLL reserves the right to charge late payment interest after the due date on the overdue amount at the rate of 4% per cent per annum above the Bank of England's official bank rate from time to time. Such interest shall accrue on a daily basis from

the due date until actual payment of the overdue amount, whether before or after judgment. The Client shall pay the interest together with the overdue amount.

5.5. If termination of the Agreement takes place prior to the Services being completed, JLL shall, without limitation to its other rights and remedies under this Agreement or at law, be entitled to receive from the Client a reasonable fee proportionate to the part of the Services performed to the date of termination.

5.6. If the Client has agreed to engage JLL as its sole agent for the acquisition of an interest in a property, the Client shall be liable for payment of JLL's fees and expenses where an Affiliate of the Client or an individual with a majority stake in the Client completes the relevant acquisition.

## 6. INTELLECTUAL PROPERTY RIGHTS

6.1. All intellectual property rights in or arising out of or in connection with the Services including the intellectual property rights in Materials shall be owned by JLL unless otherwise expressly agreed in writing. For this purpose "intellectual property rights" means patents, utility models, rights to inventions, copyright and related rights, trademarks and service marks, trade names and domain names, rights in get-up, goodwill and the right to sue for passing off or unfair competition, rights in designs, rights in computer software, database rights, rights to preserve the confidentiality of information (including know-how and trade secrets) and any other intellectual property rights, including all applications for (and rights to apply for and be granted), renewals or extensions of, and rights to claim priority from, such rights and all similar or equivalent rights or forms of protection which subsist or will subsist, now or in the future, in any part of the world.

6.2. The Client shall have an irrevocable, royalty-free, non-exclusive licence to use the Materials for the purposes for which they are prepared by JLL, subject to JLL having received full payment for the Services in accordance with this Agreement. Such licence shall be capable of sub-licence by the Client to its employees, agents and subcontractors and shall survive termination. No third party has any right to use any such Materials without JLL's specific consent. JLL shall not be liable for the use of any Material for any purpose other than that for which JLL provided it to the Client.

6.3. Nothing in this clause 6 shall affect the Client's intellectual property rights that pre-exist the Services. The Client shall grant to JLL an irrevocable, royalty-free, non-exclusive, sub-licensable licence to use such pre-existing

intellectual property rights for the purpose of carrying out the Services.

## 7. CONFIDENTIALITY

A Party (receiving party) shall keep in strict confidence all technical or commercial know-how, processes or initiatives which are of a confidential nature and have been disclosed to the receiving party by the other Party (disclosing party), its employees, agents or subcontractors, and any other confidential information concerning the disclosing party's business, its products and services which the receiving party may obtain. The receiving party shall only disclose such confidential information to those of its employees, agents and subcontractors who need to know it for the purpose of discharging the receiving party's obligations under the Agreement, and shall ensure that such employees, agents and subcontractors comply with the obligations set out in this clause as though they were a party to the Agreement. The receiving party may also disclose such of the disclosing party's confidential information as is required to be disclosed by law, any governmental or regulatory authority or by a court of competent jurisdiction, or with the consent of the disclosing party.

## 8. LIABILITY

8.1. Save in respect of JLL's liability for death or personal injury caused by its negligence, or the negligence of its employees, agents or subcontractors or for fraud or fraudulent misrepresentation (which is not excluded or limited in any way):

- a) JLL shall under no circumstances whatsoever be liable, whether in contract, tort (including negligence), breach of statutory duty, or otherwise, for any loss of profit, loss of revenue or loss of anticipated savings, or for any indirect, special or consequential loss arising out of or in connection with the Agreement and/or the Services; and
- b) JLL's total liability in respect of all losses arising out of or in connection with the Agreement and/or the Services, whether in contract, tort (including negligence), breach of statutory duty, or otherwise, shall not exceed £5 million.

8.2. JLL shall have no liability for the consequences, including delay in or failure to provide the Services:

- a) due to any failure by the Client or any representative or agent of the Client to provide information or other material that JLL reasonably requires promptly, or

where that information or material provided is inaccurate or incomplete;

- b) to the extent that the Client or someone on the Client's behalf for whom JLL is not responsible is responsible, and where JLL is one of the parties liable in conjunction with others, JLL's liability shall be limited to the share of loss reasonably attributable to JLL on the assumption that all other parties pay the share of loss attributable to them (whether or not they do); or
- c) due to any failure by the Client or any representative or agent of the Client to follow JLL's advice or recommendations.

8.3. JLL owes no duty of care and has no liability to anyone but the Client unless specifically agreed in writing by JLL.

## 9. TERMINATION

9.1. Without limiting its other rights or remedies, either Party may terminate the Agreement by giving the other Party 28 days' written notice.

9.2. Without limiting its other rights or remedies, either Party may terminate the Agreement with immediate effect by giving written notice to the other Party if:

- a) the other Party commits a material breach of the Agreement and (if such a breach is remediable) fails to remedy that breach within 14 days of that Party being notified in writing to do so;
- b) a conflict of interest arises which prevents JLL continuing to act for the Client; or
- c) the other Party becomes Insolvent.

9.3. Without limiting its other rights or remedies, JLL may suspend provision of the Services under the Agreement or any other contract between the Client and JLL if the Client becomes Insolvent, or JLL reasonably believes that the Client is about to become Insolvent, or if the Client fails to pay any amount due under the Agreement on the due date for payment.

9.4. On termination of the Agreement for any reason:

- a) the Client shall immediately pay to JLL all of JLL's outstanding unpaid invoices and interest and, in respect of Services supplied but for which no invoice has been submitted and associated expenses, JLL

shall submit an invoice, which shall be payable by the Client immediately on receipt;

- b) the Client shall return any Materials which have not been fully paid for. Until they have been returned, the Client shall be solely responsible for their safe keeping and will not use them for any purpose not connected with the Agreement. Where all fees have been paid the Client shall be entitled to retain such Materials and they shall be licensed in accordance with clause 6.2;
- c) JLL may, to comply with legal, regulatory or professional requirements, keep one copy of all material it then has that was supplied by or on behalf of the Client in relation to the Services;
- d) the accrued rights, remedies, obligations and liabilities of the Parties as at expiry or termination shall be unaffected, including the right to claim damages in respect of any breach of the Agreement which existed at or before the date of termination or expiry; and
- e) clauses which expressly or by implication survive termination shall continue in full force and effect.

9.5. JLL may destroy any papers it has after six years from the earlier of completion of the Services or termination of the Agreement.

## 10. DATA PROTECTION

10.1. JLL (including third parties as described in our Privacy Statement available at [www.jll.co.uk](http://www.jll.co.uk)) may process in hard copy and/or in electronic form, personal data regarding the Client, its officers and any other individuals connected with the Client ('Client Contacts'). It may also verify the identity of Client Contacts including carrying out checks with third parties such as financial probity, anti-money laundering or sanctions-checking agencies. To facilitate compliance with money laundering regulations and avoid duplication of due diligence, the Client acknowledges that JLL may share Client Contacts' personal data with such third party agencies and JLL Affiliates.

10.2 Unless the Agreement and factual arrangements dictate otherwise, as between the parties for the purposes of the Agreement, the Client is deemed to be the controller and JLL is deemed to be the processor. The Client will ensure that any transfer of personal data to JLL (and any sub-processors under clause 10.11) complies with Data Protection Legislation. In providing the Services, JLL in its role as

processor shall comply with Data Protection Legislation as it relates to data processors. Nothing within this Agreement relieves either party of its own direct responsibilities and liabilities under Data Protection Legislation.

10.3 JLL shall not process personal data other than on the documented instructions of the Client, unless it is required to process the personal data by any law to which it is subject. In such a case JLL shall inform the Client of that legal requirement before complying with it, unless that law prohibits JLL from doing so.

10.4 JLL shall ensure that it and any third party with access to the personal data has appropriate technical and organisational security measures in place, to guard against the unauthorised or unlawful processing of personal data and against the accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to, the personal data. On request in writing, JLL shall provide to the Client a general description of the security measures it has adopted.

10.5 JLL shall take reasonable steps to ensure any person that has access to personal data is made aware of their responsibilities, and subject to enforceable duties of confidentiality.

10.6 JLL shall notify the Client without undue delay if it:

10.6.1 receives a request from an individual for subject access, or a request relating to any of the other individuals' rights available under the Data Protection Legislation, in respect of personal data;

10.6.2 receives any enquiry or complaint from a data subject, supervisory authority or third party regarding the processing of the personal data;

10.6.3 becomes aware of a personal data breach affecting personal data, unless the breach is unlikely to result in a risk to the rights and freedoms of data subjects.

10.7 JLL shall assist and provide all information reasonably requested in writing by the Client in relation to data protection impact assessments or 'prior consultation' with supervisory authorities, or matters under clause 10.6.

10.8 JLL shall maintain all the records and information necessary to demonstrate its compliance with the requirements set out in this clause 10.

10.9 JLL shall allow the Client (or its appointed auditor) to audit JLL's compliance with this clause 10. The Client agrees to give reasonable notice of any audit, to undertake

any audit during normal business hours, to take steps to minimise disruption to JLL's business, and not exercise this right of audit more than once every year unless instructed otherwise by a supervisory authority.

10.10 JLL shall upon receipt of a written request from the Client delete or return all the personal data at the end of the provision of the Services. JLL may retain copies of the personal data in accordance with any legal or regulatory requirements, or any guidance that has been issued in relation to deletion or retention by a supervisory authority.

10.11 JLL shall only engage a sub-processor where:

10.11.1 the Client has agreed in writing to the engagement of the sub-processor; or

10.11.2 the sub-processor is an Affiliate of JLL or a service provider engaged by JLL to support the infrastructure and administration of its business (with details maintained at <http://www.jll.co.uk/sub-processors>).

10.12 JLL shall ensure that any arrangements between JLL and a sub-processor are governed by a written contract including terms which offer at least the same level of protection for personal data as those set out in this clause. Where JLL intends to engage a new sub-processor under 10.11.2 and the Client objects, then Client may choose to terminate the Services in accordance with clause 9.

10.13 In accordance with clause 12.1, JLL shall remain liable for the acts and omissions of its sub-processors.

10.14 JLL shall only transfer personal data outside the European Economic Area where it has ensured the transfer complies with Data Protection Legislation.

## 11. FORCE MAJEURE

11.1. Neither Party shall be liable to the other Party as a result of any delay or failure to perform its obligations under the Agreement as a result of any event beyond the reasonable control of either Party including strikes, lock-outs or other industrial disputes (whether involving the workforce of JLL or any other party), failure of a utility service or transport network, act of god, war, riot, civil commotion, malicious damage, compliance with any law or governmental order, rule, regulation or direction, accident, breakdown of plant or machinery, fire, flood, storm or default of suppliers or subcontractors.

11.2. If such an event prevents either Party from providing any of the Services for more than four weeks, the affected Party shall, without limiting their other rights or remedies,

have the right to terminate the Agreement immediately by giving written notice to the Party.

11.3. This clause does not apply to the payment of fees due to JLL by the Client.

## 12. GENERAL

12.1. **Subcontracting.** JLL may subcontract or deal in any other manner with all or any of its rights or obligations under the Agreement to any third party or agent provided that:

(i) where JLL subcontracts or delegates its obligations at the specific request of the Client, JLL shall have no liability for the acts or omissions of the third party or agent; and

(ii) otherwise, JLL shall remain liable for the acts or omissions of the third party or agent, unless the Client agrees to rely only on the third party or agent, such agreement not to be unreasonably withheld.

12.2. **Notices.** a) Any notice or other communication, including the service of any proceedings or other documents in any legal action given to a Party under or in connection with the Agreement shall be in writing, addressed to that Party at its registered office (if it is a company) or its principal place of business (in any other case) or such other address as that Party may have specified to the other Party in writing in accordance with this clause, and shall be delivered personally or sent by pre-paid first class post or commercial courier. Any notice or other communication sent to a Party located in a different country to the sending Party must be sent by commercial courier.

b) A notice or other communication shall be deemed to have been received: if delivered personally, when left at the address referred to in clause 12.2.a); if sent by pre-paid first class post at 9.00 am on the second business day after posting; or if sent by commercial courier, on the date and at the time that the courier's delivery receipt is signed. For this purpose a business day means a day (other than a Saturday or Sunday) on which banks are open for business in London.

12.3. **Severance.** a) If any provision or part-provision of the Agreement is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not

possible, the relevant provision or part-provision shall be deemed deleted. Any modification to or deletion of a provision or part-provision under this clause shall not affect the validity and enforceability of the rest of the Agreement.

b) If any provision or part-provision of the Agreement is invalid, illegal or unenforceable, the Parties shall negotiate in good faith to amend such provision so that, as amended, it is legal, valid and enforceable, and, to the greatest extent possible, achieves the intended commercial result of the original provision.

12.4. **Waiver.** A waiver of any right under the Agreement or law is only effective if it is in writing and shall not be deemed to be a waiver of any subsequent breach or default. No failure or delay by a Party in exercising any right or remedy provided under the Agreement or by law shall constitute a waiver of that or any other right or remedy, nor shall it prevent or restrict its further exercise of that or any other right or remedy. No single or partial exercise of such right or remedy shall prevent or restrict the further exercise of that or any other right or remedy.

12.5. **No Partnership or Agency.** Nothing in the Agreement is intended to, or shall be deemed to, establish any partnership or joint venture between the Parties, nor constitute either Party the agent of the other for any purpose. Neither Party shall have authority to act as agent for, or to bind, the other Party in any way.

12.6. **Third parties.** Subject to clause 12.8, a person who is not a Party to the Agreement shall not have any rights to enforce its terms unless specifically agreed in writing.

12.7. **Variation.** Except as set out in these Terms, no variation of the Agreement, including the introduction of any additional terms and conditions, shall be effective unless it is agreed in writing and signed by both parties. Unless otherwise expressly agreed, variation of these terms does not require the consent of any third party (whether any employee referred to in clause 12.8 or otherwise).

12.8. **Protection of Employees.** Save in respect of fraud or criminal conduct no employee of JLL or any Affiliate has any personal liability to the Client nor to anyone representing the Client. Neither the Client nor anyone representing the Client may make a claim or bring proceedings against an employee or former employee personally. Any such employee of JLL is entitled to enforce this provision pursuant to the Contracts (Rights of Third Parties) Act 1999.

12.9. **Directors.** Some employees of JLL have the title of “director”. The Client acknowledges that this does not mean they hold the office of director for the purposes of the Companies Act 2006. Rather, it means that they hold a senior role as an employee.

12.10. **Complaints.** JLL’s complaints procedure is available on request.

12.11. **Publicity.** Neither Party may publicise or issue any specific information to the media about the Services or the Agreement’s subject matter without the consent of the other.

12.12. **Criminal Activity.** The Client acknowledges that to comply with law and professional rules on suspected criminal activity JLL is required to check the identity of Clients. JLL is also required by law to report to the appropriate authorities any knowledge or suspicion that a Client’s funds (or any funds provided for or on behalf of a client) derive from the proceeds of crime and may be unable to tell the Client that it has done this.

12.13. **Regulated Activity.** JLL is not permitted to carry out any activity regulated by the Financial Services and Markets Act 2000 including the insurance of property, except through an authorised person and in accordance with a separate agreement. Unless JLL specifically agrees otherwise in writing, no communication by JLL is intended to be, or should be construed as, an invitation or inducement to any person to engage in investment activity for the purposes of the Financial Services and Markets Act 2000, or as the approval of any communication of any such invitation or inducement.

12.14. **Anti-bribery.** Both parties shall comply with all applicable laws, statutes, regulations, relating to anti-bribery and anti-corruption including but not limited to the Bribery Act 2010.

12.15. **Governing Law.** The Agreement and any disputes arising from it (including non-contractual claims and disputes) are governed by English Law.

12.16. **Jurisdiction.** Each Party irrevocably agrees that the courts of England shall have exclusive jurisdiction over any dispute or claim arising out of or in connection with this agreement or its subject matter or formation (including non-contractual disputes or claims).

12.17. **Language.** These Terms are provided in English and JLL will communicate with the Client in English.

12.18. **Survival.** Clauses 5 to 9 shall survive termination of the Agreement.

# General Principles

## Adopted in the preparation of Valuations and Reports

These General Principles should be read in conjunction with JLL's General Terms and Conditions of Business except insofar as this may be in conflict with other contractual arrangements.

### 1 RICS Valuation - Global Standards 2017

All work is carried out in accordance with the Professional Standards, Valuation Technical and Performance Standards and Valuation Applications contained in the RICS Valuation – Global Standards 2017 published by the Royal Institution of Chartered Surveyors and the RICS Valuation – Professional Standards UK January 2014 (revised April 2015) as applicable (“the RICS Red Book”), by valuers who conform to the requirements thereof. Our valuations may be subject to monitoring by the RICS. The valuations are undertaken by currently Registered RICS Valuers.

### 2 Valuation Basis:

Our reports state the purpose of the valuation and, unless otherwise noted, the basis of valuation is as defined in “the RICS Red Book”. The full definition of the basis, which we have adopted, is either set out in our report or appended to these General Principles.

### 3 Assumptions and Special Assumptions:

Where we make an ‘assumption’ or ‘special assumption’ in arriving at our valuations, we define these terms in accordance with “the RICS Red Book” as follows:

**Assumption:** A supposition taken to be true.

**Special Assumption:** An assumption that either assumes facts that differ from the actual facts existing at the valuation date, or that would not be made by a typical market participant in a transaction on the valuation date.

We will not take steps to verify any assumptions.

### 4 Disposal Costs Taxation and Other Liabilities:

No allowances are made for any expenses of realisation, or for taxation, which might arise in the event of a disposal. All property is considered as if free and clear of all mortgages or other charges, which may be secured thereon. However, we take into account purchaser’s costs in investment valuations in accordance with market conventions.

No allowance is made for the possible impact of potential legislation which is under consideration.

Valuations are prepared and expressed exclusive of VAT payments, unless otherwise stated.

### 5 Sources of Information:

Where we have been provided with information by the client, or its agents, we assume that it is correct and complete and is up to date and can be relied upon. We assume that no information that has a material effect on our valuations has been withheld.

In respect of valuations for loan security purposes, commissioned by a lending institution, we may also rely on information provided to us by the Borrower or its advisors. In such cases, we have similarly assumed that all information is correct, complete, up-to-date and can be relied upon and that no pertinent information has been withheld.

## 6 Title and Tenancy Information:

We do not normally read leases or documents of title. We assume, unless informed to the contrary, that each property has a good and marketable title, that all documentation is satisfactorily drawn and that there are no encumbrances, restrictions, easements or other outgoing of an onerous nature, which would have a material effect on the value of the interest under consideration, nor material litigation pending. Where we have been provided with documentation we recommend that reliance should not be placed on our interpretation without verification by your lawyers. We have assumed that all information provided by the client, or its agents, is correct, up to date and can be relied upon.

## 7 Tenants:

Although we reflect our general understanding of a tenant's status in our valuations i.e. the market's general perception of their creditworthiness, enquiries as to the financial standing of actual or prospective tenants are not normally made unless specifically requested. Where properties are valued with the benefit of lettings, it is therefore assumed, unless we are informed otherwise, that the tenants are capable of meeting their financial obligations under the lease and that there are no arrears of rent or undisclosed breaches of covenant.

## 8 Measurements/Floor Areas:

All measurement is carried out in accordance with either the International Property Measurement Standards (IPMS) or the Code of Measuring Practice (6th Edition) issued by the Royal Institution of Chartered Surveyors, except where we specifically state that we have relied on another source. The areas adopted are purely for the purpose of assisting us in forming an opinion of capital value. They should not be relied upon for other purposes nor used by other parties without our written authorisation.

Where floor areas have been provided to us, we have relied upon these and have assumed that they have been properly measured in accordance with the International Property Measurement Standards (IPMS) or the Code of Measuring Practice referred to above.

## 9 Site Areas:

Site areas are generally calculated using proprietary digital mapping software and are based on the site boundaries indicated to us either at the time of our inspection, or on plans supplied to us. No responsibility is accepted if the wrong boundaries are indicated to us.

## 10 Estimated Rental Values:

Our assessment of rental values is formed purely for the purposes of assisting in the formation of an opinion of capital value and is generally on the basis of Market Rent, as defined in "the RICS Red Book". Where circumstances dictate that it is necessary to utilise a different rental value in our capital valuation, we will generally set out the reasons for this in our report. Such a figure does not necessarily represent the amount that might be agreed by negotiation, or determined by an Expert, Arbitrator or Court, at rent review or lease renewal or the figure that might be obtained if the property or unit were being let on the open market.

## 11 Town Planning, Acts of Parliament and Other Statutory Regulations:

Information on town planning is, wherever possible, obtained either verbally from local planning authority officers or publicly available electronic or other sources. It is obtained purely to assist us in forming an opinion of capital value and should not be relied upon for other purposes. If reliance is required we recommend that verification be obtained from lawyers that:

- i the position is correctly stated in our report;
- ii the property is not adversely affected by any other decisions made, or conditions prescribed, by public authorities; and
- iii that there are no outstanding statutory notices.

Our valuations are prepared on the basis that the premises (and any works thereto) comply with all relevant statutory and EC regulations, including fire regulations, access and use by disabled persons, control and remedial measures for asbestos in the workplace, the Energy Performance of Buildings Directive and any applicable bye laws. All buildings are assumed to have Energy Performance Certificates.

Our valuation does not take into account any rights, obligations or liabilities, whether prospective or accrued, under the Defective Premises Act 1972, or the Health and Safety at Work etc. Act 1974.

## 12 Structural Surveys:

Unless expressly instructed, we do not carry out a structural survey, nor do we test the services and we, therefore, do not give any assurance that any property is free from defect. We seek to reflect in our valuations any readily apparent defects or items of disrepair, which we note during our inspection, or costs of repair which are brought to our attention. Otherwise, we assume that each building is structurally sound and that there are no structural, latent or other material defects. Unless stated otherwise in our reports we assume any tenants are fully responsible for the repair of their demise either directly or through a service charge.

## 13 Deleterious Materials:

We do not normally carry out or commission investigations on site to ascertain whether any building was constructed or altered using deleterious materials or techniques (including, by way of example high alumina cement concrete, woodwool as permanent shuttering, calcium chloride or asbestos). Unless we are otherwise informed, our valuations are on the basis that no such materials or techniques have been used.

## 14 Site Conditions:

We do not normally carry out or commission investigations on site in order to determine the suitability of ground conditions and services for the purposes for which they are, or are intended to be, put; nor do we undertake archaeological, ecological or environmental surveys. Unless we are otherwise informed, our valuations are on the basis that these aspects are satisfactory and that, where development is contemplated, no extraordinary expenses, delays or restrictions will be incurred during the construction period due to these matters.

## 15 Environmental Contamination:

Unless expressly instructed, we do not carry out or commission site surveys or environmental assessments, or investigate historical records, to establish whether any land or premises are, or have been, contaminated. Therefore, unless advised to the contrary, our valuations are carried out on the basis that properties are not affected by environmental contamination. However, should our site inspection and further reasonable enquiries during the preparation of the valuation lead us to believe that the land is likely to be contaminated we will discuss our concerns with you.

## 16 Insurance:

Unless expressly advised to the contrary we assume that appropriate cover is and will continue to be available on commercially acceptable terms. In particular, we will have regard to the following:

### Composite Panels

Insurance cover, for buildings incorporating certain types of composite panel may only be available subject to limitation, for additional premium, or unavailable. Information as to the type of panel used is not normally available. Accordingly, our opinions of value make no allowance for the risk that insurance cover for any property may not be available, or may only be available on onerous terms.

### Terrorism

Our valuations have been made on the basis that the properties are insured against risks of loss or damage including damage caused by acts of Terrorism as defined by the 2000 Terrorism Act. We have assumed that the insurer, with whom cover has been placed, is reinsured by the Government backed insurer, Pool Reinsurance Company Limited.

## Flood and Rising Water Table

Our valuations have been made on the assumption that the properties are insured against damage by flood and rising water table. Unless stated to the contrary our opinions of value make no allowance for the risk that insurance cover for any property may not be available, or may only be available on onerous terms.

### 17 Outstanding Debts:

In the case of property where construction works are in hand, or have recently been completed, we do not normally make allowance for any liability already incurred, but not yet discharged, in respect of completed works, or obligations in favour of contractors, subcontractors or any members of the professional or design team.

### 18 Confidentiality and Third Party Liability:

Our Valuations and Reports are confidential to the party to whom they are addressed and for the specific purpose to which they refer, and no responsibility whatsoever is accepted to any third parties. Neither the whole, nor any part, nor reference thereto, may be published in any document, statement or circular, or in any communication with third parties, without our prior written approval of the form and context in which it will appear.

### 19 Statement of Valuation Approach:

We are required to make a statement of our valuation approach. In the absence of any particular statements in our report the following provides a generic summary of our approach.

The majority of institutional portfolios comprise income producing properties. We usually value such properties adopting the investment approach where we apply a capitalisation rate, as a multiplier, against the current and, if any, reversionary income streams. Following market practice we construct our valuations adopting hardcore methodology where the reversions are generated from regular short term uplifts of market rent. We would normally apply a term and reversion approach where the next event is one which fundamentally changes the nature of the income or characteristics of the investment. Where there is an actual exposure or a risk thereto of irrecoverable costs, including those of achieving a letting, an allowance is reflected in the valuation.

Vacant buildings, in addition to the above methodology, may also be valued and analysed on a comparison method with other capital value transactions where applicable.

Where land is held for development we adopt the comparison method when there is good evidence, and/or the residual method, particularly on more complex and bespoke proposals.

There are situations in valuations for accounts where we include in our valuation properties which are owner-occupied. These are valued on the basis of existing use value, thereby assuming the premises are vacant and will be required for the continuance of the existing business. Such valuations ignore any higher value that might exist from an alternative use.

### 20 Capital Expenditure Requirement:

Where buildings are undergoing works, such as refurbishment or repairs, or where developments are in progress, we have relied upon cost information supplied to us by the client or their appointed specialist advisors.

### 21 Goodwill, Fixtures and Fittings:

Unless otherwise stated our valuation excludes any additional value attributable to goodwill, or to fixtures and fittings which are only of value, in situ, to the present occupier.

### 22 Plant and Machinery:

No allowance has been made for any plant, machinery or equipment unless it forms an integral part of the building and would normally be included in a sale of the building.

### 23 Services:

We do not normally carry out or commission investigations into the capacity or condition of services. Therefore we assume that the services, and any associated controls or software, are in working order and free from defect. We also assume that the services are of sufficient capacity to meet current and future needs.

### 24 Land and Building Apportionments:

When instructed, we will provide apportionments between land and buildings for depreciation purposes only. Such apportionments are not valuations and should not be used for any other purpose unless specified in the report.

### 25 Portfolio Valuations:

In respect of valuations of portfolios of properties, our overall valuation is an aggregate of the individual values of each individual property. The valuation assumes, therefore, that each property would be marketed as an individual property and not as part of a portfolio. Consequently no portfolio premium or discount has been reflected and any consequence of marketing a range of individual properties together has also not been reflected in our valuations. However, if adjoining or complementary properties might achieve a higher value by being marketed together (known as “prudent lotting”), we have reported the higher value that would emerge.

### 26 Rating:

Any information regarding rating has generally been obtained from the Valuation Office website. We will not investigate whether any rating assessment is a fair assessment or considered the likelihood of an appeal being successful.

### 27 Plans and Maps:

All plans and maps included in our report are strictly for identification purposes only, and, whilst believed to be correct, are not guaranteed and must not form part of any contract. All are published under licence and may include mapping data from Ordnance Survey © Crown Copyright. All rights are reserved.

# Market Value

## Definition and Interpretive Commentary reproduced from the RICS Valuation – Global Standards 2017, VPS 4 and IVS Framework

### 1.1 Market Value

1.1.1 The definition of *Market Value* as defined in IVS 104 paragraph 30.1 is:

*The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.*

1.1.2 *Market value* is a basis of *value* that is internationally recognised and has a long-established definition. It describes an exchange between parties that are unconnected and are operating freely in the marketplace and represents the figure that would appear in a hypothetical contract of sale, or equivalent legal document, at the *valuation date*, reflecting all those factors that would be taken into account in framing their bids by market participants at large and reflecting the highest and best use of the asset. The highest and best use of an asset is the use of an asset that maximises its productivity and that is possible, legally permissible and financially feasible – fuller treatment of this particular premise of value can be found at section 140 of IVS 104.

1.1.3 It ignores any price distortions caused by *special value* (an amount that reflects particular attributes of an asset that are only of value to a *special purchaser*) or *marriage value*. It represents the price that would most likely be achievable for an asset across a wide range of circumstances. *Market rent* applies similar criteria for estimating a recurring payment rather than a capital sum.

1.1.4 In applying *market value*, regard must also be had to the requirement that the valuation amount reflects the actual market state and circumstances as of the effective *valuation date*. The full conceptual framework for *market value* can be found at paragraph 30.2 of IVS 104.

1.1.5 Notwithstanding the disregard of *special value*, where the price offered by prospective buyers generally in the market would reflect an expectation of a change in the circumstances of the asset in the future, the impact of that expectation is reflected in *market value*. Examples of where the expectation of additional value being created or obtained in the future may have an impact on the *market value* include:

- the prospect of development where there is no current permission for that development and
- the prospect of *marriage value* arising from merger with another property or asset, or interests within the same property or asset, at a future date.

1.1.6 The impact on value arising by use of an *assumption* or *special assumption* should not be confused with the additional value that might be attributed to an asset by a *special purchaser*.

1.1.7 In some jurisdictions a *basis of value* described as 'highest and best use' is adopted and this may either be defined by statute or established by common practice in individual countries or states.

## IVS Framework

30.2 The definition of *Market Value* shall be applied in accordance with the following conceptual framework:

**(a) “the estimated amount”**

refers to a price expressed in terms of money payable for the *asset* in an arm’s length market transaction. *Market Value* is the most probable price reasonably obtainable in the market on the valuation date in keeping with the market value definition. It is the best price reasonably obtainable by the seller and the most advantageous price reasonably obtainable by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of value available only to a specific owner or purchaser;

**(b) “an asset or liability should exchange”**

refers to the fact that the value of an asset or liability is an estimated amount rather than a predetermined amount or actual sale price. It is the price in a transaction that meets all the elements of the Market Value definition at the valuation date;

**(c) “on the valuation date”**

requires that the value is time-specific as of a given date. Because markets and market conditions *may* change, the estimated value *maybe* incorrect or inappropriate at another time. The valuation amount will reflect the market state and circumstances as at the *valuation date*, not those at any other date;

**(d) “between a willing buyer”**

refers to one who is motivated, but not compelled to buy. This buyer is neither over eager nor determined to buy at any price. This buyer is also one who purchases in accordance with the realities of the current market and with current market expectations, rather than in relation to an imaginary or hypothetical market that cannot be demonstrated or anticipated to exist. The assumed buyer would not pay a higher price than the market requires. The present owner is included among those who constitute “the market”;

**(e) “and a willing seller”**

is neither an over eager nor a forced seller prepared to sell at any price, nor one prepared to hold out for a price not considered reasonable in the current market. The willing seller is motivated to sell the asset at market terms for the best price attainable in the open market after proper marketing, whatever that price *maybe*. The factual circumstances of the actual owner are not a part of this consideration because the willing seller is a hypothetical owner;

**(f) “in an arm’s length transaction”**

is one between parties who do not have a particular or special relationship, eg parent and subsidiary companies or landlord and tenant that *may* make the price level uncharacteristic of the market or inflated. The Market Value transaction is presumed to be between unrelated parties, each acting independently;

**(g) “after proper marketing”**

means that the *asset* has been exposed to the market in the most appropriate manner to effect its disposal at the best price reasonably obtainable in accordance with the Market Value definition. The method of sale is deemed to be that most appropriate to obtain the best price in the market to which the seller has access. The length of exposure time is not a fixed period but will vary according to the type of asset and market conditions. The only criterion is that *there must* have been sufficient time to allow the asset to be brought to the attention of an adequate number of market *participants*. The exposure period occurs prior to the valuation date;

**(h) “where the parties had each acted knowledgeably, prudently”**

presumes that both the willing buyer and the willing seller are reasonably informed about the nature and characteristics of the *asset*, its actual and potential uses, and the state of the market as of the valuation date. Each is further presumed to use that knowledge prudently to seek the price that is most favourable for their respective positions in the transaction. Prudence is assessed by referring to the state of the market at the valuation date, not with benefit of hindsight at some later date. For example, it is not necessarily imprudent for a seller to sell *assets* in a market with falling prices at a price that is lower than previous market levels. In such cases, as is true for other exchanges in markets with changing prices, the prudent buyer or seller will act in accordance with the best market information available at the time;

**(i) “and without compulsion”**

establishes that each party is motivated to undertake the transaction, but neither is forced or unduly coerced to complete it.

- 30.3 The concept of Market Value presumes a price negotiated in an open and competitive market where the *participants* are acting freely. The market for an asset could be an international market or a local market. The market could consist of numerous buyers and sellers, or could be one characterised by a limited number of market *participants*. The market in which the asset is presumed exposed for sale is the one in which the *asset* notionally being exchanged is normally exchanged.
- 30.4 The Market Value of an *asset* will reflect its highest and best use. The highest and best use is the use of an *asset* that maximises its potential and that is possible, legally permissible and financially feasible. The highest and best use *may* be for continuation of an *asset's* existing use or for some alternative use. This is determined by the use that a market *participant* would have in mind for the *asset* when formulating the price that it would be willing to bid.
- 30.5 The nature and source of the valuation inputs *must* be consistent with the basis of value, which in turn *must* have regard to the *valuation purpose*. For example, various approaches and methods *may* be used to arrive at an opinion of value providing they use market-derived data. The market approach will, by definition, use market-derived inputs. To indicate Market Value, the income approach should be applied, using inputs and assumptions that would be adopted by participants. To indicate Market Value using the cost approach, the cost of an asset of equal utility and the appropriate depreciation should be determined by analysis of market-based costs and depreciation.
- 30.6 The data available and the circumstances relating to the market for the *asset* being valued *must* determine which valuation method or methods are most relevant and appropriate. If based on appropriately analysed market-derived data, each approach or method used *should* provide an indication of Market Value.
- 30.7 Market Value does not reflect attributes of an *asset* that are of value to a specific owner or purchaser that are not available to other buyers in the market. Such advantages *may* relate to the physical, geographic, economic or legal characteristics of an *asset*. Market Value requires the disregard of any such element of value because, at any given date, it is only assumed that there is a willing buyer, not a particular willing buyer.

## 1.2 Special Value

*Special value* is an amount that reflects particular attributes of an asset that are only of value to a *special purchaser*.

A *special purchaser* is a particular buyer for whom a particular asset has *special value* because of advantages arising from its ownership that would not be available to other buyers in a market.

# Market Rent

## Definition and Interpretive Commentary reproduced from the RICS Valuation – Global Standards 2017, VPS 4 and IVS Framework

### 1.1 Market rent

#### 1.1.1 *Market rent* is defined in IVS 104 paragraph 40.1 as:

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

1.1.2 *Market rent* will vary significantly according to the terms of the assumed lease contract. The appropriate lease terms will normally reflect current practice in the market in which the property is situated, although for certain purposes unusual terms may need to be stipulated. Matters such as the duration of the lease, the frequency of rent reviews and the responsibilities of the parties for maintenance and outgoings will all impact the *market rent*. In certain countries or states, statutory factors may either restrict the terms that may be agreed, or influence the impact of terms in the contract. These need to be taken into account where appropriate.

1.1.3 *Market rent* will normally be used to indicate the amount for which a vacant property may be let, or for which a let property may be re-let when the existing lease terminates. *Market rent* is not a suitable basis for settling the amount of rent payable under a rent review provision in a lease, where the definitions and *assumptions* specified in the lease have to be used.

1.1.4 Valuers must therefore take care to set out clearly the principal lease terms that are assumed when providing an opinion of *market rent*. If it is the market norm for lettings to include a payment or concession by one party to the other as an incentive to enter into a lease, and this is reflected in the general level of rents agreed, the *market rent* should also be expressed on this basis. The nature of the incentive assumed must be stated by the valuer, along with the assumed lease terms.

### IVS Framework

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

40.2 Market Rent *may* be used as a basis of value when valuing a lease or an interest created by a lease. In such cases, it is necessary to consider the contract rent, and, where it is different, the market rent.

40.3 The conceptual framework supporting the definition of Market Value... can be applied to assist in the interpretation of Market Rent. In particular, the estimated amount excludes a rent inflated or deflated by special terms, considerations or concessions. The "appropriate lease terms" are terms that would typically be agreed in the market for the type of property on the valuation date between market *participants*. An indication of Market Rent *should* only be provided in conjunction with an indication of the principal lease terms that have been assumed.

40.4 Contract Rent is the rent payable under the terms of an actual lease. It *may* be fixed for the duration of the lease, or variable. The frequency and basis of calculating variations in the rent will be set out in the lease and *must* be identified and understood in order to establish the total benefits accruing to the lessor and the liability of the lessee.

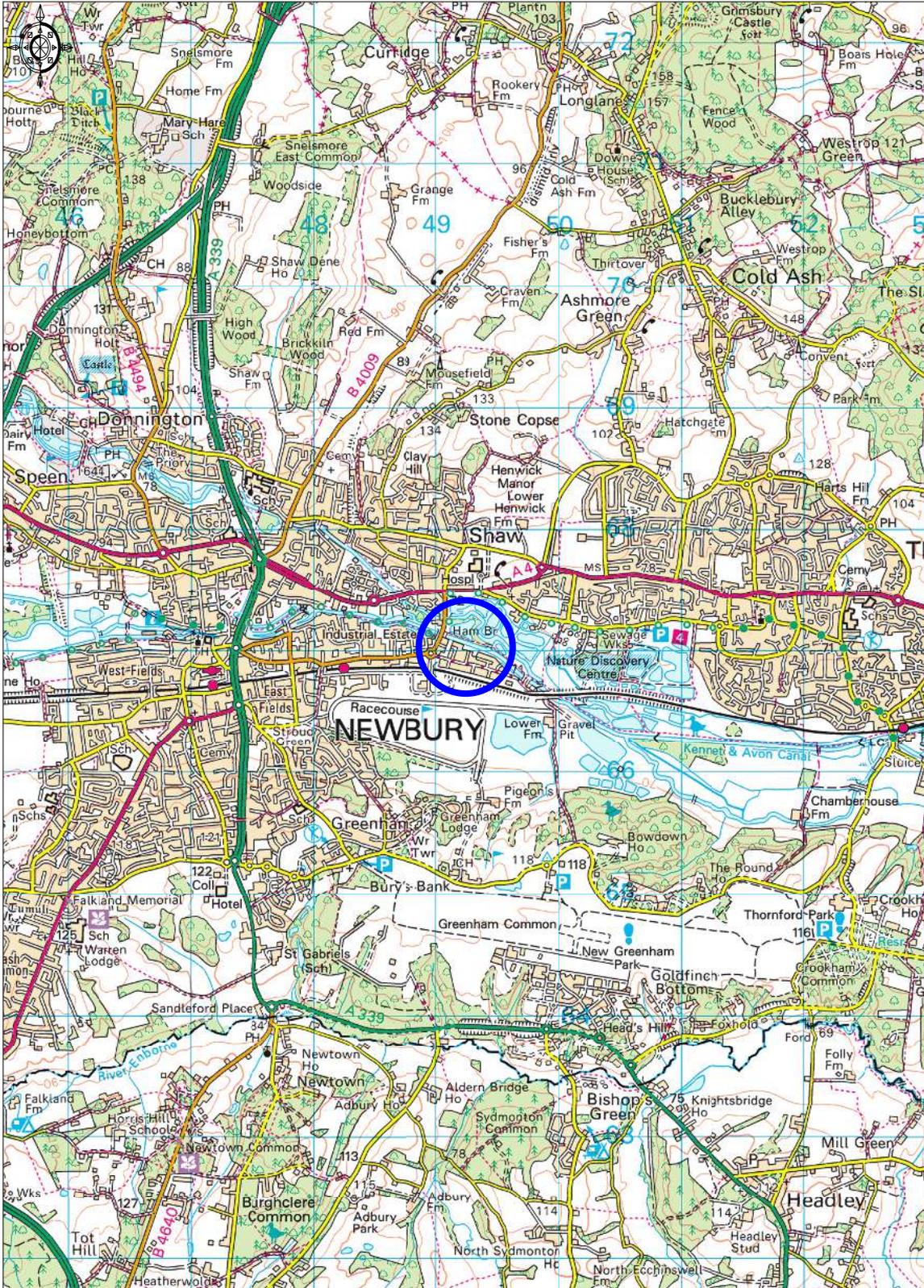
40.5 In some circumstances the Market Rent *may* have to be assessed based on terms of an existing lease (eg, for rental determination *purposes* where the lease terms are existing and therefore not to be assumed as part of a notional lease).

- 40.6 In calculating Market Rent, the *valuer must* consider the following:
- a) in regards to a Market Rent subject to a lease, the terms and conditions of that lease are the appropriate lease terms unless those terms and conditions are illegal or contrary to overarching legislation, and
  - b) in regard to a Market Rent that is not subject to a lease, the assumed terms and conditions are the terms of a notional lease that would typically be agreed in a market for the type of property on the valuation date between market participants.

## Appendix 3

### Location Plans and Maps

Plot A, Express Way  
Newbury  
Berkshire  
RG14



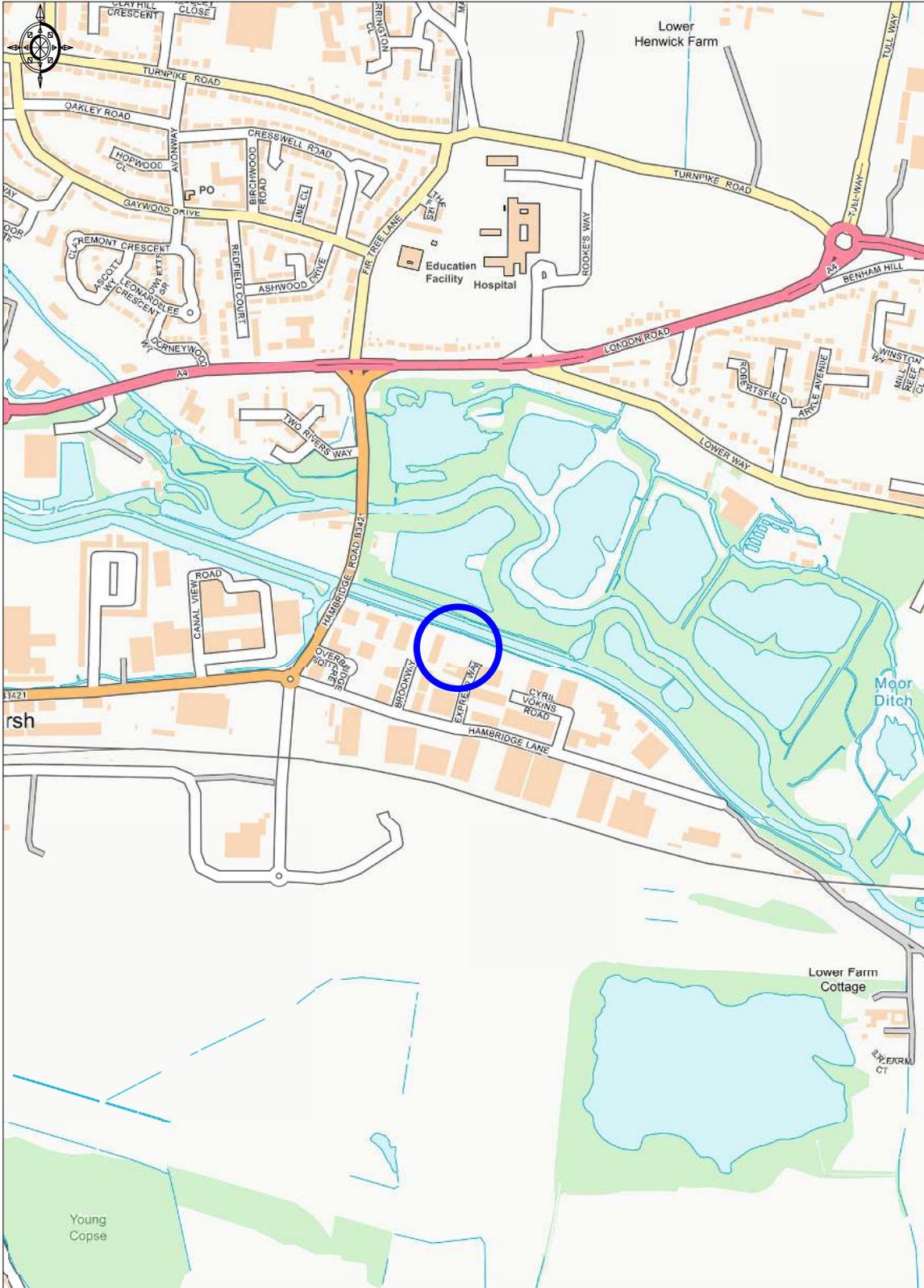
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Plot A, Express Way  
Newbury  
Berkshire  
RG14



Plot A, Express Way  
Newbury  
Berkshire  
RG14



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## Appendix 4

### Photographs



Service Lane



View West



View East



Boundary with the river



View South



Access



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