

# VALUATION REPORT

for loan security purposes

Subject Property:  
Unit A, Brue Way, Highbridge Industrial Estate, Highbridge, Somerset, TA9  
4AW

Prepared for:  
Proplend Security Limited, 15 Little Green, Richmond, TW9 1QH

Name of Valuer: Andrew Seale MRICS, RICS Registered Valuer

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Date: 28<sup>th</sup> March 2023  
Our Ref: BDN'1669

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**Barnsdales Valuations Limited**  
**4 Sidings Court**  
**Doncaster**  
**DN4 5NU**

## EXECUTIVE SUMMARY

**Type of property: General Industrial**

**Summary of MV and MR:**

- **Market Value £3,750,000 (three million seven hundred and fifty thousand pounds)**
- **Market Rent £245,000 (two hundred and forty five thousand pounds)**

**Date of Valuation: 28<sup>th</sup> March 2023**

<i>Strengths</i> <ul style="list-style-type: none"><li>• Close to M5 motorway</li><li>• Established industrial estate</li><li>• Level secure site</li><li>• Modern front offices</li><li>• Flexible accommodation</li></ul>	<i>Weaknesses</i> <ul style="list-style-type: none"><li>• Some dated accommodation</li><li>• Old roofs will need replacing in long term</li></ul>
<i>Opportunities</i> <ul style="list-style-type: none"><li>• Modernise older parts of the property</li><li>• Subdivide site and let to small businesses</li></ul>	<i>Threats</i> <ul style="list-style-type: none"><li>• Changes in local economy</li><li>• Increase in interest rates</li></ul>
<i>Key Issues/ risks (including lender actions):</i> <ul style="list-style-type: none"><li>• We understand that the Deed of Variation was to replace the plan to the Lease, to include the entire property now occupied by EFS.</li></ul>	
Asset Quality: Good	

**Special Assumptions: None**

**Suitability for loan security: Good**

**RICS Compliance:** Our valuation has been carried out in accordance with the 2021 edition, effective from 31 January 2022 of the RICS Valuation – Professional Standards, incorporating the International Valuation Standards, and we confirm we have £5million worth of Professional Indemnity Insurance

## SUMMARY OF VALUES

<b>MARKET VALUE</b>	£3,750,000	(three million seven hundred and fifty thousand pounds)
<b>VACANT POSSESSION VALUE</b>	£3,750,000	(three million seven hundred and fifty thousand pounds)
<b>MARKET VALUE AS AN INVESTMENT</b>	£3,750,000	(three million seven hundred and fifty thousand pounds)
<b>MARKET VALUE SUBJECT TO RESTRICTED MARKETING OF 90 DAYS</b>	£3,375,000	(three million three hundred and seventy five thousand pounds)
<b>MARKET VALUE SUBJECT TO THE SPECIAL ASSUMPTION OF A 180 DAY MARKETING PERIOD</b>	£3,750,000	(three million seven hundred and fifty thousand pounds)
<b>MARKET VALUE SUBJECT TO THE SPECIAL ASSUMPTION OF VACANT POSSESSION AND A 90 DAY MARKETING PERIOD</b>	£3,375,000	(three million three hundred and seventy five thousand pounds)
<b>MARKET VALUE SUBJECT TO THE SPECIAL ASSUMPTION OF VACANT POSSESSION AND A 180 DAY MARKETING PERIOD</b>	£3,750,000	(three million seven hundred and fifty thousand pounds)
<b>MARKET RENT</b>	£245,000	Two hundred and forty five thousand pounds
<b>CONTRACT RENT</b>	£230,000	Two hundred and thirty thousand pounds
<b>REINSTATEMENT VALUE</b>	£5,400,000	Five million four hundred thousand pounds

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## 1.0 VALUATION

### 1.1 ADDRESS OF PROPERTY

The address in line with our instructions is **“Unit A”**

**Unit A, Brue Way, Highbridge Industrial Estate, Highbridge, Somerset, TA9 4AW**

There are 3 component areas to the Building:

- Unit A (Unit 2)
- Unit B (Unit 2)
- Unit C (Unit 3)

### 1.2 CLIENT

Proplend Security Limited, 15 Little Green, Richmond, TW9 1QH

### 1.3 PURPOSE OF VALUATION

The purpose of the valuation is for secure lending and is for the use of the aforementioned client only. Third party use is not permitted without prior written consent.



## 1.4 VALUATIONS

### Market Value

We value this property in its present condition **Freehold** and with vacant possession in the sum **£3,750,000 (three million seven hundred and fifty thousand pounds)**

### Market Rent

We are of the opinion the property in its present condition commands a market rental value of **£245,000 (two hundred and forty five thousand pounds)**

### Reinstatement Cost for Insurance Purposes

We recommend the property be insured on a reinstatement basis for a minimum of **£5,400,000 (five million four hundred thousand pounds)**

This should be treated as a guidance figure and we can confirm it has been obtained by the Building Cost Information Service which we use in conjunction with the RICS. The figure is inclusive of VAT, professional fees and site clearance.

## 1.5 VALUATION DATE

28<sup>th</sup> March 2023

## 1.6 VALUATION BASIS

### Market Value

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

### Market Rent

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

**See assumptions and disclaimers.**

## 2.0 THE PROPERTY (SUBJECT OF THE VALUATION)

### 2.1 LOCATION

The property is located on Brue Way in the town of Highbridge, approximately 23 miles south west of Bristol City centre. Junction 22 of the M5 is approximately 2 miles north of the Subject property. The surrounding properties are predominantly commercial. Highbridge & Burnham train station is approximately 0.5 miles west of the property which links into main line train services in Bristol. The region is served by Bristol airport, 18 miles to the north east. Highbridge has an approximate population of 5,360, according to the most recent census.

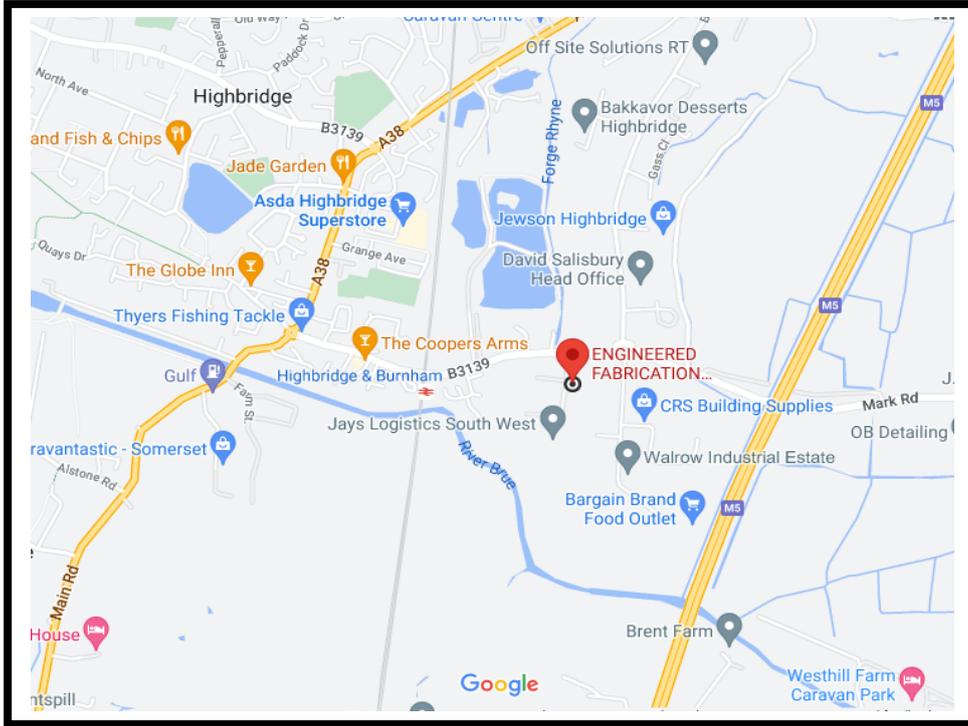
The subject property is located within Walrow Industrial Estate, approximately 1 mile to the south east of Highbridge town centre. Brue way is a no through road, accessed from the B3139, 60 metres north of the property. Other occupiers along Brue Way include Hy-Tech Enamellers, Jays Logistics (South West) and Cornwall Glass.

Whilst this is considered a secondary industrial location, there has been extensive development in the wider area over the past few years, due to the ongoing expansion of Hinkley Point nuclear power station. This development has had a beneficial effect on local businesses which provide goods and services to EDF and related companies.

#### Location Plan



## Street Plan



## 2.2 DESCRIPTION (AND EXISTING USE)

The property comprises two original detached factory / warehouse buildings dating from the 1950's, linked at the rear by two extensions constructed in 1993 and 2011.

### Unit 2 (a.k.a. Units A & B)

The original building occupying the northern portion of the site comprises 4 concrete frame bays with concrete block walls to an eaves height of c.2.8 metres and corrugated asbestos sheet roofing with sky lights. The front 2 bays were converted to provide modern office, showroom, and amenity accommodation in 2025. The western front and southern exterior elevations of these 2 bays feature modern composite metal cladding. The fit out to the offices includes carpeted concrete floors, painted plasterboard walls, perimeter trunking, double glazed UPVC framed windows, suspended ceilings with inset LED lighting. The accommodation is arranged with an entrance foyer, open plan and partitioned offices and ladies and gents and disabled access W.C.'s to the first bay; showroom, canteen, meeting room and server room to the second bay; and open warehousing to the third and fourth bays.

To the rear is a lean-to bay constructed in 1993, with steel frame, profile steel wall cladding, profile steel clad roof with skylights and an eaves height of c4.25 metres. To the eastern elevation is a gents toilet block. This bay leads through to a narrow bay to

the southern end, of similar construction, which features a short link corridor to a further bay to the rear of Unit 3 constructed in 2011.

### **Unit 3** **(a.k.a. Unit C)**

The original building to the southern part of the site comprises 2 larger bays with steel frames, part rendered concrete walls to an eaves height of c3.5 metres and corrugated asbestos sheet roofing with skylights. The asbestos roof to the eastern bay of the building has been overlaid with profile sheet cladding and the western bay has had profile steel sheeting inserted beneath the original roof lining. Internally, these bays provide open warehouse and production space.

#### **In summary:**

**Offices, kitchen / canteen, industrial production units and stores.**

#### **Site**

The inter-connected buildings occupy a broadly regular shaped, concrete surfaced, level site with a short, narrow spur extending north. There are 37 flat surface car parking spaces in all.

The spur accommodates an electrical substation, requiring a right of way for Western Power Distribution.

The Site is fully secure, the boundary being predominantly formed by metal palisade fencing and neighbouring buildings. There are 2 entry points from Bure way frontage with palisade gates.

We are not aware of any significant development or change of use potential of the property or properties in the locality which would materially affect the valuation.

## **2.3 CONSTRUCTION**

### **Unit 2**

A single storey industrial unit of concrete portal frame constructions, 2.73 metre eaves, concrete floor, profile metal sheet wall cladding to eaves, and corrugated asbestos sheet cladding above. Corrugated asbestos sheet roofing with roof lights and fluorescent tube lighting. The rear lean to extension forms a production unit is of steel frame construction, breeze block walls to 2.6 metres, and profile corrugated metal sheet wall and corrugated metal sheet roof cladding with roof lights and fluorescent tube lighting. The eaves height is 7.7 metres at the front and 5.2 metres to the rear. The unit has 3 phase power.

### **Unit 3**

Two single storey industrial units at the front of steel portal frame, breeze block walls to 1.8 metres and corrugated metal sheet wall cladding to an eaves height of 3.74 metres,

and corrugated asbestos sheet roof cladding covering the roof. The production unit to the rear is of steel portal frame construction, concrete floor, with corrugated metal sheet wall cladding, and an eaves height of 4.15 metres on one side and 5.2 metres at the back. The unit has roof lights and ceiling mounted fluorescent tube lighting, The and 3 phase power. Walls have been re-clad in part.

## 2.4 AGE

We believe the property was constructed circa 1950's, linked at the rear with extensions built in 1993 and 2011.

## 2.5 SITE

The site is approximately 0.976 hectares / 2.41 acres / 9,760 square metres / 105,018 sq.ft.

The property is not built on a significant slope. I have assumed that there is minimal risk of natural subsidence which I believe to be reasonable.

It is important that the solicitor confirms that all necessary rights for access to the property are included.

## 2.6 ACCOMMODATION

	Description	Floor Area (Sqm)	Floor Area (Sqft)
<b>Unit 2</b>			
Ground Floor	Front ancillary offices, canteen and store.	876.06	9,426
	2 Middle Production Units	959.95	10,329
	2 Rear Production Units	906.26	9,751
<b>Sub-Total</b>		<b>2,742.27</b>	<b>29,506</b>
<b>Unit 3</b>			
Ground Floor	2 Front Production Units	1,919.18	20,650
	1 Rear Production Unit	529.34	5,696
<b>Sub-Total</b>		<b>2,448.52</b>	<b>26,346</b>
<b>Total</b>		<b>5,190.75</b>	<b>55,852</b>

In accordance with the latest code of measuring practice and where applicable the RICS Property Measurement, 6<sup>th</sup> Edition incorporating International Property Measurement Standard, on a Gross Internal Area basis.

## 2.7 SERVICES AND AMENITIES

### Mains services

We assume that all mains services are connected or available to the site.

The offices and amenity areas generally benefit from gas fired central heating and circulation systems. The warehouse / workshop areas are proved with gas fired space heaters. The property is protected by fire and intruder alarms.

None of the above services were tested during the course of our inspection of the Property.

We assume that the services and any associated controls or software are in working order or free from defect.

It is important that the solicitor confirms that there are all necessary easements for the services to the property.

## **2.8 WEATHER CONDITIONS**

The weather conditions upon inspection were overcast and wet.

## **2.9 ENERGY PERFORMANCE CERTIFICATE (EPC)**

Under the Energy Act 2011 it is unlawful to rent out a property with an EPC rating that is lower than E. This applies to any property let on a tenancy which is six months or more or less than ninety-nine years in length of term and is legally required to have an EPC. In addition, there is a proposal for all new lettings of residential properties to have a minimum rating of C from 2025 and to include existing tenancies from 2028. For commercial properties there is a proposal for all new lettings of commercial properties to have a minimum rating of B from 2030.

The existing EPC certificate has been provided indicates that the subject property will fall within the acceptable energy performance range for the purposes of the Act. Although the legislation is not expected to be reviewed again until 2020, the method of assessment may have changed since the EPCs certificates were issued. It is therefore advisable to obtain an expert's opinion on whether the building would still comply with the minimum standard if the buildings were re-certified under the current methodology.

We understand that the current EPC rating is C and valid until 30/04/2025.

## **2.10 FIRE REGULATIONS**

We have assumed that a suitable and sufficient Fire Risk Assessment has been carried out. Under the Regulatory Reform (Fire Safety) Order 2005 this assessment needs to be recorded in writing where there are five or more employees, the property is under enactment of a licence or where an alterations notice has been served.

Many modern industrial buildings have been constructed with composite external panels which sandwich insulating material between inner and outer plastic coated steel sheeting. Panels containing polystyrene (EPS and XPS) have been shown to increase the

risk of fire spreading whilst giving off toxic black smoke. Similar panels containing polyurethane type products (PUR and PIR) sometimes do not perform well, either. Because of the health risk to fire-fighters, brigades have to be careful in dealing with fires in such buildings and thus some insurers state that these structures are more vulnerable to serious damage. Consequently, some insurance underwriters require high insurance premiums whilst others refuse to quote or even demand the replacement of such panels. In the event of difficulty being encountered in insuring premises significant expenditure could be necessary which could, in turn, impact on the Market Value of the property.

## **2.11 EQUALITY ACT 2010 & DISABILITY DISCRIMINATION**

It should be noted that our inspection of the premises does not constitute an accessibility audit for Equality Act purposes.

## **2.12 NATURAL ENVIRONMENTAL CONSTRAINTS**

Some property will be affected by environmental factors that are an inherent feature either of the property itself or of the surrounding area and which have an impact on value including ground stability and risk of flooding which are not obvious from investigations. Our sources of information are limited to the government web-sites including the British Geology Society Geology of Britain site.

## 3.0 ENVIRONMENTAL CONSIDERATIONS

### 3.1 INVASIVE VEGETATION

We did not identify any Japanese Knotweed or other particularly prevalent invasive species at the property.

We did not note the presence of trees in close enough proximity to structures to pose a threat in the short term in our opinion.

### 3.2 CONTAMINATION

We have not carried out any investigation into past or present uses, either of the property or of any neighbouring land, to establish whether there is any potential for contamination from these uses or sites to the subject property and therefore have assumed none exist. However, should it be established subsequently that contamination exists at the property or on any neighbouring land or that the premises have been or are being put to any contaminative use, this might reduce the values now reported.

We have considered the question of whether the property could be affected by contamination. However, we are not environmental auditors, we have not made any detailed enquiries as to historic land use and any contamination arising there from and our inspection has been for valuation purposes and we have not made any contamination investigations, invasive or otherwise.

### 3.3 DELETERIOUS MATERIALS

We have not undertaken any tests to confirm that deleterious, hazardous, inherently dangerous or unsuitable materials or techniques were used in the construction of the property or have since been incorporated. Therefore, we are not able to confirm the premises are free from such materials. Asbestos is present in many buildings constructed or altered during the 20<sup>th</sup> Century and poses a particular hazard to health. Special precautions must be observed when handling asbestos: the removal of the material can be very costly. Businesses are obliged to comply with the Management of Asbestos Regulations.

### 3.4 FLOODING

We have not made specific enquiries but we have checked the Environment Agency website ([www.environment-agency.gov.uk](http://www.environment-agency.gov.uk)) which indicates that the property is located in Zone 1 low risk.

We always recommend that sufficient insurance cover is in place to reflect the flood risk at the property.

### **3.5. RADON**

The property is in a part of the country where there low risk of Radon of less than 1%. Radon is a naturally occurring radioactive gas and is linked to increased incidences of lung cancer. Further information may be obtained from the Health Protection Agency, [www.hpa.org.uk](http://www.hpa.org.uk) (search 'Radon').

### **3.6. COAL MINING**

A Coal Mining Search is recommended in accordance with the current edition of the Law Society's Guidance Notes and Directory (see [www.coal.gov.uk](http://www.coal.gov.uk)).

According to the Coal Authority website, the property is not within an area affected by coal mining.

### **3.7. OTHER**

The property is not located close to any high voltage electrical supply apparatus or high voltage overhead transmission lines. We did not observe any telecommunications base stations and telephones masts nearby but have assumed that this is not an issue that affects the property

## 4.0 LOCAL AUTHORITY AND STATUTORY ISSUES

Local Authority: Sedgemoor

### 4.1 RATING ASSESSMENT

We have referred to the Valuation Office Agency website and this indicates the property is included within the Rating List 2023 being described as "Factory and Premises" with a Rateable Value of £147,000 effective 01/04/2023.

The previous 2017 Rating List assessment was £127,000 effective 01/01/2022.

### 4.2 TOWN PLANNING

The property has planning consent for general industrial. The planning use on the property is Class B2 general industrial under the Town and Country Planning Use Classes Order (1987) as amended on 1<sup>st</sup> September 2020.

We have checked the local planning website and note the following applications were noted on other properties on Brue Way:

<b>Application Number:</b> 11/00/00052
<b>Parish/Town Council:</b> Burnham & Highbridge
<b>Registered Date:</b> 19/04/2000
<b>Type:</b> Full Planning Permission
<b>Applicant:</b> Hill Leigh Ltd
<b>Location:</b> Hill Leigh Ltd, 5-6 Brue Way, Walrow Industrial Estate, Highbridge, Somerset, TA9 4AW
<b>Proposal:</b> Installation of 1.8m high security fencing and access gates
<b>Decision Date:</b> 01/06/2000
<b>Decision:</b> Granted Permission
<b>Decision Level:</b> Delegated
<b>Case Officer:</b> Colin Arnold
<b>Application Number:</b> 11/07/00077
<b>Parish/Town Council:</b> Burnham & Highbridge
<b>Registered Date:</b> 16/08/2007
<b>Type:</b> Full Planning Permission
<b>Applicant:</b> Leakers Removals & Containerised Storage Ltd
<b>Location:</b> 1b Brue Way, Walrow Industrial Estate, Highbridge, TA9 4AW
<b>Proposal:</b> Change of use of garage to General Industrial use (use class B2)
<b>Decision Date:</b>

10/10/2007

**Decision:**

Granted Permission

**Decision Level:**

Delegated

**Application Number:**

11/07/00131

**Parish/Town Council:**

Burnham & Highbridge

**Registered Date:**

13/07/2007

**Type:**

Full Planning Permission

**Applicant:**

KMW Properties Ltd

**Location:**

Unit 6, Brue Way, Walrow Industrial Estate, Highbridge, TA9 4AW

**Proposal:**

Extension of ground floor offices fronting Brue Way with new two storey stair.

**Decision Date:**

15/08/2007

**Decision:**

Granted Permission

**Decision Level:**

Delegated

**Application Number:**

11/12/00064

**Parish/Town Council:**

Burnham & Highbridge

**Registered Date:**

31/07/2012

**Type:**

Full Planning Permission

**Applicant:**

Monarchs Acrobatic Gymnastics Club

**Location:**

1B Brue Way, Walrow Industrial Estate, Highbridge, TA9 4AW

**Proposal:**

Change of use from workshop to gymnastics club

**Decision Date:**

16/10/2012

**Decision:**

Granted Permission

**Decision Level:**

Committee

**Case Officer:**

Denise Todd

**Application Number:**

11/88/00218

**Parish/Town Council:**

Burnham & Highbridge

**Registered Date:**

24/10/1988

**Type:**

Other miscellaneous nots./apps.

**Applicant:**

Flygt Pumps Ltd.

**Location:**

Flygt Pumps Ltd, 7 Brue Way, Walrow Industrial Estate, Highbridge, Somerset, TA9 4AW

**Proposal:**

Resiting of vehicular access

**Decision Date:**

13/12/1988

**Decision:**

Refuse Planning Permission

**Decision Level:**

Committee item (old code)

**Case Officer:**

Ian McDonald

**Application Number:**

11/88/00236

**Parish/Town Council:**

Burnham & Highbridge

**Registered Date:**

09/11/1988

**Type:**

Full Planning Permission

**Applicant:**

Messrs. Hill Leigh

**Location:**

Hill Leigh Ltd, 5-6 Brue Way, Walrow Industrial Estate, Highbridge, Somerset, TA9 4AW

**Proposal:**

Extension to existing joiners' shop

**Decision Date:**

13/02/1989

**Decision:**

Granted Permission

**Decision Level:**

Committee item (oldcode)

**Case Officer:**

Pete Linford

**This is a major application**

**Application Number:**

11/90/00060

**Parish/Town Council:**

Burnham & Highbridge

**Registered Date:**

05/04/1990

**Type:**

Other miscellaneous nots./apps.

**Applicant:**

Flygt Pumps Ltd.

**Location:**

Flygt Pumps Ltd, 7 Brue Way, Walrow Industrial Estate, Highbridge, Somerset, TA9 4AW

**Proposal:**

Repositioning of access to the premises of Flygt Pumps Ltd.

**Decision Date:**

08/05/1990

**Decision:**

Granted Permission

**Decision Level:**

Delegated

**Case Officer:**

Pete Linford

### **4.3 HIGHWAYS**

The property is located on Brue Way, which we strongly believe to be an adopted road. Solicitors searches will be able to confirm this and should the road not be adopted, we advise we are notified for comment.

### **4.4 MORTGAGE REGULATION**

Lenders are required to ensure the mortgage contract will be regulated if more than 40% of the land to be given as security is (or should be) in residential use.

As the property is entirely commercial, the mortgage contract does not have to be regulated.

## 5.0 TENURE/TITLE

We have not had sight of a copy of the title deeds, however, we have been advised as follows:

We have sight of entries of four Titles forming the subject property

- ST323882
- ST158672
- ST158670
- ST122521

These are attached in Appendix 3 for your reference.

The property is freehold and is subject to a lease.

We have been provided with a copy lease dated 21<sup>st</sup> June 2019 and would advise that the property is held on the following terms:

<b>Property</b>	The land and building at Brue Way, Walrow Industrial Estate, Highbridge, Somerset TA9 4AW shown edged green on the attached plan.
<b>Landlord</b>	Priya Rachel Singh & Singh Rtanam
<b>Tenant</b>	Engineered Fabrication Solutions Limited
<b>Term</b>	10 years from 21/06/2019
<b>Rent</b>	Passing rent £240,000 per annum exclusive
<b>Rent Reviews</b>	Annually upwards only subject to assumptions and disregards
<b>Repairing Obligations</b>	Tenant Full Repairing
<b>Insurance</b>	Landlord recharges to Tenant
<b>Permitted Use</b>	Sheet metal fabrication and office use.
<b>Alterations</b>	Absolute prohibition
<b>Alienation</b>	Assignment or sub-letting of whole not part
<b>Security of Tenure</b>	Contracted outside the Landlord & Tenant Act 1954 Part II where the provisions of S24 to S28 are excluded.
<b>Other Matters</b>	Undated Deed of Variation to replace the plan to the Lease.

### 5.1 LEASE COMMENTARY

Engineering Fabrications Limited hold a lease for a term of 10 years effective 21/06/2019 at a passing rent of £240,000 per annum exclusive, subject to upwards only annual rent reviews. The lease is on fully repairing and insuring terms and contracted outside the Landlord & Tenant Act 1954 Part II. This means no security of tenure and no rights to renew at the end of the term.

## **5.2 STRENGTH OF COVENANT**

We refer to the Applicant as regards the strength of covenant of the Tenant and if they are good for rent.

## 6.0 LOAN SECURITY

### 6.1 SECURITY CONSIDERATIONS

- We consider the property is suitable security bearing in mind the Bank is contemplating a loan, subject to the usual prudent lending criteria.
- We do not consider there is any hope value or synergistic value associated with adjoining buildings.
- We do not believe there is any higher alternative use value.
- We consider the property is marketable and should perform in line with its peers.
- We do not consider that values will rise in the short to medium term.
- The buildings have an estimated economic life of 25 assuming appropriate maintenance is undertaken.
- Our investigations have not revealed any recent transaction or agreed price in respect of the subject premises. If however, such information does come to light before the loan is finalised, we would request that you refer the matter back to the writer for further consideration.
- We consider that a reasonable marketing period in which to achieve our opinion of Market Value (MV) to be 6-12 months.

### 6.2 CONDITION FOR SECURITY

The general condition of the property appears consistent with its age and type of construction, but some works of repair and maintenance are likely to be required. Elements of the property are ageing and likely to require attention.

We have not been provided with any structural or M & E surveys to the property.

Whilst we understand that the older roof sections require patch repair on a regular basis, and are dealt with on a regular maintenance schedule. We do not consider there to be any remedial works essential to maintain the value of the property.

The age and style of construction of the property is such that materials such as high alumina cement concrete, woodwool shuttering, calcium chloride or asbestos are likely to have been used in its original construction or subsequent alteration. Indeed we noted corrugated asbestos roofing, cladding, and downpipes to some of the older sections of the property. We are valuing on this basis.

The electrical and mechanical components and fittings within the property would appear to be in reasonable condition. However, these have not been tested by a specialist contractor and we are therefore unable to confirm whether they are in safe working order. Our valuation assumes only general maintenance works would be required for such components and fittings to be useable.

Where the height of the subject property is 18 metres (typically 6 storeys) or more and where the primary use of the property includes overnight occupancy or where specific

concerns exist, please make appropriate enquiries and comment in your report on the following:

- the surface and internal make-up of the external wall system;
- the material used for rain-screen cladding for the majority of the external surface of the building in which the subject property is situated, excluding the roof;
- whether or not the building owner/ manager has assessed the cladding and make-up of the external walls and obtained a written report on whether or not the wall system conforms with the functional requirements of current Building Regulations and Fire Regulations, and any guidance provided by the MHCLG, and whether or not any remedial works are required; and
- if you consider that the external wall system may contain potentially combustible materials, that you recommend a written report, prepared by a competent, independent, professional advisor.

This valuation report should not be regarded as either a condition report or structural survey, and the valuer has not carried out an in-depth inspection of the building.

### **6.3 ECONOMIC LIFE**

In our opinion, the property has a functional and economic life of at least **25** years providing that general maintenance and repair works continue to be undertaken. Therefore, the marketability of the property should be sustainable during this period.

### **6.4 LOAN SECURITY**

It is our opinion that the property is suitable for loan security.

#### **6.4.1 IMPORTANT ISSUES AND AREAS FOR FURTHER ADVICE**

Deed of Variation "to replace the plan to the Lease." Clarification of this document is required.

## 7.0 VALUATION CONSIDERATIONS

We confirm the valuation has been carried out in line with the 2021 edition of the RICS Valuation Professional Standards - International Valuation Standards (IVS) or known as the RICS Red Book Global Standards.

The property is situated within the established but dated Walrow Industrial Estate, with good transportation links to the M5 Motorway. Whilst this is considered a secondary industrial location, demand in the area from industrial occupiers is strong due to the ongoing expansion of the Hinkley Point nuclear power station and the beneficial effect on local businesses in the supply chain.

Although the majority of the property dates from the 1950's, the buildings have been maintained to a reasonable standard. Some of the manufacturing / warehouse bays date from 1993 and 2011 and the main office, showroom and amenity accommodation was converted in 2015. The main drawback to the property is the corrugated asbestos roofing to the older sections, which will need to be replaced in the long term. However, this is also the case for a large proportion of the surrounding estate.

The property offers a level, secure site with two access points from Brue Way. It is well suited to a variety of manufacturing or warehouse uses and potentially be split into two or more units, subject to the provision of further amenities.

### 7.1 COMPARABLE ANALYSIS

In considering the value of the property, we have analysed information relating to recent transactions as follows:

#### Industrial Comparable Rental Evidence

- **Units 1-4 Bristol Road, Bridgwater Trade Park, Bridgwater, TA6 4DT**  
15/02/2023 23,157 sq.ft. 23,157 sq.ft. Built 2019. 10 year term Gross rent £6.27 / sq.ft. Net rent after 6 months rent free £5.86 / sq.ft.
- **Units 1-7 Walford Cross Taunton TA2 8QP**  
01/07/2022 14,526 sq.ft. 1990 build £5.45 / sq.ft.
- **Suite 11 Bristol Road Bridgwater TA6 4JP**  
30/06/2022 10 year term £7.25 / sq.ft. Built 1983
- **Unit 4 Bristol Road, Bridgwater TA6 4BH**  
01/05/2022 49,588 sq.ft. £7.19 / sq.ft. Built 12/2021. 15 year term at a rent of £356,500 per annum F.R.I. agreement. 5 yearly rent review. Leased to Monmouth Scientific.

- **1610 Bridgewater Road Bridgwater Gateway Industrial Park TA6 6DF**  
01/02/2023 5,446 sq.ft. Let to Annual Health Limited 10 year term. £9.25 / sq.ft.  
T Break 02/2028. New mixed use commercial development set in 100 acres.

#### Industrial Comparable Sales Evidence

- **Bleadon Works, Bridge Road, Weston-Super-Mare BS24 0AT**  
30/12/2022 £3.25 million 29,958 sq.ft. £108.48 / sq.ft. Purchaser Edenstore Homes Limited – change of use to residential.
- **Venture Way, Priorswood Industrial Estate, Taunton Somerset. TA2 8DE**  
23/12/2022 £2.16 million 22,778 sq.ft. £94.65 / sq.ft. N.I.Y. 7.37%. Built 1995  
Purchaser: Staunton Property Investments.
- **Unit O-PP Wylds Road Bridgwater Somerset TA6 4BH**  
18/08/2022 £3.05 million 33,357 sq.ft. Built 1974 £91.41 / sq.ft. N.I.Y. 6.45%.  
Buyer: Maybrook Properties Limited Seller: Harran Pendoylan Limited. Let to James Tobbias Limited on F.R.I. terms. Lease from 20/05/2014 to 19/05/2024  
Rent Review 05/2019 Rent of £210,000 devalues to £6.30 / sq.ft.
- **17 Commerce Way, Highbridge Somerste TA9 4AG**  
30/06/2022 £1.1 million 11,600 sq.ft. £94.83 / sq.ft. Built 1970 Acquired by Briarwood Products.
- **Polden Distribution Centre Bristol Road Birdgwater TA6 4AW**  
01/06/2021 £4.7 million. 53,486 sq.ft. £87.87 / sq.ft. N.I.Y. 5.01%. Built 1985.  
Buyer LMF Holdings Limited Seller Brookshire Capital Limited. Fully let to Buttcombe Brewery Limited for a term of 20 years form 08/2017.

The majority of property valuations rely on the comparable evidence which a valuer is able to source and which are readily available at the date of the valuation. There are instances where it is not possible to fully research every piece of comparable evidence or is not made available at the date of the valuation / when the report is being prepared. There may also be instances where further comparable evidence which was not available at the date of the valuation which subsequently comes to the attention of the valuer which may have changed the opinion of the valuer should this have been available at the date of the valuation. Should this occur, the valuer retains the right (but is under no obligation to do so) to amend his opinion of value.



## 8.0 SUMMARY

- We are of the opinion that, should the property come to the market for sale, it would sell within 6-12 months.
- We are of the opinion that, should the property come to the market for rent, it would let within 6-12 months.
- We feel that this property, would be suitable for sale via an auction, in line with some of the comparables listed above. This could reduce the timescales for sale
- On this occasion there are no conflicts with the definitions of the basis of value or its underlying assumptions.
- The subject property as industrial / warehouse and is the most suitable use for occupation.
- The potential occupational demand for this type of property is currently good, however, it should be noted that demand can change over time and this opinion is at the date of valuation only.
- Flood risk/contamination etc. could impact on the potential marketability of the property, however, we would assume that this would not rule out a substantial number of potential occupiers.
- There is current market uncertainty due to both Brexit and the Coronavirus pandemic, the future trends or volatility we cannot yet judge. This may impact a period within the length of the loan.
- LOCAL MARKET COMMENTARY.

The current local market for industrial properties has plateaued and yields are softening.

## 9.0 PRIVACY STATEMENT

We can confirm that the named valuer and firm of Barnsdales are an independent valuer as defined by PS 2 S3.4 of the, *'The Red Book'* (RICS Valuations – Global Standards). The valuer has the relevant experience in valuing the type of property concerned in the particular location and is an RICS Registered Valuer. Our Valuations and Reports are confidential to the party to whom they are addressed and for the specific purpose to which they refer, and no responsibility whatsoever is accepted to any third parties. Neither the whole, nor any part, nor reference thereto, may be published in any document, statement or circular, nor in any communication with third parties, without our prior written approval of the form and context in which it will appear.

A copy of this report may be provided (on a non-reliance basis) (i) where disclosure is required by applicable law or regulation, by any court of competent jurisdiction or any competent judicial, governmental, supervisory or regulatory body or in respect of legal or arbitration proceedings in connection with this report; (ii) where disclosure is required by the rules of any stock exchange, listing authority or similar body upon which an Addressee's shares or other securities are listed; (iii) to an Addressee's affiliates, officers, directors, employees, auditors and professional advisors in connection with the loan and hedging transactions under the Facility Agreement; (iv) to any financial institution or other entity in connection with the loan and hedging transactions under the Facility Agreement; (v) to any person to whom such Addressee may potentially assign or transfer all or any of its rights and obligations under any documentation relating to or under the Facility Agreement and to the professional advisors of each such person; and (vi) to any rating agency in connection with any securitisation of (or Referable to) the Facility Agreement and to investors in such securitisation including in each case their professional advisers and (vii) or otherwise, with your prior written consent.

## 10.0 SIGNATURE AND DATE OF REPORT

The property was inspected on 28<sup>th</sup> March 2023 and then reported by Andrew Seale MRICS an external Registered valuer, who has the relevant experience and knowledge of valuing this type of property.

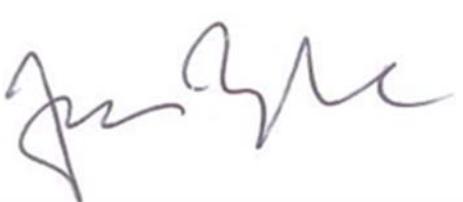
We confirm that neither the firm nor the valuer has any conflict of interest in this matter.

The undersigned has not previously had any professional involvement in connection with the property.

We confirm the valuer / Barnsdales has not undertaken a valuation of the asset for the same purpose, or has been involved in the purchase of the same asset for the client either within the period of 12 months preceding the valuation date or within such other period and criteria as prescribed in England and Wales.

Signed.....

**Andrew Seale BSc (Hons) MRICS**  
**RICS Registered Valuer (0120102)**

Signed.....

**Jason Barnsdale MRICS**  
**RICS Registered Valuer (848118)**  
for and on behalf of



BARNSDALES VALUATIONS LIMITED  
4 Sidings Court  
DONCASTER  
DN4 5NU

Date of Report: 3<sup>rd</sup> April 2023

## APPENDICES

### APPENDIX I

#### ASSUMPTIONS AND DISCLAIMERS

Assumed date of valuation: 28<sup>th</sup> March 2023.

Basis of valuation: Market Value as defined by RICS Glossary of Terms, namely: 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.

There are instances where it is not possible to fully research every piece of comparable evidence or is not made available at the date of the valuation / when the report is being prepared. There may also be instances where further comparable evidence which was not available at the date of the valuation which subsequently comes to the attention of the valuer which may have changed the opinion of the valuer should this have been available at the date of the valuation. Should this occur, the valuer retains the right (but is under no obligation to do so) to amend his opinion of value.

Reinstatement value An indication for insurance purposes of the current reinstatement cost of the building(s) in its/their present form will be prepared. In recommending this figure we shall consider the property in relation to the RICS/BCIS Guidance Notes on Re-building Costs on a 'day one' basis assuming the policy will make allowance for this. A replacement valuation, where appropriate, is intended to mean providing a replacement building(s) of similar size, general appearance and quality to that as existing but not necessarily constructed with the same materials as the original structure.

Assumptions as to title: It is assumed that there can be proved good, unencumbered title to the property and that there are no restrictive covenants, easements, planning matters,

compulsory purchase orders or any other matter which could be revealed by a local search, replies to usual enquiries or any statutory notice and which would impact on value.

**Extent of Survey:**

This valuation report does not constitute a building survey and no investigations have been made separately carried out in respect of latent defects, deleterious materials or other hazardous substances. There has been no investigation to establish the condition and location of the water mains supply and soil water drainage. No test of the electrical installations was undertaken and for the purposes of this valuation, we have assumed any electrical installations will be undertaken to the standards recommended by the Institute of Electrical Engineers and in compliance with part P of the Building Regulations. No test of the gas installations was undertaken and for the purposes of this valuation we have assumed the gas pipes and connections will be installed to those standards of the Council of Registered Gas Installers and in accordance with part L of the Building Regulations.

**Contamination:**

No investigations have been carried out with respect to contamination and it is assumed that none is present. We have not inspected any asbestos register relating to this property to provide advice as to whether such material exists in the property. The exposed nature of the interior of the property is such that only wood, bricks and mortar were evident. 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, we reserve the right to review our valuation.

**Planning:**

We have valued the property on the basis that the necessary detailed planning, building and statutory undertakings, consents and requirements have been forthcoming. We are not aware of any potential development or change of use of the property or properties in the locality which would materially affect our valuation.

**Building control:** Note was made of the presence of fire safety installations and we have therefore assumed that all building control and fire regulation approvals have been sought and awarded. We have undertaken the valuation on the basis that the property is located on an adopted highway maintainable at public expense but we have not made enquiries.

**Taxation:** No allowance has been made for VAT or capital gains taxation on purchase or disposal.

**General Disclaimer:** In accordance with the advice of the Royal Institution of Chartered Surveyors, this report is confidential to you and your advisors and is for the sole purpose expressed above. We can accept no responsibility if it is relied upon by anyone else, whether for the stated purpose or for any other.

In addition, neither the whole nor the part of this report may be include in any published document, circular or statement, nor published in any way, without our written approval of the form and context in which it may appear (such approval not to be unreasonably withheld).

**Barnsdales Chartered Surveyors,  
4 Sidings Court,  
DONCASTER DN4 5NU**

## APPENDIX II

### Photographs/Digital Images





Street View



Yard



External



External



External



Yard



Office



Store Room



Meeting Room



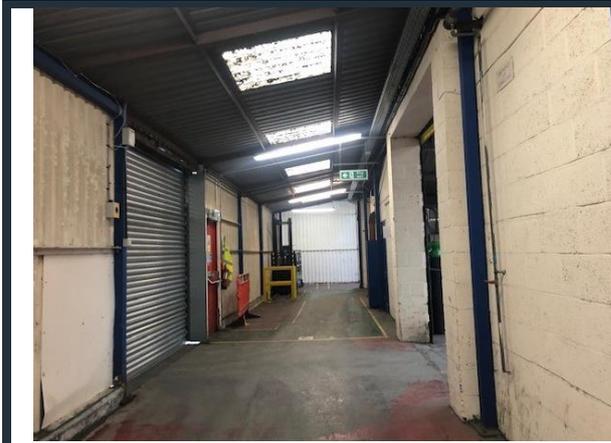
Staff Room



Warehouse



Warehouse



Warehouse



Warehouse



Warehouse



Warehouse

## APPENDIX III

### Location/Title Plan

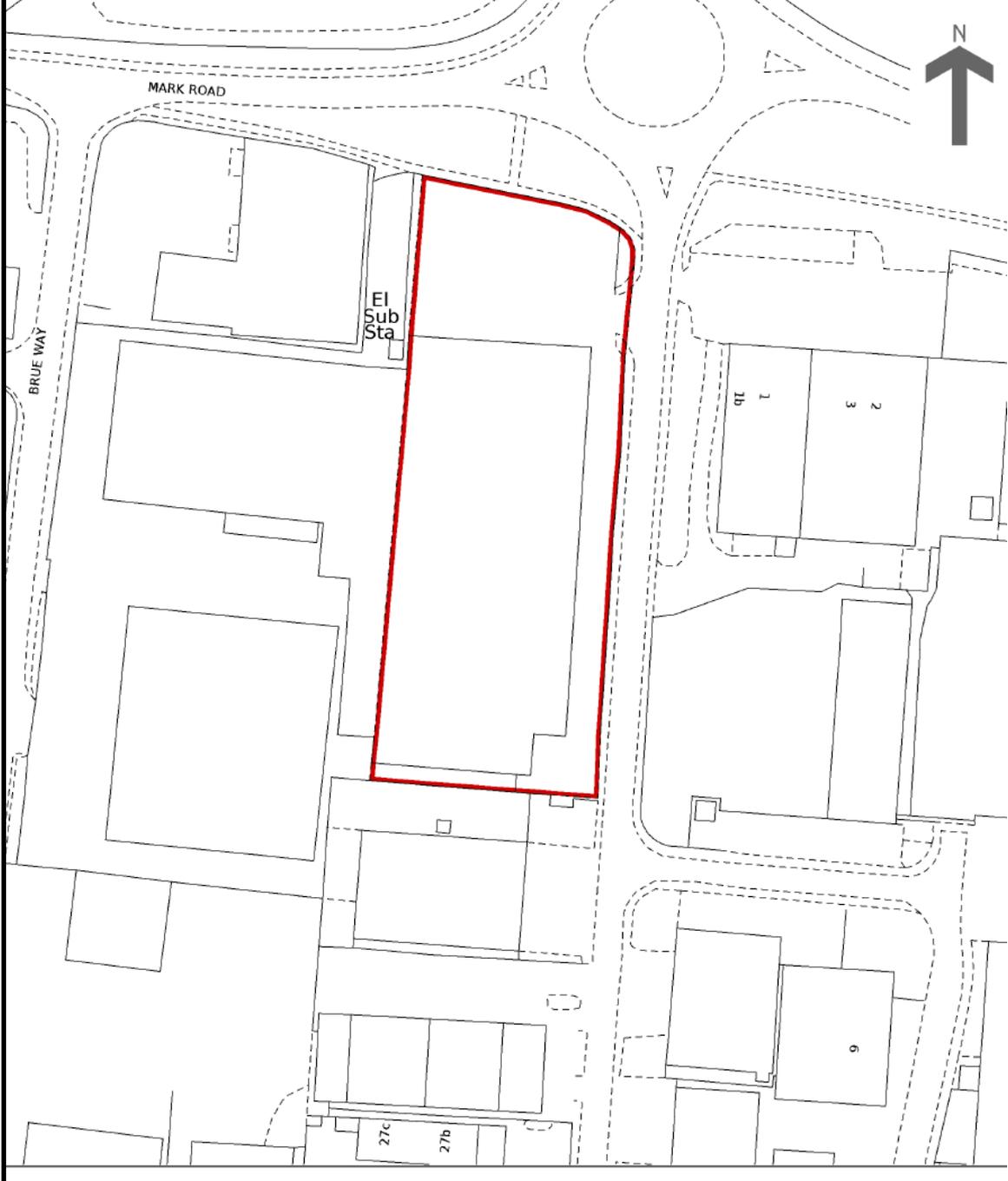


HM Land Registry  
Official copy of  
title plan

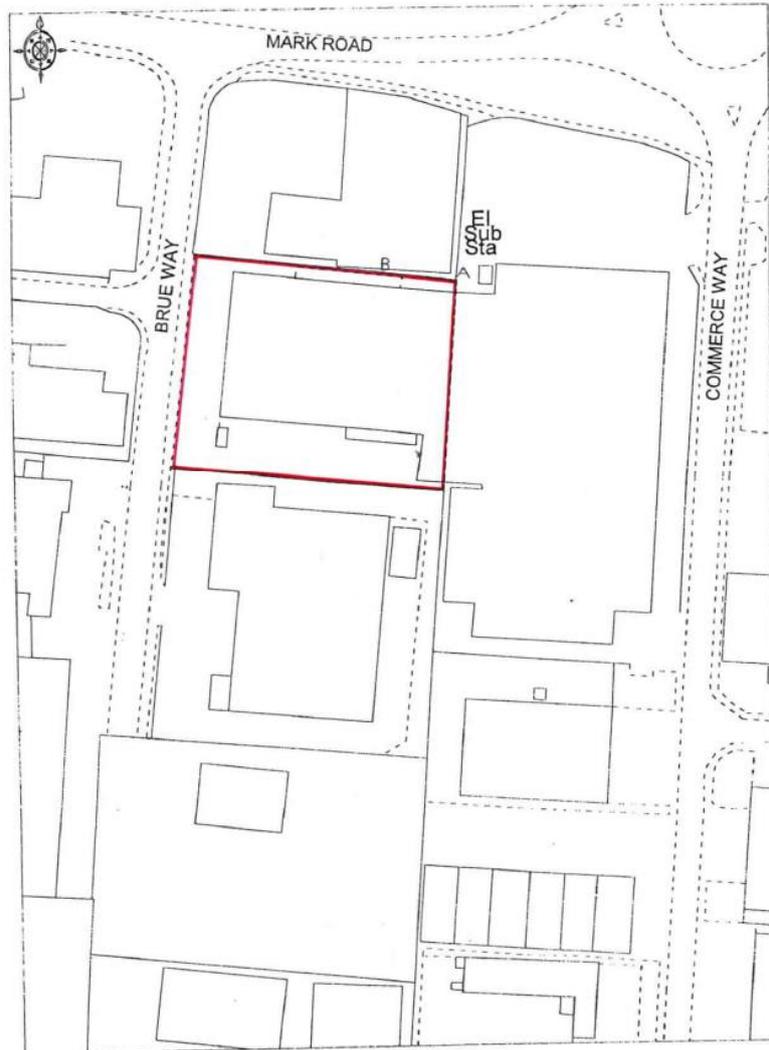
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Ordnance Survey map reference **ST3247SE**  
Scale **1:1250 enlarged from 1:2500**  
Administrative area **Somerset : Sedgemoor**



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<b>H.M. LAND REGISTRY</b>		TITLE NUMBER	
		<b>ST 158672</b>	
ORDNANCE SURVEY PLAN REFERENCE	ST 3246 ST 3247	Scale 1/1250 Enlarged from 1/2500	
COUNTY SOMERSET	DISTRICT SEDGEMOOR	© Crown copyright 1987	

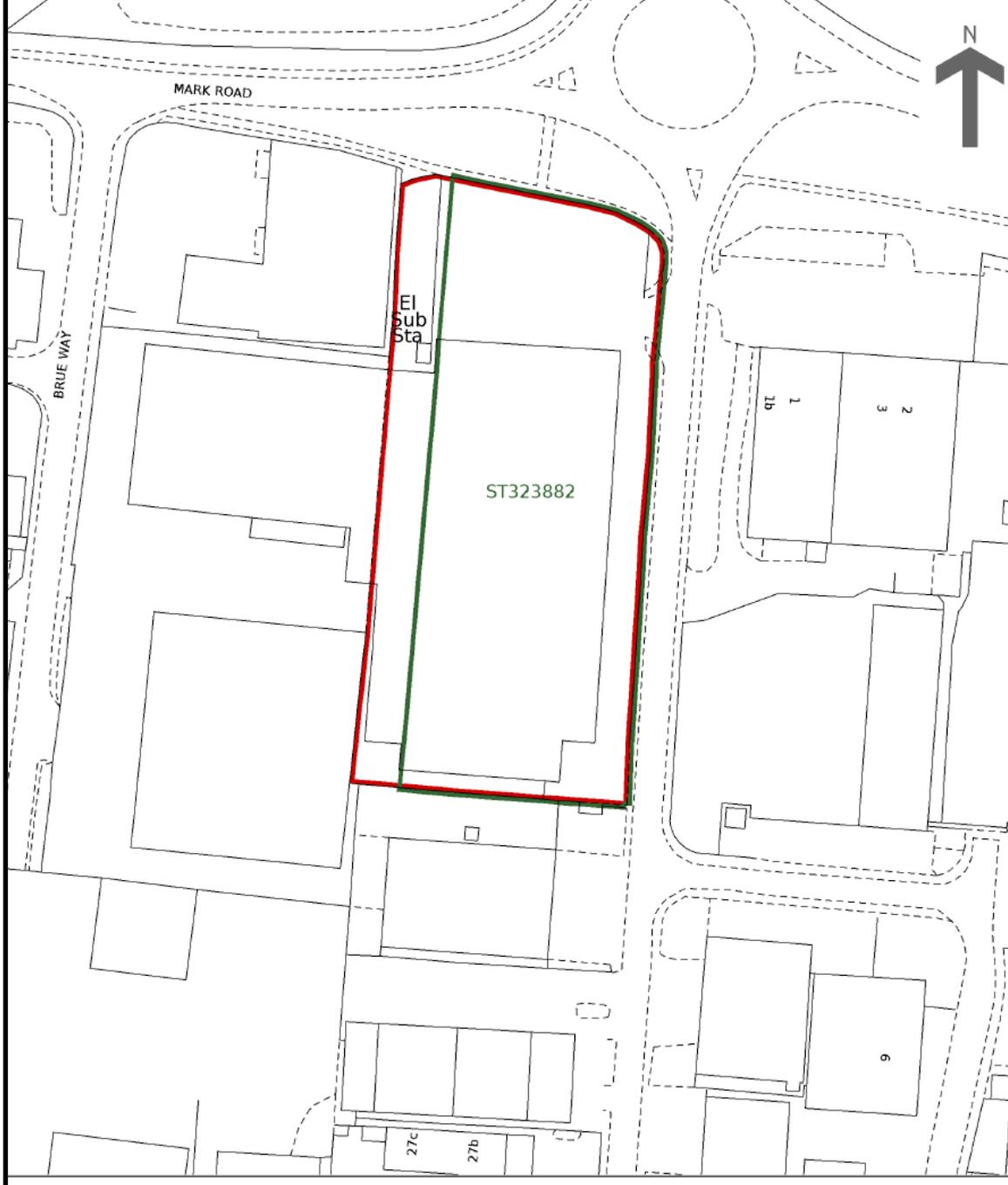


HM Land Registry  
Official copy of  
title plan

Title number **ST158670**  
Ordnance Survey map reference **ST3247SE**  
Scale **1:1250 enlarged from 1:2500**  
Administrative area **Somerset : Sedgemoor**



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HM Land Registry  
Official copy of  
title plan

Title number **ST122521**  
Ordnance Survey map reference **ST3246NE**  
Scale **1:1250 enlarged from 1:2500**  
Administrative area **Somerset : Sedgemoor**



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