



Valuation Report:

Unit 9, Acton Hall Enterprise Park, Off Station Lane,  
Featherstone WF7 6EQ

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**PROPLEND SECURITY LIMITED**

SMC Brownill Vickers represents a multi-faceted firm of Chartered Surveyors, Valuers & Property Agents. The practice focuses on providing lease advisory, real estate management, investment, transactional & agency expertise as well as valuation services across all property sectors. A company of values since 1884.

# Valuation Report

## Contents

1. Instruction.....	2
2. Conflict of Interest .....	2
3. Purpose of Report & Valuation .....	2
4. Scope of Enquiries and Investigations.....	3
5. Date of Valuation .....	3
6. Location .....	3
7. Description.....	5
8. Accommodation.....	6
9. Condition.....	6
10. Statutory Enquiries.....	7
11. Services .....	9
12. Site & Ground Conditions.....	9
13. Environmental Issues .....	10
14. Tenure.....	10
15. Tenancies .....	10
16. Market Trends & General Comments .....	11
17. Valuation.....	12
18. Development Issues .....	13
19. Rental Value .....	13
20. Market Value.....	14
21. Insurance Reinstatement Cost .....	14
22. Security & Issues .....	15
23. Disclosure.....	15
24. Sign off .....	15

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## 1. Instruction

This valuation report has been prepared following receipt of instructions from Mr Brian Bartaby, Proplend Security Limited, 20 – 22 Wenlock Road, London N1 7GU dated Thursday 9<sup>th</sup> March 2023. The valuation is prepared for Proplend Security Limited.

A re-inspection of the property has been undertaken which now enables us to give our views and opinion of Market Value. A full site survey was not undertaken as this was beyond the scope of our instructions.

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Your Ref: SB/M & K D Campbell  
Instruction Dated: Thursday 9<sup>th</sup> March 2023

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## 2. Conflict of Interest

SMC Brownill Vickers does not have a conflict of interest in accepting these instructions. We can confirm that we are independent and are quite satisfied that there is no conflict of interest in accepting these instructions.

As you are aware we have previously valued the property in February 2020.

We can confirm that SMC Brownill Vickers have in place appropriate Professional Indemnity Insurance in respect of this valuation. We can confirm that we hold a policy at a level of £5,000,000 for each and every claim.

## 3. Purpose of Report & Valuation

The valuation of the property is prepared for loan security purposes by SMC Brownill Vickers acting as external valuers. The applicant owns the freehold interest in the property, which is held as an income producing investment.

The valuation is prepared in accordance with the Valuation Professional Standards of the Royal Institution of Chartered Surveyors (the Red Book), for the sole purpose of assisting the client as indicated above.

In accordance with your instructions, we have provided opinions of value on the following basis.

**Market Value 1 (MV1)** – The Market Value of the interest in the property, in its current physical condition and subject to any occupational tenancies.

Market Value on Special Assumptions:

**Market Value 2 (MV2)** – The Market Value of the interest in the property, in its current physical condition and subject to any occupational tenancies, and on the assumption that a sale will be completed within 90 days.

**Market Value 3 (MV3)** – The Market Value of the property on the special assumption that the property is sold subject to Vacant Possession.

We are also instructed to provide the following.

**Market Rent (MR)** – The Market Rent of the property. Our letting assumptions are set out in the Valuation Section of this report.

Our instructions are to prepare a Market Value of the property, which is defined in the RICS Valuation - Global Standards 2022 (The Red Book) as “The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

The valuation has been prepared in accordance with the RICS Red Book and the property has been valued to conform to the requirements of the Practice Statements contained therein.

Whilst the valuations contained within this report are expressed in a way which we consider suitable for lending purposes the report is intended for the named client only and SMC Brownill Vickers offer no warranty whatsoever to any party other than the named client.

We have been asked to carry out a valuation only and therefore we have not carried out a full site survey.

#### **4. Scope of Enquiries and Investigations**

We were instructed to carry out an internal / external re-inspection of the property and site. Our inspection of the property was undertaken on Tuesday 21<sup>st</sup> March 2023 by Mr Chris Stott MRICS.

A full site survey was not undertaken as this was beyond the scope of our instructions.

In carrying out this instruction we have undertaken verbal / web based enquiries referred to in the relevant sections of this report. We have relied upon this information as being accurate and complete. In this report, if we have been provided with information by the Customer, its advisors or other third parties, we have relied upon this information as being materially correct in all aspects.

In the absence of any documents or information provided, we have had to rely solely upon our own enquiries as outlined in this report. Any assumptions resulting from the lack of information are also set out in the relevant section of this report.

#### **5. Date of Valuation**

23<sup>rd</sup> March 2023

#### **6. Location**

The property is located within a predominantly industrial location at the northern extremity of the district of Featherstone.

Featherstone is a small town and civil parish in the city of Wakefield lying approximately 3 miles southwest of the large town of Pontefract, of which it effectively forms an extension. The town of Normanton lies to the north and the city of Wakefield some 5 miles to the west. The town had a population in 2011 of approximately 15,250.

Although listed as a settlement as early as the 11<sup>th</sup> Century the town grew in connection with the coal mining industry through the 19<sup>th</sup> Century. However, through the 1970's and 1980's the area suffered a period of deindustrialisation in connection with the dismantling of the coal mining industry. The Ackton Hall Colliery was first developed in 1877 but closed in 1985 when the coal seam was deemed uneconomic. Throughout the coming years the majority of the local collieries closed and accordingly the area suffered a significant period of social decline and high unemployment. There have been a number of public and private sector initiatives aimed at reversing years of social decline in the area by providing land for

development for employment opportunities as well as social improvements in local schooling and civic facilities. In addition, there has been a program of gentrification of housing, with the clearance of many of the original miner's houses have been replaced with more modern, private sector housing.

To the west of the district, off Wakefield Road (A645) is an extensive industrial complex dominated by Linpac and DS Smith Packaging which provides substantial employment for the locality. In addition, the site of the former Ackton Hall Colliery, which lies to the northwest of the district centre has also been redeveloped predominantly for employment uses. The Green Lane industrial area is arranged in a linear pattern between Green Lane to the north and the railway to the south and has been developed to provide a number of industrial warehouse buildings together with some offices.

The subject property lies at the eastern extremity of this industrial area, with access from Station Lane which leads to the south of Green Lane and links, via the district centre of Featherstone, to Wakefield Road/Pontefract Road (A645) to the south. The property forms part of an enclave of older and more secondary industrial users including a Readymix concrete batching plant and concrete casting yard. The area is dominated by CMS Business Park which is a large industrial complex which has been divided into a number of individual units in multi occupation.

The subject property is accessed via a cul-de-sac tributary driveway which links to the west of Station Lane and services the Ackton Hall Enterprise and CMS Business Parks terminating to the west of the subject property. The estate is separated from the residential and commercial districts of the town centre by the railway line which runs immediately to the south of the subject property although there are areas of predominantly social housing to the east, across Station Lane, as well as to the north of Green Lane. These areas are however sufficiently well screened from the subject property and surrounding industrial area.

The principal highway serving the district is the Wakefield/Pontefract Road (A645) which lies to the south of the town and provides access between the city of Wakefield to the west and the town of Pontefract to the northeast, as well as continuing onward toward junction 33 of the M62/A1M. In addition, Green Lane links to the west of Common Side Lane, which in turn and provides access via the newly upgraded Pontefract Road/Loscoe Lane to junction 31 of the M62. At the northern extremity Loscoe Lane/Pontefract Road services the Normanton Industrial Estate and the Europort Development to the north of the motorway. These estates are also built on the site of former collieries. Although offering similar accommodation, in being marginally further from the motorway, the Green Lane Industrial Estate is considered more secondary to the Normanton Industrial Estate and also to the Glasshoughton development at junction 32.

Site and location plans are attached to the rear of this report.

## 7. Description

The property comprises of a large industrial complex, having originally been the pit head development for Ackton Hall Colliery. A number of the original engineering buildings have been retained on site, but the majority of buildings and structures have been cleared, with the resultant yard retained, having been sub-divided and let to a number of different tenants. In addition, the bank's customer has positioned a number of re-locatable transport containers across the site which are let for storage to a number of local businesses. The transport containers are free standing and do not attach directly to the land, being positioned over the surfaced/loosely surfaced yard areas. The site is secured in its entirety with a range of boundary treatments including steel palisade fencing and concrete post and wire mesh boundary fencing and has two sets of security gates to the access roadway. The buildings are predominantly concentrated towards the north western corner of the site and comprise a series of adjacent and partially interconnecting industrial buildings. The buildings have been sub-divided to create a number of individual units of occupation.

The principal building, which is arranged in two bays, is of solid brick construction, being a former railway engineering building providing two adjacent and separate bays. One bay is largely open plan, having a wood trussed, pitched, corrugated asbestos roof and has been clad with single skin metal decking to the front elevation in order to give the impression of being more modern than is actually the case. The neighbouring bay is of similar, solid brick construction and has been clad to the front elevation with metal decking. The roof is of light steel trussed design and construction and was originally covered with corrugated asbestos although following damage by fire this roof covering has been removed.

To the rear and partially connecting to are two separate single storey units which are in part rendered and have a part pitched and secondary insulated, wood trussed roof covered with corrugated metal decking and having plastic rainwater goods over a sealed solid concrete floor. This building incorporates a suspended timber, mezzanine floor from where access is provided to a loft space over the bay adjacent.

To the rear is a further bay of similar solid brick construction, being part rendered and part lined with concrete block work, having a wood trussed, pitched roof covered with corrugated asbestos and over sheeted with metal decking, having a sealed, solid concrete floor. The building has been partitioned internally to create a two storey amenity block with offices over, toilets and kitchen together with a works office. This building extends into a steel framed, single storey unit clad with timber boarding and part metal decking faced with a mono-pitched, single skin metal decking roof and raised timber floor. This provides basic accommodation forming an entrance and reception area for the larger building to the rear.

The block of buildings is further extended with the construction of a single skin, concrete block work built and rendered extension, having a mono pitched timber roof covered with built up roofing felt over steel beams and having a concrete floor. This provides access to the neighbouring workshop for which it is occupied in conjunction and to the rear extends to a block built, single storey lean-to extension with a mono pitched, single skin metal decking roof over a sealed solid concrete floor.

At the entrance to the estate is a further insubstantially built building of timber frame, single storey construction clad externally with timber boarding faced with bitumastic roofing felt and having a mono pitched roof which appears to be of timber construction with felt fascia and timber soffits. This part of the accommodation extends to form a covered canopy with open sides and a single span, mono pitched roof over the surfaced yard area.

Within the pallet yard are a number of open fronted structures forming covered work bays with a range of mono pitched, metal decking and corrugated asbestos roofs supported on concrete block outer walls as well as partially supported by re-locatable transport container.

In addition to the permanent structures there are a number of prefabricated and re-locatable buildings throughout the site. There are two prefabricated portacabin style office buildings located adjacent to the entrance to the rear yard and further there are a number of re-locatable, pre-fabricated, steel transport containers positioned throughout the site which are let to individuals and companies for the purposes of storage.

Photographs of the property as at the date of valuation are attached to the rear.

## 8. Accommodation

The accommodation currently comprises the following. We previously undertook a measured survey during our inspection in accordance with the latest RICS Guidelines.

Description	BASIS OF MEASUREMENT GIA	
	Sq m	Sq ft
Unit A – Workshop	131.0	1,410
Unit B – Workshop	56.5	608
Unit C & D – Warehouse / Workshop	112.7	1,213
Unit E – Workshop	62.5	672
Unit E – Mezzanine	20.5	221
Unit F – Warehouse / Workshop	102.5	1,103
Unit G – Warehouse	34.0	366
Unit H – Warehouse	34.8	375
Unit H – Mezzanine	35.4	381
Unit I – Warehouse	29.7	320
Unit J – Warehouse	29.7	320
Range of Open Fronted Stores / Workshops	131.5	1,415
<b>TOTAL</b>	<b>780.8</b>	<b>8,404</b>
Transport Containers – Individual	30	30

## 9. Condition

A detailed building survey on the property has not been carried out nor have the services been tested. We assume that the applicants will commission a more detailed survey should they consider it necessary or desirable.

It is stressed that we have not inspected those parts of the property which are covered, unexposed, or inaccessible and such parts have been assumed to be in good repair and condition. We cannot express an opinion about or advise upon the condition of uninspected parts and this report should not be taken as making any implied representation or statement about such parts.

We have not tested any of the drains or other services, and for the purpose of this valuation we have assumed that they are all operating satisfactorily, and no allowances have been made for replacement or repair.

Whilst a detailed survey of the property has not been undertaken, we would report that the property was found to be in a reasonable overall condition and considered suitable for normal secured lending purposes. The property provides industrial accommodation dating from the 1960's / 70's which is on the whole has been maintained to a reasonable standard.

We consider the property is in a suitable condition for normal secured lending purposes.

We have assumed that the property is free from any structural faults, and we assume that the property has the appropriate and necessary structural supports incorporated and any works have been approved by Building Control.

## 10. Statutory Enquiries

### I. Planning

We have made an investigation of the Unitary Development Plan of Wakefield Metropolitan Council which reveals that the property lies within an area within an Employment Land Allocation. In addition, land to the west falls within the Green Corridor although this does not appear to affect the subject site. We have referred to the online planning database of Wakefield metropolitan Council which does not reveal any unimplemented planning permissions relating to the subject property.

We have assumed that the property has full planning consent for the current uses under the Use Classes Order 1987, as amended.

### II. Property Listing / Conservation Area / Green Belt

The property is not listed nor is it situated within a Conservation Area or the Green Belt.

### III. Energy Performance Certification

We have identified an EPC in relation to the whole unit which is dated 28<sup>th</sup> May 2019. The property has been classified as having an E Rating (E 119). The property therefore conforms to the current Minimum Energy Efficiency Standards (MEES) which became effective on 1<sup>st</sup> April 2018.

In undertaking this Valuation, we have not been provided with a copy of an Energy Performance Certificate (EPC) for the premises by the applicant. We have therefore searched the web based database of EPCs provided by Landmark and we have been unable to locate an EPC for the subject property.

### IV. Fire Precautions

The premises will need to comply with the Fire Regulatory Reform Order Regulations covering statutory fire prevention in commercial property. Under this legislation the duty holder or a responsible person must carry out a fire risk assessment and lodge such information in a manual for inspection by the fire officer.

The Fire Risk Assessment is based on the use of the premises and not something which is transferred between occupiers of properties. A manual was not seen at the time of our inspection, and one should be commissioned, if not in existence. This should be drawn to the attention of the applicant.

We have assumed that the property complies with all the necessary fire regulations.

**V. Control of Asbestos Regulations**

No tests have been carried out to establish whether deleterious materials have been used in the original construction of the building.

The associated costs of maintaining, repairing, or altering a building with Asbestos can be significantly higher because of the need for specialist contractors and precautions that are necessary under the Control of Asbestos Regulations 2006, and this can impact on the value of a property.

All owners / occupiers of non-domestic properties are required to provide a record of an inspection to verify whether or not any forms of Asbestos are present in the property, under the Control of Asbestos Regulations (2012). We have not been provided or seen a copy of this.

The Property is of an age where materials such as asbestos may have been incorporated into the structure. However, at the time of inspection, no such materials were noted from our limited visual inspection. This matter is noted for your information.

**VI. Highways**

The property has direct access from the main estate road for Acton Hall Enterprise Park. We assume that the property benefits from a right of access across the Park from Station Road. This should be clarified by your solicitors. We understand that Station Road is adopted and maintained at public expense.

From our knowledge of the local area we are not aware of any current highway proposals that might have a detrimental effect on the property.

**VII. Disability Discrimination**

The Equality Act 2010 has largely replaced the Disability Discrimination Act 2005. With regard to the disability, the Act imposes a duty to employers and businesses offering a service to the public to make reasonable changes to enable disabled people to do their jobs or remove or alter any feature that makes it impossible, or unreasonably difficult, for a disabled person to make use of the services provided.

The duty of compliance with the Act will rest with the occupier. Compliance in the absence of an Accessibility Audit can only be confirmed by specialists. We have specifically assumed that there are no significant or costly changes required to the premises to comply with the act.

**VIII. Business Rates**

Unit	Description	RV 2017
Unit A	Warehouse/Premises	£3,750
Unit B	Warehouse/Premises	£3,000
Unit C & D	Warehouse/Premises	£5,300
Unit E	Workshop/Premises	£4,200
Unit G	Workshop/Premises	£2,025
Unit H	Warehouse/Premises	£2,300
Unit I	Workshop/Premises	£1,775
Unit J	Workshop/Premises	£1,775
Containers - Each	Container/Premises	£310
Land adj. B-g	Land	£16,500
Castleford Pallets	Land	£14,250

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## 11. Services

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The property benefits from all mains services including mains electricity, mains gas and mains water. We understand that the property drains into the public sewer. We understand that the units are separately metered.

Our attention was not drawn to any defects although SMC Brownill Vickers has not undertaken any testing of the services and we would advise that we have assumed that these are to a certifiable standard and in full working condition.

## 12. Site & Ground Conditions

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The property forms a regular shaped and generally level site of approximately 0.70 ha (1.71 acres) or thereabouts. Site coverage is low at circa 10%.

We have used the Environment Agency's Indicative Flood Plain Maps to provide a general overview of lands in natural floodplains and therefore potentially at risk of flooding from rivers or the sea. The maps use the best information available, based on historical flooding records and geographical models. They indicate where flooding from rivers, streams, watercourses, or the sea is possible.

According to the Environment Agency website the property is located in Flood Zone 1. This is defined as 'An area with a low risk of flooding'.

There is also a risk of flooding created by heavy rainfall where the provision and proximity of drains and sewer facilities are inadequate. For the purpose of this report we have assumed, unless indicated to the contrary, that enquiries would not disclose any evidence of historical pluvial flooding, relating to the drainage of surface water or ground water flooding.

The Wildlife and Countryside Act 1981 now includes 38 different non-native invasive plant species. One of the most significant and damaging for property is Japanese Knotweed (*Fallopia Japonica*) which can cause physical damage to buildings and hard surfaces. Under the Act it is an offence to plant it or otherwise cause it to grow in the wild.

In addition, the Environmental Protection Act 1990 classifies knotweed material and soil containing rhizome material as controlled waste and must be disposed of safely at a licensed landfill site, if removed from the site of origin. Landowners can be sued for costs and damages if they fail to prevent knotweed from spreading to a neighboring property. Also, failure to manage and dispose of Japanese knotweed responsibly may lead to prosecution.

From our inspection of the property, we can confirm that we did not see any evidence of Japanese knotweed within the site during the course of our inspection.

The Health Protection Agency's radon map indicates the property is located in an area where radon gases have been recorded at low levels. Therefore, there is an increased likelihood of radon posing a risk to health. Further information can be obtained from the Health Protection Agency ([www.hpa.org.uk](http://www.hpa.org.uk)).

Our valuation assumes that no material or costly adaptations are required as a result of any radon issues.

### 13. Environmental Issues

Due to the use of the property and surrounding land uses we have no reason to instigate an Environmental Audit. The area has been used for industrial uses for a number of years and there may be some localised contamination from these uses. Our valuation assumes that the site is free from latent contamination that would adversely affect the property.

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 been contaminated sub-soils or ground waters. We have specifically assumed that the site is free from contamination.

In the event of contamination being discovered, further specialist advice should be obtained. The Bank's solicitors should take up the usual enquiries in respect of possible contamination issues.

### 14. Tenure

We understand that the property is held on a freehold basis.

We have not had sight of a report on title and have assumed that the freehold interest is clear and free of any unusual or especially onerous easements, outgoings, or restrictive covenants.

We recommend that solicitors clarify this in the course of their usual enquiries. Should any issue arise, that may affect value we strenuously recommend that this is referred back to the valuer for determination as to whether or not this effects the value, or any security held over the property.

### 15. Tenancies

We are informed the property is let as follows.

Unit	Tenant	Rental Income pa
Unit A / B / C / D	West Yorkshire Autos Ltd	£21,600
Unit E / F	MCR Cars Ltd	£9,480
Unit G	Darren Ellis	£2,700
Unit H	Steve Loveridge	£6,000
Unit I	Carl & Tiffany Jeffery	£3,600
Unit J	Warren Towler	£4,800
VanStore	Ron Hall	£600
Yard	CAS Pallets	£15,600
Containers - Each	Various	£720 - £2,400

Total annual income, including the containers, is currently £97,692, with £63,540 per annum being received from the buildings and yard areas and £34,152 per annum being received from the non-permanent containers.

We understand that there are no formal agreements or leases in place. A number of the tenants have been in occupation of defined areas for an extended period. Income details should be clarified by your solicitors.

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## 16. Market Trends & General Comments

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The UK narrowly avoided falling into recession in 2022, new figures show, after the economy saw zero growth between October and December.

This is despite a sharp 0.5% fall in economic output during December, partly due to strike action, the Office for National Statistics (ONS) said.

However, the Bank of England still expects the UK to enter recession this year, but it will be shorter and less severe than previously thought. Inflation is slowing, but at 10.5% remains close to a 40 year high and continues to cause pain for families up and down the country.

The Bank of England has continued to put up interest rates in a bid to tackle the soaring cost of living, recently increasing the base rate to 4.00%. A further announcement is expected on 23<sup>rd</sup> March 2023 with regards to interest rates.

On a property investment front January's investment volumes figure of £1.3bn represents the weakest start to a year since 2009 and is almost 70% below the five-year January average.

At £470m, January's office investment levels were 65% below the ten-year January average, industrial was 50% below average, and retail investment sales volumes were 44% below average.

Four deals achieved a sales price of £100m or more in January. This is down from eight in January 2022.

All property initial yields rose by 8 bps in January and have now shifted out by over 100 bps since June. Industrial recorded the largest shift (137 bps).

Specifically on the industrial market, investment activity actually rose from November's £360m to £540m in December, although despite the improvement, the December figure is well below the five-year monthly average of £970m and one of the lowest figures since the start of the pandemic in 2020.

Annual investment volumes in 2022 reached £12.6bn. Despite slowing significantly from the record-high of £18.4bn in 2021, this is the second highest figure on record.

All Industrial yields rose by 22 bps in December, according to the MSCI Digest index, having already risen by more than 100 bps since falling to a record-low in June.

The subject property itself is situated in an established and popular industrial location, although the area would be considered as secondary, especially in comparison to the nearby developments of Normanton, Castleford and Glasshoughton, which offer superior accommodation and better access to the region's major networks. Priced accordingly though the property would compete well if it were placed on the market.

The property is however comparatively unusual in providing an industrial complex which has been subdivided to create a number of individual warehouses / workshops and a yard for occupation as well as housing transport containers which have been let for storage.

The property is a high yielding investment with a good overall rental income, approaching £100,000 per annum. However, the income is secured from tenants of local/tertiary covenant strength only and there are no formal business leases in place.

In addition, approximately 35% of the total current income is received from the lettings of cabins/containers sited across the site. These are not permanent buildings and do not directly attach to the land and accordingly this produces some uncertainty with regards to the potential future income. Moreover, these tenancies are on flexible basis and accordingly there is likely to be some tenant churn which affects income at any time, although this is not unusual with an asset like this.

It is our belief however that subject to marketing there would be a reasonable level of demand to purchase the property and would anticipate this to come from local or potentially regional property investors. There is little legal security in relation to the tenants and therefore it would be reasonably easy for a purchaser to gain VP; as a consequence, the site would also in our opinion appeal to owner occupiers.

We would expect the sale of the property within a period of approximately 9 - 12 months of open marketing at our opinion of Market Value. The property may sell at auction within a shorter time frame, although may not achieve the full Market Value.

## 17. Valuation

In arriving at our opinion of value we have considered the following comparable transactions;

**Units 1 – 11, Haines Park, Grant Avenue, Leeds** – Sold in February 2023 for £1,320,000, reflecting a net initial yield of 8.84%. The property comprises 10 industrial units totalling 13,134 sq ft set across two terraces. Total annual income of £123,703. Stronger location and more 'orthodox' industrial investment sale. Sale price equates to £100 per sq ft over the GIA.

**Unit 1, Lancaster Close, Leeds** – Modern industrial unit extending to 8,917 sq ft sold in September 2022 for £964,000. 10 year lease at £58,169 per annum; sale price reflects a net initial yield of 5.71%. Modern and superior location with 7 years UXT. Price equates to £108 per sq ft.

**Hambleton Grove, Knaresborough** – 8 industrial units generating £218,306 per annum. Sold in June 2021 for £2,860,000, reflecting 7.17%. More modern buildings and all income from physical buildings. Buildings total approximately 37,500 sq ft (£76.00 per sq ft).

**Units 121L and 121M, Whitehall Industrial Estate, Whitehall, Leeds** – Sold in February 2020 for £340,000, reflecting 8.21%. Modern industrial unit with single tenant (£28,950 per annum). Superior location and spec. Sale price equates to £82.18 per sq ft (4,137 sq ft).

**Cleveland Street Industrial Estate, Birkenhead** – Self-contained industrial estate comprising 12 commercial lock ups and yard areas. Income producing of circa £20,000 per annum. The property sold in October 2019 for £220,000, reflecting a yield of 8.82%.

**Unit C1 Willowbridge Way, Castleford** – Single let to a national covenant (ATS Euromaster) at £44,000 per annum. Property sold in April 2019 for £780,000, reflecting a net initial yield of 5.35%. Significantly superior location and building and let to a national single tenant.

In arriving at our opinion of value we have adopted the investment and comparable methods of valuation and have considered the above comparable transactions. We have also considered the characteristics of the subject property, together with its location, size, and specification. We have also considered the current income and the lack of security with no formal leases in place.

Having considered the above, we have applied a yield of 13.00% to the current income from the physical buildings and yard area. This produces a Market Value in the region of £490,000.

There are currently in the region of 40 containers on site. Whilst the containers are not physically connected to the ground, in our opinion it would be wrong to totally disregard this income, which is substantial. Even without the income if the bank were to take control of the site the containers would have an actual value even simply sold as individual containers. That said there is a significant risk that the containers could be removed if the bank were to seize control of the asset.

The containers have the potential to generate circa £43,500 per annum, although current income is £34,152 per annum. We have capitalised current income at 30%, reflecting the associated risks, which produces a value in the region of £110,000, or alternatively simply circa £3,000 per container. This is lower than our previous valuation but reflects the substantial increase in numbers.

This produces an aggregate value of £600,000.

By analysis this equates to £71.39 per sq ft across the GIA.

Given the lack of tenant security, overall asset size and the amount of non-permanent structures we have discounted a 90 day sale by 15%. This produces a value of £500,000.

In arriving at our opinion of Vacant Possession we have applied a rate of approximately £35.00 per sq ft to the buildings and a rate of £150,000 per acre to the excess yard (1 acre excess in total). This produces a value of £425,000. We have then made an addition of £75,000 for the removable containers. This produces a value of £500,000.

## 18. Development Issues

N/A.

## 19. Rental Value

In arriving at our opinion of Rental Value we have considered the following from within the subject property;

**Unit A** – 1,410 sq ft let at £9,600 per annum. This equates to £6.80 per sq ft.

**Unit B** – 608 sq ft let at £3,600 per annum. This equates to £6.00 per sq ft.

**Unit C & D** – Garage unit which totals 1,213 sq ft. Let at £9,000 per annum equating to £7.42 per sq ft. We understand that there is a premium on this to reflect the MOT licence.

**Unit E** – Let at £4,740 per annum. Equates to approximately £6.50 per sq ft, assuming nominal amount on mezzanine.

**Unit F** – Let at **£4,740 per annum**. Equates to approximately £4.30 per sq ft.

**Unit G** – 366 sq ft let at £2,700 per annum reflecting £7.37 per sq ft. Small unit.

**Yard Area** – Circa 1 acre let at £15,600 per annum. This reflects approximately £0.35 per sq ft which is consistent with general storage land values.

The rental levels being received on the subject property range from circa £4.30 - £8.00+ per sq ft, depending on size and specification. These are consistent with other similar properties within the area.

There are a number of recent lettings on individual elements within the property which can, in isolation, achieve rents in excess of £10.00 - £12.00 per sq ft, especially for small units.

In arriving at our opinion of market rent on the physical buildings we have taken a mid-point and applied a rate of £7.00 per sq ft to the GIA (excluding the open sided stores within the pallet area which we assume form part of the 'yard' rent.

This produces a rent for the physical buildings in the region of £47,000 per annum. With the addition of the yard area at £15,600 per annum, this produces a Market Rent in the region of £64,500 per annum, which is broadly consistent with the current level being received from this element.

We are therefore of the opinion that the units have rental levels in this range and on the whole the units are rack rented at their current levels.

We have applied a £1,000 per annum to each of the containers (x30).

We are therefore of the opinion that the property, including the non-permanent containers, has a Market Rent of **£95,000 per annum**.

Excluding the non-permanent containers this reduces to **£64,500 per annum**.

## 20. Market Value

The **Market Value** (MV1) of the property; Considering all relevant factors we are of the opinion that the Market Value of the property, as at the date of this valuation, and reflective of the current condition and specification, and subject to the current tenancies, is fairly reflected in the sum of **SIX HUNDRED THOUSAND POUNDS (£600,000)**.

The **Market Value** (MV2) of the property; Considering all relevant factors we are of the opinion that the Market Value of the property, as at the date of this valuation, and reflective of the current condition and specification, and subject to the current tenancies, and on the assumption of a 90 day sale period, is fairly reflected in the sum of **FIVE HUNDRED THOUSAND POUNDS (£500,000)**.

The **Market Value** (MV3) of the property; Considering all relevant factors we are of the opinion that the Market Value of the property, as at the date of this valuation, and reflective of the current condition and specification, and assuming Vacant Possession, is fairly reflected in the sum of **FIVE HUNDRED THOUSAND POUNDS (£500,000)**.

## 21. Insurance Reinstatement Cost

You have requested that we provide an indication, for insurance purposes, of the likely reinstatement cost of the building. We would emphasise that this figure is for guidance only, to assist in your assessment of the adequacy of the existing cover. You will appreciate that a formal estimate can only be given by a Quantity Surveyor or other person with sufficient current experience of replacement costs.

For insurance purposes, and on an indicative basis, we are of the opinion that the reinstatement costs in order to rebuild the property, would be in the region of **£800,000 (EIGHT HUNDRED THOUSAND POUNDS)**.

This figure includes site clearance costs and professional fees but excludes VAT on construction, loss of rent and / or alternative accommodation costs for the reinstatement period.

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## 22. Security & Issues

The property acts as a suitable security for normal lending criteria. We highlight the following lender action points:

1. The banks legal advisors should clarify the legal title.
2. The banks legal advisors should clarify the tenancy details.
3. We assume that the property benefits from a right of access across the park from Station Road. This should be clarified by your solicitors.
4. The bank should be aware that some of the income is from non-permanent containers. These may be removed from site prior to the bank gaining control. This element of the value is therefore a high risk.

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## 23. Disclosure

In accordance with our standard practice, we must state that the valuation is confidential to the party whom it is addressed.

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## 24. Sign off

The inspection of this property was carried out by Chris Stott, BSc (Hons) MRICS, a fully qualified Chartered Surveyor with over 15 years post qualification experience of undertaking valuations of commercial and residential properties throughout Yorkshire, the Midlands, and North of England.

The valuer is a Director at SMC Brownill Vickers and has the knowledge, skills and understanding to undertake the valuation competently. The valuer is a member of the Royal Institution of Chartered Surveyors - Membership No: 1185726 and is an RICS Registered Valuer.

Signed for and behalf of:

SMC Brownill Vickers



Mr Chris Stott MRICS



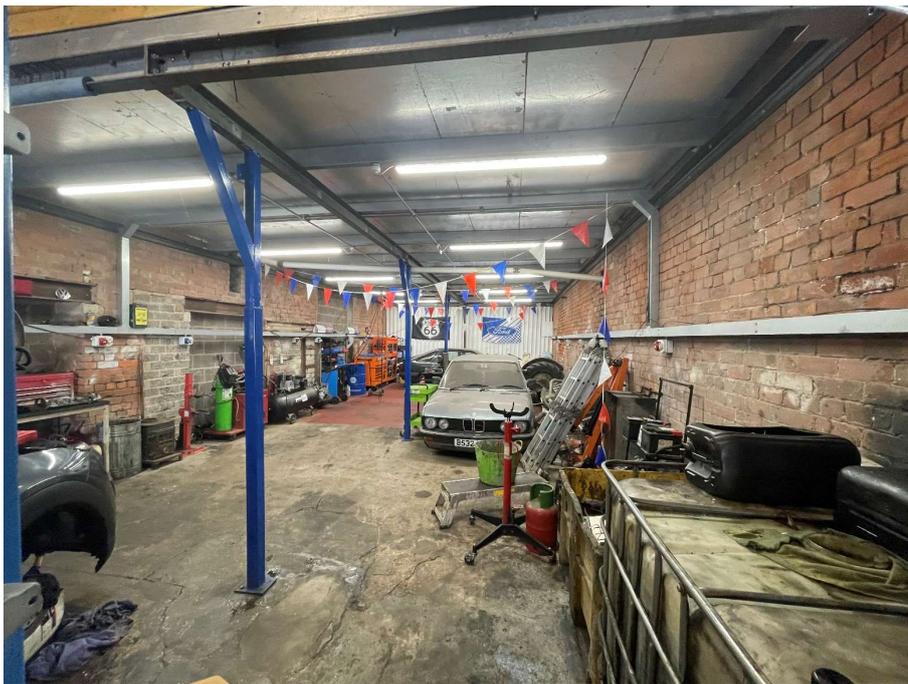
Mr Robin Curtis MRICS

## Photographs













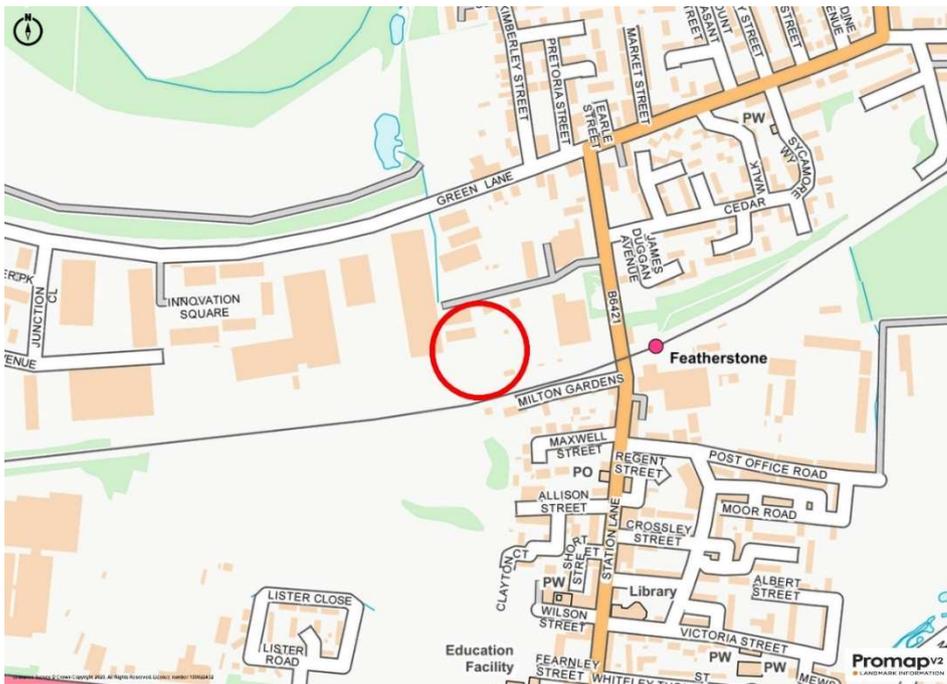


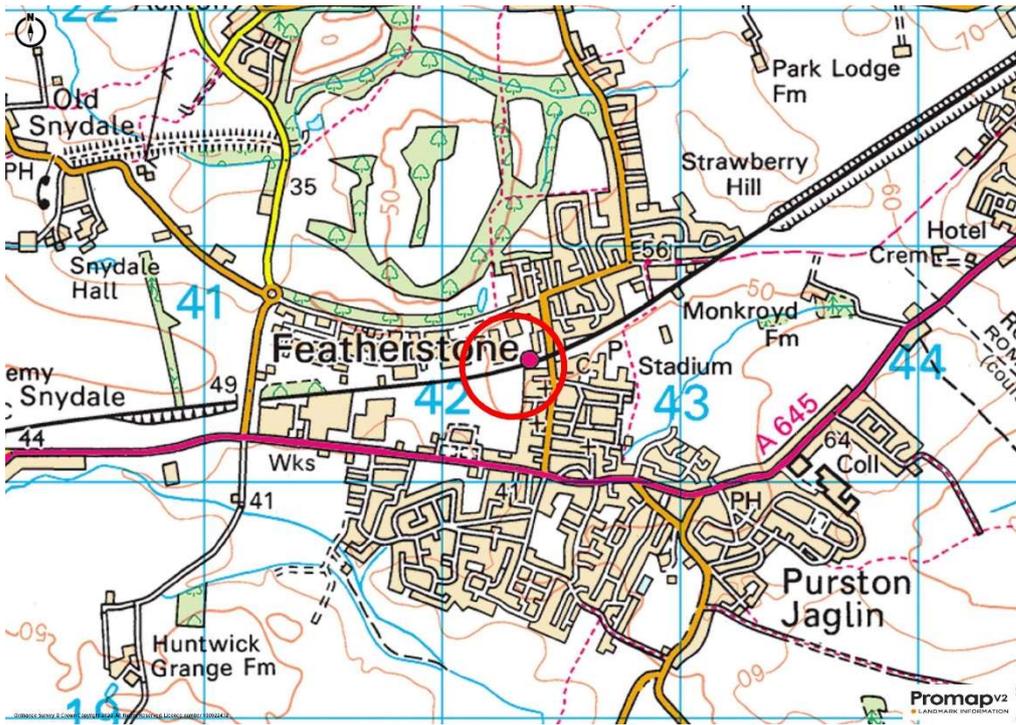






## Location Maps





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## Instruction Letter