

Valuation Report



Address	294-300 Grimshaw Lane, Middleton, M24 2XL
Client	Proplend Security Ltd
Borrower	Umeshkumar Parekh & Hamantkumar Parekh
Date	24 th October 2021
Our Ref	VALL487
Your Ref	SP

Confirmation of Instructions

Bank/Lender/Addressee	Proplend Security Ltd
Borrower	Umeshkumar Parekh & Hamantkumar Parekh
Purpose of Valuation	Secured Lending
Property/Properties	294-300 Grimshaw Lane, Middleton, M24 2XL
Conflicts of Interest	We have previously provided a portfolio report to you dated 27 th May 2021 on this and other properties. This report is effectively an update alongside updated photos following a re-inspection. We do not consider ourselves conflicted.
Inspection Date	15 th October 2021
Valuation Date	24 th October 2021
Valuer	David Cran MRICS RICS Registered Valuer who has sufficient current local and national knowledge of the relevant markets, as well as, the appropriate skills, qualifications, experience and understanding to undertake the valuation competently.
Reviewer	Richard Rafique MRICS RICS Registered Valuer
Professional Indemnity Insurance	Bradley Hall holds appropriate Professional Indemnity Insurance adequate for this instruction as outlined in our Terms of Business which is limited to £5m. This amount shall be an aggregate cap on our liability to all relying parties together.
Confirmation and Standards	We confirm the Valuation and Report has been undertaken in accordance with the RICS Valuation Standards – Global Standards, which incorporate the International Valuation Standards (“IVS”) and the RICS UK Valuation Standards (the “Red Book”), edition current at the Valuation date.
Sources of Information	Generally speaking information within this report has been taken from open government and local authority websites. Some information is obtained internally, and where this is relevant we have made this clear, other information may be taken from subscription websites. We note the following sources which are utilised in most reports: Land Registry, Valuation Office Agency, GOV.UK, Coal Authority, Heritage Gateway, Rightmove, CoStar, Edozo, Creditsafe, BCIS.

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1. Executive Summary

Property Address	294-300 Grimshaw Lane, Middleton, M24 2XL	
Location	Situated in a suburban mixed use retail and residential area in Middleton.	
Description	Overview:	Comprising x2 double fronted retail units with x4 2 bedroom duplex flats above.
	Accommodation:	Total IPMS2 432.43sqm / 4,655sq ft
	Condition:	Fair
Planning	Use class E and C3	
Tenure	Leasehold	
Tenancy Overview	Gross Passing Rent	£52,720 per annum
	General Lease terms	Mix of AST and commercial leases, fully let
Valuations	MV1 – tenanted	£520,000 (Five Hundred and Twenty Thousand Pounds)
	MV2 – tenanted and 90 day marketing period	£415,000 (Four Hundred and Fifteen Thousand Pounds)
	MV3 – vacant possession	£425,000 (Four Hundred and Twenty-Five Thousand Pounds)
	Market Rent	£44,480 per annum (Forty-Four Thousand Four Hundred and Eighty Pounds per annum)
	Insurance Reinstatement Cost	£850,000 (Eight Hundred and Fifty Thousand Pounds)
Sales Profile	Likely Purchaser Market	Investor
	Timescale to Sale	6 to 12 months
	Timescale to Let	3 months for flats up to 12 months for retail
Strengths	<ul style="list-style-type: none"> Fully let mixed use investment Mostly well presented 	
Weaknesses	<ul style="list-style-type: none"> Some flats would benefit from redecoration Generally low value area 	
Opportunities	<ul style="list-style-type: none"> None save for minor refurbishment 	
Threats	<ul style="list-style-type: none"> Ongoing uncertainty caused by Covid19 Ongoing threat of tenant failure due to the pandemic Poor asset management resulting in longer term adverse impacts on realisations 	
Lender Action Points	<ol style="list-style-type: none"> A full Report on Title should be obtained Verify our understanding of the leases and tenancy agreements An asbestos survey is required A mining search should be obtained unless already held Clarity around gas storage on site 	
Regulated Mortgage	In our opinion more than 40% of the total area of the property, being taken as security, is occupied as residential accommodation. However, this is to be occupied by 3 rd parties and not your borrower.	
Economic Life	25+ years, subject to ongoing programme of maintenance and repair	
Suitability for Security	Yes - subject to the report commentary	

2. Location

City/Town

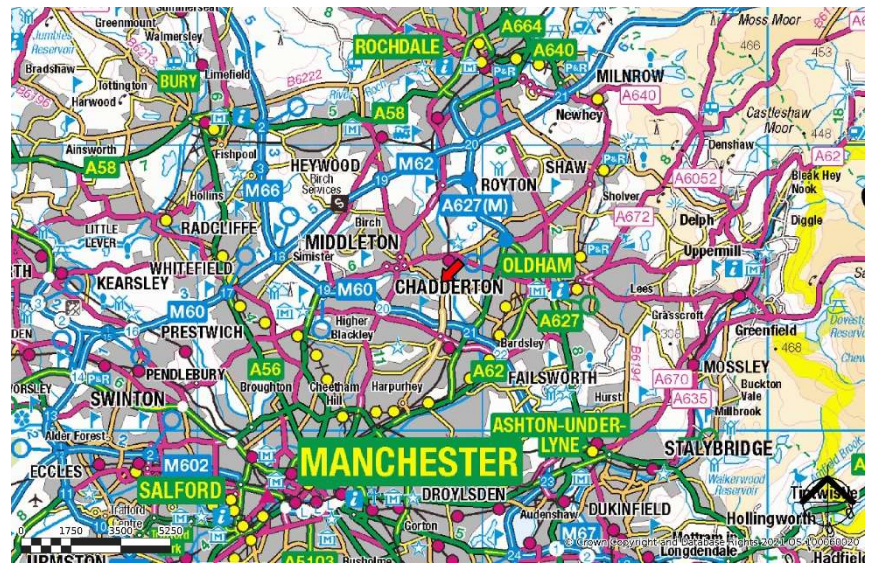
Middleton is a town in the Metropolitan Borough of Rochdale, Greater Manchester. It is situated just outside of the outer Manchester ringroad being the M60.

Demographics

Population – 45,000

Distance to key areas

Location	Miles
Manchester	6.5
Oldham	5.5



3. Situation

Locality

Suburban retail parade within Middleton. Busy main road but limited parking in immediate vicinity. Large number of (generally low value) residential dwellings in the area.

Type of area

Mixed, generally low value

Neighbouring occupiers

Mix of residential and retail



4. Site

Land Registry Title No.

LA161214

Tenure

Leasehold – remained of 999 year lease with rent we understand reserved at a peppercorn.

Transaction History

Unclear based on documentation and current owner listed as £63,000 in 2014 but not clear if included additional property or not.

Site Area

256sq m / 2,7596sq ft

Description of site and coverage

Predominantly developed with small yard to the rear.

The title opposite insinuates that the subject unit abuts the side road, this is not the case, the lender should have your legal advisors review to clarify this discrepancy.



Note:

A full Report on Title should be obtained by way of confirmation of the tenure position and we recommend that your legal advisors confirm our understanding of the lease terms as reported.

5. Description and Construction

Description	Comprising substantial mixed investment comprising x2 double fronted retail units, trading as a convenience store and restaurant, with x4 2 bedroom duplex apartments above. Brick construction with recently replaced tiled roof.
Approximate Age	Early 1900's
Construction	Brick elevations, likely cavity, with upvc double glazed windows. Pitched and tiled roof with mix of suspended timber and solid floors.

Front Elevation



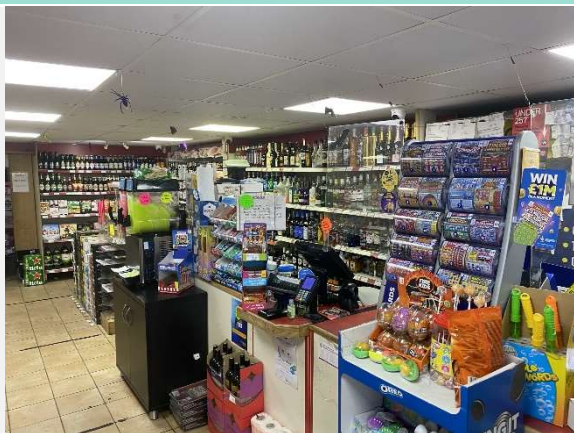
Front Elevation



Services	Water	Mains
	Gas	Mains
	Electricity	Mains
	Lighting	Standard residential/fluorescent tube and spotlighting
	Sewers and Drainage	Mains
	Heating	Gas fired to flats, none to retail
	Other	



Accommodation	Shop – NIA – 116.32sq m / 1,252sq ft
	Restaurant – NIA – 65.34sq m / 703sq ft
	Apartments – total GIA – 229.48sq m / 2,470sq ft
	Total IPMS2 (not total of above) – 432.43sq m / 4,655sq ft

Convenience Store



Restaurant



Restaurant	Typical flat kitchen
	
<p>Measurement Type and Source of Areas</p>	<p>The floor areas have been measured on site and stated with reference to the current edition of the RICS Code of Measuring Practice.</p>
<p>Condition and Repair</p>	<p>Generally good albeit some apartments would benefit from programme of modernisation with dated kitchen and bathroom fixtures and fittings.</p> <p>We noted to the rear gas canisters being stored for the restaurant. These were not safely stored. Formal secure storage is required for gas canisters.</p> <p>We noted in the convenience store, storeroom area, that there were some patched repairs to the ceiling, it is not clear whether this repair meets fire regulations due to poor fitting, this should be reviewed by your applicant immediately.</p>
<p>Restriction on Inspection</p>	<p>Although we have inspected the property we have not carried out a structural survey, nor have we inspected woodwork or other parts of the structure which are covered, unexposed or inaccessible and we are therefore unable to report that such parts of the property are free from rot, beetle or other such defects.</p> <p>For the purpose of this Report we have assumed such parts to be in a good repairing condition. This Report however will not purport to express an opinion about or to advise on, the condition of uninspected parts and should not be taken as making an implied representation or statement about such parts.</p> <p>For the purposes of this Valuation we have assumed that the property is free of all structural, latent and other defects and we have only had regard to items of disrepair that were patent and significant at the time of our inspection and would materially affect the Market Value. No allowances have been made for any rights, obligations or liabilities which might arise under the Defective Premises Act (1972).</p>

6. Environmental Enquiries

Are there any signs of ground contamination?	No	Long standing retail and residential area, unlikely to adversely impact value.		
Asbestos	No Report	An asbestos survey is a legal requirement and one should be undertaken. We have valued on the assumption that no matters requiring urgent/costly action will be identified.		
Radon	Not Affected	If radon gas is identified, then remedial works can normally be carried out at a cost that would not be material to our valuation advice.		
Adverse ground conditions	No	We did not note any adverse ground conditions.		
Flood Risk	Zone 1	We have assumed that full insurance cover is available in respect of flooding risks and this should be confirmed.		
Is the property within a mining area?	Yes	The property is situated in an area affected by coal mining. We would recommend a coal mining search is carried out, prior to lending.		
Invasive Species	Not Present	Most species are very difficult to identify at certain times of the growing season or if cut back. We are not experts in this sector.		
Has an EPC been prepared for the property?	Yes	Address	Rating	Expiry
		294-300 Grimshaw Lane, Middleton, M24 2XL	C	27 th February 2030
		294a Grimshaw Lane, Middleton, M24 2XL	C	24 th February 2030
		296a Grimshaw Lane, Middleton, M24 2XL	C	24 th February 2030
		298a Grimshaw Lane, Middleton, M24 2XL	C	24 th February 2030
		300a Grimshaw Lane, Middleton, M24 2XL	C	24 th February 2030

7. Statutory Enquiries

Local Planning Authority	Rochdale Metropolitan Borough Council
Planning Permission	Application under 18/00393/FU: was granted to change of use from A1 to A5 in 2018. Ultimately now used as a restaurant and adjacent convenience store which are both with use class E.
Listed Building	Not listed
Conservation Area	No
Local Development	We are not aware of any development proposals for the immediate area that may have an adverse effect upon the property.
Access	The property is accessed directly from Grimshaw Lane, and this is an adopted highway and thus responsibility for repairs and maintenance is the responsibility of the local authority.
Licensing	n/a
Equality Act	We considered the implications of the EA 2010 when inspecting the property and believe that the design and layout may not comply with this legislation owing to the age and nature of the building.
Fire Safety	We recommend the Client obtains a copy of the report should one exist. If one does not exist, we would recommend that one is commissioned and that it is adhered to fully. The valuation assumes that if an FRA has not been carried out the property does, or could easily, comply with The Regulatory Reform (Fire Safety) Order 2005, and that the cost of adaption would not be valuation significant.
Building Regulations or Warranties	Where applicable, we assume that all building regulations have been adhered to and signed off by a building inspector. We also assume that any building warranties have been provided and are reliable upon by applicant, lender and any future purchaser.

Rateable Value

Address/Unit	Description	Rateable Value
294-300 Grimshaw Lane, Middleton, M24 2XL		Not registered

Council Tax

Address/Unit	Council tax Band
294a Grimshaw Lane, Middleton, M24 2XL	A
296a Grimshaw Lane, Middleton, M24 2XL	A
298-300 Grimshaw Lane, Middleton, M24 2XL	A

8. Market Commentary

UK Market

The UK economy shrank by 9.9% in 2020, the largest annual contraction for 300 years. However, a double-dip recession looks to have been avoided, with GDP growth of 1% in the final quarter ahead of most economists' predictions. The Office for National Statistics' quarterly figures showed the services sector grew by 0.6%, production by 1.8% and construction by 4.6% in 20Q4, although output in all three industries remained below pre-pandemic levels.

The easing of government measures in the run-up to Christmas was reflected in monthly GDP figures, with GDP growing by 1.2% in December after falling by 2.3% in November. Much of December's gain was driven by accommodation and food services, although quarterly output in food and services remained weak for the fourth quarter overall. Extra support has been provided to mitigate the economic damage. The furlough scheme has been extended until April 2021 in a bid to curb further rises in unemployment (the unemployment rate rose to 5% in the three months to November 2020), while the Bank of England announced another £150 billion of quantitative easing in November.

Renewed lockdown measures post-Christmas are likely to result in a negative outturn in the first quarter of 2021, although the successful vaccination programme should lead to a consumer-spending-led recovery thereafter. On 19th January, Oxford Economics revised its 2021 GDP forecast downwards to reflect the impact of the third national lockdown. The firm expects the economy to grow by 5.4% this year, down from the 6% previously expected, with growth of 5.8% forecast for 2022. Total employment is predicted to decline by 2% in 2021, equating to a further 700,000 job losses, before rebounding by 2.7% in 2022.

Sector Performance

The retail market has and continues to perform poorly. The frequent lockdowns over the last 15 months has resulted in a substantial number of tenant failures across the spectrum from national occupiers to individual one off shop owners. Even sectors whereby they were permitted to open have shown substantial losses.

There has been a fall in transactions within the secondary retail market whilst landlords seek to shore up rental incomes and lenders have been reasonably relaxed with allowances of interest or mortgage holidays. It is anticipated that as the year moves on and landlords look to re-let assets many more will come to market and it is expected capital values will be substantially lower than pre-pandemic.

The subject units are all split between commercial and residential and this diversification of income will continue to make the units appear attractive to investors with the residential income representing roughly 35% of the total portfolio income. Even so, with the lack of good recent transactional evidence the lender should be aware there is an element of **valuer uncertainty** associated with our assessment.

9. Tenancies and Occupational Interests

<p>Tenancy Overview</p>	<p>Convenience store – to expire 1st April 2025 effective FRI lease at £25,000 per annum.</p> <p>Restaurant – Rent of £9,600 per annum, no documentation provided. Let January 2021.</p> <p>Apartments – let on assured shrothold tenancy agreements with all set to expire in 2022 with 2 in January, 1 in March and 1 in June. Rents of £380pcm for 294a and 296a £350pcm for 298 and £400pcm for £300.</p> <p>Total passing rent - £52,720</p>
<p>Covenant Analysis</p>	<p>All units occupied by effectively local covenant strength occupiers, which is common for units of this type and in this location.</p>

10. Valuation Evidence and Definitions

Market Rent	The RICS definition of Market Rent is <i>“the estimated amount for which a property would 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.”</i>
Market Rent assumptions	Market Rent is defined as "the estimated amount for which a property would 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. “
Market Value	The RICS definition of Market Value is <i>“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 where the parties had each acted knowledgeably, prudently and without compulsion.”</i> Market Value is understood as the value of an asset or liability estimated without regard to costs of sale or purchase, and without offset for any associate taxes.
MV1 – assumptions	Subject to tenancies as detailed within the report and reasonable period of marketing and phased sales.
MV2 – assumptions	Subject to tenancies as detailed within the report and phased sales with a special assumption that units are disposed of within a 90 day marketing period.
MV3 - assumptions	Subject to reasonable marketing and phased sales with a special assumption that all of the units are vacant.
Valuation Methodology	We have utilised the comparable/investment method of valuation when assessing this property. We may have used other methods as a sense check or in conjunction with our approach. This has been made clear within our assessment.

11. Valuation Commentary

Comparables

Market Rent

1. 66-68 Rochdale Rad, Middleton – 911 sq ft retail unit on main road but not forming part of an established parade. £10,200 in August 2019 reflecting £11.19psf.
2. 145 Jubilee Road, Middleton – Small lock up shope in nearby comparable parade let July 2019 for £6,600 reflecting £21.49psf.
3. Grimshaw Lane, Middleton – 1 bedroom flat in converted former commercial property available at £550pcm.
4. 932 Rochdale Road, Manchester – 2 bedroom flat in lower value locality available at £625pcm.

Market Value

1. 77 Culceth Lane, Manchester – Former public house converted to 4 retail units and 2 first floor flats. Unsold at £323,000 reflecting 12.41% yield.
2. 88-90 Old Church Street, Manchester – Coral racing investment with strong covenant occupier. Flat above was vacant. 7.49% NIY. Superior investment.
3. 1051 Oldham Road, Manchester – Former bank now let as retail unit with 2 flats above sold March 2021 for £330,000 reflecting 7.66% net yield.

Applied Values and Yields

In line with the above we have applied a rate of £15psf to the restaurant reflecting the fixtures and fittings and size of the unit and a rate of £12.50psf reflecting a small discount for quantum and in line with notable drop for larger units in the evidence above.

In line with the above we consider the passing rent of the apartments to be reflective of market rent. These generally reflect £350pcm to £400pcm. This reflects the secondary location

The building is generally well maintained and well managed with good levels of occupancy. It fronts a busy main road and we would anticipate reasonable demand from investors. It is however at the larger end of the comparable scale. We have applied an 8% yield against the term and 9% against the reversion reflecting a discount against the above sales albeit reflecting the comparables are mostly auction sales. We have applied an 8% yield to the residential element. Our assessment reflects an overall net yield of 9.69% which is fair compared to the above sales.

MR	£44,480 per annum (Forty-Four Thousand Four Hundred and Eighty Pounds per annum)
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MV1	£520,000 (Five Hundred and Twenty Thousand Pounds)
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Special Assumption Valuations

MV2	Our assessment here reflects a 20% discount and moves the yield out to 12.35% which reflects that a unit of this size will be difficult to dispose of at auction.
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Value	£415,000 (Four Hundred and Fifteen Thousand Pounds)
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MV3	Under this scenario rent has been deferred 12 months and we have moved the yield out by 1%, it is built on our assessment of market rent which reflects a discount against passing rent.
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Value	£425,000 (Four Hundred and Twenty-Five Thousand Pounds)
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12. Valuation Summary

MV1	£520,000 (Five Hundred and Twenty Thousand Pounds)
MV2	£415,000 (Four Hundred and Fifteen Thousand Pounds)
MV3	£425,000 (Four Hundred and Twenty-Five Thousand Pounds)
MR	£44,480 per annum (Forty-Four Thousand Four Hundred and Eighty Pounds per annum)
Reinstatement	£850,000 (Eight Hundred and Fifty Thousand Pounds)
Security for Loan	In our opinion, subject to the comments and assumptions contained below and elsewhere in this Valuation Report, the Freehold interest in the Property provides reasonable security for the purposes of a loan over a period of 25 years (subject to the adequacy of capital and income cover). This is without opinion as to the commercial decision to lend, which remains with the Bank.

13. Compliance and Sign Off

Compliance

This report has been prepared in accordance with Royal Institution of Chartered Surveyors (“RICS”) Valuation – Global Standards January 2020 (incorporating the International Valuation Standards).

Professional Indemnity Insurance

Bradley Hall holds appropriate Professional Indemnity Insurance adequate for this instruction as outlined in our Terms of Business which is limited to £5m. This amount shall be an aggregate cap on our liability to all relying parties together.

Assumptions

We have made various assumptions including but not limited to tenure, letting, town planning, build costs, environmental factors, condition and repair

If any of the information or assumptions on which the valuation is based are subsequently found to be incorrect, the valuation figures may also be incorrect and should be reconsidered.

Variation from Standard Instructions

None

Verification

We recommend that before any financial transaction is entered into based upon this valuation, you obtain verification of the information contained within our property report and the validity of the assumptions we have adopted.

We would advise you that whilst we have valued the Properties reflecting current market conditions, there are certain risks which may be, or may become, uninsurable. Before undertaking any financial transaction based upon this valuation, you should satisfy yourselves as to the current insurance cover and risks that may be involved should be uninsured loss occur.

Independence

We confirm that Bradley Hall, and their valuers, have not had any involvement with the Properties or the client in the last two years.

Capacity of Valuer

External

Valuer

The property/properties has/have been valued by a valuer who is qualified for the purpose of the valuation in accordance with RICS Appraisal and Valuation Standards.

Reliance

This Report and Valuation is for the use of the party to whom it is addressed (the “Addressee”), as per the Confirmation of Instructions section of this Report, for the specific purpose set out herein and no responsibility is accepted to any third party for the whole or any part of its contents.

Publication

Neither the whole nor any part of our respect nor any references thereto may be included in any published document, circular or statement nor published in any way without prior written approval of the form and contest in which it will appear.

Inspecting Valuer:	David Cran MRICS RICS Registered Valuer For and on behalf of Bradley Hall
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Reviewing Valuer:	Richard Rafique MRICS RICS Registered Valuer For and on behalf of Bradley Hall
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Appendix 1 – Report Assumptions, Disregards, Compliance and Regulation

Tenure

It is assumed that the title to the property is as described and as referred to in this report and that the property has a good and marketable title to the estate or interest which we have valued. Unless indicated to the contrary, title deeds and/or lease documents have not been inspected or seen. Any interpretation of the leases and other legal documents and any legal assumptions are given in the capacity as valuers and must be verified by a suitably qualified lawyer if they are to be relied upon.

It is assumed that the property is not subject to any unusual or especially onerous covenants, easements, rights of way, restrictions, encumbrances or outgoings which might affect the valuation or which might prevent all or part of the property from being properly used (whether in its own right or, if relevant, in connection with the business). We have assumed that the property has lawful and proper direct access from a publicly maintained highway without payment of any fee or contribution.

All Leases are assumed, unless otherwise stated, to have been drawn up in a fully assignable standard commercial format protected under the Security of Tenure provisions of the Landlord & Tenant Act 1954. We also assume that there are no outstanding dilapidation or other obligations and that the normal forfeiture clauses apply in the event of non-payment of rent, breach of covenant, bankruptcy etc.

We assume that your solicitors will prepare a Report on Title which will confirm the above assumptions. If this does not confirm the title assumptions made or highlights the existence of easements, restrictive covenants etc., then this may alter the Valuations reported.

Inspection and Site Conditions

In preparing the Report regard has been had to the apparent state of repair, construction and condition of the property, taking into consideration major defects which are obvious in the course of a visual inspection of so much of the exterior and interior of the property as is accessible at the time of inspection with safety, and without undue difficulty. During the course of the inspection, we have viewed those parts of the property as can be seen whilst standing at ground level within the boundaries of the site and adjacent public/communal areas and whilst standing at the various floor levels, which we consider reasonably necessary to provide the Report, having regard to its purpose.

We have not examined those parts of the property which are covered, unexposed or inaccessible, or to raise boards, inspect woodwork, move anything, or use a moisture detecting meter. Neither shall we have a duty to verify the existence of and/or arrange for the testing of plant and equipment, including but not limited to electrical, heating, drainage or other services, service installations and appliances which, unless indicated to the contrary, have been assumed to be in a working and serviceable condition. We are unable to test the adequacy or otherwise of any private drainage system or water supply.

Where further investigations are recommended in relation to the repair or maintenance of the property, unless indicated otherwise, these should be undertaken by a Chartered Building Surveyor. Whilst our Valuations take into account the general appearance of the property, we have made the clear assumption that no significant property defects of a capital nature will be identified. If this is not the case, then we would wish to review the Valuation advice provided, upon receipt of a fully costed schedule of the required work.

Unless otherwise stated, any signs of structural movement within the property are assumed to be of an historic and non-progressive nature. If the property is of architectural or historic interest, or listed as such, or is in a Conservation Area or of an unusual construction, appropriate specialist advice should be sought before carrying out works.

Measurements

Where given, any floor areas and dimensions are taken from inspection unless otherwise specified and are approximate measurements only. Areas quoted are calculated in accordance with the RICS professional statement, RICS property measurement 2nd edition, February 2018 (effective from 1 May 2018), unless the Client has instructed otherwise or a reason for departure has been indicated within the report. We have no knowledge of any responsibilities for fencing or of any boundary disputes or claims and legal advice should be sought in this respect. Site areas quoted are not derived from a physical site survey and are approximate unless otherwise indicated

Environmental Health

We have assumed that no contaminative or potentially contaminative uses have ever been carried out in or adjoining the Property. Unless otherwise stated, we are not aware of the content of any environmental audit or other environmental investigation or soil survey which may have been carried out on the Property and which may draw attention to any contamination or the possibility of any such contamination. Should it be established subsequently that any contamination seepage or pollution exists at the Property or on any neighboring land, or that the Property has been or is being put to a contaminative use, this might reduce the values reported.

Equality Act

For valuation purposes we have assumed that no significant costs of a capital nature are required to comply with this legislation. Should this not be the case then we may wish to review the valuation opinion provided, upon receipt of a costed schedule of the required actions, provisions or works.

Fire

New UK Fire Regulations came into force on 1 October 2006. Full details can be found at www.opsi.gov.uk/si/si2005/20051541.html The business "occupier" of any commercial premises, as the "responsible person", now has a primary duty to carry out a Fire Risk Assessment, to act on its findings, to implement a fire safety policy and to train staff appropriately. We have not inspected the relevant fire safety policy documentation and we assume that solicitors will verify that the property/business is fully compliant with the findings of a competent Risk Assessment.

Planning

We have made website enquiries of the local planning authority and have relied upon the information given to us. In the event that more or differing information comes to light following a more detailed planning search then we reserve the right to amend our valuation accordingly. For Valuation purposes we have assumed that there are no outstanding planning issues, and no undue restrictions on the current/proposed business format.

Licensing

The provisions of the Licensing Act 2003 are now in force and appropriate new-style 'Premises' and 'Personal' Licences as issued by the Local Authority should be in place. Such Licences have been assumed to be in place for Valuation purposes. Unless otherwise stated, we have also assumed that there are no onerous conditions or undertakings that affect the licence(s).

Energy Performance Certificates/ Energy Act 2011

In England & Wales, from October 2008, the sale, letting and construction of all residential and commercial property requires the provision of an Energy Performance Certificate (EPC). On 18 October 2011 the Energy Bill became the Energy Act 2011. The Act includes a provision to ensure that from 1 April 2018 it will be unlawful to rent out business premises to new or renewing tenants that do not reach a minimum energy efficiency standard. In February 2015 the Government confirmed that this minimum rating will be E and the new rules will be extended to cover all leases by 1 April 2023.

With effect from 6 April 2012 an EPC has to be made available prior to marketing. The EPC rating may therefore have an effect on values where those properties with F and G ratings become less marketable if they require material levels of expenditure in order to upgrade to an acceptable rating.

The Energy Act also provides that from April 2016, private residential landlords will be unable to refuse a tenant's reasonable request for consent to energy efficiency improvements where a finance package, such as the Green Deal and/or the Energy Company Obligation (ECO), is available. The Act further provides powers to ensure that from 1 April 2018, it will be unlawful to rent out a residential property that does not reach a minimum energy efficiency standard of E and this will be extended to all leases in 2020.

Asbestos

Under the Control of Asbestos Regulations 2002 (as amended in 2006 and 2012) it is necessary for property owners/occupiers to undertake an inspection for asbestos in all non-domestic properties (to include common parts of shared residential dwellings). Following this exercise there are a number of requirements, including the need for an asbestos management plan to be drawn up and implemented. For valuation purposes we have assumed that no significant costs of a capital nature have/will be identified as part of this investigation process. Should this not be the case then we may wish to review the valuation opinion provided, upon receipt of a costed schedule of the required works.

Flooding

If we have indicated that the Property is located within an area that could be affected by flooding then an enquiry should be made of The Environment Agency to ascertain whether or not there is any history of flooding affecting the Property. For valuation purposes we have assumed that there is no such history and that full insurance cover in respect of flooding risk is available, without payment of an excessive premium.

Landslip / Subsidence

Unless otherwise stated, we are not aware of any evidence of subsidence, heave or landslip at or in the vicinity of the property and have assumed that no such problems exist and that, in any event full insurance cover would be available in respect of all associated risks. We confirm that we have not made any detailed investigations in this regard.

Radon

The National Radiological Protection Board, which merged with the Health Protection Agency on 1 April 2005, to form its new Radiation Protection Division, has identified the areas in which, in more than 1% of dwellings, the levels of radon gas entering the property are such that remedial action is recommended.

If we have indicated that the subject property is situated within such an area, we recommend the use of the relevant test and result service, which is available from the Health Protection Agency. We have provided our Report on the assumption that radon is not detectable at a level which would require remedial action.

Invasive Species and Japanese Knotweed

There are 36 non-native invasive species defined by The Wildlife and Countryside Act 1981, (amended in April 2010); section 14 of the act details the law relating to the introduction of new species and Schedule 9 lists those plants classified

as non-native invasive species. Many invasive plants are of limited importance in the context of value, while most are not commonly identifiable to those who are not experienced botanists.

The most deleterious non-native invasive species is Japanese Knotweed due to its destructive influence on built structures and the difficulty and cost of eradication. Due to the cost of eradication, attempts can be made by owners/vendors to disguise the presence of this plant by removal of surface vegetation and the covering of surfaces with ornamental materials or landscaping features; we have not undertaken an intrusive inspection in this regard. We recommend that enquiries are made of vendors/owners at the legal due diligence stage, when an undertaking should be sought that no infestation of Japanese Knotweed has been experienced at the property.

At the time of inspection, where non-native invasive species have been identified at the property or within the local area, we have detailed the nature of such infestation, its location and a recommended course of action. In the absence of any features which would clearly identify any invasive species our Report is provided on the assumption that no invasive species are present to a level which would require remedial action.

Basis of Value

The Royal Institution of Chartered Surveyors considers that the appropriate basis of value to be used for all valuations or appraisals undertaken for secured lending is 'Market Value'. Market Value is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion". Market Value is understood as the value of an asset or liability estimated without regard to costs of sale or purchase, and without offset for any associated taxes.

Any special assumptions made in calculating the Market Value will be agreed with the Client in advance and referred to within the Report. Any other bases of valuation considered appropriate in individual instances will be detailed separately. The Royal Institution of Chartered Surveyors defines Market Rent as "the estimated amount for which a property would 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."

Market Rent within our Report, unless otherwise stated, will be assessed upon the assumption that the property is fit for occupation, no premium is required and there are no tenant incentives. It will also assume a new, standard full repairing/insuring commercial lease, without onerous obligations or conditions, of at least a fifteen-year term and a rent review period of no longer than five years.

Estimate of Reinstatement Cost Assessment

If the Report includes an estimate of reinstatement cost assessment, this is an informal guide of the cost for insurance purposes of reinstating the property and is given without liability. A formal assessment for insurance purposes can only be given by a Quantity/Building Surveyor or other professional with sufficient current experience of such costs, following the preparation of a full bill of quantities. This is particularly relevant in the case of Architecturally Listed buildings and those properties situated within Conservation Areas, National Parks and the like or in cramped city centre or other unusual locations. The guide provided within our Report assumes:

- reinstating the property with an equivalent structure
- the use of modern materials and construction techniques
- the adherence to all current statutory requirements
- no allowance is made for inflation
- demolition and site clearance
- professional and statutory fees

However excludes VAT (including that payable on fees) and loss of rent and/or cost of alternative accommodation for the reinstatement period.

Appendix 3 – Additional Photographs

Rear elevation



Rear elevation



Flat boiler



Modernside flat



Convenience store



Gas stored to rear



Appendix 4 – Tenancy Schedule

Address	Tenant Name	Passing rent pcm/pa	Lease Expiry	Notes
Grimshaw				
294a	Private Individual	£380 / £4,560	Expires 10 th Jan 2022	Standard AST
296a	Private Individual	£380 / £4,560	Expires 18 th March 2022	Standard AST
298	Private Individual	£350 / £4,200	Expires 2 nd June 2022	Standard AST
300	Private Individual	£400 / £4,800	Expires 11 th Jan 2022	Standard AST
298-300	Private Individual	£25,000	Expires 1 st April 2025	Commercial lease effective FRI
294-296	Private Individual	£9,600 (assumed as not agreement provided)	No agreement provided	Assumed lease and effective FRI

Appendix 5 – Instructions/Terms of Engagement



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

Attn: David Cran,
 Bradley Hall Chartered Surveyors,
 Pure Offices,
 LS27 7LE

Ref: SP
 Umeshkumar Parekh & Hamantkumar Parekh

Dear Sirs,

You are instructed to provide a report and valuation of the Property for secured loan purposes in accordance with the RICS Valuation - Global Standards 2020 'the Red Book'.

The report is to be addressed to Proplend Security Limited (the "Security Trustee") in accordance with the terms set out in this instruction letter who will rely on the Valuation as Security Trustee.

The Professional Indemnity Insurance Policy must be in your own name effected and maintained with an insurer approved by the Royal Institution of Chartered Surveyors providing you with full cover against your potential liabilities under your report and valuation including without limitation claims for breach of instructions and claims for professional negligence.

You will not do anything which might invalidate any Professional Indemnity Insurance Policy or to prejudice our entitlement thereunder. You will on request provide us with evidence of the existence and renewal of the Professional Indemnity Insurance Policy, the name of the insurer and proof of payment of the premium.

We never lend on security of property where we are aware that the borrower or any related or connected person uses or intends to use the property as a dwelling. Please report to us who is in occupation of the property and let us know immediately if you believe or suspect that that the borrower or any related or connected person uses or intends to use the property as a dwelling.

Timing – The Valuation Report should be completed within 5 business days of the inspection. Please notify us if there will be any delay.

Access – To arrange access to the Property please contact the Borrower directly (details below). Please provide details of any parts of the Property that were not inspected within your report.

By accepting this instruction, you are agreeing that the Valuation may be read by Proplend Members whom have no reliance on the valuation. Only the Security Trustee has reliance.

Borrower:	Umeshkumar Parekh & Hamantkumar Parekh
Contact Name:	Umeshkumar Parekh
Phone Number:	07711 373516
Email:	umeshparekh27@googlemail.com
Properties:	294-300 Grimshaw Lane, Middleton, Manchester, M24 2XL and 10A, 10, 12 & 12a Eastway, Sale, Manchester, M33 4DX
Tenure:	Freehold
Use:	Mixed Use (Residential)
Tenancies:	Multiple Tenants
Access:	To arrange access to the Property please contact the client directly - Umeshkumar Parekh on 07711 373516.

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



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

Instruction

The report containing your valuation (Valuation Report) should be addressed to Proplend Security Limited which must clearly state that it can be relied upon for the purposes described in this instruction letter by the parties named herein. Please ensure that the Valuation Report accords with the current RICS Appraisal and Valuation Manual.

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

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

Content of 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 Valuation Report, and changes in market conditions that you are able to predict, and should include:

- Market Value in its current condition subject to, and with the benefit of, any existing leases or tenancies;
- Market Value in its current condition subject to, and with the benefit of, any existing leases or tenancies assuming a sale to be completed within 90 days;
- Market Value of the Property assuming Vacant Possession;
- Estimated rental value for the subject Property(s).
- Estimated Reinstatement Cost for fire insurance purposes, including site clearance costs and professional fees;
- Executive Summary;
- Provide commentary on whether the Property is suitable for loan security purposes;
- Details of tenant(s), including passing rent, lease start/expiry/break dates and any non-recoverable costs etc. For commercial tenancies provide strength of covenant, service charge issues etc.;
- Tenure and principle terms of lease for leasehold properties;
- Provide comparable sales and rental evidence to support your assumptions on values;
- Provide commentary on continued likely market demand for properties of this size and nature, in this location, for sale and to let;
- Provide a full description of the Property to include its accommodation, its size, its construction, location and general state of repair. These details should be supported with photos of the Properties. Whilst you are not instructed to carry out a structural survey on each Property, please comment on any noticeable defects that might warrant further investigation and which might affect the marketability of the Property
- Valuation methodology including justification of value, calculations and residual appraisals on land with planning valuations;
- If the property is a development, we require information on build costs, comparison to BCIS indices and full commentary to support the build costs adopted within your valuation.
- Provide copies of relevant planning consents and documentation including approved drawings, Section 106 agreements etc and commentary thereon.
- Copy of the most recent Energy Performance Certificate
- Specific commentary concerning access right to the different areas of the Property.
- Purchase history of the Property during the last 10 years. If the Property is on the market, please confirm the selling agent and include a copy of the sales particulars in the report.
- Lending risks both short and medium term
- Residential element as a percentage of the land area.
- For new builds / conversions (last 10 years), please comment on the completion date, whether NHBC or similar certification would be required, the number of properties in the development and any recent sales
- Commentary on any invasive vegetation, contamination, and/or hazardous substances identified upon inspection
- Any additional reports required on the Property i.e. Ground Investigation Structural Survey, Asbestos Report etc
- Council tax band / Rateable Value
- Disability Discrimination Act issues.

Please provide as appendices:

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

Report on Title

The Security Trustee requires that its acting Solicitors arrange to send you a copy of their Report on Title in respect of the Property and obtain your written confirmation that nothing in the report on title has any effect on the valuation report you have

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

provided to the Security Trustee. Please respond to any such request by the acting Solicitors timely and without delay.

Fees

You have quoted and the Borrower has agreed to pay a fee of £1,000 + VAT for this undertaking. Whilst a receipted invoice for this service should be supplied with your report, we ask that you seek settlement of your fee from the proposed Borrower whose contact details are supplied above. Proplend Security Limited cannot accept any responsibility for non-payment of your fees in this regard.

Contact Details

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

Please send the Valuation Report to borrower@proplend.com, with hard copy to 15 Little Green, Richmond TW9 1QH. Following provision of the Valuation Report, you should be prepared to discuss its contents with the Proplend and Proplend Security Limited (Security Trustee). By sending the Valuation Report you signify your acceptance of the terms of this letter of instruction, which shall be governed by and construed in accordance with English law.

Yours Faithfully,

A handwritten signature in black ink, appearing to read 'B. Bartaby'.

Brian Bartaby
Director

Proplend Security Limited

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

Pure Offices, Turnberry Park, Leeds, LS27 7LE
T: 0113 223 4868 | E: leeds@bradleyhall.co.uk
www.bradleyhall.co.uk



Our Ref: VALL487
12th October 2021

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

FAO Sahana Parameswaran – Underwriter

Dear Sahana

294-300 Grimshaw Lane Middleton, M24 2XL & 10, 10a, 12 & 12a Eastway, Manchester, M33 4DX

We refer to your instructions for us to undertake a Valuation on your behalf and write to confirm our terms of engagement.

- 1 Client
Proplend Security Ltd
20-22 Wenlock Road
London
N1 7GU
- 2 Borrower
Umeshkumar Parekh & Hamantkumar Parekh
- 3 Subject Property
294-300 Grimshaw Lane Middleton, M24 2XL & 10, 10a, 12 & 12a Eastway, Manchester,
M33 4DX
- 4 Purpose of Valuation
To undertake a formal RICS valuation for secured lending purposes.

The Valuation will be undertaken in compliance with the VPS4 Item 4 of the RICS Red Book and applying the conceptual framework which is set out in the International Valuation Standards (IVS) 104.

- 5 Basis of Valuation
We are to undertake our Valuation on the basis of Market Value, Market Rent and Insurance Reinstatement Cost defined as follows:-

Market Value

We have prepared our valuation on the basis of Market Value (MV) as referred to in VPS4 Item 4 of the RICS Red Book and applying the conceptual framework which is set out in IVS 104, as:

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

Market Rent

We have prepared our rental valuation on the basis of Market Rent (MR) as referred to in VPS 4 Item 3 of the RICS Red Book. Under VPS 4 Item 3, the term "Market Rent" is defined in IVS 104 as:

"The estimated amount for which a property, or space within a property, should lease (let) on the date of valuation between a willing lessor and a willing lessee on appropriate lease terms in an arm's-length transaction after proper marketing wherein the parties had acted knowledgeably, prudently and without compulsion".

Insurance Reinstatement Costs

As to the basis of our opinion of Insurance Reinstatement Costs we would comment as follows:

A formal estimate for insurance purposes should be provided by a Chartered Building Surveyor or other person with current experience of replacement costs. Our estimate of reinstatement costs is therefore given purely as a guide. In arriving at our Valuation we have allowed for reinstatement of the building to a similar specification as described herein, using modern building materials and techniques and taking into account any changes in regulations and other statutes since construction. We have taken into account the cost of demolition and site clearance, together with professional and other fees incurred in the course of rebuilding works. No allowance has been made in arriving at our Valuation for VAT (except of fees) or any increase in costs resulting from inflation during the insured term or rebuilding period. Amounts to reflect this should be added where appropriate. No allowance has been made for furniture, process plant and machinery or trade fixtures and fittings, nor have we included any amount to reflect consequential loss.

- 6 **Special Instructions**
A range of additional assumptions and special assumptions have been requested in your instruction letter dated 5th October 2021. These will be included within our Report and will be clearly defined in accordance with your instruction letter.
- 7 **Valuation Date**
The date of Valuation will be the date of our formal Report and Valuation.
- 8 **Conflict of Interest**
Before we may proceed Bradley Hall Limited will carry out a Conflict of Interest check and the findings of this will be formally recorded on our file.
- 9 **Valuer**
The Valuer undertaking the Valuation is David Cran BSc MRICS RICS Registered Valuer and we confirm we are independent Valuers for the purpose of this Report. All Valuers undertaking valuation work at Bradley Hall are Registered Valuers.
- 10 **Extent of Valuer's Investigations**
When arriving at an opinion of value the Valuer will have due regard to information/documents provided by the client, information obtained from the Local Authority and Land Registry together with comparable evidence researched by the Valuer. These may include verbal enquiries which will be recorded on our file.

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11 Restrictions on Publication

Our Report and Valuation is for the use only of the parties to whom it is addressed and no responsibility is accepted to any third party for the whole nor any part of its contents

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

This Valuation has been undertaken in accordance with the RICS Valuation – Global Standards (“Red Book”). We can confirm that the Valuer who undertook the Report conforms to the requirements of these Standards.

12 Nature and Source of Information to be relied on by the Valuer

The Valuer will rely on information/documents received from the client, the Local Authority, the Valuation Office and comparable data when preparing his opinion of value.

13 Confirmation that the valuer has the knowledge, skills and understanding to undertake the valuation competently.

We confirm the Valuer has the knowledge, skills, understanding and qualifications to undertake the Valuation.

14 Fee Basis

Our fee is £1,000 plus VAT, in line with your instructions, following completion of our report.

15 Bradley Hall Complaints’ Procedure

Bradley Hall Limited have a Complaints’ Procedure, which is available upon request. Bradley Hall Limited are registered members of the Royal Institution of Chartered Surveyors and may be subject to monitoring under the Institution’s Conduct and Disciplinary Regulations.

In order to comply with Money Laundering Regulations we are obliged to identify our client and would be obliged if you could provide us with two forms of identity and proof of ownership of the property.

We would be obliged if you could sign, date and return one copy of this letter to us as your confirmation for us to proceed in accordance with the foregoing, retaining one copy for your own file.

If we have not received a response within 5 working days, we will assume you are in agreement with the above terms.

Yours sincerely



David Cran BSc (Hons) MRICS – RICS Registered Valuer
Director – Yorkshire
For and on behalf of Bradley Hall Chartered Surveyors

Sign

Date

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