

07 APRIL 2022

VALUATION REPORT FOR

*AITCHISON
RAFFETY*



Proplend Security Ltd

In respect of

265 Water Road

Wembley, Middlesex HA0 1HX



Aitchison Raffety has pleasure in presenting its Valuation Report to you, as follows:

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Client Charter

To achieve our vision of being your First Choice for Professional Property Solutions and become your trusted partner, we will...



PROFESSIONALISM

- Avoid conflicts of interest, respect confidentiality, act ethically and with honesty and integrity.
- Deliver on our promises and, if circumstances prevent this, keep clients informed.
- Take responsibility and act with due skill, care and diligence.

INNOVATION

- Encourage the contribution of new ideas and the use of new technology.
- Actively promote personal and professional development.
- Embrace change and strive for continuous improvement.

TEAMWORK

- Share knowledge and support each other to create an environment where everyone feels respected and valued.
- Recognise strengths, embrace diversity and empower our people.
- Ensure senior team members lead by example and clearly communicate values and goals.

EXCELLENCE

- Take pride in everything we do, consistently achieve high standards of punctuality, presentation and quality.
- Commit to understanding and placing client needs first, and exceeding expectations.
- Provide regular, prompt, clear and honest communication and responses to clients.





Executive Summary





1. Executive Summary

KEY FACTS	
Property Address	265 Water Road, Wembley, Middlesex HA0 1HX
Purpose of Valuation	Secured lending - refinance
Location	The property is situated in an established industrial area in the Alperton district of Wembley in north west London. Wembley forms part of the London Borough of Brent to the north west of central London.
Description	Existing The subject property comprises an older style industrial warehouse which is principally in open plan arrangement with the rear section having been sub-divided and fitted out as a commercial kitchen in connection with the Borrower's catering business.
	Proposed In accordance with Planning Permission, the front single storey office section of the property has been demolished and is in the course of being replaced with a three storey extension. The new section and retained warehouse will be split into two self-contained units.
Tenure	Freehold
Tenancy	We understand that the property is occupied by the Borrowers operational business and that there are no leases or licences in place.
Floor Area	Existing 891.14 sq m (9,592 sq ft). GIA
	Proposed 1,306.19 sq m (14,057 sq ft). GIA
Planning	We understand that the property has lawful use for B2 industrial and B8 storage and distribution uses. Valid planning permission for 3 storey redevelopment of front section.
Environmental Issues	None of which we are aware.
Capital Expenditure	The Borrower advises outstanding development costs payable to the contractor in the order of £250,000 plus VAT.
Saleability of Property	The property comprises a substantial warehouse building in a popular and long established industrial area. The area benefits from excellent transport links to both the North Circular Road (A406) and A40 Trunk Road. Whilst the unit is of substantial age, retaining its profiled asbestos sheet roof, internally the warehouse provides clear open plan space. The former office area is being converted into a three storey section to the front and the unit will be split into two. On completion, we consider the property would be saleable either as a single lot or as two separate units subject to splitting the title.
Lettability of Property	Reflecting the attributes of the property as summarised above, the property is readily lettable on completion of the proposed works.
Suitability for Loan Security	Good



SWOT ANALYSIS			
Strengths	<ul style="list-style-type: none">• Freehold warehouse that can be sold with vacant possession.• Excellent road transport links.• Principally open plan warehousing which is popular with tenants and purchasers at present.• Shortage of supply of warehousing in Wembley area.	Weaknesses	<ul style="list-style-type: none">• Older style unit with roof supported on steel roof truss and profiled asbestos sheet covering.• Building occupies high site coverage.
Opportunities	<ul style="list-style-type: none">• Complete development and subdivision works to increase value. On completion of works, the property could be let/sold in part or, if required, as a whole.	Threats	<ul style="list-style-type: none">• Risk of cost overrun or delay in completing works.• Significant changes in economic climate or interest rate rises may dampen strong leasehold and tenant demand.

This Executive Summary should not be relied upon in isolation and should be read in conjunction with our full valuation report dated 07 April 2022.



Valuations Reported as at 17 March 2022 of the Freehold Interest in the Property

VALUATIONS			
Market Value	£3,550,000 (Three Million Five Hundred and Fifty Thousand pounds)	Passing Rent	Nil
SPECIAL ASSUMPTION VALUATION MATRIX			
Valuation Basis	Market Value	Vacant Possession Value	Estimated Value on Completion
Restricted Marketing Period			
No restriction	<i>*As above</i>	3,550,000 (Three Million Five Hundred and Fifty Thousand pounds)	£4,000,000 (Four Million pounds)
90 Days	£3,000,000 (Three Million pounds)	Not instructed	Not instructed

SPECIAL ASSUMPTION & SUPPLEMENTAL VALUATIONS	
Market Rent on Completion (per annum)	£218,000 (Two Hundred and Eighteen Thousand pounds)
Estimated Value on Completion	£4,000,000 (Four Million pounds)
Capital Value Analysis on completion	£285 per sq ft
Reinstatement Cost (on completion of works)	£1,800,000 (*See Standard: Commentary & Guidance)

Valuation Report





2. Instructions & Scope of Report

INSTRUCTION DETAILS, CONFLICTS & DATES		PURPOSE & BASIS OF VALUATION	
Addressee ("The Client")	Proplend Security Ltd, 15 Little Green, Richmond TW9 1QH	Purpose of Valuation	Secured lending - refinance.
For the attention of	Stewart Bruce	Basis of Valuation	<ol style="list-style-type: none"> 1. Market Value; 2. Market Value subject to the special assumption of a 90 day marketing period to achieve a sale; 3. Market Rent on completion of current works; 4. Estimate of value on special assumption of completion of current works.
Property ("The Property")	265 Water Road, Wembley, Middlesex HA0 1HX		
Customer	Sapna Caterers Limited	Recent transactions	None of which we are aware.
Instructions	Your e-mailed instructions reference, SB dated 8 March 2022, (Appendix A), and our acknowledgement letter dated 11 March 2022.	Sources of Information	We have utilised public and subscription online information resources. In the majority of valuation reports these include: Local Authority Websites, Valuation Office Agency, EI Group, CoStar, Rightmove Plus, Lonres, Flood Mapping, HM Land Registry, ICSM - Credit Check, Isurv, Enviro-risk, Groundsure, BCIS, Edozo and Nimbus. We have also relied upon information sent to us by the Client and/or Customer which we have assumed to be accurate. We state in our valuation report where we have relied upon any information which has been acquired internally.
Conflicts of Interest	We reaffirm that there is no conflict of interest arising from our undertaking this valuation. As you are aware we have previously valued the Property for Proplend but we confirm that we have had no undisclosed involvement with the Property, or any party connected with the Property, during the last 24 months.		
Valuation Date	17 March 2022	COMPLIANCE & ACTION POINTS	
Inspection Date	17 March 2022	Compliance with Valuation Standards & Limitations	This Report and Valuation is not a structural or condition survey, rather a valuation undertaken in accordance with the RICS Valuation – Global Standards (the "Red Book"), incorporating the IVSC International Valuation Standards. Unless otherwise stated, the valuation is provided subject to, and should be considered in conjunction with, our; Standard: Commentary & Guidance and Standard: Limitations & Assumptions, which are important components of our reporting, alongside your own specified requirements and our letter confirming instructions. These documents are appended
Inspection Restrictions	None		
Inspection Weather Conditions	Sunny and dry.		
Valuer	Tom Littler		
Qualifications	MRICS, RICS Registered Valuer		
Experience	Competent in valuing this type of property		
Capacity	External Valuer		



Lender's Action Points

The following points should be considered prior to draw down:

1. The Report on Title should be forwarded to us for comment. We have assumed that a good title is held;
2. We reserve the right to review our comments regarding the suitability of the Property as security for lending purposes when the terms of the loan are known;
3. Should information come to light before the loan is finalised, contrary to that contained within our valuation report, then the matter must be referred back to us for further consideration.
4. We confirm our understanding that at the present time the property is occupied by the Borrower's operational business and if required could be sold with the benefit of full vacant possession. Our understanding should be formally confirmed.
5. We confirm that in providing our estimate of the value on completion of the works, we have relied upon plans and costings as provided by the Customer. We provide general commentary in respect of the proposals in the main body of the report but confirm that should the specification of the works, floor areas on completion or development timeframe alter significantly, this may have a material impact on both the estimated value on completion and market value as at the date of valuation.
6. We have not had sight of a monitoring report which, if prepared, should be forwarded to us for comment. It is important that the Lender ensures that development costs are tightly controlled with no significant time delays nor reduction in specification of the works which may impact on the values reported herein. We recommend that the Lender be provided with a copy of the Turnkey contract under which we are advised that the works are being undertaken.
7. Appraisals of development projects are susceptible to fluctuations, based upon the inputs used. Should the specification of the completed works be reduced or the design altered, this will impact values reported and the Lender should take this into account in their risk assessment of any new loan facility to be granted.
8. We confirm that there is a physical link at the rear of the building to the warehouse immediately behind and which is in separate ownership. We understand that this was created a number of years ago by the owner of the adjacent building and the Borrower has advised that this is not used and that they propose to take action to have this removed. It should be confirmed that this creates no rights of way in favour of the adjacent occupier, security or health and safety issues.
9. We understand that the land immediately to the north of the Property is part within the Freehold title and the Customer has rights of way over the remainder. Legal advisers should confirm the position.
10. According to the Non-Domestic Energy Performance Certificate Register the premises have an energy efficiency rating of Band C (74). The Certificate expired on 6 February 2022 and the Borrower should be required to obtain a new assessment.

RELIANCE & PUBLICATION

Reliance	This valuation report is for the sole use of the Addressee for the Purpose set out above. No responsibility is accepted to any third party for the whole or any parts of this valuation report.
FCA Regulations (Regulated Mortgages)	Not applicable
Professional Indemnity Insurance	£10 million.
Liability Cap	The lower of £3 million or 75% of the Market Value reported.
Publication	Neither the whole nor any part of the valuation report may be included in any statement, circular or published document without the prior written consent of Aitchison Raffety.

SIGNATURES

Signatory 1 (Report Lead)	Tom Littler Associate Director MRICS, RICS Registered Valuer Mobile: 07841 804766 Tom.littler@argroup.co.uk	
Signatory 2 (Report Approver)	Philp Waite Managing Director MRICS, RICS Registered Valuer philip.waite@argroup.co.uk	



3. The Property

LOCATION

Macro Location



The property is situated in the Alperton district of Wembley in north west London. Wembley forms part of the London Borough of Brent which is a relatively densely populated northwest London suburb approximately 10 miles from central London.

The area benefits from good transport links with the A406 North Circular Road running close by and providing ready access to both the M1 to the north and A40 to the west. Stonebridge Park London Underground (Bakerloo Line) and mainline station is within one mile to the north east whilst Alperton London Underground (Piccadilly Line) station is a similar distance to the north west

Micro Location



The subject property is situated on the eastern side of Water Road in an established industrial area near to Park Royal which was developed in the 1930s and has some of the country's highest industrial values. The area around Water Road principally comprises older style warehousing but also some more modern units and infill development. Water Road is a cul-de-sac with the Grand Union Canal passing immediately to the north whilst the North Circular Road (A406) may be accessed within a few hundred metres to the south. The A40 trunk road can be accessed via the North Circular Road at Hangar Lane, just over one mile to the south.

Street Scene



Water Road looking north.



DESCRIPTION, CONSTRUCTION AND SERVICES

Property images - Existing



Property description - Existing

The property comprises an older style warehouse with brick elevations under a double pitched roof supported on a steel truss and covered with profiled asbestos sheeting. The front section of the building which formerly comprised offices has been demolished and as can be seen in the main photograph above ground preparation works have commenced. The retained warehouse has concrete floor tiles to most areas. Walls are painted brickwork and a double pitch roof is supported on a metal roof truss and incorporates glazing. The warehouse has been sub-divided at the rear but the main area is in open plan arrangement with loading area to the front accessed via an up and over steel roller shutter door. There are three additional loading doors along the northern elevation of the warehouse. The height to eaves is approximately 4.2m, the height of the underside of the roof truss approximately 3.8m and maximum height to ridge is 6.8m. The area incorporates overhead fans and high intensity lighting.



Property description - Existing

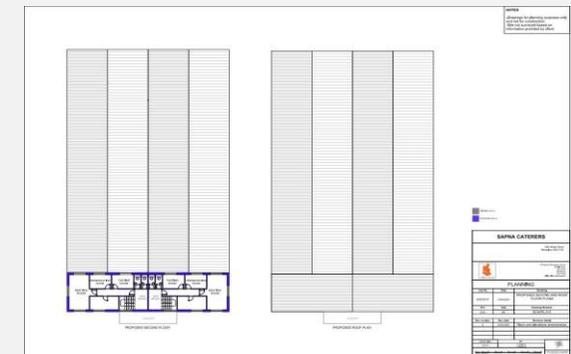
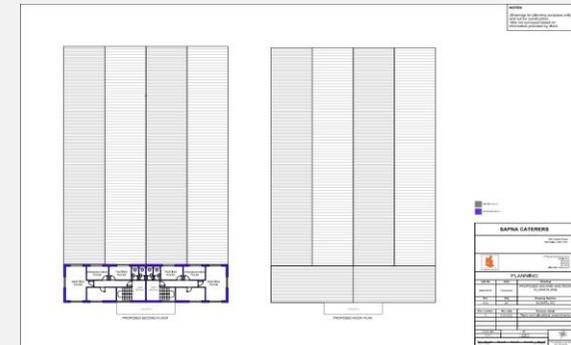
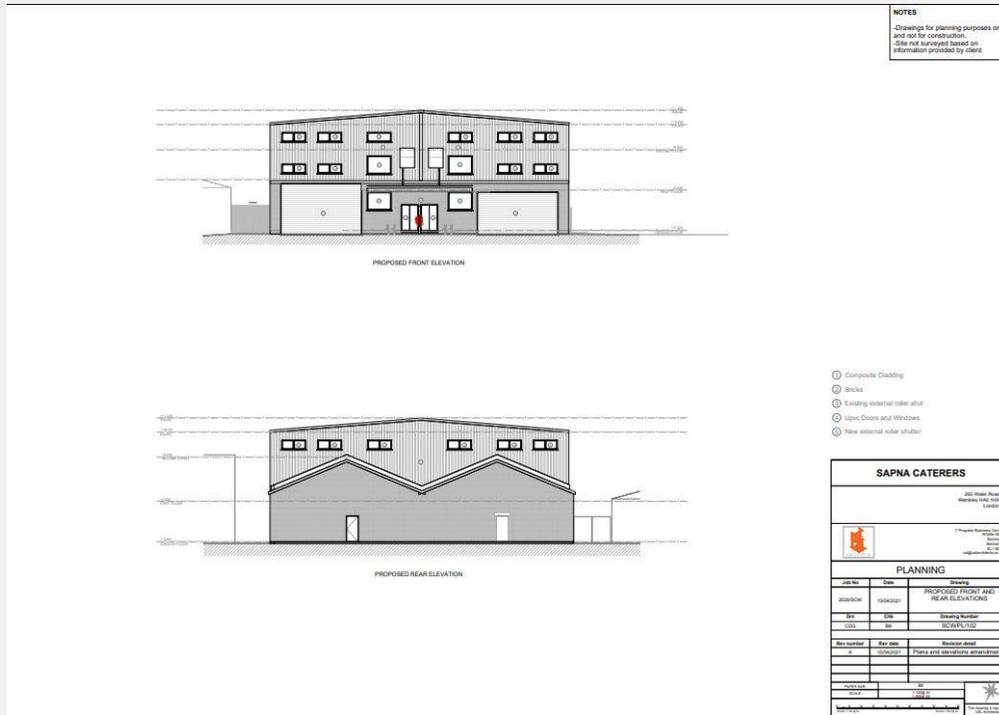
The rear area is fitted out as a commercial kitchen with tiled flooring and lined walls. A suspended ceiling has been installed across this area with surface mounted and recessed fluorescent lighting.

The site is broadly rectangular and flat. It has a frontage to Water Road of approximately 26m (85ft) and a site depth of 47.5m (156ft).

SCHEDULE OF EXISTING ACCOMMODATION & AREAS

Floor	Description	Sq m	Sq ft
Ground	Warehouse, kitchen and WC facilities	891.14	9,592
TOTAL		891.14	9,592

Property images - Proposed



Property description - Proposed

In accordance with the Planning Permission secured, the Customers contractor is in the process of demolishing the front office section of the building to be replaced by a new three storey section providing meeting room, office and hospitality facilities. The main warehouse space will be refurbished and split into two self-contained units accessed via separate personnel and steel loading doors to the front. Both units will essentially be a mirror image of each other and be fully self-contained.

The Borrower has advised that the new front section of the building will be completed to a good modern specification providing air conditioning, suspended ceilings with LED lighting, double glazed aluminium framed windows, wooden or vinyl floor coverings and ceramic tiling to the WC areas.



Property description - Proposed

An internal division will be installed to split the warehouse and interlinked commercial kitchen area. We understand that the rear kitchen fit out to the left hand side of the building being retained by the Borrower will remain in situ whilst in respect of the new right hand unit the kitchen fittings will be stripped out in conjunction with endeavouring to identify a tenant to lease this space.

Further detail in respect of the proposed accommodation is provided in the Schedule of Accommodation & Areas below the photographs.

Construction details		Internal specification & Further construction comments - Proposed
Date built	Circa 1950s	
Roof	Double pitched, clad with profiled asbestos sheeting and incorporating glazing	
External walls	Brick elevations incorporating steel loading doors.	
Floors	Concrete construction which has been tiled to most areas.	
Windows	Glazing to roof apex in central warehouse.	
Services provision		Further services comments - Proposed
Electricity	Three phase supply	
Gas	Yes	
Water	Yes	
Drainage	Mains	
Heating	Commercial fans in warehouse. Inverted air conditioners to be installed in new three storey section.	



REPAIR & CONDITION (ON COMPLETION)

Condition Quality		Average	Any disrepair or structural defects likely to impact on value?	No	Any areas of concern where further investigations are recommended?	No
Economic Life	Existing	20 Years				
	Proposed	25 Years				
Any parts of the property not inspected (save those areas excluded from this instruction)?		No	Could the Customer be liable for any costs of remedial work?	Yes	Any hazardous or deleterious materials identified or suspected?	Yes

Additional Description, Specification & Maintenance Commentary

The property has a profiled asbestos sheet roof covering.

External Photographs



Front Elevation



Side Elevation



Rear Elevation

Internal Photographs



FLOOR AREAS

Source of Areas

Borrower provided

A summary of floor areas is shown in the table below.

Basis of Areas

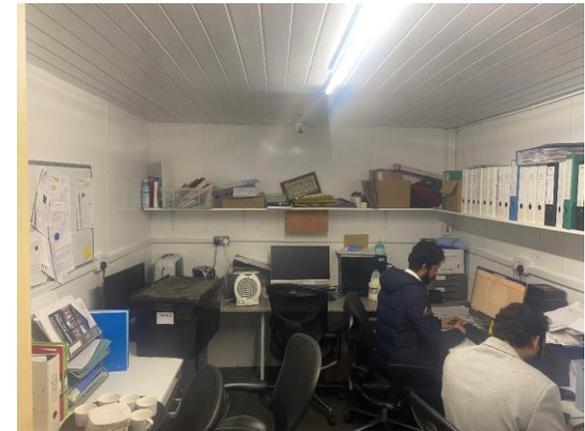
On completion of the proposed development, the premises will provide the following accommodation and floor areas measured on a **Gross Internal Area (GIA)** basis, unless otherwise stated, in accordance with the RICS Property Measurement 2nd edition (May 2018) which incorporates the RICS Code of Measuring Practice, 6th edition and International Property Measurement Standards (IPMS). We have referenced planning drawings accompanying the planning permission in detailing our understanding of the GIA measurement basis on completion. This is reported on a GIA basis rather than IPMS for consistency with available comparable market evidence.



Main Warehouse



Rear Commercial Kitchen



Temporary Office Area



SCHEDULE OF PROPOSED ACCOMMODATION & AREAS			
Floor/Unit	Description	Sq m	Sq ft
Unit 1 - Ground	Warehouse with loading bay, office, kitchen and WC facilities	513.5	5,527
Unit 1 - First	Utility and tasting rooms	69.6	749
Unit 1 - Second	Meeting and tasting rooms	69.78	751
SUB TOTAL		652.88	7,027
Unit 2 - Ground	Warehouse with loading bay, office, kitchen and WC facilities	513.5	5,527
Unit 2 - First	Meeting and tasting rooms	69.74	751
Unit 2 - Second	Meeting and tasting rooms	69.87	752
SUB TOTAL		653.11	7,030
TOTAL GIA		1,305.99	14,057



SITE PLAN & LAND REGISTRY

The site plan below indicates our understanding of the demise of the Property, outlined in red. This is for indicative purposes only and should be verified by legal advisers. We recommend that the Title Plan is forwarded to us for comparison and verification.

LAND REGISTRY INFORMATION

Land Registry Title No.

NGL763795

Site Area

0.12 hectares

0.31 acres

Site coverage

Approximately 90 %

Further Site Related Commentary

The site is broadly rectangular and flat. The buildings occupy a high site coverage with very limited parking to the front.





4. Tenure & Tenancies

TENURE	TENANCY SUMMARY & COVENANT STATUS
Freehold	Vacant
<p>We have not had sight of the Title Register or any report on title. Prior to completion of any new loan facility, we recommend that if prepared the report on title is forwarded to us for review.</p>	<p>We understand that during the course of conversion and development works, part of the property continues to be used by the Borrower's catering business. We understand that there are no intercompany leases in place and we have therefore valued the property with the benefit of full vacant possession. Solicitors should confirm our understanding.</p>



5. Local Authority, Statutory, Environmental Research

STATUTORY ENQUIRIES

Planning Authority The London Borough of Brent

Current Planning Use We understand that the property has lawful use for B2 industrial and B8 storage and distribution uses.

We detail below relevant planning application history for the subject property:

Planning Application History	Reference	Decision Date	Proposal	Decision
	21/2461	Tue 23 Nov 2021	Details pursuant to conditions 8 (materials) and 10 (construction and demolition method statement) of full planning permission ref 20/3565 dated 29 April, 2021, for conversion of existing warehouse into 2 units with erection of first and second floor extension to front of building to provide additional tasting-presentation and meeting rooms and repositioning of dropped kerb	Permission Granted
	21/2139	Mon 09 Aug 2021	Variation of condition 2, development built in accordance with approved plans and 6 (change from open grill to solid roller shutters) of Full Planning Permission ref 20/3565 dated 29 April, 2021, for conversion of existing warehouse into 2 units with erection of first and second floor extension to front of building to provide additional tasting-presentation and meeting rooms and repositioning of dropped kerb	Permission Refused
	13/2571	Thu 07 Nov 2013	Demolition of existing roof of main building, erection of first floor extension to the front and rebuilding of main roof to provide additional floor space	Permission Granted
	20/3565	Thu 29 Apr 2021	Conversion of existing warehouse into 2 units with erection of first and second floor extension to front of building to provide additional tasting-presentation and meeting rooms and repositioning of dropped kerb	Permission Granted



The contents of the below should be considered in conjunction with our Standard: Commentary & Guidance in the Appendix

Research Item	Status	Further comment (if applicable)
Listed Building Status	No	
Conservation Area	No	
Area Development	No	
Highways	Adopted	
Compliance		
Licensing/ Registration	No	
Equality Act 2010	Yes	
Fire Safety	N/K	We have not had sight of a risk assessment; but we have assumed that all the necessary measures are in place and no additional costs will be accrued in complying with these measures, considering the age and condition of the property. New Fire Risk Assessments will need to be prepared on completion of the works of conversion and extension.
Housing Act 2004	N/A	
Health & Safety at Work Act 1974	Yes	
Control of Asbestos Regulations 2012	N/K	The property retains its asbestos sheet roof covering. We have not had sight of a management plan and therefore recommend that legal advisers confirm that such a plan has been implemented. We have assumed no costs for compliance in arriving at our valuation. We would however recommend that a copy of the plan be supplied to you and if it indicates remedial works required this should be supplied to us for commentary on any potential adverse effect on our valuation.
Energy Act 2011 (EPC)	No	According to the Non-Domestic Energy Performance Certificate Register the premises have an energy efficiency rating of Band C (74). Whilst this is an acceptable banding the Certificate expired on 6 February 2022 and the Borrower should be required to get a new assessment on or before completion of current works.

Compliance				
Building Regulations & Warranties	N/K	We assume that the development works undertaken will benefit from all relevant building warranties.		
TAXATION				
Rateable Value	Yes	Address	Description	Rateable Value
UBR 2021-2022	£0.512	265, Water Road, Wembley, Middx	Warehouse And Premises	£67,000
The Uniform Business Rate (UBR) for the financial year 2021/2022 is £0.512 (where the Rateable Value is £51,000 or more) and £0.499 (where the Rateable value is less than £51,000).				

The contents of the below should be considered in conjunction with our Standard: Commentary & Guidance in the Appendix

ENVIRONMENTAL ENQUIRIES		
	Summary	Further comment (if applicable)
Contamination signs	No	The property is situated in an established industrial area with present and historic uses giving rise to the potential for an increased risk of contamination. Nonetheless, we did not identify any particular causes for concern during our inspection although it is important that Calor gas canisters and other items located down the access running to the north of the building are safely and securely stored. Subject to the above commentary 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 or if it transpires there are other environmental features specifically affecting the property, further specialist advice should be obtained. You are advised to ensure that your legal advisers take up the usual enquiries on your behalf, in respect of possible contamination or environmental issues, prior to entering into any commitments.
Invasive species	No	
Flood risk	No	The Environment Agency website indicates that the property has a “very low” likelihood of flooding. Generally, this means that the chance of flooding each year from rivers or the sea is 0.1% (1 in 1,000) or less. We would comment that the property is right on the edge of a low and medium risk designation, and it should be confirmed that buildings insurance may be obtained on standard terms.
Radon	No	



Adverse ground, landfill & mining	N/K	The Environment Agency website is no longer operational, and we are not able therefore to confirm whether or not the property is in an area contaminated by landfill or situated on made up ground.
High Voltage Electrical Supply	No	



6. Market & Property Insight

MARKET COMMENTARY

UK Economic Commentary

According to research by the Bank of England, Global and UK activity returned to their pre Covid 19 (Covid) levels towards the end of last year and the economic impact of the Omicron variant is expected to be limited and of short duration.

Beyond the near term however, UK GDP growth is expected to slow to subdued rates. One reason for that is the adverse impact of higher global energy and tradable goods prices on UK real aggregate income and spending. This will be exacerbated by the impact on the world of the Ukraine invasion, which at the very least will cause further fuel and food price rises. The Organization for Economic Cooperation and Development (OECD) calculates that global economic growth will be 1.1 percentage points lower, and inflation just short of 2.5 points higher than if the invasion had not taken place.

The Consumer Prices Index (CPI) rose by 5.5% in the 12 months to January 2022, up from 5.4% in December 2022 and this is expected to increase to over 7% by April. The unemployment rate in the UK is expected to rise to 5%.

There is therefore a great deal of uncertainty over the economic outlook and how strong and sustained the recovery post Covid will be. One challenge we have as valuers is that the reliability and availability of transactions, particularly in some sectors, continues to indicate significant uncertainty. The ability to predict the fortunes of any market is not straightforward, and market values should be treated with some caution and reviewed regularly.

Local Market (Micro) & Sector Performance Commentary

The last two years since the onset of COVID-19 has seen a transformation of a market that was already going through a structural change, driving industrial and logistics occupiers to adapt supply chains and expand online services. Meanwhile Brexit has underlined the need for more national storage and distribution facilities.

2021 saw a record take-up. According to research by Lambert Smith Hampton, 78m sq ft was acquired last year, over 15% of which was attributed to Amazon who acquired 12.5m sq ft across 32 deals. The increase in take-up is set to continue in 2022, fuelled by ongoing growth in online sales. Forecasts by Retail Economics suggest the proportion of non-food online sales will rise from an estimated 37% in 2021 to 49.7% in 2025.



Lambert Smith report a 15% increase in prime headline rents in 2021. There are regional differences, with Greater London seeing 30% prime rental growth. At the opposite end of the spectrum, Scotland and the Northeast saw around 5% rises overall, but not a single region saw any falls in this sector. Further rental value increases are anticipated in 2022, although the occupational market will face new challenges: rising inflation due to supply chain issues, increasing energy prices and more recently global uncertainty caused by the Ukraine conflict. Looking forward to 2023, the rating revaluation is likely to result in a larger rise in business rates in this property sector than any other.

The investment market also had a good 2021, with an estimated £15.2bn of industrial and logistic assets changing hands; almost double the previous record set in 2018. This year is not expected to be quite as busy. The main reason is the lack of available stock, with existing owners holding on to assets that are expected to perform so well over the longer term. CBRE's latest All industrial yield stands at 4.1%, with prime showing 3.7%, the market dominated by overseas investors, particularly at the larger end.

**Property Specific Commentary
& Valuation Considerations**

The subject is situated in the Alperton district of Wembley which lies within the London Borough of Brent and benefitting from strong transport links to the A406 North Circular Road and A40 trunk road which provides a direct link out to the M25 and M40 to the west and into Central London to the east. As a consequence, this is a popular industrial warehouse location where there has been a scarcity of supply in recent years particularly in respect of buildings where vacant possession is available. The supply shortage and increasing demand has resulted in significant rent and price rises in recent years.

The subject property comprises an older style warehouse occupying a high site coverage but which provides functional accommodation with relatively modern offices to the front and open plan warehousing with loading to Water Road and reasonable eaves height throughout.

In accordance with valid Planning Permission, the property is in the course of conversion and extension works, which will replace the former single storey front section with a three storey element fronting Water Road and the existing warehouse and commercial kitchen will be split resulting in the property providing two fully self-contained warehouse units each of approximately 653 sq m (7,030 sq ft).

The size of the new units is popular with both tenants and purchasers at the present time and there is a shortage of supply in the Wembley area. The new units will benefit from enlarged loading areas and parking is limited. We are of the opinion that the new units, if completed to the specification advised, should be readily lettable and saleable.



SUBJECT PROPERTY MARKETABILITY (ON COMPLETION)					
Letting Prices	Increasing	Letting Demand	Increasing	Letting Supply	Increasing
Letting Basis & Incentives	Maximum of three months for five years term certain.			Letting Period	3-6 months
Sales Prices	Increasing	Sales Demand	Stable	Sales Supply	Decreasing
Sales Basis	Private Treaty	Typical purchaser	Owner occupiers and possibly investors	Sales Period	3-6 months



7. Valuation

METHODOLOGY

Valuation Methodology	Market Approach	The Market Approach valuation methodology has been used to arrive at our opinion of the Market Rent and estimated value of the property on completion. It adopts the principle that the value of a property may be derived by comparing it with prices achieved from market transactions of similar properties, having analysed those comparables. This is a common approach of valuing warehouse accommodation where vacant possession is available. To arrive at our opinion of the current value we have made the appropriate deductions reflecting outstanding works and the nature of the project being undertaken.
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VALUATION: MARKET RENT (ON COMPLETION)

No.	Address	Date	Rent (per annum)	Area (sq ft)	Analysis (£ per sq ft)	Comments
1	15 East Lane, Wembley, HA9 7NE	December 2021	£77,300	5,521	£14	Older style industrial premises believed to date from the 1960s/70s benefitting from reinforced concrete floor, all mains services and three parking spaces.
2	36/38 Cumberland Avenue, Park Royal, London NW10 7RQ	November 2021	£418,785	27,919	£15	New letting to Hermes Parcelnet under new FRI lease. Steel portal framed unit with eight metre eaves height, three electric roller shutter doors, 34 metre yard depth and 26 car parking spaces.

No.	Address	Date	Rent (per annum)	Area (sq ft)	Analysis (£ per sq ft)	Comments
3	The Hub, 55 Gorst Road, Park Royal, London, NW10 6LS	November 2021	£90,000	5,589	£16.10	New five year lease to Live Business Group Limited. Steel portal framed unit in gated development with full height loading door to front, dedicated loading and parking and six metre height to eaves.
4	Unit 4 Townsend Industrial Estate, Waxlow Road, London, NW10 7NU	September 2021	£116,800	6,314	£18.50	Let to Tapi Carpets & Floors Limited under new 10 year FRI lease, refurbished unit providing new roof, full height loading door, cladding and windows.
5	Units 13 and 15 Abbey Road Industrial Park, Commercial Way, Park Royal, NW10 7XF	August 2021	£93,850	5,287	£17.75	Mid-terraced steel portal framed unit with brick and clad elevations and eaves height of 5.5 metres. Built around the 1980s with full height loading to the front.

OPINION

Market Rent Commentary & Rationale

The above evidence indicates a range of lettings reflecting rents between £14 per sq ft and £18.50 per sq ft. For newer and better quality accommodation, rents are now over £20 per sq ft. For more dated stock such as the subject property, rents are generally upwards from £14 per sq ft. On completion of the conversion and extension works, the two new units will benefit from new office and hospitality areas in the front section and we are advised that some light refurbishment will be undertaken of the warehouse areas in conjunction with the internal division works. The two newly created units will be of a size which will mean that the rent will be affordable to a wider range of businesses. On this basis we have ascribed a Market Rent of £15.50 per sq ft to each unit.



Market Rent Conclusions & Summary of Calculation

We have applied a rent of £15.50 per sq ft to the GIA of each unit which produces rounded Market Rentals as follows:

Unit 1 - £109,000 per annum

Unit 2 - £109,000 per annum.

Aggregate Market Rent - **£218,000 per annum**

Assumed Lease Terms

Minimum five year, FRI Lease, no break options, no incentives


VALUATION: MARKET VALUE ON COMPLETION

No.	Address	Date	Price	Area (sq ft)	Analysis (£ per sq ft)	Comments (Incl. Yield)
1	Ionna House, 39 and 39A Humber Road, London, NW2 6EN	October 2021	£6,500,000	25,073	£259	Ionna House and three storage buildings on site of 1.01 acres. Comprises somewhat dated main building formerly comprising a commercial laundry arranged over ground, first and second floors.
2	Units 6 and 7 Towers Business Park, Carey Way, Wembley, HA9 0LQ	October 2021	£2,760,000	10,515	£262	1990s built warehouse of steel portal frame construction, located close to Wembley Stadium, benefitting from 6.9 metre eaves, full height roller shutter to the door to the front and first floor offices requiring refurbishment.
3	1 Aintree Road, Greenford, UB6 7AA	June 2021	£6,600,000	21,361	£309	Early 1990s built warehouse, steel framed construction, benefitting from secure yard and office area. Sale subject to sale and lease back to vendor.
4	Reflective House, 82 Sunleigh Road, Wembley, HA0 4LR	March 2021	£1,900,000	5,622	£338	Ground and first floor workshop/office accommodation forming part of older style industrial building on site of 0.48 acres. Let in its entirety to Accident Management SOS Limited until 2027 at £115,000 per annum. NIY 5.4%.



OPINION

Market Evidence Commentary & Rationale

The above sales show a range of transactions with pricing reflecting capital sales rates from £259 per sq ft to £338 per sq ft. Investors continue to retain let industrial warehouses in the area at present so yield evidence is limited but Knight Frank report prime south-east estate yields 3.25-3.5% and secondary estates at 4.75-5.25% as at March 2022.

The subject property comprises older style warehousing with high site coverage but the works being undertaken will improve loading to the front and provide additional floor space in newly created office/hospitality area to the front of the building. The subdivision will also make the units more attractive to a wider range of potential tenants and purchasers.

Reflecting the current shortage of supply and excellent location, we have formed the view that on completion to the specification advised, the newly completed units will have an applicable capital sales rate of £285 per sq ft.

Market Value on Completion - Conclusions & Summary of Calculation

Applying a capital sales rate of £285 per sq ft to the respective floor areas of the two newly created units provides the following individual unit values:

Unit 1: £2,000,000

Unit 2: £2,000,000

Aggregate Market Value (on completion of works to specification advised): **£4,000,000**

We confirm that the above figures assume no significant costs or time delay in splitting the freehold titles for the two newly created units if required.

Any subsequent letting of Unit 2, which we understand will not be occupied by the Borrower post completion, may impact on the values reported herein. It is therefore recommended that the Lender is provided with full details of any subsequent letting or sale as this may have a material impact on the lenders security.



MARKET VALUE APPROACH REFLECTING OUTSTANDING WORKS

	Customer Assumption / Output
Outstanding Construction Costs	£250,000 plus VAT (£56 per sq ft). We understand that an additional sum of £90,000 has been paid to the contractor for works undertaken to date.
Contingency	£25,000 (10.00%)
Statutory Costs (S.106/CIL)	£16,780.78.
Professional Fees	£12,500
Finance	£43,250
Profit	£100,000
Current Property Value	£3,550,000 (rounded from £3,552,469)

Commentary on Residual Valuation, Risk & Sensitivity Analysis

The above inputs reference information provided by the Customer who advises that the new three storey offices/hospitality areas will be completed to a good, modern specification as detailed herein. The outstanding cost of the works (£250,000) appears to be competitive (£56 per sq ft based on the floorspace of the new front section of 4,465 sq ft). However, much of the ground work has been undertaken and we understand that the development is proceeding under a fixed price (Turnkey) contract. Reflecting the nature of the contract and costs of approximately £90,000 which we understand have been incurred to date, we have adopted the Customer's budget with an additional contingency sum of 10%. We would recommend that your solicitors or monitoring surveyor is provided with a copy of the Turnkey contract. If not already appointed, it may be prudent to give consideration to the appointment of a project monitoring surveyor.

As the development works are well advanced and the building will be retained by the Customer we do not consider it appropriate to incorporate all of the costs incorporated in a development appraisal where works are yet to commence and a property will be sold on completion to a third party. We are though of the opinion that the costs summarised above need to be incorporated on top of the base cost of £250,000. We have adopted a reduced profit target (£100,000) but have formed the opinion that a profit element should be retained to provide an adequate contingency against any significant cost overrun or delay.

Adopting the inputs above produces a current value reflecting the outstanding works with the benefit of vacant possession and the valid planning permission detailed herein of **£3,550,000**.



Commentary on Residual Valuation, Risk & Sensitivity Analysis

We confirm that the appraisal of development projects can be very sensitive to their inputs and the Market Value calculated could be adversely affected by a change in the key inputs which includes the construction cost, end value and profit allowance. We have discussed the development with the Customer to enable us to report as above on the risk of cost overruns, protracted timeframes and contractor issues. The Lender should satisfy themselves as to the financial standing of the Customer. Our opinion may change if there are design or specification changes or a project monitoring surveyor (PMS) provides significantly different costings.



Valuations Reported as at 17 March 2022 of the Freehold Interest in the Subject Property

VALUATIONS			
Market Value	£3,550,000 (Three Million Five Hundred and Fifty Thousand pounds)	Passing Rent	Nil
SPECIAL ASSUMPTION VALUATION MATRIX			
Valuation Basis	Market Value	Vacant Possession Value	Estimated Value on Completion
Restricted Marketing Period			
No restriction	<i>*As above</i>	3,550,000 (Three Million Five Hundred and Fifty Thousand pounds)	£4,000,000 (Four Million pounds)
90 Days	£3,000,000 (Three Million pounds)	Not instructed	Not instructed
SPECIAL ASSUMPTION & SUPPLEMENTAL VALUATIONS			
Market Rent on Completion (per annum)	£218,000 (Two Hundred and Eighteen Thousand pounds)		
Estimated Value on Completion	£4,000,000 (Four Million pounds)		
Capital Value Analysis on completion	£285 per sq ft		
Reinstatement Cost (on completion of works)	£1,800,000 (*See Standard: Commentary & Guidance)		



LOAN SECURITY SUITABILITY

Good

The property on completion of the works will provide two self contained warehouse units each of just over 7,000 sq ft in a strong London location where there is currently a shortage of available accommodation. It is important to ensure correct management of the development works to ensure that the risks of cost overrun and/or reduction in specification of works are minimised.

Appendices



APPENDIX A – LETTER OF INSTRUCTION



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

Attn: Tom Littler,
Aitchison Raffety Property Consultants,
Unit 4 Stokenchurch Business Park,
Ibstone Road,
Stokenchurch,
HP14 3FE

Ref: SB
Sapna Caterers Limited

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 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:	Sapna Caterers Limited
Properties:	265 Water Road, Wembley, HA0 1HX
Tenure:	Freehold
Use:	Warehouse
Tenancies:	n/a - owner-occupied

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

Access:

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;
- Market Value in its current condition, 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);
- Estimate of what the Property may be worth upon completion of the current refurbishment works;
- 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 of 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.

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

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 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 £2,050 + 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,

Brian Bartaby
Director

Proplend Security Limited



APPENDIX B – STANDARD: COMMENTARY & GUIDANCE

General Matters	
Liability	Except for liability for death or personal injury the maximum liability of Aitchison Raffety to the client in connection with the service provided under this instruction whether in contract or tort (including negligence) or the breach of statutory duty shall be limited to £10,000,000 in relation to any one event or series of connected events. Aitchison Raffety will not be liable for any consequential, special, indirect or exemplary damages, costs or losses or any damages, costs or losses attributable to lost profits or opportunities. Furthermore, none of Aitchison Raffety's employees, partners or consultants individually has a contract with you or owes you a duty of care or personal responsibility. You agree that you will not bring any claim against any such individuals personally in connection with our services.
Data Security	During the valuation process the Valuer will have access to, or may be provided with personal, confidential and/or commercially sensitive information. Aitchison Raffety will maintain this information in accordance with the General Data Protection Regulations and the company's Information Security policy. Any such information will be held securely with authorised access only; it will be verified where appropriate. We will only process your information in accordance with the lawful basis of Legitimate Interest. For more information see our Privacy Policy at www.argroup.co.uk/privacy-policy
Complaints Procedure	Aitchison Raffety has a written complaints procedure. A copy is available on request via email at complaints@argroup.co.uk or by ringing 01494 480800.
Report Dual Signatories	In circumstances where dual signatories are provided, for the avoidance of doubt, the secondary report signatory neither inspects, nor undertakes due diligence in respect of the property subject to valuation. Furthermore, the secondary signatory neither constructs the report nor undertakes calculations. The secondary signatory's role is supervisory, typically presenting in the form of peer review oversight and/or a compliance verification capacity.
RICS Audit	The valuation report may be subject to RICS Audit for compliance purposes.

The following Commentary & Guidance is to be read in conjunction with our valuation report:

The Property	
Hazardous & Deleterious Materials	We have not undertaken or arranged for any investigations to be carried out to determine whether or not any banned, deleterious or hazardous material, substance or techniques have been used in the construction or subsequent alterations of the Property. We are unable to report that the Property is free from risk in this respect. Where we noted materials likely to contain asbestos, we have assumed, unless stated otherwise that they are not of a type that requires a licence or notification for removal or maintenance and that they could be removed by competent building contractors, who are appropriately trained, following good health and safety practices. We have not had sight of any specialist reports as to the form of construction nor the materials used in the Property. We have assumed that specialist investigations would not reveal that the Property is at risk or disclose the presence of any material in adverse conditions, otherwise our valuation may alter.



<p>Cladding- External Wall Systems</p>	<p>In the light of the Grenfell Disaster, the Government introduced The Building (Amendment Regulations 2018 (S.I.2018/1230), effective from 21 December 2018 banning combustible material on newly built property. For buildings constructed before these regulations took effect, the Government has directed that Aluminium Composite Material (ACM) external wall systems, in certain circumstances, are to be removed. The Ministry of Housing, Communities and Local Government (MHCLG) also introduced guidance for circumstances where there are other potentially combustible materials on existing tall buildings. These include but are not limited to: Metal Composite Materials (MCM) faced with other metals such as zinc, copper, and stainless steel; High Pressure Laminates (HPL); and rendered insulation systems. Where material is thought to be potentially combustible to the external wall system or balcony, lenders and valuers can expect the building owner to provide an EWS1 Form, completed by a qualified professional. The policy was originally to cover buildings over 18m in height (approximately six storeys). However, changes in Government advice in January 2020, bringing all buildings into scope, mean some residential buildings below 18m which cause 'specific concerns', may now require an EWS1. Examples include 4-6 storey buildings which may have combustible cladding or balconies with combustible materials and therefore are a clear and obvious risk to life safety and may require remediation in accordance with the latest Government advice. In general terms, it is unlikely that buildings 1-3 storeys in height would require an EWS1 form, unless the type of occupation of the building significantly increases risk to life in the event of a fire eg a care home with elderly people which could not be evacuated quickly and which will necessitate remediation works that will materially affect value. The RICS guidance notes state that the EWS1 form must be completed by competent chartered professionals with suitable fire expertise. The form is valid for the entire building for five years but may need to be reviewed within that period if alterations are made to the External Wall System (EWS) or balconies. The EWS1 form has two options, Option A or Option B. Option A will be completed where the building does not contain materials likely to support combustion or does contain materials likely to support combustion, but ONLY to an addition (such as a balcony). In this case a lender may require a retention to cover remediation of that part of the building. Option B is where there are known combustible materials in the external wall system. It is then for the fire expert to determine whether or not works are required, as there may be mitigating circumstances. Lenders and valuers will therefore seek confirmation that buildings which have external cladding either:</p> <ul style="list-style-type: none"> (i) achieve compliance with the Building (Amendment) Regulations 2018 (S.I.2018/1230), or (ii) meet the requirements of the current guidance from the Ministry of Housing, Communities and Local Government (MHCLG) in relation to the cladding system (both ACM and non-ACM materials). The statement must have been carried out by a Chartered Engineer registered with the UK Engineering Council with suitable experience in the fire safety of high-rise residential buildings, or (iii) where there is clear rationale for requiring one, request to see an EWS1 form confirming what if any works to the external wall system are required. The form should be supplied with a cover letter from the signing firm detailing their area of business, qualifications and confirming their competence and that they completed the EWS1 Form. <p>Where (iii) applies, we have relied on the EWS1 form in good faith in the full knowledge that it has been prepared by a professionally qualified third party. Otherwise, if we have been advised there is written evidence that the EWS complies with the latest Building Regulations, we have relied on this to be the case and that no remedial works will be required. We accept no liability for any losses or potential losses arising directly and solely from the valuation being provided in reliance of this information. It is recommended that the Lender seeks independent advice prior to making a legal commitment.</p>
<p>Services</p>	<p>No tests of the services have been undertaken. We have assumed that all installations have been properly fitted and regularly serviced and retain a useful economic life. We have assumed where applicable that installations are fully certified by the relevant bodies. Landlords of residential property should be aware of the requirement to have regular safety checks for any gas appliance, under the Gas Safety (Installation & Use) Regulations 1998. And more recently, the Electrical Safety Standards in the Private Rented Sector (England) Regulations 2020 that require them to have the electrical installations in their properties inspected and tested by a person who is qualified and competent, at least every five years. Landlords must provide a copy of the electrical safety report to their tenants, and to their local authority if requested.</p>



Air Conditioning	Over time all air-conditioning systems require servicing or repair and they will often need re-gassing, which often involves R22, a widely used refrigerant. The use of R22 or any HCFCs is now illegal; although the use of air conditioning units requiring R22 is still legal until they need servicing.
State of Repair	This is not a condition or building survey, but we comment on general condition and note any wants of repair that were apparent on our inspection. We have assumed, unless otherwise stated that there are no adverse ground or soil conditions.

Tenure & Tenancies	
Sources of Information	The source of tenure and tenancy information is stated in our report. Should any of the assumptions or information provided to us prove to be incorrect it may be necessary to amend our valuation. We recommend that the details are confirmed by your legal advisers and any discrepancies are reported back to the valuer for review of our valuation.

Local Authority, Statutory & Environmental	
Town Planning	Legal advisers should confirm in their pre lending enquiries that the Property benefits from the appropriate planning permissions for the continued current use and that there are no outstanding applications or breaches of planning permission. Most planning permissions are valid for a period of three years from the date of issue. The Lender should ensure that all planning conditions to have been submitted and discharged at the appropriate time, including conditions that need to be discharged prior to the main consent being implemented. Where we have stated the Property is listed or part of a Grade II listed building, every part of a building is likely to be listed, including the interior and any later alterations or additions. Listed building consent is needed to demolish and for any alteration or extension that would affect the character as a building of architectural or historical interest. It is a criminal offence to carry out works to a listed building without prior listed building consent. Regular maintenance and 'like for like' repairs do not need listed building consent, but it would be required if the repairs include removal of historic material or changes to its character. A property in a conservation area is in an area of special architectural or historical interest, the character or appearance of which it is desirable to preserve or enhance. One would need to demonstrate that any development proposal preserves or enhances the character or appearance of a conservation area. There may also be an Article 4 Direction which would remove permitted development rights. Stringent planning controls will affect the Property and this includes the need to obtain permission for any demolition, and the pruning or felling of a tree.
Fire Safety	Regulation 4 of The Smoke and Carbon Monoxide Alarm (England) Regulations 2015 requires a smoke alarm on each storey where there is a room used as living accommodation in a property that is let. A carbon monoxide alarm is also required where there is a solid fuel burning appliance. The landlord is responsible for checking the alarms are in proper working order on the first day of a new tenancy. We have commented in the valuation report where we have seen fire-detection equipment, but it has not been tested. It is recommended that CO2 detectors are installed, although it is not mandatory. In compliance with The Regulatory Reform (Fire Precautions) Order 2005 all commercial property owners/occupiers, including common parts in blocks of flats, are under an obligation to carry out and keep under review a risk assessment of their property. Where we have not had sight of a risk assessment and this lies within the responsibility of the Lender's customer, we recommend that a fire risk assessment is prepared by a member of the Fire Risk Assessment Competency Council and its recommendations implemented within a reasonable time scale. The specialist report should be supplied to the valuer for review as it may have an adverse effect on our valuation. Otherwise, we have assumed that all the necessary measures are in place and no additional costs will be accrued in complying with the above-mentioned Orders.
Housing Act 1985	Unless otherwise stated, the Property is not designated "defective" under the provisions of the Housing Act 1985.

<p>Equality Act 2010</p>	<p>The Equality Act supersedes various Acts made under equality and discrimination legislation. One of the Acts that it replaces is the Disability Discrimination Act which had specific reference to property and the workplace. The Equality Act (the Act) seeks to ensure that any person having a “premises” dealing does not discriminate in terms of race, religion or ability, against a person in occupation or who wishes to acquire the premises in some way, be it the title or in letting the premises or part of. The Act seeks to ensure that a disabled person is not precluded from acquiring premises by the owner/landlord not allowing physical changes to be made. “Acquiring” is deemed to be acquisition, letting or working within. The Act also places a duty of care on owners/landlords to ensure that common parts are compliant. Therefore, building owners and occupiers should be aware that it may be necessary to undertake physical changes to a building in order to comply with the Act. We are not experts within this field and in the absence of a specialist audit we have assumed, unless otherwise stated that compliance with the Act will not have a material impact upon our valuation.</p>
<p>Health and Safety at Work Act 1974</p>	<p>The Act is aimed at:-</p> <ul style="list-style-type: none"> (i) Securing the health, safety and welfare of persons at work; (ii) Protecting persons other than persons at work against risks to health or safety arising out of or in connection with the activities of persons at work; <p>We have assumed, unless otherwise stated that, where appropriate, the Property complies with the above Act.</p>
<p>Control of Asbestos Regulations 2012</p>	<p>Building owners/occupiers or other parties who have a legal responsibility should:</p> <ul style="list-style-type: none"> (i) Take reasonable steps to find materials in the premises which are likely to contain asbestos and to check their condition; (ii) Presume that materials contain asbestos unless there is strong evidence to suppose that they do not; (iii) Produce a written record of the location and condition of asbestos and presumed asbestos containing material and to keep the record up to date; (iv) Produce a plan as to how the asbestos containing material or presumed asbestos containing material are to be managed. <p>Where the Regulation applies, we have stated in the report if we have seen a management plan and we recommend that legal advisers confirm that such a plan has been implemented. We have made no allowance in our valuation for costs in this regard, however should it become obvious that remedial works will be required the plan should be supplied to the valuer for review as it may have an adverse effect on our valuation. Asbestos was banned in the construction of buildings in 1999 and if the Property was built after this date, we have allowed for no costs in compliance with the above Regulations.</p>
<p>Energy Act 2011</p>	<p>The Energy Act 2011 applies to both residential and commercial property and it stipulates that an Energy Performance Certificate (EPC) is required when a property is constructed, marketed for sale or to let. An EPC provides both an energy efficiency rating and environmental impact rating ranging from Bands A – G. Since 1 April 2018 it is not permitted to renew or commence tenancies for property with an energy efficiency rating of F or G. This applies to all existing tenancies of residential property since April 2020 and to all leases on commercial property from 2023. Tenants may request consent from their landlords to carry out energy efficiency improvements at the tenant’s expense. The landlord cannot unreasonably refuse. The energy efficiency rating of each lettable unit in the Property, where available is stated in our report. EPCs are usually valid for 10 years. The Lender should consider the possible impact on lettable or saleability where there is no EPC or the EPC assessment is below the statutory minimum. There are now Government proposals to raise the energy performance standard for residential rental properties to EPC energy efficiency Band C with improvements for new tenancies from 2025 and all tenancies from 2028. We continue to monitor this.</p>



Housing Act 2004	<p>The Act makes provisions on housing conditions; regulates houses in multiple occupation (HMOs) and certain other residential accommodation. There are provisions for enforcement of housing standards given to Local Housing Authorities (LHAs). A house or flat in multiple occupation may require a licence from the LHA. An HMO is described on the Government's website as a home (house or flat) which is occupied by three or more tenants as their main residence, who form two or more households and who share a kitchen, bathroom or toilet. This could be a shared house or flat, a hostel, or a building converted into bedsits with shared amenities. A large HMO is occupied by five or more tenants forming two or more households and sharing kitchen, bathroom or toilet facilities. All large HMOs require a licence (mandatory licence). Additional licensing applies to certain HMOs that fall outside the scope of mandatory licensing. Every LHA has the discretion and power to introduce additional licensing with over half of London Boroughs and a growing number of other councils operating additional licensing schemes. The HMO definition also covers certain buildings that have been converted to self-contained flats. This is a Section 257 HMO and applies where less than two thirds of the flats are owner occupied and the conversion did not meet the Building Regulations that were in force at the time of the conversion and still does not comply. If the conversion was completed before 1 June 1992, it should comply with the Building Regulations in force at June 1992, if it was completed afterwards then it should comply with the prevailing regulations. The LHA may require an additional licence for a Section 257 HMO. As a means of combating anti-social behaviour, some LHAs have also introduced selective licensing and again this is more prevalent in London. Selective licencing may cover the whole borough or smaller geographical areas. Most private rented properties that fall within the scheme boundary will need to be licensed by the council – not just HMOs. Failure to comply is a criminal offence. We have stated in the report if the Property falls within the HMO definition and what licenses are required, if any.</p>
Other Statutes Relating to Residential Lettings	<p>We have assumed where appropriate the letting(s) in the Property are in compliance with the following:</p> <ul style="list-style-type: none"> (i) Furniture & Furnishings (Fire) (Safety) Regulations 1988 – fire retardant furniture; (ii) Gas Safety (Installation and Use) Regulations 1998 – annual Gas Safe checks; (iii) The Electrical Safety Standards in the Private Rented Sector (England) Regulations 2020; (iv) Regulation 4 of The Smoke and Carbon Monoxide Alarm (England) Regulations 2015.
Local Taxation	<p>The Uniform Business Rate for the financial year 2021/2022 and for 2022/2023 is a standard multiplier of 51.2 pence or 49.9 pence (Small Business Rate) pence per pound of Rateable Value. City of London apply a supplement of £0.008p onto either multiplier. All assessments over RV £70,000 within Greater London have an additional Business Rates Supplement of £0.02p added to their charge for Crossrail. Wales has a single UBR for all properties of 53.5p. Small Business Rates are payable on properties with a Rateable Value threshold of less than £51,000 in England and Wales and £70,000 in London at various discounts based on thresholds up to this level. As a result of businesses being forced to close during the COVID pandemic, a 100% business rates exemption was given by the Government from 1 April 2020 to 30 June 2021 for eligible retail, hospitality, leisure properties and childcare nurseries in England, Scotland and Wales. From June 2021, relief continues at 66% for the rest of the 2021-22 rate year (100% in Wales for properties with a rateable value of up to £500,000) and will then taper to 50% in 2022/23 up to a maximum of £110,000. Otherwise, under The Rating (Empty Properties) Act 2007, unoccupied retail, office, industrial properties have nil liability for a period of three (six for industrial) months from becoming unoccupied, followed by the full occupied charge (100% liability). Properties with listed building status have the benefit of nil liability indefinitely. Unoccupied assessments with RV £2,900 and below are exempt from any rate liability. Wales empty rates relief is the same as for England.</p>



Contamination	<p>We have carried out various enquiries in order, so far as is reasonably possible, to establish the potential existence of contamination arising out of current or previous uses of the Property and its surrounding area. Our inspection of the Property and the surrounding area was 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 or if it transpires there are other environmental features specifically affecting the Property, further specialist advice should be obtained. You are advised to ensure that your legal advisers take up the usual enquiries on your behalf, in respect of possible contamination or environmental issues, prior to entering into any commitments. Where you have instructed us to obtain a desktop survey from an environmental specialist, the results are detailed in our report. We have assumed that the information and opinions we have been given are complete and correct and that further investigations would not reveal more information sufficient to affect value. Should you obtain evidence or advice contrary to any desktop, our observations or assumptions made in this regard before the loan is drawn down, the evidence should be supplied to us in case it has an adverse effect on value.</p>
Invasive Species	<p>The RICS have issued an Information Paper (27/2012) on Japanese Knotweed. This states that the presence and effect of Japanese Knotweed is just one of the many considerations that may affect value, and just one of the variety of factors that valuers and surveyors need to take into account when assessing Market Value. Japanese Knotweed is considered the most rampant non-native invasive species which can cause physical damage to buildings and hard surfaces and be difficult to control. Timely and persistent treatment programmes can minimise its impact. By quantifying the likely cost of treatment and any necessary repairs the impact of Japanese Knotweed can be considered in the valuation process and reflected in the same way as any other defect or item of disrepair. As valuers, we are not in a position to comment on the costs of any potential treatment as this is a specialist area but can advise as to whether the plant was seen. How invasive this has become may not be readily identified by a visual inspection.</p> <p>The RICS assessment framework for Japanese Knotweed has been accepted by major lenders:</p> <ul style="list-style-type: none"> (i) Category one- Japanese Knotweed (JK) is on neighbouring property but more than 7m away from the boundary; (ii) Category two – JK is on a neighbouring property but less than 7m from the boundary but more than 7m away from the subject Property; (iii) Category three – JK is within the boundaries of the Property but at least 7m away from habitable buildings; (iv) Category four – JK is within the boundaries of the Property, or in a neighbouring property <p>We state in our report whether JK or any other invasive plant has been seen on or near the Property. Where evidence of a Category three/four JK case was seen we recommend further specialist investigations are undertaken and unless we have seen evidence the plant has undermined the structural stability of the Property, we have made no allowance for the effect on marketability of the Property which may arise.</p>
Radon	<p>We have commented in the report on the risk of the Property being impacted by radon. Radon is a natural gas originating from uranium within underground rocks and subsoils and is radioactive. Accommodation below ground may be susceptible to the effects of elevated levels of radon because a basement has several surface areas in contact with the soil through which the gas can penetrate. A greater suction dynamic, due to lower atmospheric pressure, would also exist at this level. Tanking of the basement would act as a radon barrier, but this could only be determined by a test. The likelihood of radon can be assessed further by a desktop online report which may determine the concentration of radon and whether any remedial works should be carried out. For the purpose of this valuation, we have assumed that no remedial works would be required.</p>
Made up Ground, Landfill and Mining	<p>We are not able to confirm whether or not the Property is in an area contaminated by landfill or situated on made up ground, as the Environmental Agency website no longer provides information on these items. We state in the report if the Property is known to be situated in an area with a mining history. We would in any event recommend that your legal advisors undertake all the necessary searches. Unless otherwise stated, our valuation assumes that the Property is not adversely affected by these factors.</p>



High Voltage Electrical Supply	We state in the report if there is high voltage electrical supply equipment in or close to the Property. In addition to being unsightly, it may cause noise, disturbance or interference and so possibly deter some buyers, limiting saleability. The possible effects of electromagnetic fields have been the subject of media coverage. The National Radiological Protection Board (replaced by Public Health England), an independent body with responsibility for advising on electromagnetic fields, has advised, following studies in 2000 and 2001, that there may be a risk in specified circumstances to the health of certain categories of people. Public perception may, therefore, affect the marketability and future value of the Property.
Environmental Issues – Costs of Remediation and Insurance	Unless stated in the report, we have not allowed for any costs in relation to contamination, land fill, flooding, invasive species or other environmental matters. We have assumed that the Property can be insured on normal terms including cover for damage caused by environmental matters. Should the enquiries of your legal advisers reveal past issues in this respect a desk-top risk assessment should be commissioned which may alter our valuation.
Valuation	
Methodology	Having identified the most likely occupier or purchaser of the Property, we have adopted one or a combination of the following valuation methods: The Market Approach or the Comparison Approach is used in many markets to determine Market Value and Market Rent and relies on good transparent market evidence of both sales and lettings respectively. Generally, a unit of comparison is needed and adjustment is made to reflect physical, locational and market differences. The Income Approach generally refers to the investment method, either traditional income capitalisation or discounted cashflow. Both current and projected rental income, set against revenue costs are capitalised at an appropriate yield or discount rate. The Cost Approach, often used to describe depreciated cost method, but equally includes residual valuations where there is potential to add value to land and/ or buildings through development.
Market Evidence	We have had regard to information which is publicly available, our own knowledge and experience of the market. In using publicly available information the usefulness of transactional data will always be subject to the quality of the information provided, the accuracy of which it is not always possible to determine.
Suitability of the Property for Loan Purposes	We state in the report whether we believe the Property would provide adequate security for lending generally. Our recommendation is based only on the fundamentals of the Property as we would not necessarily have details of the proposed loan or of the financial status of the Lender's customer. Where there is an existing charge that takes precedence and priority over the loan being advanced, this should be considered by the Lender before the proposed facility is drawn down. The Lender should satisfy itself of the risk associated with additional charges against the Property.
Appropriate Marketing Period	The definition of Market Value requires the valuer to assume that full and proper marketing has been undertaken to achieve the best price. Our opinion of marketing period is stated in the report. The Special Assumption valuations stating a restricted marketing period are effectively forced sales.
Reinstatement Cost	The Property has not been inspected by a qualified building surveyor from Aitchison Raffety for the purpose of assessing reinstatement cost. Based on data from Building Cost Information Service (BCIS), we have provided an estimate of the reinstatement cost of existing buildings or proposed buildings (where appropriate). This is an indication only and should not be relied on. The figure is inclusive of site clearance, professional fees and demolition but excludes consequential loss, fixtures & fittings, stock, loss of rent, cost of alternative accommodation, cost of land decontamination and VAT on construction costs. It should be noted that there is no direct correlation between the building reinstatement cost of a property and Market Value of the same property.



APPENDIX C – STANDARD: LIMITATIONS & ASSUMPTIONS

Where individual client specific Service Level Agreements (“SLAs”) have been agreed they shall take precedence over the contents of this document. However, in the absence of SLAs, or in the event that SLAs are silent on the items detailed herein, the below shall be applicable to the valuation reporting.

1. Compliance & Date of Valuation	The Report and Valuation will be undertaken in accordance with the RICS Valuation – Global Standards (the “Red Book”). The Valuer will conform to the requirements of the Manual, subject to the principle of “departure” outlined therein. Where there is a departure, the Valuer will state this within the Report and Valuation. The date of valuation will be the date of inspection unless otherwise stated within the Report and Valuation.
2. Inspection	The Valuer will undertake a visual inspection of the exterior and interior of the property, to the extent which is accessible with safety and without undue difficulty, as can be seen whilst standing at ground level and within the boundaries of the site, and adjacent public/communal areas, and whilst standing at the various floor levels which the Valuer considers reasonable in order to provide the service having regard to its purpose. The Valuer will not carry out a building or structural survey or inspect those parts of the property which are covered, unexposed or inaccessible nor raise floorboards, move any fixed apparatus or arrange for a test of the electrical, heating or other services. In preparing the report, unless otherwise stated by the Valuer, the following assumptions will be made which the Valuer is under no duty to verify: <ul style="list-style-type: none"> a. That no deleterious or hazardous materials or techniques were used in the construction of the property nor have since been incorporated. b. That inspections of those parts which have not been inspected would neither reveal material defects nor cause the Valuer to alter the valuation materially. Our valuation assumes that all electronically operated or electronically controlled equipment at the property is not or will not be adversely affected by any computer virus or date related programming problems.
3. Measurements	All measurements are carried out in accordance with the Code of Measuring Practice issued by the Royal Institution of Chartered Surveyors. In the event of dimensions or areas being calculated from plans or other sources, the Valuer will so state in the report.
4. Services	The Valuer will not test any of the services within the property but will make a visual inspection of which are connected.
5. Tenure & Tenancies	Although the Valuer reflects a general understanding of a tenant’s status in the valuations, the Valuer makes limited enquiries about the financial strength of tenants and relies upon the client to advise if tenants are in default of rental payments, or where there appear grounds for concern. In the context of investment property, where covenant strength is significant, such assumptions that affect the valuation approach will be commented upon in the valuation section of the report. The Valuer will assume that appropriate enquiries were made when leases were originally exchanged, or when consent was granted to tenants to assign or underlet, and that tenants are therefore not in breach of covenant. The valuations do not take account of any rights, obligations, or liabilities whether prospective or accrued under the Defective Premises Act 1972.
6. Legal Advice	The Valuer shall, unless otherwise expressly agreed, rely upon information provided by the client and / or the client’s legal or other professional advisors relating to tenure, leases and all other relevant matters. The Valuer will assume that good Title can be shown, and that the property is not subject to any unusual or onerous restrictions, encumbrances or outgoing. It is understood, where relevant, that the client will be obtaining a report on Title which, if in conflict with the valuation report, should be referred to the Valuer for further consideration. No responsibility or liability is accepted for the true interpretation of the legal position of the client and other parties. Any interpretation of legal documents and legal assumptions should be checked by the client or suitably qualified person, if relied upon.
7. Town Planning, Highways & Other Statutory Regulations	The Valuer will carry out such inspections and investigations as are in the Valuer’s professional judgement appropriate and possible in the circumstances. It is an assumption that the property and its value are unaffected by any matters which would be revealed by a local search and replies to the usual enquiries or Statutory Notice and that neither the property nor its condition, nor its use, intended use, is or will be unlawful. It is recommended that verification is obtained from the client’s solicitors that: <ul style="list-style-type: none"> a. The position is correctly stated in the report. b. The property is not adversely affected by any other decisions made or conditions prescribed by Local Authorities. c. That there are no outstanding Statutory Notices. The valuations are prepared on the basis that the premises comply with statutory regulations, including fire and building regulations. Where it is apparent that access to the property is not direct from the public highway, or where there are published road proposals, the Valuer will make appropriate comments. The Valuer will make enquiries to ascertain details of Local Taxation. No comment will be made as to the reasonableness of details of Council Tax Bandings or Rateable Value



<p>8. Environmental Considerations</p>	<p>The Valuer will make only informal enquiries as to environmental considerations unless specifically instructed otherwise. The Valuer does not undertake any environmental testing as part of a normal valuation inspection and will therefore usually report that enquiries have not revealed any contamination affecting the property or neighbouring property, which would affect the valuation. However, should it be established subsequently that contamination exists at the property, or on any neighbouring land, or that the premises have been or are being put to any contaminative use, this might reduce the values reported and should be referred back to the valuer. When valuing property where the Valuer suspects contamination may exist this will be reported. If an approved Environmental Consultant is employed their report should be referred to the Valuer. The Valuer will then refer to the Consultant's report in the valuation identifying the nature of the contamination and adjust the valuation to have regard to the estimated cost and likely liability for treatment. However, should it be established subsequently that other contaminants exist at the property or on any other neighbouring land, or that the premises have been or are being put to any other contaminative uses this might reduce the value reported. Unless otherwise stated by the Valuer, the following assumptions will be made by the Valuer which he is under no duty to verify:-</p> <ol style="list-style-type: none"> a. Investigations have not been undertaken on the site in the form of any geotechnical report to determine the suitability of ground conditions or services for any new developments. b. In the case of agricultural land, the Valuer is not able to accept any responsibility as to the possible latent infestations in the soil or any disease which might affect crops or stock at any time in the future. <p>The Valuer will not undertake formal enquiries but will comment on the following within the scope of internet enquiries and visual inspection. It may not be possible to provide definitive conclusions based on informal enquiries:-</p> <ul style="list-style-type: none"> - Invasive Species; Flooding; Radon; Made up ground; and, Coal Mining.
<p>9. Valuation</p>	<p>A basis of value is a statement of the fundamental measurement assumptions of a valuation. It describes the fundamental assumptions on which the reported value will be based, e.g. the nature of the hypothetical transaction, the relationship and motivation of the parties and the extent to which the asset is exposed to the market. The appropriate basis will vary depending on the purpose of the valuation.</p> <p>A basis of value should be clearly distinguished from:</p> <ol style="list-style-type: none"> a. the approach or method used to provide an indication of value, b. the type of asset being valued, c. the actual or assumed state of an asset at the point of valuation, d. any additional assumptions or special assumptions that modify the fundamental assumptions in specific circumstances. <p>A basis of valuation can fall into one of three principal categories:</p> <ol style="list-style-type: none"> a. The first is to indicate the most probable price that would be achieved in a hypothetical exchange in a free and open market. Market value as defined in these standards falls into this category. b. The second is to indicate the benefits that a person or an entity enjoys from ownership of an asset. The value is specific to that person or entity, and may have no relevance to market participants in general. Investment value and special value as defined in these standards fall into this category. c. The third is to indicate the price that would be reasonably agreed between two specific parties for the exchange of an asset. Although the parties may be unconnected and negotiating at arm's length, the asset is not necessarily exposed in the market and the price agreed may be one that reflects the specific advantages or disadvantages of ownership to the parties involved rather than the market at large. Fair value as defined in these standards falls into this category. <p>Valuations may require the use of different bases of value that are defined by statute, regulation, private contract or other document. Although such bases may appear similar to the bases of value defined in these standards, unless unequivocal reference is made to IVS in the relevant document, their application may require a different approach from that described in IVS. Such bases have to be interpreted and applied in accordance with the provisions of the source document. Examples of bases of value that are defined in other regulations are the various valuation measurement bases found in International Financial Reporting Standards (IFRS) and other accounting standards.</p> <p>Unless otherwise described all valuations will be defined as:-</p>
<p>10. Market Value (MV)</p>	<p>The valuation prepared on an open market basis in accordance with the RICS Valuation – Global Standards 2020 issued by the Royal Institution of Chartered Surveyors incorporating International Valuation Standards 2020 (IVS) and which is defined as follows:-Valuations based on market value shall adopt the definition and the IVS Framework paragraphs 32 – 34 and VPS 4 paragraph 1.2, Market Value :</p>



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

The definition of market value shall be applied in accordance with the definition in IVS Framework paragraph 29 and paragraphs 32 - 34:

"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 special value;

"an asset should exchange" refers to the fact that the value of an asset 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;

"on the valuation date" requires that the value is time-specific as of a given date. Because market conditions may change, the estimated value may be incorrect or inappropriate at another time. The valuation amount will reflect the actual market state and circumstances as of the effective valuation date, not as of either a past or future date. The definition also assumes simultaneous exchange and completion of the contract for sale without any variation in price that might otherwise be made;

"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";

"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 may be. The factual circumstances of the actual owner are not a part of this consideration because the willing seller is a hypothetical owner;

"in an arm's length transaction" is one between parties who do not have a particular or special relationship, e.g. parent and subsidiary companies or landlord and tenant, that may make the price level uncharacteristic of the market or inflated because of an element of special value. The market value transaction is presumed to be between unrelated parties, each acting independently;

"after proper marketing" means that the asset would be 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;

"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;

"and without compulsion" establishes that each party is motivated to undertake the transaction, but neither is forced or unduly coerced to complete it.

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 exposed for sale is the one in which the asset being exchanged is normally exchanged.

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 productivity 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.

The highest and best use of an asset valued on a stand-alone basis may be different from its highest and best use as part of a group, when its contribution to the overall value of the group must be considered.



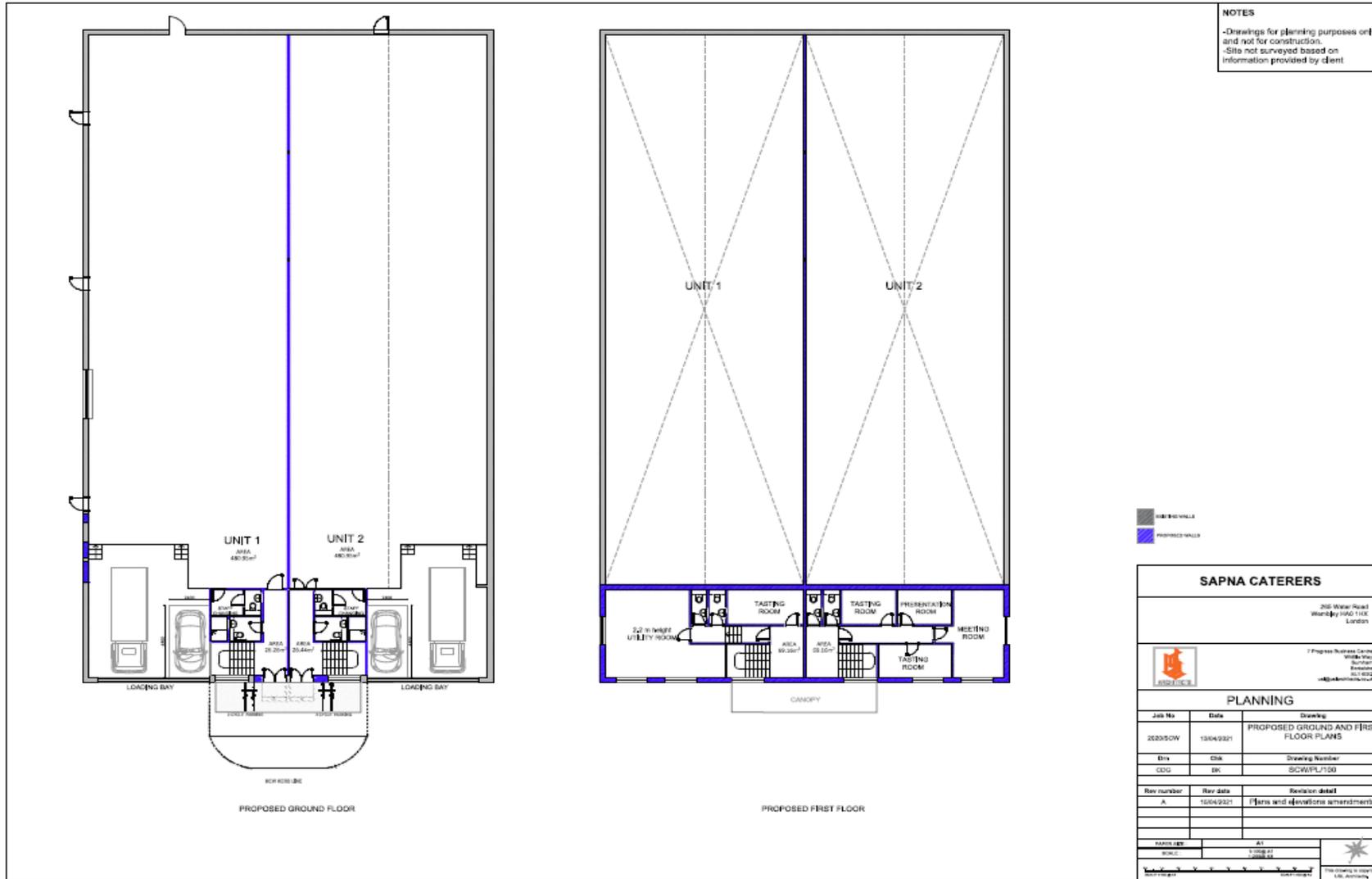
	<p>The determination of the highest and best use involves consideration of the following:</p> <ol style="list-style-type: none"> a. To establish whether a use is possible, regard will be had to what would be considered reasonable by market participants, b. To reflect the requirement to be legally permissible, any legal restrictions on the use of the asset, e.g. zoning designations, need to be taken into account, c. The requirement that the use be financially feasible takes into account whether an alternative use that is physically possible and legally permissible will generate sufficient return to a typical market participant, after taking into account the costs of conversion to that use, over and above the return on the existing use. <p>Transaction Costs</p> <p>Market value is the estimated exchange price of an asset without regard to the seller's costs of sale or the buyer's costs of purchase and without adjustment for any taxes payable by either party as a direct result of the transaction.</p>
11. Market Value (MV) – Subject to Special Assumptions	<p>Where an assumption is made that assumes facts that differ from those existing at the date of valuation, it becomes a special assumption (see VPS 4 Paragraph 3 Special Assumptions and IVS 101 Scope of Works). Special assumptions must be agreed in writing with the Client. Special assumptions are often used to illustrate the effect of possible changes on the value of an asset. They are designated as "special" so as to highlight to a valuation user that the valuation conclusion is contingent upon a change in the current circumstances or that it reflects a view that would not be taken by market participants generally on the valuation date. Assumptions and special assumptions must be reasonable and relevant having regard to the purpose for which the valuation is required. In certain circumstances Valuers may be asked to provide a Market Value subject to special assumptions which have previously been agreed between the Valuer and the client. Where such interpretations are required the additional special assumptions will be included within the valuation section of the report.</p>
12. Market Rent (MR)	<p>Valuations based on market rent shall adopt the definition in IVS 230 Real Property Interests paragraph C9. The Framework follows the theme of Market Value above:</p> <p><i>"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."</i></p>
13. Insurance Recommendation (where requested)	<p>An indication is provided for insurance purposes unless otherwise advised (which is given solely as a guide since a formal estimate for insurance purposes can only be given by a Quantity Surveyor or other person with sufficient current experience) of the current replacement cost of:</p> <ol style="list-style-type: none"> a. The buildings in their present form (unless otherwise stated). b. Buildings being constructed as proposed to be completed: each including the cost of clearance and professional fees but excluding: <ol style="list-style-type: none"> i. VAT (except on fees) ii. Loss of rent: and / or iii. Cost of alternative accommodation for the reinstatement period iv. Cost of decontamination of the land.
14. Confidentiality	<p>The report will be provided for the stated purpose and for the sole use of the named client. The Valuer accepts responsibility to the client alone that the report will be prepared with the skill, care and diligent responsibility to be expected of a reasonably competent Valuer and accepts no responsibility whatsoever to any parties other than the client. Any third parties rely upon the report at their own risk. Neither the whole or any part of the report nor any reference to it may be included in any published document, circular or statement nor published in any way without the prior written consent of Aitchison Raffety as to the form and context in which it may appear.</p>
15. Fee	<p>In the event of non-payment, we reserve the right to charge interest under section 69 of the County Courts Act 1984 at the rate of 8% per annum, from the date of the invoice to any unpaid amount outstanding four weeks after the invoice date.</p>
16. Liability	<p>Except for liability for death or personal injury the maximum liability of Aitchison Raffety to the client in connection with the service provided under this instruction whether in contract or tort (including negligence) or the breach of statutory duty shall be limited to £10,000,000 in relation to any one event or series of connected events. Aitchison Raffety will not be liable for any consequential, special, indirect or exemplary damages, costs or losses or any damages, costs or losses attributable to lost profits or opportunities. Furthermore, none of Aitchison Raffety's employees, partners or consultants individually has a contract with you or owes you a duty of care or personal responsibility. You agree that you will not bring any claim against any such individuals personally in connection with our services.</p>
17. General Assumptions	<p>Unless otherwise stated all items normally associated with the valuation of land and buildings are reflected in the valuation and reinstatement costs to the extent that they existed at the date of inspection, including:</p>



	<p>Fixed space heating; hot water system; lighting; mains services supplying sprinkler systems and associated equipment; water; electricity; gas and steam circuits not serving industrial or commercial processes; sub-station buildings; lifts and permanent structures including crane rails where forming an integral part of the building structure; drains; sewers and sewerage plants not primarily concerned with treating trade effluent; air conditioning/comfort cooling except where part of a computer installation or primarily serving plant and machinery; suspended ceilings; carpets, perimeter trunking; raised floors and fixed demountable partitions except where these are tenant's fixtures.</p> <p>Unless otherwise specified the following items are excluded: All items of process plant and machinery, tooling and other equipment not primarily serving the building; cranes, hoists, conveyors, elevators, structures which are ancillary to, or form part of an item of process plant and machinery; sewerage plant primarily concerned with treating trade effluents; air conditioning/comfort cooling where part of a computer installation or primarily serving plant and machinery; and water, electricity, gas, steam and compressed air suppliers and circuits serving industrial and commercial processes.</p> <p>Unless otherwise specified no allowance is made for the cost of repairing any damage caused by the removal from the premises of items of plant, machinery, fixtures and fittings.</p> <p>All valuation figures and rentals quoted are exclusive of any VAT which may be applicable and should be confirmed following legal advice. No deductions are made for taxation or costs of realisation.</p> <p>Our valuation assumes that all electronically operated or electronically controlled equipment at the property is not or will not be adversely affected by any computer virus or date related programming problems.</p>
18. Data Security	<p>During the valuation process the Valuer will have access to, or may be provided with personal, confidential and/or commercially sensitive information. Aitchison Raffety will maintain this information in accordance with the General Data Protection Regulations and the company's Information Security policy. Any such information will be held securely with authorised access only; it will be verified where appropriate. We will only process your information in accordance with the lawful basis of Legitimate Interest. For more information see our Privacy Policy at www.argroup.co.uk/privacy-policy.</p>
19. Complaints Procedure	<p>Aitchison Raffety has a written complaints procedure. A copy is available on request via email at complaints@argroup.co.uk or by ringing 01494 480800.</p>
20. Report Dual Signatories	<p>In circumstances where dual signatories are provided, for the avoidance of doubt, the secondary report signatory neither inspects, nor undertakes due diligence in respect of the property subject to valuation. Furthermore, the secondary signatory neither constructs the report nor undertakes calculations. The secondary signatory's role is supervisory, typically presenting in the form of peer review oversight and/or a compliance verification capacity.</p>
21. RICS Audit	<p>The Report and Valuation may be subject to RICS Audit for compliance purposes.</p>

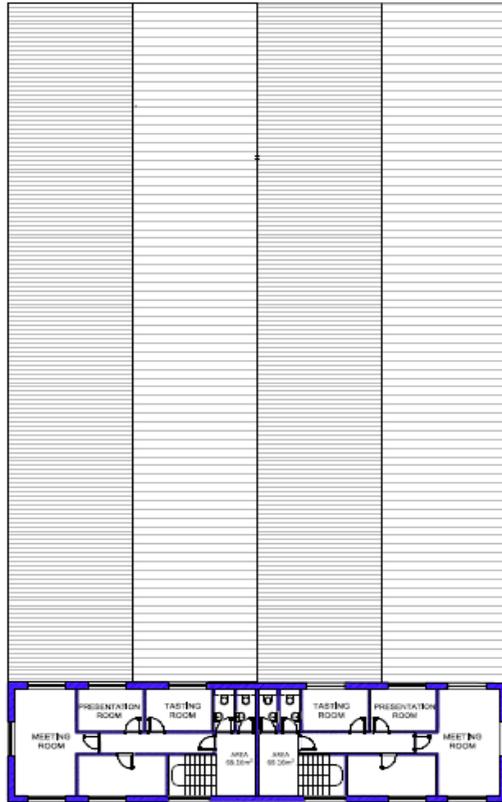


APPENDIX D – FLOOR PLANS

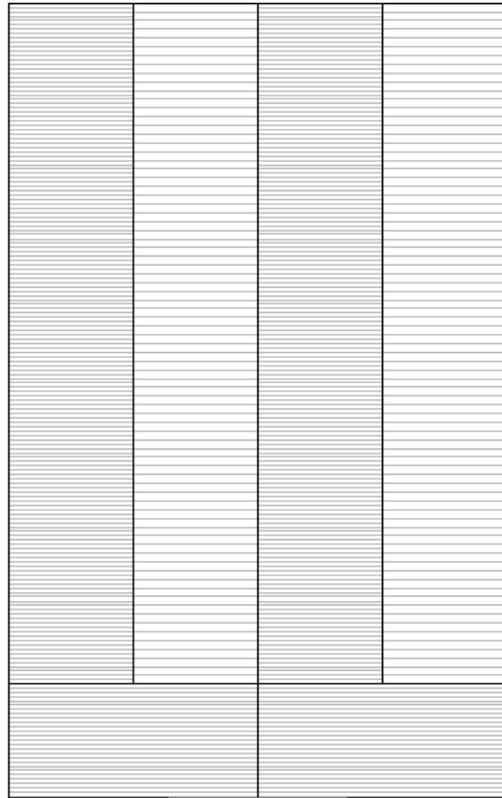




NOTES
 -Drawings for planning purposes only and not for construction.
 -Site not surveyed based on information provided by client



CANOPY
 PROPOSED SECOND FLOOR



CANOPY
 PROPOSED ROOF PLAN

EXISTING WALLS
 PROPOSED WALLS

SAPNA CATERERS
 265 Water Road
 Wembley HA0 1HX

7 Progress Business Centre
 265 Water Road
 Wembley HA0 1HX

PLANNING

Job No	Date	Drawing
2023/SOW	13/04/2021	PROPOSED SECOND AND ROOF FLOOR PLANS
Dir	Dir	Drawing Number
CDG	BR	SCWPL/101
Rev number	Rev date	Revision detail
A	13/04/2021	Plans and elevations amendments
DRAWN BY: AT		
CHECKED BY: S. J. J. J.		

Scale: 1:1000
 Date: 13/04/2021



APPENDIX E – PLANNING INFORMATION & DECISION NOTICE

SCHEDULE 'A'



BRENT COUNCIL

TOWN AND COUNTRY PLANNING ACT 1990 (as amended)

DECISION NOTICE – APPROVAL

Application No: 20/3565

To: Mr Khwaja
USL Architects
7 Progress Business Centre
Whittle Parkway
Bumham
SL1 6DQ

I refer to your application dated 03/11/2020 proposing the following:

Conversion of existing warehouse into 2 units with erection of first and second floor extension to front of building to provide additional tasting/presentation and meeting rooms and repositioning of dropped kerb

and accompanied by plans or documents listed here:
Please refer to condition 2

at 265 Water Road, Wembley, HA0 1HX

The Council of the London Borough of Brent, the Local Planning Authority, hereby **GRANT** permission for the reasons and subject to the conditions set out on the attached Schedule B.

Date: 29/04/2021

Signature:

Gerry Ansell
Head of Planning and Development Services

Notes

- Your attention is drawn to Schedule A of this notice which sets out the rights of applicants who are aggrieved by the decisions of the Local Planning Authority.
- This decision does not purport to convey any approval or consent which may be required under the Building Regulations or under any enactment other than the Town and Country Planning Act 1990.

DnS&G

Document Imaged

DocFDN
Ref: 20/3565 Page 1 of 5

Appeals to the Secretary of State

The applicant may appeal to the Secretary of State if he or she is aggrieved by the decision of the local planning authority in respect of:

- Refusal of a planning, Permission in Principle, Technical Details Consent, listed building consent or conservation area consent application, including refusal to vary or discharge conditions,
- The conditions attached to a planning, Technical Details Consent, listed building consent or conservation area consent application,
- Refusal, partial refusal or deemed refusal of a lawful development certificate,

The correct form must be used to appeal – Planning; Permission in Principle, Householder Planning; Listed Building Consent; Conservation Area Consent or Certificate of Lawful Use or Development Appeal Forms. Please specify form required, if requesting from Inspectorate. The time period to do this will vary depending on the application type or development type. An appeal must be made within the following time periods of the decision date:

- An advertisement application must be made within 8 weeks
- A full application, removal or variation of condition for a householder* development must be made within 12 weeks. (See below for definition of householder)
- All other application types or development types must be made within 6 months

However, different timescales apply where the development is also the subject of an enforcement notice. If an enforcement notice has been served within two years of an application being submitted or is served before the time period for determining the application has expired, the time limit to appeal is 28 days from date of refusal or the date of determination. If an enforcement notice is served after the application's decision date or date for determination, the time limit is 28 days from the enforcement notice served date, unless this would extend the period beyond the usual time limit for cases not involving an enforcement notice.

- The Secretary of State can allow a longer period for giving notice of an appeal but he/she will not normally be prepared to use this power unless there are special circumstances which excuse the delay. Appeals must be made on a form obtainable from the Planning Inspectorate, Temple Quay House, 2 The Square, Temple Quay, Bristol, BS1 6PN or online at www.planningportal.gov.uk/pcs.
- The Secretary of State need not consider an appeal if it seems to him/her that the local planning authority would not have been able to have granted planning permission for the development or would not have been able to have granted it without the conditions they imposed, having regard to the statutory requirements, to the provisions of any development order and to any directions given under a development order.
- In practice, the Secretary of State does not refuse to consider appeals solely because the local planning authority based their decision on a direction given by him/her.

Purchase Notices

- If either the local planning authority or the Secretary of State refuses permission to develop land or grants it subject to conditions, the owner may claim he can neither put the land to a reasonably beneficial use in its existing state, nor render the land capable of a reasonably beneficial use, either carrying out any development which has been or would be permitted.
- In these circumstances, the owner may serve a purchase notice on the Council in whose area the land is situated. This notice will require the Council to purchase his/her interest in the land, in accordance with the provisions of Part V1 of the Town and Country Planning Act 1990.

*For the purposes of an appeal, a householder development is development in the boundary of, or to an existing dwellinghouse for purposes incidental to the enjoyment of the dwellinghouse, that does not involve change of use or a change to the number of dwellings. Please note, this does not include development in the boundary of, or to an existing flat or maisonette. This includes "prior approval" applications for larger household extensions.

FOR OTHER INFORMATION OR ADVICE ON THIS NOTICE PLEASE CONTACT:
Planning and Regeneration Service

Brent Civic Centre, Engineers Way, Wembley, Middlesex, HA9 0FJ
Telephone: 020 8937 5210

SCHEDULE "B"

Application No: 20/3565

SUMMARY OF REASONS FOR APPROVAL

- 1 The proposed development is in general accordance with the policies contained in the:

National Planning Policy Framework (2019)
The London Plan (2021)
Brent Core Strategy (2010)
Brent Development Management Policies (2016)
Brent SPD 1 (2018)

CONDITIONS

- 1 The development to which this permission relates must be begun not later than the expiration of three years beginning on the date of this permission.

Reason: To conform with the requirements of Section 91 of the Town and Country Planning Act 1990.

- 2 The development hereby permitted shall be carried out in accordance with the following approved drawing(s) and/or document(s):

SCW-EX-100 /101/102/103 /SCW-EX-400
SCW/PL/100 REV A /SCW/PL/101 REV A / SCW/PL/102 REV A / SCW/PL/103 REV A /
SCW/PL/104 REV A

Reason: For the avoidance of doubt and in the interests of proper planning.

- 3 Both units hereby approved shall be used exclusively for the purposes specified in the application (Use Class B8 with ancillary B2 use) hereby approved and for no other purpose or in any provision equivalent to that Class in any statutory instrument revoking and re-enacting that Order with or without modification).

Reason: To prevent a number of uses becoming established on the site and to ensure that the standards applied to the consideration of the approved development are maintained in connection with the completed development so approved.

- 4 The offices hereby approved shall be used only in conjunction with and ancillary to the main approved use as and for no other purpose.

Reason: To ensure that no separate use commences without the prior approval of the Local Planning Authority and to ensure that any subsequent use complies with the Council's adopted policies for the area.

- 5 Any plant shall be installed, together with any associated ancillary equipment, so as to prevent the transmission of noise and vibration into neighbouring premises. The rated noise level from all plant and ancillary equipment shall be 10dB(A) below the measured background noise level when measured at the nearest noise sensitive premises. An assessment of the expected noise levels shall be carried out in accordance with BS4142:2014 'Methods for rating and assessing industrial and commercial sound,' and any mitigation measures necessary to achieve the above required

noise levels shall be submitted to the Local Planning Authority in writing for approval. The plant shall thereafter be installed and maintained in accordance with the approved details.

Reason: To protect acceptable local noise levels, in accordance with Brent Policy EP2

- 6 The roller shutters proposed for the loading bays shall be open-grille rollers rather than solid shutters and the loading bays to be used solely in connection with vehicles and not as any part of warehouse storage and shall be permanently retained thereafter unless the planning consent is obtained from the Local Planning Authority.

Reason: To ensure that the approved standards of parking and loading provision are maintained in the interests of local amenity and the free flow of traffic in the vicinity.

- 7 Details of the extract ventilation system and odour control equipments for the units, including all details of external ducting, must be submitted to the Local Planning Authority for approval if any shall be installed. The approved equipment shall be installed prior to the commencement of both units and shall thereafter be operated at all times during the operating hours of the use and maintained in accordance with the manufacturer's instructions.

Reason: To protect the amenity of nearby residents.

- 8 (a) Details of materials for all external work, including samples, shall be submitted to and approved in writing by the Local Planning Authority before any work is commenced. The work shall be carried out in accordance with the approved details.

(b) Details of materials for all external work shall be submitted to and approved in writing by the Local Planning Authority before any work is commenced. The work shall be carried out in accordance with the approved details.

Reason: To ensure a satisfactory development which does not prejudice the amenity of the locality.

- 9 Prior to commencement of use for the facilities and the subdivision of the units, a Delivery and Service Management Plan shall be submitted to and approved in writing by the Local Planning Authority. The development shall thereafter be carried out in accordance with the approved DSMP throughout the lifetime of the development.

Reason: In the interest of highway and pedestrian safety both within the application site and the surrounding highways network.

- 10 Prior to the commencement of the development a Construction and Demolition Method Statement shall be submitted to and approved in writing by the Local Planning Authority outlining measures that will be taken to control dust, noise and other environmental impacts of the development. The construction of the development shall be carried out in accordance with the approved statement.

Reason: To protect air quality and the amenity of nearby residential properties.

Pre-commencement reason: The impacts of construction works commence when the development commences and as such, the need to mitigate those impacts accordingly arises at this time.

INFORMATIVES

- 1 The provisions of The Party Wall etc. Act 1996 may be applicable and relates to work on an



existing wall shared with another property; building on the boundary with a neighbouring property; or excavating near a neighbouring building. An explanatory booklet setting out your obligations can be obtained from the Communities and Local Government website www.communities.gov.uk

- 2 The applicant must ensure, before work commences, that the treatment/finishing of flank walls can be implemented as this may involve the use of adjoining land and should also ensure that all development, including foundations and roof/guttering treatment is carried out entirely within the application property.



Unit 4, Stokenchurch Business Park,
Ibstone Road, Stokenchurch
HP14 3FE
T: +44 (0) 01494 480 800
Contact Name: Tom Littler
Phone: 07841 804766
Email: tom.littler@argroup.co.uk

