



## **Valuation Report**

**Maryland, Bunny Lane, Timsbury, Romsey SO51  
0PG and Land on the north side of Bunny Lane,  
Timsbury, Romsey, SO51 0PG**

**Prepared for** Proplend Security Limited

## Executive Summary



MRF Building



Washing Plant

### Location:

The subject property is situated in Timsbury, approximately 4km (2.5 miles) north of Romsey in Hampshire. The site is accessed via Bunny Lane, just off the A3057 which leads southwards to Junction 3 of the M27.

### Description:

The subject property comprises an established waste management site with a materials recycling facility (MRF) and an inert recycling operation which includes a wash plant together with large storage areas to the north and south of the site.

### Site Area:

The subject property has an approximate site area of 5.85 hectares (14.45 acres).

### Floor Area:

The subject property comprises industrial accommodation totalling 843.9 sq.m. (9,083 sq.ft.), not including portacabins.

### Tenure:

The interest to be valued is the unencumbered freehold, ignoring any intercompany lease.

### Loan Security:

We consider that the property provides reasonable security for loan purposes based on the following SWOT analysis:-

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Well run operation with proven track record in the market.</li> <li>• Large site with opportunity for diverse activities to treat a range of waste types.</li> <li>• Wash plant established allows for process of inerts into added value materials.</li> <li>• Good location away from sensitive receptors.</li> <li>• Currently strong market with high level of development activity.</li> <li>• Limited competition.</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of mains electric and water service connections to supply operational needs.</li> <li>• Poor quality building with age and obsolescence issues.</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• Continuing pressure from government policy to recycle and divert waste from landfill.</li> <li>• Wash plant has scope for processing additional volumes of added value materials.</li> </ul>	<ul style="list-style-type: none"> <li>• High volume of inert waste to be processed and cleared from site.</li> <li>• A slowdown in economic activity post the Covid-19 pandemic and ongoing war between Russia and Ukraine, has increased operating costs and could reduce overall demand for products.</li> </ul>

We assume that the property is maintained and kept in full repair, that no encumbrances are created and there are no breaches of use, occupation, planning or other relevant matters during the term of the loan which could affect both the value and its suitability for loan purposes. On the basis of the above we are of the opinion that the property provides reasonable Bank security at the levels reported assuming more than one bidder. We would highlight that due to the nature of the subject site in terms of its size and permitted use there will be a small number of interested parties in the market for this type of property.

The subject site is operated under an environmental permit, which as part of its remit requires a technically competent person to be in charge of the operation. It is unlikely that the Bank would satisfy this requirement and would therefore be deemed unsuitable to hold the permit if the company was to stop trading and therefore the Bank will not be in a position to operate the site prior to disposal.

**The most recent Environment Agency’s Compliance Assessment Reports reported two breaches. The borrower has confirmed that work is ongoing with the Environment Agency to rectify these breaches. For the benefit of this report, we assume that the borrower is working with the Environment Agency to resolve the issues, the site is being operated in a satisfactory manner and that there are no current or**

pending enforcement actions. We recommend that the Bank obtain regular updates from the borrower regarding this and review all Environment Agency Compliance Assessments Reports going forward. They should further arrange to inspect the site regularly to ensure the site is being run to the satisfaction of the Environment Agency and there are no breaches of permit.

**Summary of Value:**

Our valuations as at February 2023 are summarised as follows:-

Market Rent	£340,000
Market Value with the benefit of existing leases or tenancies	£4,000,000
Market Value on the assumption of vacant possession	£4,000,000
Market Value on the special assumption of a sale to be made within 90 days	£2,800,000
Indicative Reinstatement Value of the property for insurance purposes	£720,000



Our Ref: JMXD/TB/02C300281

Your Ref: SB/Waltet Limited

24<sup>th</sup> February 2023 (Updated 21<sup>st</sup> March 2023)

Proplend Security Limited

20 – 22 Wenlock Road

London

N1 7GU

**For the attention of: Stewart Bruce**

Dear Sirs

**Property: Maryland, Bunny Lane, Timsbury, Romsey SO51 0PG and Land on the north side of Bunny Lane, Timsbury, Romsey, SO51 0PG**

**Borrower: Waltet Limited**

In accordance with your instructions we have inspected the above property in order to advise you of our opinion of its value for loan security purposes.

The property (edged red on the enclosed Ordnance Survey extract) has been valued vacant possession.

Our formal valuation advice has been prepared in accordance with the RICS Valuation – Global Standards effective from 31 January 2022.

#### **Valuation**

**WE ASSESS** the **Market Value (MV)** of the freehold interest in the property identified within our report as at February 2023 to be:-

**£4,000,000**  
**(Four Million Pounds)**

All valuations are reported exclusive of VAT.

We draw your attention to our accompanying report, the Definitions and Reservations for Valuations to which our advice is subject and to the Letter of Appointment agreed between us.

Yours faithfully



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Appendix 1 Instruction Letter

Appendix 2 Land Registry Extracts

Definitions and Reservations for Valuations

# 1. Instructions

Instructions were received on 31 January 2023 to undertake a valuation of the property for secured lending purposes. A copy of your letter of instruction is enclosed at Appendix 1.

We are instructed to provide the following valuation(s):-

- Market Rent;
- Market Value with the benefit of existing leases and tenancies;
- Market Value on the assumption of vacant possession;
- Market Value on the special assumption of a sale to be made within 90 days; and
- Indicative Reinstatement Value of the Property for insurance purposes

Our valuation has been undertaken in accordance with your instruction letter and our Letter of Appointment, which have been prepared in accordance with the RICS Valuation – Global Standards effective from 31 January 2022 (the Red Book).

## **Third Party Liability**

This Report and Valuation is for the sole use of the party to whom it is addressed and no responsibility is accepted to any party who is not an addressee of the Report for the whole or any part of its contents, without our express consent.

## **Conflicts of Interest**

In assessing any potential conflicts, we have adhered to the RICS Professional Statement – Conflicts of Interest, (1<sup>st</sup> Edition, March 2017) and the RICS Rules of Conduct.

As far as we are aware, we have no conflict of interest in relation to the provision of valuation advice in respect of the property. Avison Young previously valued the property for secured lending purposes in March 2018 and January 2021. We are providing our advice as External Valuers in accordance with the provisions of the Red Book. Avison Young (UK) Limited is a regulated firm.

## **Limitation of Liability and Professional Indemnity Insurance**

Our total liability in connection with this instruction and this Valuation Report is £5 million pounds, as set out in the terms of appointment we provided to you. We confirm that we hold professional indemnity insurance to cover our liabilities arising in connection with this instruction and this Valuation Report.

## **Reliance upon Provided Information**

In preparing our valuation, we have been provided with information by the borrower. The extent to which this has been relied upon, and verified, by us in arriving at our opinion of value, is referred to in our report.

**Date and Extent of Inspection**

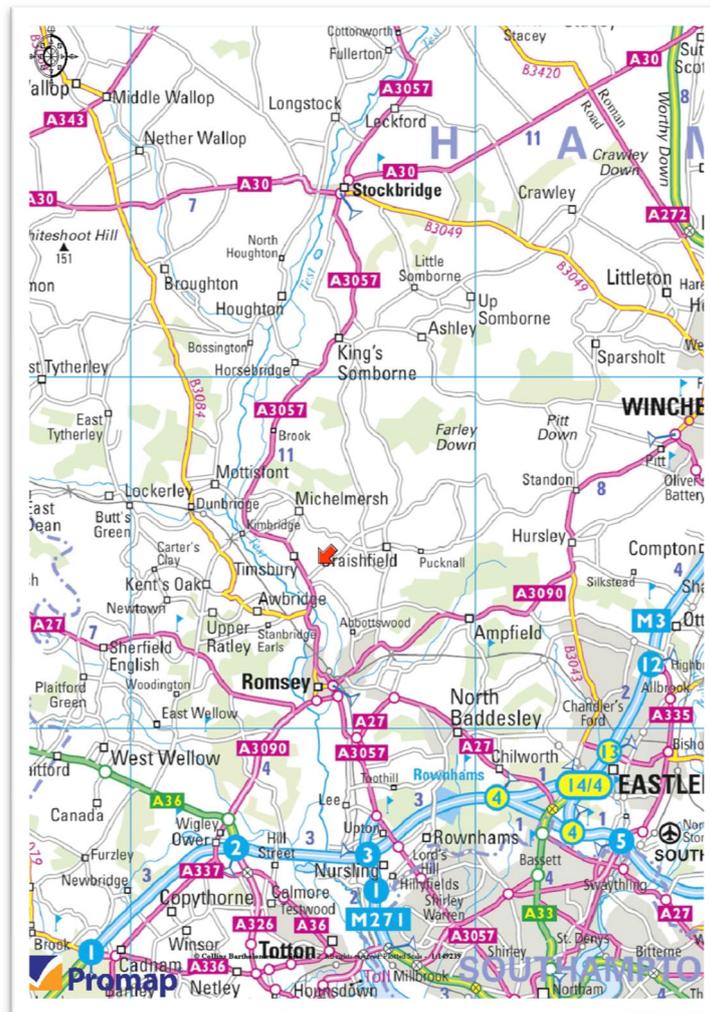
The property was inspected on 16<sup>th</sup> February 2023 by Mark Deans BSc MRICS, an Associate and RICS Registered Valuer and Tom Banks BA (Hons) MSc MRICS, a Surveyor and RICS Registered Valuer both within the Energy, Waste Management & Minerals Department of our London Gresham Street office. Access was available to all parts of the property.

**2. Location**

The subject property is situated in a rural location east of Timsbury in Hampshire, approximately 4km (2.5 miles) north of Romsey. The site is accessed via Bunny Lane, just off the A3057 which leads southwards to Romsey and Junction 3 of the M27.

The property lies 13.5km (8.4 miles) to the north west of Eastleigh, 15.5km (9.6 miles) to the south west of Winchester and 16.2 km (10.0 miles) to the north of Southampton.

We have provided a plan below showing the location of the site within the context of the surrounding area.



### 3. Description

The subject site is currently used as a waste management and recycling facility where a variety of waste types are processed for recovery and recycling. The subject property comprises a materials recycling facility (MRF) and inert recycling operation with a waste washing plant together with areas of processing and storage land, part of which has been hard surfaced.



The site is accessed from the southern boundary via Bunny Lane, where the site is secured with steel palisade fencing and a double width gate. The site access road is concrete surfaced with kerbs and a separate tarmacadam footpath. The access road passes to the east of a large area of storage land which is surfaced with compacted road planings. This area is used for material storage, with separate product bays created from concrete block walling. To the west of this there is a recycled aggregates washing plant which has been developed on a concrete base. Water for the wash plant is supplied from a mixture of mains, extraction from a neighbouring water source and borehole installed to the north of the wash plant. All the process water is collected and recycled back through the plant. The wash plant produces six products: 0-4 and 0-2 sand, 4-10 mm, 10-20 mm aggregated and oversized between 20-40 mm and 20-80 mm. The wash plant has been on site for 2 years but has not yet been fully commissioned to full operational capacity.



There is a small area surfaced with oversized aggregates from the wash plant used for staff car parking. There is a small soil bund to the north which separates this area from another storage area for skips and RORO bins. This area is surfaced with compressed road planings. To the north of this area, the access road proceeds to the main operational area of the site. There is a further set of security gates which provide access to the weighbridge area and MRF.



Waste vehicles entering the site pass over a platform type weighbridge which is located next to a two storey portacabin. This accommodates the weighbridge office and staff welfare facilities, with an additional single storey portacabin used as offices and a meeting room. There are other portacabins around this area used for locker rooms, mess rooms and general storage. The area around the weighbridge is concreted.



To the west of the offices, accessed via concrete ramps to a lower level, is a steel framed former agricultural building that serves as the MRF. The building has a pitched profile steel roof, 3.5m eaves height, a combination of profile steel and concrete block walls, and a concrete floor. The western wall of the building has been removed and the MRF processing plant is located along that side. Waste processed by the MRF passes through a series of screening and separating processes including magnets, air separators, a trommel screen and manual picking stations.



A steel framed open fronted canopy building has been constructed for the storage of processed waste next to the MRF building. This building has concrete walls and a mono-pitched steel profile clad roof. The MRF building is surrounded by a concrete apron, with concrete push walls, which is used for waste processing, storage and circulation.

The remainder of the site to the north of the MRF comprises an inert waste recycling area consisting of areas of hardcore surfacing, stockpiles of processed and unprocessed waste and working areas for mobile screening and crushing plant. The area is screened with soil bunds. There is an area laid with planings between the MRF

and inert recycling area which has concrete block bays. This is currently used for further stockpiling and plant storage. There is also a holding lagoon in this area used for surface water drainage.

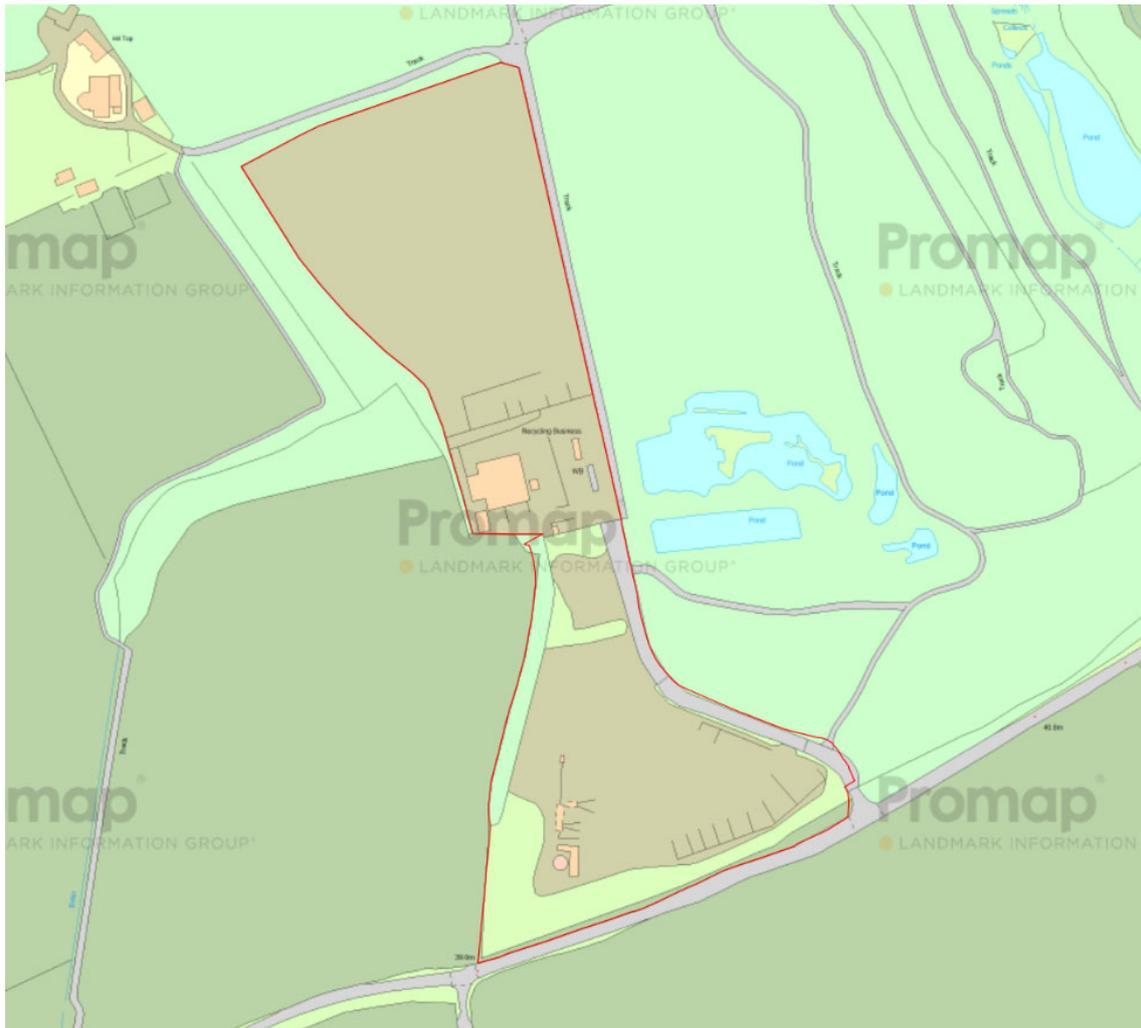


The site is secured with a combination of steel palisade and chain link fencing and benefits from a CCTV system. The site operations rely on electrical power from mobile generators as there is no mains electricity.

#### **4. Site Area**

The subject site is of an irregular shape with an area in the order of 5.85 hectares (14.45 acres).

This area has been computed using the Ordnance Survey Promap system. Our understanding of the site boundary is shown outlined in red on the plan above. We have assumed that this represents the correct boundary to the site and that there are no on-going boundary disputes. We would recommend that our understanding is confirmed by your legal advisers.



## 5. Floor Areas

In accordance with your instructions and having regard to the RICS Professional Statement – RICS Property Measurement 2<sup>nd</sup> edition, January 2018, we measured the property during a previous inspection on 22<sup>nd</sup> January 2021 in compliance with the RICS Code of Measuring Practice, 6th edition published by the Royal Institution of Chartered Surveyors. It was confirmed that the buildings on site remain unchanged. We have calculated the following approximate Gross Internal Areas:

Floor	Use	Areas	
		sq m	sq ft
Ground	MRF Building	793.90	8,545
Ground	Waste Canopy	50.00	538
<b>Totals</b>		<b>843.90</b>	<b>9,083</b>

We have used a conversion factor of 10.764 in converting metric floor areas to imperial. We have rounded metric areas to one decimal place and imperial areas to the nearest whole unit.

In addition, the property benefits from the following areas of operational and storage land. In each case the site surfacing is identified. Using the Pro Map mapping system we have calculated the following approximate areas:-

Description	Surfacing	Areas	
		Acres	Sq.ft.
Yard adjacent to MRF	Concrete	1.06	47,174
Skip and RORO storage area	Road planings	0.61	26,572
Inert recycling area (net of bunds)	Hardcore	4.80	209,088
Wash plant land	Concrete	0.45	19,602
Southern storage land (net of landscaping and bunds)	Road planings	3.62	157,687
		<b>10.54</b>	<b>460,123</b>

We have calculated the building coverage over the concrete yard area adjacent to the MRF to be approximately 19%, which is considerably below the industry standards. This excludes the portacabins as they are temporary buildings. There is therefore approximately 0.19 hectares (0.54 acres) of surplus concrete yard in this area.

## 6. Services

We understand that the subject property is connected to mains water, but not with sufficient capacity to supply the full wash plant requirements. Therefore, a water abstraction borehole has been installed and where possible all surface water is being captured and stored in underground tanks for use in the washing process. We were also informed that the borrower has an extraction licence to extract water from a water course on neighbouring land. Generators provide the site with electricity and foul water drainage is to a tank which is emptied for off-site disposal.

We have not undertaken any tests to ascertain the condition or capacity of these services and have assumed for the purpose of this valuation that all service connections present are in good order. We understand that enquiries have been made regarding a connection to the electricity mains, which would cost approximately £150,000. Due to the current cost of wholesale electricity the site is expected to remain operating by running off generators.

## 7. Condition of Building

We have not carried out a structural survey of the property but would comment that, although basic in nature, at the time of our inspection it appeared to have been satisfactorily maintained and was in a reasonable state of internal and external repair, having regard to its age, character and use.

## 8. Hazardous and Deleterious Materials

We have not arranged for any investigation to be carried out to determine whether or not any deleterious or hazardous materials have been used in the construction of the property or have since been incorporated. Although our inspection did not reveal any obvious deleterious materials, we are unable to report that the property is free from risk in this respect.

### Asbestos

Control of Asbestos Regulations 2012 - Under the terms of these Regulations a Duty holder is required to manage asbestos in non-domestic premises. Typically, this encompasses a positive obligation to assess the likelihood of asbestos containing materials being present at the premises. This can be achieved either by reference to bona fide statements confirming that asbestos was not incorporated into the construction of the building, or by commissioning an asbestos survey. The results of that survey would then be interpreted, acted upon and recorded in an Asbestos Management Plan. Further guidance can be found at <http://www.hse.gov.uk/pubns/indg223.pdf>.

We have not had sight of a Management and Refurbishment asbestos survey.

### ACMs

We have assumed for the purposes of this report and valuation that any cladding panels present are not Aluminium Composite Material panels (ACMs). We have not arranged for any investigations to be carried out to determine whether or not they are ACMs. Where cladding panels are present we would recommend that investigations be undertaken to establish their nature.

We have assumed for the purposes of this valuation and report that no deleterious materials were used in the construction of the property. Bearing in mind the age and nature of construction, we believe that this is a reasonable assumption.

## 9. Statutory Enquiries

### Planning Policy

The property is located within Test Valley Borough Council (TVBC). The statutory development plan covering the area is the Test Valley Borough Revised Local Plan (LP), which was adopted on 27<sup>th</sup> January 2016. TVBC are

currently in the process of drafting a new Local Plan which is currently at Stage 2 of Regulation 18 consultation, and due for submission to Secretary of State by Q3 2023. Under the Plan, the property is zoned as Countryside and also falls within a broad Mineral Consultation Area designation.

Within the Hampshire Minerals and Waste Local Plan (adopted October 2013) the site is a safeguarded waste site.

### **Planning History**

The site is subject to a number of planning permissions for waste recycling activities. These have been outlined below in reverse chronological order.

#### Planning Application No: 23/00149/CMAS

A planning application was submitted on 18 January 2023 and is currently awaiting determination, to vary conditions 2, 7 & 11 of 15/00006/CMAS to accommodate minor site changes in the interest of fire safety. This permission extends the concrete pad area to the east of the MRF, but this has not yet been implemented.

#### Planning Application No: 21/00298/CMAS

Permission was granted on 5 March 2021 to vary condition 12 (hours of operations and staff working hours) of 10/02712/CMAS. The condition is varied so that with the exception of a maximum of five skip lorries, two RoRo lorries and one articulated lorry (all HCVs) entering and leaving the site between 07:00 - 07:30 hrs Monday to Friday only, no heavy commercial vehicles (HCVs) shall enter or leave the site outside the following times: 07:30 - 19:00 hrs Monday to Friday and 07:00 - 14:00 hrs Saturday, and not at any time on Sundays, recognised Public or Bank Holidays. No plant, equipment or machinery involved in the approved waste management operations shall be operated on the site outside the following times: 07:30 - 17:30 hrs Monday to Friday and 07:30 - 12:30 hrs Saturday, and not at any time on Sundays, recognised Public or Bank Holidays.

#### Planning Application No: 22/01323/CMAS

Permission was granted on 16 November 2022 to vary conditions 1, 4, 7 8, 14 and remove conditions 24 of 21/005888/CMAS to ensure compliance and permanent retention of existing wash plant. The permission was subject to a number of operational conditions, the principal ones of which have been outlined below:

- No works to the existing perimeter bunding hereby permitted shall physically encroach on to the route of the Michelmersh and Timsbury Footpath No.4 as shown on the drawing entitled Hampshire County Council Rights of Way Office – Proposed diversion of part of Michelmersh Footpath No.4 – Amended April 2011.
- Bunds shall be constructed with uncontaminated inert material.
- With the exception of the wash plant facility hereby permitted, no plant on the site shall exceed 4 metres in height above the existing ground level. All machinery loading material/waste onto or off stockpiles, plant and vehicles, shall operate in a manner that ensures it is entirely below the level of

the bunds and associated screening vegetation in that part of the site. When not being operated all plant and machinery shall be in a location where it is entirely below the level of the bunds in that part of the site.

- No more than one campaign activity (washing plant or concrete crushing) shall take place on the site at the same time. Soil screening and concrete crushing shall not take place in the northern third of the site (stockpile location) at the same.
- Stockpiles of processed and unprocessed materials and waste on the site shall not exceed 4 metres above existing ground level.
- With the exception of a maximum of five skip lorries, two RoRo lorries and one articulated lorry (all Heavy Commercial Vehicles (HCVs)) entering and leaving the site between 07:00 - 07:30 hrs Monday to Friday only, no heavy commercial vehicles (HCVs) shall enter or leave the site outside the following times: 07:30 - 19:00 hrs Monday to Friday and 07:00 - 14:00 hrs Saturday, and not at any time on Sundays, recognised Public or Bank Holidays.
- No plant, equipment or machinery involved in the approved waste management operations shall be operated on the site outside the following times: 07:30 - 17:30 hrs Monday to Friday and 07:30 - 12:30 hrs Saturday, and not at any time on Sundays, recognised Public or Bank Holidays.
- No more than 150,000 tonnes of waste shall be imported to the site per annum.
- There shall be no more than 208 (104 in and 104 out) Heavy Commercial Vehicle (HCV) movements per day to and from the site. Records of vehicle movements to and from the site shall be kept and made available for inspection at the request of the Waste Planning Authority. An HCV is defined for the purposes of this permission as a commercial vehicle over 7.5 tonnes unladen weight.

Planning Application No: 10/02712/CMAS

Permission was granted for a change of use to retain and extend the recycling facility with ancillary development and activities on 12 July 2012 following an appeal Ref APP/Q1770/A/11/2161324. The permission was subject to a number of operational conditions, the principal ones of which have been outlined below:

- The "campaign" foam mix and wood shredding shall only take place in the bunded south west corner of the site. No more than one campaign activity (concrete crushing, wood shredding or foam mix) shall take place on the site at the same time.
- No plant or stockpiles of processed or unprocessed materials and waste on the site shall exceed 4m in height above existing ground level.

- No HGVs shall enter or leave the site and no plant or machinery shall be operated outside the hours of 07:30-17:30 Monday to Friday and 07:30-12:30 Saturday, nor any time on Sundays, Public or Bank Holidays.
- No more than 150,000 tonnes of waste shall be imported to the site per annum.
- No more than 208 (104 in and 104 out) HGV (commercial vehicles of over 7.5 tonnes unladen weight) movements per day to and from the site.
- All loaded HGVs shall be sheeted when accessing or egressing the site.

Any previous planning permissions were temporary in nature and have been superseded by the appeal decision detailed above.

### Highways

We have researched the Hampshire County Council website which confirms that Bunny Lane is an adopted highway and therefore maintainable at public expense. For the benefit of our valuation, we have assumed that there are no proposed highway modifications in the locality that would affect the subject site.

### Rating

The property is assessed in the 2017 Rating List as follows:

Address	Description	Rateable Value
R F Salvidge Farms Ltd, Bunny Lane, Timsbury, Romsey, Hants, SO51 0PG	Secondary aggregate processing plant and premises	£88,500

The Uniform Business Rate for the year commencing 1 April 2022 is 51.2 pence in the pound.

### General

The majority of the above information has been provided to us from the web or verbally by local authorities or relevant public bodies. However, we would recommend that your legal advisers obtain formal confirmation that the information provided to us is correct. Should subsequent formal investigations contradict the information outlined above, then we would recommend that the matter is referred back to us in order to consider what impact, if any, this may have on our opinion of the value of the property.

## 10. Environmental Permit

Under the Environmental Protection Act 1990 a Waste Management Licence was issued by the Environment Agency reference EAWML/10278 to R.F. Salvidge Farms Ltd on 19 December 2006 for a household, commercial and industrial waste (HCI) Transfer Station. On 1 October 2013 a variation to the original licence was issued updating it to an Environmental Permit and increasing the permitted boundary and storage capacity of the

facility, reference EPR/BP3098HN. An administrative variation was made 25 September 2017 to change the company name to Waltet Recycling Limited. The most recent variation was issued on 13 October 2022 to increase the permitted storage tonnage for the site from 50,000 to 200,000 tonnes, adds a new soil and aggregate washing activity and finally adds the waste code 19 12 12 (wastes (including mixtures of materials) from mechanical treatment of wastes only).

As Waltet Recycling Limited are the Permit Holder and tenant, whilst the borrower Waltet Property LLP owns the freehold, if the lease between the related parties is dissolved, a transfer of the Permit to Waltet Property LLP would be required. This is an administrative exercise on behalf of the Environment Agency, although it can take up to three months to complete.

The principle conditions associated with the Permit are summarised below:-

- Maximum storage capacity of 200,000 tonnes
- Total quantity of waste accepted shall not exceed 200,000 tonnes per annum
- Total quantity of refrigerator and WEEE wastes accepted at the site shall be less than 25,000 tonnes per annum
- Specified waste management operations include storage of waste pending treatment, physico-chemical waste treatment of permitted waste types and recycling and reclamation of organic solvents not used as solvents, metals and metal compounds or other inorganic materials
- Permitted waste categories include inert wastes, non-hazardous metal wastes and degradable household, commercial and industrial non-hazardous wastes.

Other conditions include site engineering for pollution prevention and control, site infrastructure, site operations, amenity management and site records. This Permit is fairly broad and covers a wide variety of waste types and a significant annual tonnage allowance.

The plan accompanying the latest permit variation in October 2022 confirms that it covers the whole site.

**We have had sight of the last 3 Environment Agency's latest Compliance Assessment Reports. The first two cited no breaches though following a site inspection on 24 November 2022, two breaches were reported. Details of the original breaches, the steps taken and resolution achieved is as follows:**

- **The Approved Fire Prevention Plan (AFPP) requires thermographic thermal and optical bi-spectrum cameras to measure/detect temperature in the waste piles. These were expected to be installed by 31<sup>st</sup> January 2023 and have been installed.**
- **The AFPP requires that unprocessed piles shall not exceed 7.5m (l) by 12m (w) by 4m (h), but during their inspection it was evident the unprocessed waste pile exceeded these dimensions**

- A 0.5m firewater containment wall to the rear of the WTS had not been completed in accordance with the approved AFPP. During our site inspection it was evident this has not been completed.
- The filter cake is not being stored in a sealed skip.
- Currently filter cake is coded as 19 13 02 and sent to U1 exempt sites instead of landfill. The Environmental Management System (EMS) states that filter cake should be sent offsite for disposal in a landfill. The filter cake should be coded as 19 02 05\* or 19 02 06 which are not listed as acceptable waste codes on the U1 exemption: use of waste in construction.
- A Wash Water Management Plan (WWMP) should have been submitted to the Environment Agency by 12<sup>th</sup> January 2023.

The Report gave a deadline of the 21 December 2022 to action the breaches, which include:

- Confirm in writing the date by which the rear firewater containment wall will be completed.
- Reduce waste stockpiles in line with the AFPP.
- Write a proposal of how they intend to store filter cake on production and remove from site and provide an estimate of the amount of filter cake stored on site on 24<sup>th</sup> November 2022 (done).
- Provide copies of all sampling results of filter cake carried out in 2022.
- Confirm in writing if they require more time to prepare the WWMP and if so, a proposed date for its submission.
- Supply the latest sampling results for product produced on site under the aggregates from inert wastes quality protocol.
- Certain classes of fills and recycled aggregates cannot be used for highways works, therefore any such use of these materials require an environmental permit or exemption as the material is waste.
- Production of aggregate also needs to be done under a system for Factory Production Control, therefore a Factory Production Control Manual (FPCM) needs to be produced by 28<sup>th</sup> February 2023.

This deadline was extended to 4 January 2023 and a response was submitted that day. Some matters were resolved however further actions were required as summarised below:

- An estimate for the quantity of filter cake stored on site on 24<sup>th</sup> November 2022 was completed.
- The deadline to submit a WWMP was agreed to be extended to 28<sup>th</sup> April 2023.
- The Environment Agency appreciated the work undertaken so to reduce the size of the stockpile since the date of inspection, but this breach cannot be fully resolved until work under planning application 23/00149/CMAS has been implemented. The Environment Agency ask for an update by 2<sup>nd</sup> May 2023.
- Rear firewater containment wall was completed and confirmed by email on 19<sup>th</sup> February 2023.
- Environment Agency agreed in writing to a revised EMS being implemented which allows for filter cake to be stored in stockpiles, rather than skips.

- Agreed an FPCM will be sent to the Environment Agency by 28<sup>th</sup> February 2023.
- An update was provided to the Environment Agency regarding the thermal cameras being installed and calibrated by 31<sup>st</sup> January 2023.

Work is ongoing with the Environment Agency to rectify the remaining breaches with the outstanding actions being.

- Submit a copy of the WWMP to the Environment Agency by 28<sup>th</sup> April 2023.
- Provide an update to the Environment Agency on the planning process and/or pad build by 2<sup>nd</sup> May 2023.

It is not clear from correspondence provided by the borrower whether a FPCM was sent on the 28<sup>th</sup> February but it seemed as if the borrower and Environment Agency were in detailed discussion regarding this matter. We have therefore assumed that the borrower is and will continue to work with the Environment Agency to resolve the outstanding breaches, so that the site is being operated in a satisfactory manner and there will be no current or pending enforcement actions.

We recommend that the Bank get regular updates from the borrower on progress with Environment Agency regarding the outstanding breaches. The Bank should also continue to review all Environment Agency Compliance Assessments Reports (CAR) and inspect the site regularly to ensure the site is being run to the satisfaction of the Environment Agency and there are no breaches of permit.

## 11. Environmental Issues

In accordance with the Royal Institution of Chartered Surveyors (RICS) Professional Standards and Guidance, Global Environmental Risks and Global Real Estate, 1st Edition, November 2018, we acknowledge that some properties may be affected by environmental issues that are an inherent feature of either the property itself, or the surrounding area, and could have an impact on the value of the property interest being valued.

Therefore, the following paragraphs describe the underlying assumptions we have made regarding environmental issues, the extent of our enquiries and reliance on information provided by others in preparing this valuation.

### Valuation Assumptions & Extent of Enquiries

We have not been instructed to make any investigations in relation to the presence or potential presence of contamination or other environmental features in land or buildings or affecting the property.

We have not carried out any investigation into past uses, either of the properties or any adjacent land, to establish whether there is any potential for contamination from such uses or sites and have therefore assumed that none exists. **We were informed during our inspection that the land adjacent to the east was a former landfill site but that the subject site has not experienced any contamination issues from it.**

In practice, there are a number of factors that can affect the impact on valuation, including; past flood events, presence of local flood defences, site topography, incorporation of building resistance and resilience measures and availability of insurance cover for flood risk.

Accordingly, we recommend that further investigations/assessment be undertaken by a suitably insured and qualified specialist to determine the level of risk and impact on valuation. Our Environmental Team would be pleased to advise you further on this if required.

In practice, purchasers in the property market do require knowledge about contamination and other environmental factors. A prudent purchaser of this property would be likely to require appropriate investigations to be made to assess any risk before completing a transaction. Should it be established that contamination does exist, or the property is affected by other environmental factors, this might reduce the value now reported.

### **Coal Mining**

We are not qualified to give assurances on the ground condition of the site, and we would confirm that we have not undertaken any formal enquiries to ascertain whether the property is affected by mining or other works. Furthermore, we have not undertaken any site stability enquiries, investigation works or research. Accordingly, we have specifically assumed for the purpose of this valuation and report that the property is not adversely affected in this regard, nor is it affected by subsidence, and our valuation advice has made no allowance for the cost of any necessary remedial works in this regard.

### **Invasive Plant Species**

The Wildlife and Countryside Act 1981 (as amended) is the principal legislation which regulates the release of non-native species. Section 14(2) prohibits the release of certain invasive non-native plants into the wild in Great Britain; it is an offence under Section 14(2) to “plant or otherwise cause to grow in the wild” any plants listed on Part II of Schedule 9.

The most common plant species found on brownfield and urban sites include Japanese Knotweed, Giant Hogweed and Himalayan Balsam although other non-native species do exist. Japanese Knotweed poses a particular problem to property, as not only does it out-compete native species, it also has the potential to cause costly damage to buildings, pavements, roads, etc.

During our site inspection, we did not note the presence of Japanese Knotweed, Giant Hogweed or Himalayan Balsam. **However, the presence of invasive plant species cannot be fully discounted without the provision of an Ecological Survey.**

### **Masts and Overhead Lines**

The property does not include telecommunications base stations, masts or high voltage overhead transmission lines.

## 12. Flood Risk

### Fluvial Flood Risk

From a review of the Flood Hazard Mapping on the Environment Agency (EA) website, the site is located within an area considered to be at **"Very Low"** risk of flooding from rivers and the sea.

#### Risk Classification

**Very Low**, with the chance of flooding in any year is less than 1 in 1,000 (0.1%).

**Low**, with a chance of flooding in any year between 1 in 1,000 (0.1%) and 1 in 100 (1%).

**Medium**, with a chance of flooding in any year between 1 in 100 (1%) and 1 in 30 (3.3%).

**High**, with a chance of flooding in any year greater than 1 in 30 (3.3%).

The above risk ratings take into account the effect of any flood defences that may be in this area. It is important to acknowledge that flood defences reduce, but do not completely stop the chance of flooding and they can be overtopped or fail.

### Surface Water Flood Risk

From a review of the Flood Hazard Mapping on the Environment Agency (EA) website, the site is located within an area considered to be at **"Very Low"** risk of flooding from surface water sources, apart from a small area in the south-west corner of the site considered to be at **"Low"** risk.

#### Risk Classification

**Very Low**, with the chance of flooding in any year is less than 1 in 1,000 (0.1%).

**Low**, with a chance of flooding in any year between 1 in 1,000 (0.1%) and 1 in 100 (1%).

**Medium**, with a chance of flooding in any year between 1 in 100 (1%) and 1 in 30 (3.3%).

**High**, with a chance of flooding in any year greater than 1 in 30 (3.3%).

It is also important to note that flooding can occur through other mechanisms such as insufficient drainage capacity and breach of water storage infrastructure such as reservoirs, and these forms of flooding have not been specifically assessed in the above risk categories.

Given that the property is located in an area designated as very low risk associated with fluvial and/or coastal flood risk and low to medium risk from surface water flooding we do not consider that the valuation presented will be adversely impacted.

In practice, there are a number of factors that can affect the impact on valuation, including; past flood events, presence of local flood defences, site topography, incorporation of building resistance and resilience measures and availability of insurance cover for flood risk.

## 13. Sustainability

### England and Wales Regulations

The Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 establish a minimum level of energy efficiency for privately rented property in England and Wales, both commercial and domestic, and introduces a prohibition on letting private rented properties which fall below that standard ("sub-standard property").

The Minimum Energy Efficiency Standards (MEES) are measured by Energy Performance Certificates (EPC's) issued by qualified assessors and use a scale of A (most efficient) to G.

**From 1 April 2018**, a landlord of a private rented property with an EPC rating of F or G must not grant a new lease or renew an existing lease of that property until works have been carried out to improve the energy efficiency to a rating of E or above.

**From 1 April 2023**, a landlord of a **non-domestic** private rented property with an EPC rating of F or G must not continue to let the property until works have been carried out to improve the energy efficiency rating to an E or above.

It is expected that as part of the Government's commitment to achieve an 80% reduction in CO<sub>2</sub> emissions by 2050, domestic rental properties are likely to need to have a 'C' rating or above by 2025. A consultation on the proposal concluded in January 2021. However, these changes would be phased in, starting with new tenancies from 2025 and then all tenancies from 2028 and apply to all domestic and private rental properties on a lease between 6 months to 99 years.

EPCs are needed whenever a commercial or residential property is built, sold or rented. It is a legal requirement for Agents and Landlords who are placing properties on the market to commission an EPC before marketing begins.

There are a number of buildings that do not require an EPC including places of worship; some buildings that are to be demolished; industrial sites, workshops, standalone buildings of less than 50m<sup>2</sup> and non-residential agricultural buildings that do not use a lot of energy and some listed buildings.

We have searched the EPC register which shows that the sites offices have a EPC rating of D (82), which therefore complies with the current regulations. Due to the use of the site we assume that the buildings on site are exempt.

For professional advice or for clarity on any of the statements above, please contact Avison Young's Sustainability Team - <http://www.avisonyoung.co.uk/sustainability/>.

## 14. Fire, Health & Safety and Discrimination

### Fire Risk Assessment

We were unable to ascertain whether a Risk Assessment has been undertaken hence without evidence to the contrary we have assumed that it has. We have assumed that this assessment will continue to be reviewed and updated if there are any alterations to the premises or changes to work practices or use of the premises. The site is understood to be fitted with thermal imaging cameras and fire protection walls. We recommend that your solicitors be instructed to verify the position.

### Equality Act 2010

The Equality Act places duties on employers and service providers to consider barriers (both physical and intangible) that disabled people might face when trying to access a service or employment. Using a particular product or designing a building in a certain way might help someone (person or organisation) meet their duties but having an 'accessible' building in itself does not guarantee compliance with the Act.

The majority of the buildings on site are single storey, with the exception of some of the portacabins which are situated either above another portacabin or raised upon steel portal frame structures. These are accessed by steel steps. Also, the raised picking lines are accessed by steel ladders or steps. These elements of the property do not comply with the Equality Act but are temporary structures and so this would not impact on value. We therefore consider it likely that the property would be regarded by the market as complying with the accessibility requirements of the Equality Act.

### General Legislation

For the purpose of this report, we have assumed that the property complies with current fire regulations, building regulation controls, employment regulations, defective premises and health and safety legislation.

## 15. Tenure

We have been provided with a Report on Title, undertaken by Paris Smith LLP in March 2023. The Report notes a number of restrictive covenants/adverse interests/rights however they are considered to not be unduly onerous or affect the borrowers use of the property and therefore would not have an adverse effect on value. **This should be verified by your solicitors.**

We note that the borrower leases the site from Waltet Property LLP. We have not had sight of the lease document and are advised that the passing rent is set at a peppercorn. Since the companies are part of the same group, we have assumed that the lease could be dissolved without undue delay to achieve vacant possession. Title HP716357 refers to a lease for which the property is subject to dated 4<sup>th</sup> December 2013 and for a 10-year term. The Report on Title confirms that the lease is no longer in place and an application has been submitted to have this entry removed. Therefore, the property can be valued on the basis of vacant possession. **This should be verified by your solicitors.**

## 16. Market Commentary

### Waste Management

Changes in waste regulations and the introduction of landfill tax had a significant impact on the waste industry. In particular an increasing proportion of waste is now being separated for recycling and diverted away from landfill. It was the Government's intention to promote the reuse and recycling of waste products and reduce the demand for primary material.

A demand for technology-based treatment of waste has been driven by Government targets to reduce the amount of waste that is landfilled under the Landfill Directive. The introduction of the Landfill Directive has been the key driver in the promotion and demand for waste management facilities that can divert waste from landfill. This demonstrates that the future of the waste industry lies in treatment and recycling.

Currently landfill tax is levied at £98.60 per tonne in the 2022/23 tax year and £3.15 per tonne for inactive (inert). In most cases the operator directly recovers the tax from the customer; therefore, any material recycled generates tax savings and increases profits on the material being recycled.

Government targets originating from European Union guidance will continue to dominate. Legislative drivers continued to tighten in the waste sector when environment ministers from the EU member States provided a new waste framework directive that set out the first ever EU wide recycle targets. It agreed that by 2020 all EU countries must recycle 70% of construction and demolition waste and at least 50% of household waste.

Within the next set of targets derived originally from the EU Circular Economy Package the UK aims to recycle 65% of municipal waste by 2035 and reduce the amount of municipal waste sent to landfill to a maximum of 10% in the same time frame.

Waste that cannot be recycled is now being used as an energy source in the form of refuse derived fuel (RDF) or solid recovered fuel (SRF). RDF and SRF are used across the country as well as being exported to Europe as fuel in energy recovery facilities. Due to a lack of infrastructure in the UK approximately 3.0 million tonnes is exported to Europe every year. It still remains to be seen what the long-term impact of leaving the European Union will have on the export of waste to Europe. However, with the Dutch introducing a tax on RDF materials it is likely more ERF facilities will be needed in the UK in the short term.

The handling of waste attracts relatively few competitors and is viewed as a niche market due to the complexity of the environmental regulations and the difficulty in obtaining a waste management permit and planning consent. The main competitor to the site is Ace Liftaway, Romsey who are also currently installing a wash plant. There is also competition from Raymond Brown (Collards), Nursling and Southampton Skip Hire, however the latter bring waste into the subject site.

### Operational factors

The borrower reports that the waste stream is split between commercial and industrial waste and inert waste. These are handled separately with cardboard, paper, metal, wood and plastics being sorted from the commercial waste stream and sold on. The inerts are crushed and screened to provide a selection of clean

drainage materials, capping layers and soils which can be sold. Overall, circa 95% of the waste is recycled to generate revenue and if they need to landfill, waste is taken to FCC at Sutton Courtenay.

Processing material though the wash plant improves the quality of the recycled aggregates and thereby increases the potential selling price. By-products of the washing process includes recycled ballast and silt, the latter of which the borrower is currently looking to make into a saleable product for pond lining etc.

The borrower previously reported the following throughput volumes for the last six years:

	2015	2016	2017	2018	2019	2020
<b>Inert Waste (tonnes)</b>	47,075.51	63,919.00	51,826.48	56,020.13	33,763.59	20,226.71
<b>Commercial and Industrial Waste (tonnes)</b>	18,476.66	13,807.88	16,847.17	21,738.30	22,855.96	16,746.53
<b>Total (tonnes)</b>	<b>65,552.17</b>	<b>77,726.88</b>	<b>68,673.65</b>	<b>77,758.43</b>	<b>56,619.55</b>	<b>36,973.24</b>

We have also been provided with figures up to October 2022. The commercial and industrial waste import for the year up to October 2022 was 19,098.17 tonnes whereas the inert waste into the northern area of the site, over the same period, was 67,604.41 tonnes. The early indications for 2023 are that skip waste imports are nearly up to 50% above previous period

The market for waste is approximately 20-25 miles, including Southampton, Winchester, Locks Heath and Fareham. The borrower operates six skip lorries, two ROROs, fifteen tippers and two grab lorries in connection with the site and about 70% of the waste input comes from this fleet. The remainder of the waste arising is mainly from skip operators such as Abbey Grab Bag and smaller builders who drop off waste, but take return loads of recycled product.

### General Industrial Property Market

The MSCI industrial rental growth index grew by 0.58% month-on-month in November, up from 0.46% in October. This was the strongest rental growth from the main sectors, but nevertheless marks a slowdown for industrial property on earlier in the year. Back in June rental growth stood at 1.1%.

In a sign of the rapid change in fortunes for the investment market, 12-month MSCI total returns turned negative in November at nearly -5.0%, down from April's peak of 43.0%

Take-up of Grade A Big Box space over 100,000 sq.ft. totalled 30.2 million sq.ft. in Q1-Q3 2022 which was down on the 40.3 million sq.ft. in the same period of 2021. Current supply stood at 24.0 million sq.ft. at the end of September, which is up from 20.8 million sq.ft. in June.

Given the growing significance of ecommerce to the industrial market, it should be noted that online shopping sales value fell by -5.0% in the year to December but was up 0.6% month-on-month.

Investment volumes for industrial assets stood at £15.5 billion in the year to October 2022. This was down from £16.4 billion in the year to September, but well above the £7.7 billion figure for the year to December 2019.

The industrial sector has seen a marked decline in capital value growth recently, and the MSCI index for industrial fell by -7.6% month-on-month in November, compared to -9.3% in October, its fifth consecutive negative reading.

### **Local Industrial Property Market**

The South Coast has a significant industrial property market. The market has one of the largest industrial inventories in southern England, one of the largest urban conurbations, and good connectivity by road, rail, air, and sea. Its location at the western end of the M3 and M27 corridors makes it a key industrial and logistics hub. Portsmouth and Southampton port container terminals are also located in the market. The latter is the UK's second-largest container terminal and one of the 15 busiest container ports in Europe, handling more than 1.5 million TEUs per year.

The South Coast's industrial market was experiencing strong momentum with most indicators among the healthiest on record pre-pandemic, and the market and the market has remained resilient. As a sign of confidence in the market several occupiers have expanded their businesses in the market with Garmin acquiring an additional 100,000 sq.ft. at Unit 4, Proximity in Eastleigh alongside its existing 193,000 sq.ft. European HQ at Liberty House, Hounslow Business Park in Southampton. The trend continued with Lush signing for 103,000 sq.ft. at Fleets Corner Industrial Estate in Poole, meanwhile Amazon also leased 165,000 sq.ft. at 32 New Lane in Havant in September 2022.

A sustained supply/demand imbalance has significantly compressed the vacancy rate since 2012. Despite a wave of new construction in more recent years, continued demand for logistics space kept the market's vacancies near historic lows. However, the impact of increased supply and weaker demand environment from the cost-of-living crisis and geo-political headwinds could drive vacancies up the near term, but they are expected to remain below historical levels.

The market was one of the most active in the UK for new construction in recent years, and a further 1.8 million sq.ft. is underway. Rent growth has not slowed in the last decade and now stands at 7.9% over the past 12 months, which was well above the all-time market average of 3.3%.

The information detailed below sets out transactions for industrial accommodation which are comparable in nature to the subject site.

## Rents – Industrial Accommodation

Property	Date	Size Sq.ft.	Rental Rate (£psf)	Comments	
Unit 2, Mayflower Close, Eastleigh, SO53 4AR	Dec 2022	9,362	£10.75	<ul style="list-style-type: none"> <li>• 10 year lease to LV Shipping Ltd.</li> <li>• A semi-detached, light industrial building built in the mid-1980s. The warehouse is accessed via a large loading door and there is a two-storey office block to the front of the building.</li> </ul>	
Unit 1, Mayflower Close, Eastleigh, SO53 4AR	Dec 2022	7,318	£10.22	<ul style="list-style-type: none"> <li>• 10 year lease to LV Shipping Ltd.</li> <li>• A semi-detached industrial building which internally provide a combination of warehouse, workshop and office space on the ground floor, with further office and storage areas to the first floor mezzanine.</li> </ul>	
Unit 1, Goodwood Road, Eastleigh, SO50 4NT	Jun 2022	7,617	£10.07	<ul style="list-style-type: none"> <li>• 10 year lease to Classic Kitchens Direct Ltd.</li> <li>• A fully refurbished end of terrace industrial unit with 5.82 metres eaves and ground floor offices.</li> </ul>	
Unit E2, Omega Enterprise Park, Electron Way, Chandlers Ford, Eastleigh, SO53 4SE	Jun 2022	9,752	£10.76	<ul style="list-style-type: none"> <li>• 2 year lease to KHR Company Ltd.</li> <li>• A modern, mid-terrace industrial/warehouse unit with full height insulated clad external elevations and 5.82m eaves.</li> <li>• There are some first-floor offices also.</li> </ul>	

Unit 3, School Lane, Chandler's Ford, SO53 4DG	Dec 2021	9,991	£12.51	<ul style="list-style-type: none"> <li>•10 year lease to Lloyd's Register.</li> <li>•The property sits on a self-contained site and offers a detached industrial/warehouse with two storey office/trade counter accommodation to the front.</li> </ul>	
Unit 9 - 10, Brickfield Trading Estate, Eastleigh, SO53 4DR	Nov 2021	6,272	£7.33	<ul style="list-style-type: none"> <li>•5 year lease to Tentbox.</li> <li>•A terraced industrial unit with first floor offices within a steel portal frame building with brick elevations, built circa 1997.</li> </ul>	
Suite 1, Frobisher Industrial Centre, Budds Lane, Romsey, SO51 0EZ	Aug 2021	4,775	£7.33	<ul style="list-style-type: none"> <li>•7 year lease to Aspire Removals and Storage.</li> <li>•An end of terrace warehouse of blockwork and profile cladding construction, beneath a pitched asbestos roof.</li> <li>•Internally, the property offers warehouse and office accommodation with WC's and kitchenette.</li> </ul>	

## Rents - Industrial Land

Property	Date	Size Sq.ft.	Rental Rate (£ per sq.ft.)	Comments	
How Park Trading Estate, Cow Drive Hill, Kings Somborne, Stockbridge	Feb 2023	10,890 - 31,799	£1.25 - £1.88	<ul style="list-style-type: none"> <li>•Currently available.</li> <li>•A commercial open storage and industrial site with detached workshop/stores.</li> <li>•Various compounds which are level and benefit from either hard standing or concrete surfacing.</li> </ul>	

Land in Former Goods Yard, Station Approach, Romsey, SO51 8DU	Feb 2023	13,500	£1.48	<ul style="list-style-type: none"> <li>• Currently available.</li> <li>• An open site bounded by part palisade and the railway line with palisade gated entrance.</li> </ul>	
Area 1, Morestead Farm, Twyford, Winchester, SO21 1JD	Feb 2023	27,007	£1.74	<ul style="list-style-type: none"> <li>• Currently available.</li> <li>• The site comprises an open storage yard mainly made over to tarmac surfacing with perimeter secure fencing.</li> </ul>	
Area 3a, Morestead Farm, Twyford, Winchester, SO21 1JD	Feb 2022	9,192	£2.28	<ul style="list-style-type: none"> <li>• 11 month lease to private tenant.</li> <li>• A secure open storage yard with secure hinged door to front and mainly concrete block and pad perimeter walls.</li> </ul>	
Itchen Business Park, Kent Road, Portswood, SO17 2JJ	Mar 2021	15,005	£1.67	<ul style="list-style-type: none"> <li>• 3 year lease to private tenant.</li> <li>• The site is surfaced with mainly concrete and has perimeter palisade fencing. Electricity, water and drainage are available nearby.</li> </ul>	
Land at Portsdown Hill, James Callaghan Drive, PO6 3RU	Jan 2021	10 acres	£0.12 (£5,227 per acre)	<ul style="list-style-type: none"> <li>• 18 month lease to private tenant.</li> <li>• A secure site accessed through security gates with an internal estate road leading to various open storage areas. There is a mixture of concrete or tarmac surfaces.</li> </ul>	

## Sales – Industrial Accommodation

Property	Date	Size Sq.ft.	Capital Value (£ per sq.ft.)	Comments	
Unit A, Smeaton Road, Churchfields Industrial Estate, Salisbury, SP2 7NQ	Jan 2023	12,867	£60.23	<ul style="list-style-type: none"> <li>•Purchased by a private individual.</li> <li>•A detached industrial/warehouse unit of steel frame construction with profile steel cladding to walls and part brick and blockwork elevations.</li> <li>•The building provides clear span workshop/warehouse space. At the northern end of the building there is a two storey section currently used as office and workshop on ground floor and further storage at first floor.</li> </ul>	
8 Parkers Close, Downton Business Centre, Batten Road, Downton, SP5 3RB	Jun 2022	11,737	£83.07	<ul style="list-style-type: none"> <li>•Purchased by a private individual.</li> <li>•A detached modern factory/warehouse building of steel frame construction. The unit is fitted with open plan offices, reception, cloakrooms and kitchen facilities.</li> </ul>	
Unit 11, Fernacre Business Park, Budds Lane, Romsey, SO51 0HA	Mar 2022	4,333	£95.78	<ul style="list-style-type: none"> <li>•Purchased by a private individual.</li> <li>•A mid terraced unit is of steel portal frame construction with brick and clad elevations. Since built the unit has been upgraded to provide full cover first floor offices. The ground floor space is suitable for production, storage or offices.</li> </ul>	
Unit 28-29, Eddystone Road,	Dec 2021	13,198	£100.39	<ul style="list-style-type: none"> <li>•Purchased by a private individual.</li> <li>•A detached industrial building within its own secure concreted yard with palisade fencing. The</li> </ul>	

South Hampshire Industrial Park, Totton, Southampton, SO40 3SA				property is laid out as a main workshop/factory area with 4.69m minimum eaves; a small 2 storey office & welfare section at the front of the factory; a rear workshop and scissor folding vehicle access door.	
Maple House, Mayflower Close, Chandlers Ford SO53 4AR	Dec 2021	9,164	£98.21	<ul style="list-style-type: none"> <li>•Purchased by Harith Estates.</li> <li>•A detached industrial unit of steel portal frame construction which internally provides a warehouse area, food production space and office accommodation.</li> </ul>	

### Capital Value - Industrial Land

Property	Date	Size (acres)	Capital Value	Comments	
B & W Nurseries, Salisbury Road, Plaitford, Romsey, SO51 6EE	Feb 2023	8.00	£93,750 per acre	<ul style="list-style-type: none"> <li>•Due to complete shortly.</li> <li>•A former garden centre and plant nursery, with greenhouses, storage buildings and woodland. In the south-west corner there is a legal planning consent for construction of a 1,880 sq.ft. agricultural tie home.</li> </ul>	
Former Gas Holder Site, New Lane, Havant, Hampshire, PO9 2NJ	Nov 2022	0.70	£225,000 per acre	<ul style="list-style-type: none"> <li>•Purchased by a private buyer.</li> <li>•Currently, the site is occupied by a decommissioned gas holder which will be cleared and concreted.</li> </ul>	
Unit 1 Woodstock, Paices Hill, Aldermaston, RG7 4PQ	Jan 2022	0.46	£869,548 per acre	<ul style="list-style-type: none"> <li>•Purchased by a private buyer.</li> <li>•A timber yard with hardstanding and an enclosed yard incorporating a 923 sq.ft. tractor shed.</li> </ul>	 

Land at Winchester Road, Petersfield, Hampshire, GU32 3BS	Oct 2021	16	£296,721 per acre	<ul style="list-style-type: none"> <li>•Purchased by Gentian Development Group.</li> <li>•Agricultural land adjacent to Premier Inn and other commercial properties, with outline planning consent for industrial, employment and R &amp; D uses.</li> </ul>	
Land at Colthrop Lane, Thatcham, Berkshire, RG19 4NT	Jun 2021	2.52	£881,442 per acre	<ul style="list-style-type: none"> <li>•Purchased by Shoreline Yacht Transport Ltd.</li> <li>•A large open yard space which is fenced in its entirety and has 2 sets of double gates. There is single phase power to the site but could be upgraded if required together with water.</li> <li>•The base of the site is uniform with compacted stone throughout but with one concrete pad which is used for vehicle maintenance.</li> </ul>	
Former Ready Power Site, Old Basingstoke Road, Winchester, SO21 3BW	Jun 2021	1.73	£289,017 per acre	<ul style="list-style-type: none"> <li>•Purchased by private buyer.</li> <li>•A part surfaces and part earth bunded site which has considerable scope for further commercial development subject to planning.</li> </ul>	
Former Pinks Timber Sawmill, Wickham Road, Fareham, PO17 5BT	May 2021	5.47	£493,601 per acre	<ul style="list-style-type: none"> <li>•Purchased by Pressmile Ltd.</li> <li>•The site comprises the grounds and premises of a former electric sawmill, including open storage land and industrial buildings.</li> </ul>	

**Conclusions**

Due to the lack of evidence, we have had to widen the search radius, look at more historical transaction and properties currently on the market.

From our knowledge and research with acting agents we are of the opinion that industrial buildings in the area are attracting rents around £7.33 to £10.75 per sq.ft. It should be noted that the industrial evidence gathered

relates to higher specification buildings than the MRF, with locations on trading estates and properties with integral office accommodation. Therefore, we are of the opinion that the subject property would attract rents well below the lower end of this range.

With regard to the surplus storage land we are of the opinion that current rents are in the order of £0.12 to £2.28 per sq.ft., depending on the quality of surfacing, location, size and connection to services. Smaller concrete surfaced sites on industrial estates command the highest rents per acre. Due to the size of the principal land areas, rural location and varying quality of surfacing we believe the land would be nearer the lower end of this range.

From our research we have also reviewed capital values of freehold sales for similar properties. Secondary and better-quality industrial buildings to those on site attract values around £60 to £100 per sq.ft. Again, we note the industrial evidence gathered is of far better quality than that seen at the subject site. From the evidence we found values achieved were between £93,750 to £869,548 per acre. The range in values are dependent on a number of variables including location, size, existing use and alternative development potential, surfacing and services.

**With regard to the associated yard area with the MRF and wash plant, and storage land there is little or no transactional evidence available, within the immediate vicinity. Due to the lack of evidence for land values we have had to canvass professional opinion. Industrial land values in the region, and nationally, have seen a dramatic decline over the last year with agents quoting 30 - 50% deductions in value on prime sites although there are few comparables as yet to support this.**

### **Waste Premiums**

Operators in the waste industry acknowledge that due to the complexity of the environmental regulations in securing a waste management licence/environment permit sites of this nature are scarce and as a result become more attractive to an operator/investor in the waste sector. We are aware of premiums ranging from 0% to 30%, depending on location, size, throughput, type of waste stream and availability of land. All things considered we are of the opinion that a premium of 10% is applicable to the subject site to reflect its location and difficulty in replacing the facility although we have no direct comparables in the market place to support this.

Should the operational landscape in the waste sector change going forward, the above premium may be impacted.

## **17. Investment Market**

### **Investment Transactions – Local General Commercial**

Although investment eased in 2021 in the South Coast, investment activity in 2022 was strong with more than £332 million already transacted, this is in line with the £350 million transacted in 2020. Tight supply/demand fundamentals, particularly in modern logistics stock and multi-let estates, have appealed to investors, with

both long- and short-term income streams remaining highly sought after and commanding keen yields. Market yield in the area averages around 5.17%.

Investment purchases of note include:

Address	Date	Size (sq.ft.)	Price	Net Initial Yield	Comments
8 Parkers Close, Downton Business Centre, Batten Road, Downton, SP5 3RB	Jun 2022	11,737	£975,000	5.82%	<ul style="list-style-type: none"> <li>• Purchased by a private individual.</li> <li>• A detached modern factory/warehouse building of steel frame construction. The unit is fitted with open plan offices, reception, cloakrooms and kitchen facilities.</li> <li>• Passing rent is £60,000 per annum.</li> <li>• Purchase price reflects a capital value of £83.07 per sq.ft.</li> </ul>
Units 1 – 3, Sunset Business Park, Brunel Road, Southampton, SO40 3WX	Jan 2022	15,805	£2,100,000	5.40%	<ul style="list-style-type: none"> <li>• Purchased by Lambert Estates.</li> <li>• A detached building of steel frame construction, arranged over ground floor, mezzanine and first floor, providing industrial/warehouse and office accommodation.</li> <li>• Purchased price reflects a capital value of £132.87 per sq.ft.</li> </ul>
Jewson, West Portway Industrial Estate, Andover, SP10 3LF	Nov 2021	19,331	£3,550,00	4.89%	<ul style="list-style-type: none"> <li>• Purchased by CHB Enterprises Limited.</li> <li>• A detached steel portal frame unit within a secure concreted yard occupied by Jewsons, with a passing rent is £185,000 per annum.</li> <li>• Purchase price reflects a capital value of £183.64 per sq.ft.</li> </ul>

## Waste Management and Alternatives Sector Investment Transactions

There is limited evidence of investment transactions within the waste sector but we are aware of the following from a variety of waste, energy and dirty user operations on a national level:-

### Waste Materials Recycling Facility, Huntsman Drive, Stockton-on-Tees, TS2 1TT

In summer of 2021 the investment interest in this property held under a lease by Subcoal Production TSP LTD was sold for £15 million. The property comprises material recycling facility with associated ancillary accommodation on flat engineered land. The property is subject to 30 year lease with approximately 25.6 years remaining and an initial passing rent £650,000 per annum. The rent commenced 1st August 2017 and is subject to 3 years of stepped increases in rent and for every year thereafter is reviewed at RPI, and is upward

only. There are tenant only break options on 1st August 2027 and 1st August 2037. Taking into account the current passing rent and sale price, after purchaser's costs, this equates to a 5.2% initial yield.

#### Land at Broadpath Landfill, Cullompton, Devon EX15 3EP

In October 2021 the investment interest in the property held under lease by Aggregate Industries Ltd was sold for £1.1 million. The property comprises a redundant In Vessel Composting facility but has planning permission for redevelopment as an asphalt plant. The land is subject to a 30 year lease with 29.9 years remaining and an initial passing rent of £65,000 per annum. The rent commenced 30th December 2021 and is subject to annual review to RPI with collar and cap. There are tenant only break options after 20 and 25 years in September 2041 and 2046. The investment sold for £1,100,000, which equates to 5.5% initial yield.

#### Land on the South East side of the A12, Old Ipswich Road, Ardleigh, Colchester, Essex

In December 2021 a 2.4 acre hardstanding site providing a service site for the maintenance of the A12 was sold at auction as an investment interest. It is let to National Highways Limited (formerly Highways England), who have been in occupation for over 20 years. They hold a reversionary lease for 25-year lease from September 2022 at £80,000 p.a. There are 5 yearly OMV reviews (next in Sep 2027) and 5 yearly tenant only break options (next in Sep 2025) throughout the lease. The investment sold for £1,674,000, which equates to 4.5% initial yield.

#### PHS Limited, West Bromwich and Newark on Trent

In October 2021 the investment interest in two properties occupied by Personal Hygiene Services Limited were sold. The first on Vector Industrial Estate, Church Lane, West Bromwich was subject to a 20 year lease with 7 years remaining, with a passing rent of £115,989 per annum, subject to a five yearly review pattern and was sold based on a net initial yield of 4.75%. The second on Northern Industrial Estate, Brunel Drive, Newark on Trent was subject to a similar lease with 7 years remaining and a passing rent of £100,137 per annum, also subject to 5 yearly reviews and was sold based on a net initial yield of 4.93%. Both properties are modern self contained industrial units, in industrial locations, and both are the subject of Environmental Permits for waste transfer.

#### Chemical/Oil Refinery, 1 Steuber Drive, Manchester Lancashire, M44 5AL

An undisclosed purchaser has purchased the freehold interest in the Univar Solvents site in Manchester from the Manchester Ship Canal Company for £4.02m as an investment, reflecting a net initial yield of 4.87%. The 8 acre site is fully let to Univar Limited, a holding company of Univar Solution, a world-wide chemical and ingredients manufacturer and supplier. The asset produces a rental income of £210,000 per annum.

Vinces Road, Diss, Norfolk, IP22 4HQ

In April 2021 a private investor purchased the freehold interest in a clinical waste transfer station extending to 7,047 sq.ft., with two storey offices to the rear, for £685,000. This reflected a net initial yield of 5.75%. The unit is let to Personnel Hygiene Services Limited with a term running to May 2030 and a passing rent at the time of sale of £41,498.04 per annum. The rent is subject to rent review at the greater of OMV or RPI.

MVV Environmental, Ridham Dock, Medway

We understand that in 2020 the investment interest was sold for a bio-mass power station at Ridham Dock in Kent. The plant has been operational since circa 2015 and we understand the acquisition was based on a net initial yield of 4.25%. The lease has a term running to 2041, with a tenant break in 2036, with a rent subject to indexed increases.

Stobart Biomass Products Ltd, North Drive, Rotherham

In February 2018 LCI REIT plc purchased a 6 acre site for £3,400,000 which reflected a net initial yield of 6.2% in a sale and lease back agreement with Stobart Biomass Products Ltd who occupy the site on a 20 year lease. The property is used as a biomass preparation facility and is located in close proximity to the M1.

Biffa Waste Services, St Helens

In October 2017, AEW UK Long Lease REIT plc announced the acquisition of Pocket Nook Industrial Estate, St Helens for £9.0m reflecting a net initial yield of 5.4%. The 16.1 acre site is let to three tenants and provides a weighted average unexpired lease term of 66 years to expiry, with 49% of the income secured against Biffa Waste Services Ltd until 2134. The estate comprises two industrial units, a small office with a large yard and an area of storage land, with an additional unit under construction by the vendor and pre-let to Biffa. Some 76% of the income was backed by the strong covenants of Biffa and the Driving Standards Agency on uncapped RPI linked leases that are to be reviewed 5 yearly. The site is located close to St Helens town centre and benefits from proximity to the M57, M6 and M62.

Biffa Waste Services, Wigan

In 2016 a confidential purchaser acquired the investment interest in a material's recycling facility and waste transfer station in a rural location to the north of Wigan, Greater Manchester. The tenant was Biffa Waste Services Ltd, who were paying an annual rent £255,000 on a 15 year lease commencing on 1st November 2016. The purchase price is confidential but we understand that it was close to the asking price of £3.2 million, which equated to a net initial yield of 7.48%.

Tamar Energy Ltd, Hoddesdon, Hertfordshire

In June 2014 Petchey Holdings acquired the investment interest in a site in Hoddesdon occupied by Tamar Energy Ltd who operate an anaerobic digestion energy from waste plant. The purchase price was £3,800,000 reflecting a Net Initial Yield of 7.42%. The yield was achieved on a 28 year full repairing and insuring lease that commenced in June 2012, with a tenant break at the 22nd year. The rent commenced at £200,000 per annum

and is subject upward only RPI rent reviews every five years, with an additional royalty rent of £90,000 per annum subject to upward only RPI reviews every two years. This incorporates revenue from electricity sales as well as waste management.

#### SITA UK Ltd, London & Lancashire

In December 2012, LaSalle Investment Management performed a sale and leaseback on two waste transfer stations, both let to SITA UK Ltd. The package comprised two freehold waste transfer stations in West London and Lancashire bought for £6,475,000 reflecting a Net Initial Yield of 6.39%. The yield was achieved on the back of annual RPI rent reviews and long lease lengths of 25 years albeit it is over 5 years old and the investment market has improved during this period.

#### Green Energy Park, Springvale Road, Barnsley, S72 7BF

The property comprises a securely fenced open site of 0.97 hectares (2.40 acres) that has been developed as a STOR Power Response operation. The property is currently let to Green Energy Park on a 25 year lease from 13 June 2005 at a current rent of £20,121. The lease contains 3 yearly fixed rental increased with the rent increasing to £23,695 in June 2019, £28,543 in June 22 and £33,995 in June 2025. The property sold at auction in October 2016 for £330,000 reflecting a net initial yield of 5.88% and a price of £137,500 per acre.

#### **Investment Summary**

Yields within the regional industrial market and sub-markets for secondary accommodation are broadly between 4.89% to 5.82%. From the evidence above yield within the alternative sectors market range between 4.25% to 7.5%. However, we are of the opinion that the subject property is in a more remote location away from intensive commercial development and therefore is likely to be less attractive to an investor and therefore we have reflected this by applying an all risks yield of 8.5%.

## **18. Valuation Assumptions**

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

- The subject site is held freehold and is free from any encumbrances that may have an effect on value.
- The subject site has the benefit of planning permission for its existing use.
- The Environmental Permit issued by the Environment Agency is capable of transfer to a person or company who hold the relevant qualifications.
- The site is cleared of all waste materials.
- We have not reflected in the valuation any goodwill associated with the business.
- We have not undertaken an environmental audit of the property and assume that the property is free from any onerous liabilities that may affect its value.

- We have disregarded any value attributable to both mobile and fixed plant and machinery. For the purposes of this report portacabins and HGV containers are not classed as buildings.
- The site boundaries indicated on the attached site plan are in accordance with those held at the Land Registry.
- General maintenance of the MRF will be undertaken on a proactive basis.
- The subject site benefits from unrestricted access to the local road network.

## 19. Valuation Considerations

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

- The property has an established use for the recovery and recycling of commercial and industrial waste together with inert waste streams which underpin the waste facility.
- The subject site benefits from good access to the main highway network and a good waste catchment area.
- The associated planning and environmental permit covering the whole site provide a broad range of waste types with a significant annual tonnage.
- The installation of the inert washing plant has given scope to provide a range of higher added value products to the market, which can command a higher selling price.

## 20. Basis of Valuation

We set out below our valuations on the various bases requested in your instruction letter. Our valuations are exclusive of VAT.

### Market Rent

We have adopted a rate of £4 per sq.ft. on the MRF and waste canopy to reflect the location, age and basic specification of the buildings. With regards to the various elements of land we have applied a rent based on the quality of the surfacing and its use. On the surplus concrete yard adjacent to the MRF and the concrete pad for the wash plant we have adopted £0.90 per sq.ft. (£39,200 per acre) on a combined area of 0.99 acres. On the unsurfaced areas incorporating the skip storage area (0.32 acres) and the storage/process area at the front of the site we have adopted £0.70 per sq.ft. (£30,500 per acre) on 4.23 acres. Finally for the inert recycling area to the north of the site, extending to 4.80 acres, we have applied a rate of £0.50 per sq.ft. (£21,780 per acre).

Overall, this produces a total base industrial rent for the buildings and land of £308,620 per annum.

We have then applied an additional 10% premium to this figure to reflect the specialist planning and environmental permit which extends over the whole site.

Having regard to the above factors, we are of the opinion that the **Market Rent** of Maryland, Bunny Lane, Timsbury, Romsey SO51 0PG and Land on the north side of Bunny Lane, Timsbury, Romsey, SO51 0PG as at February 2023 is:-

**£340,000 per annum**

**(Three Hundred and Forty Thousand Pounds Per Annum)**

#### **Market Value on the assumption of vacant possession**

You have asked for our opinion of Market Value on the special assumption that the property has vacant possession. Since we are making the assumption that the lease for which the site is subject to is an internal company arrangement and can be terminated without any undue delay, we are effectively stating that the property is owner occupied. Therefore, our valuation assumes vacant possession in any event. Our opinion of Market Value has been prepared on the comparable and investment method valuation whereby we have had regards to recent transactions of similar properties and adjusted these to reflect differences in size, condition and location.

On an investment method basis, we have capitalised the above Market Rent into perpetuity by a yield of 8.5% which produces a capital value for the property of £4,000,000, after rounding.

As a check, we have reviewed comparable capital values based on the evidence collated. We have adopted a rate of £50 per sq.ft. on the MRF and waste canopy to reflect the age and basic specification of the buildings. With regards to the various elements of land we have applied a capital value of £350,000 per acre on the concrete MRF yard and wash plant pad, £300,000 per acre on the unsurfaced areas incorporating the skip storage and the storage/process area and £275,000 per acre on the inert recycling area to the north. This produces an overall capital value of £3,750,000, after rounding. This check is within 10% of our reported value which case law suggests is an acceptable tolerance in valuation terms.

Having regard to the above factors, we are of the opinion that the **Market Value** of the freehold interest in Maryland, Bunny Lane, Timsbury, Romsey SO51 0PG and Land on the north side of Bunny Lane, Timsbury, Romsey, SO51 0PG as at February 2023 is:-

**£4,000,000**

**(Four Million Pounds)**

#### **Market Value with benefit of existing leases and tenancies**

The subject property is subject to a lease made between Waltet Property LLP and Waltet Materials Limited. However, as mentioned above, we have assumed that the lease could be dissolved without undue delay to achieve vacant possession. Therefore, the **Market Value** with the benefit of existing leases and tenancies would remain unchanged at **£4,000,000**.

### **Market Value on the special assumption of a sale to be made within 90 days**

You have asked for a Market Value on the special assumption that the marketing period is reduced to 90 days. We believe a marketing period of circa 6 to 12 months would be required to achieve a sale at our opinion of Market Value. Therefore, on this basis, which we consider to be an unrealistic timetable we believe the **Market Value** of the property on the special assumption of a reduced marketing period would be in the region of:

**£2,800,000**

**(Two Million, Eight Hundred Thousand Pounds)**

Our valuation includes the freehold interest together with buildings and site infrastructure.

Purchasers' costs have not been deducted from our valuation as we believe that this property would be sold to an owner occupier as opposed to an investor.

We believe a marketing period of circa 6 to 12 months would be required to achieve a sale at our opinion of Market Value.

## **21. Reinstatement Cost Assessment**

We have been requested to provide an informal estimate of the reinstatement cost for insurance purposes.

Our estimate of the current reinstatement cost of the property on a day one basis is in the order of:-

**£720,000**

**(Seven Hundred and Twenty Thousand Pounds)**

This figure includes demolition costs and statutory/professional fees, but excludes the following:-

- Site surfacing
- Tenants fixtures and fittings
- Inflation
- Legal Fees
- Loss of Rent
- Consequential Loss
- Agency Fees
- VAT

This assessment has been prepared by a valuation surveyor based on current guidelines. In order to produce a more formal assessment (which could be relied upon as the basis for insuring the property) our quantity

surveyors would need to carry out a detailed inspection of the premises. We strongly suggest that our informal estimate is compared with the current sum insured. In the event of a material discrepancy between the two figures, we recommend that a formal assessment is undertaken.

## 22. Capital Allowances

Capital allowances might be available in relation to this property and could provide significant future tax savings. The benefit of such allowances is dependent on matters such as the tax position of the vendor and purchaser, contract agreements and the history of previous claims. A claim would require expert assessment. It is therefore not feasible to make a reliable estimate of the value of allowances as a part of this valuation report. Therefore, we have not taken account of the value of capital allowances except to the extent that this value is reflected in market comparable evidence.

If a purchaser could claim capital allowances, this might present additional value to that purchaser and could result in an increased bid for the property.

Our Capital Allowances Team would be pleased to advise you further on this if required.

## 23. Suitability for Loan Security

We consider that the property provides reasonable security for loan purposes based on the following SWOT analysis:-

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>• Well run operation with proven track record in the market.</li> <li>• Large site with opportunity for diverse activities to treat a range of waste types.</li> <li>• Wash plant established allows for process of inerts into added value materials.</li> <li>• Good location away from sensitive receptors.</li> <li>• Currently strong market with high level of development activity.</li> <li>• Limited competition.</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of mains electric and water service connections to supply operational needs.</li> <li>• Poor quality building with age and obsolescence issues.</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>• Continuing pressure from government policy to recycle and divert waste from landfill.</li> </ul>	<ul style="list-style-type: none"> <li>• High volume of inert waste to be processed and cleared from site.</li> </ul>

<ul style="list-style-type: none"> <li>Wash plant has scope for processing additional volumes of added value materials.</li> </ul>	<ul style="list-style-type: none"> <li>A slowdown in economic activity post the Covid-19 pandemic and ongoing war between Russia and Ukraine, has increased operating costs and could reduce overall demand for products.</li> </ul>
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We assume that the property is maintained and kept in full repair, that no encumbrances are created and there are no breaches of use, occupation, planning or other relevant matters during the term of the loan which could affect both the value and its suitability for loan purposes. On the basis of the above we are of the opinion that the property provides reasonable Bank security at the levels reported assuming more than one bidder. We would highlight that due to the nature of the subject site in terms of its size and permitted use there will be a small number of interested parties in the market for this type of property.

The subject site is operated under an environmental permit, which as part of its remit requires a technically competent person to be in charge of the operation. It is unlikely that the Bank would satisfy this requirement and would therefore be deemed unsuitable to hold the permit if the company was to stop trading and therefore the Bank will not be in a position to operate the site prior to disposal.

**The most recent Environment Agency’s Compliance Assessment Reports reported two breaches. The borrower has confirmed that work is ongoing with the Environment Agency to rectify these breaches. For the benefit of this report, we assume that and the borrower is working with the Environment Agency to resolve the issues, the site is being operated in a satisfactory manner and that there are no current or pending enforcement actions. We recommend that the Bank obtain regular updates from the borrower regarding this and review all Environment Agency Compliance Assessments Reports going forward. They should further arrange to inspect the site regularly to ensure the site is being run to the satisfaction of the Environment Agency and there are no breaches of permit.**

## 23.1 General Comments

We confirm that we meet the requirements as to competence and the definitions of an External Valuer within the RICS Valuation – Global Standards effective from 31 January 2022.

The Valuation Report has been prepared by Tom Banks BA (Hons) MSc MRICS, a Surveyor and RICS Registered Valuer together with Mark Deans BSc MRICS, an RICS Registered Valuer and Associate, both within the Energy, Waste Management & Minerals Department.

The valuation has been discussed with and approved by David Todd MRICS, an RICS Registered Valuer and Director in the same department.

# Appendix 1

## Instruction Letter

# Appendix 2

## Land Registry Extracts

Title Number : HP716357

This title is dealt with by HM Land Registry, Weymouth Office.

The following extract contains information taken from the register of the above title number. A full copy of the register accompanies this document and you should read that in order to be sure that these brief details are complete.

Neither this extract nor the full copy is an 'Official Copy' of the register. An official copy of the register is admissible in evidence in a court to the same extent as the original. A person is entitled to be indemnified by the registrar if he or she suffers loss by reason of a mistake in an official copy.

This extract shows information current on 2 FEB 2021 at 07:37:36 and so does not take account of any application made after that time even if pending in HM Land Registry when this extract was issued.

REGISTER EXTRACT

Title Number	: HP716357
Address of Property	: Land on the north side of Bunny Lane, Timsbury, Romsey
Price Stated	: £300,000
Registered Owner(s)	: WALTET PROPERTY LLP (Co. Regn. No. OC341064) of Unit, 4 Andes Road, Nursling Industrial Estate, Nursling, Southampton SO16 0YZ.
Lender(s)	: Handelsbanken PLC

## Title number HP716357

This is a copy of the register of the title number set out immediately below, showing the entries in the register on 2 FEB 2021 at 07:37:36. This copy does not take account of any application made after that time even if still pending in HM Land Registry when this copy was issued.

This copy is not an 'Official Copy' of the register. An official copy of the register is admissible in evidence in a court to the same extent as the original. A person is entitled to be indemnified by the registrar if he or she suffers loss by reason of a mistake in an official copy. If you want to obtain an official copy, the HM Land Registry web site explains how to do this.

### A: Property Register

This register describes the land and estate comprised in the title.

HAMPSHIRE : TEST VALLEY

- 1 (14.08.2008) The Freehold land shown edged with red on the plan of the above title filed at the Registry and being Land on the north side of Bunny Lane, Timsbury, Romsey.
- 2 (02.06.2009) The land has the benefit of the rights granted by but is subject to the rights reserved by a Transfer of the land in this title dated 30 April 2009 made between (1) Suzanne Doris Trotter and (2) Waltet Property LLP.

*NOTE: Copy filed.*

### B: Proprietorship Register

This register specifies the class of title and identifies the owner. It contains any entries that affect the right of disposal.

#### Title absolute

- 1 (02.06.2009) PROPRIETOR: WALTET PROPERTY LLP (Co. Regn. No. OC341064) of Unit, 4 Andes Road, Nursling Industrial Estate, Nursling, Southampton SO16 0YZ.
- 2 (02.06.2009) The price stated to have been paid on 30 April 2009 was £300,000.
- 3 (27.04.2018) RESTRICTION: No disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction, is to be registered without a written consent signed by the proprietor for the time being of the Charge dated 6 April 2018 in favour of Handelsbanken PLC referred to in the Charges Register.

### C: Charges Register

This register contains any charges and other matters that affect the land.

- 1 (14.08.2008) A Conveyance dated 25 May 1943 made between (1) Clara Cox and Harry Hill (Vendors) and (2) Stephen Bull and Luke Bull (Purchasers) contains covenants details of which are set out in the schedule of restrictive covenants hereto.
- 2 (14.08.2008) By a Conveyance of the land tinted pink on the title plan and other land dated 26 October 1971 made between (1) Derek Campbell Smith (Vendor) and (2) Ronald Francis Salvidge (Purchaser) the land tinted pink on the title plan was conveyed subject as follows:-

"SUBJECT to

(a) such liability (if any) as the land hereinbefore conveyed is subject in respect of a fee farm rent of One pound and Twenty-seven new

## C: Charges Register continued

pence or such part thereof (if any) payable to George Morris and members of his family and others and to the payment and discharge of any part of a liability to keep up and repair one-half of the bridge formerly known as Upper or Higher Greatbridge and now known as Timsbury Bridge."

- 3 (14.08.2008) The land tinted pink on the title plan is subject to the following rights reserved by the Conveyance dated 26 October 1971 referred to above:-

"EXCEPT AND RESERVED exclusively unto the Vendor and his accompanied guests all shooting fowling and sporting rights over and upon the land hereinbefore conveyed together with the right to enter the said land for the purpose of exercising the said rights and to do all such things as may be reasonably necessary and proper for the maintenance encouragement and preservation of game."

- 4 (14.08.2008) By a Conveyance of the land tinted blue on the title plan and other land dated 5 February 1974 made between (1) Chilworth Construction Limited (Vendor) and (2) Khuba Bhagwanani (Purchaser) the land tinted blue was conveyed subject as follows:-

"SUBJECT as to .....

(a) Such liability (if any) as the land hereby conveyed may be subject in respect of a fee farm rent of one pound twenty seven pence or such part thereof (if any) payable to George Morris and members of his family and others and to the payment and discharge of any part of a liability to keep up and repair one half of the bridge formerly known as Upper or Higher Greatbridge and later known as Timsbury Bridge."

- 5 (10.12.2013) The land is subject to the lease set out in the schedule of leases hereto.

- 6 (27.04.2018) REGISTERED CHARGE dated 6 April 2018.

- 7 (05.12.2018) Proprietor: HANDELSBANKEN PLC (Co. Regn. No. 11305395) of 3 Thomas More Square, London E1W 1WY and of 101 Barbirolli Square, Manchester M2 3BG.

- 8 (27.04.2018) The proprietor of the Charge dated 6 April 2018 referred to above is under an obligation to make further advances. These advances will have priority to the extent afforded by section 49(3) Land Registration Act 2002.

## Schedule of restrictive covenants

- 1 (14.08.2008) The following are details of the covenants contained in the Conveyance dated 25 May 1943 referred to in the Charges Register:-

"FOR the benefit of the Vendors adjoining and neighbouring property being the remaining portions of the property known as Brook Farm aforesaid and any part or parts thereof the Purchasers hereby covenant with the Vendors that the Purchasers and the persons deriving title under them will henceforth at all times hereafter observe and perform all and singular the restrictions and stipulations contained in the Second Schedule.

THE SECOND SCHEDULE above referred to

(a) Not to excavate gravel sand or soil within seven feet of the boundaries of the property thereby conveyed and marked A to B B to D and D to E on the said plan and such seven feet shall not be used except for the purposes of making a way or ways and not in the course of excavating gravel sand or soil in the said property to interfere with or endanger the support for the adjoining property of the Vendor.

(b) IN the event of gravel sand or soil being excavated from the property hereby conveyed the space so excavated shall not be filled in with house refuse animal vegetable or other noxious matter whereby to attract rats or other vermin and nothing shall be done on the said property either in the course of excavating or otherwise that shall be or grow to be or shall cause a nuisance or annoyance to the Vendors or

Title number HP716357

## Schedule of restrictive covenants continued

the Owners or occupiers of adjoining or neighbouring property Provided always that the working of a modern ballast and gravel excavating washing and screening plant in a proper and efficient manner with the least possible noise shall not be deemed to be a breach of the Purchasers' obligations under this Clause."

NOTE: No copy of the plan referred to was lodged on first registration.

## Schedule of notices of leases

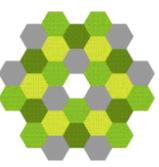
	Registration date and plan ref.	Property description	Date of lease and term	Lessee's title
1	10.12.2013	land on the north side of Bunny Lane	04.12.2013 10 years from and including 4.12.2013	HP766825

NOTE: The lease includes also other land.

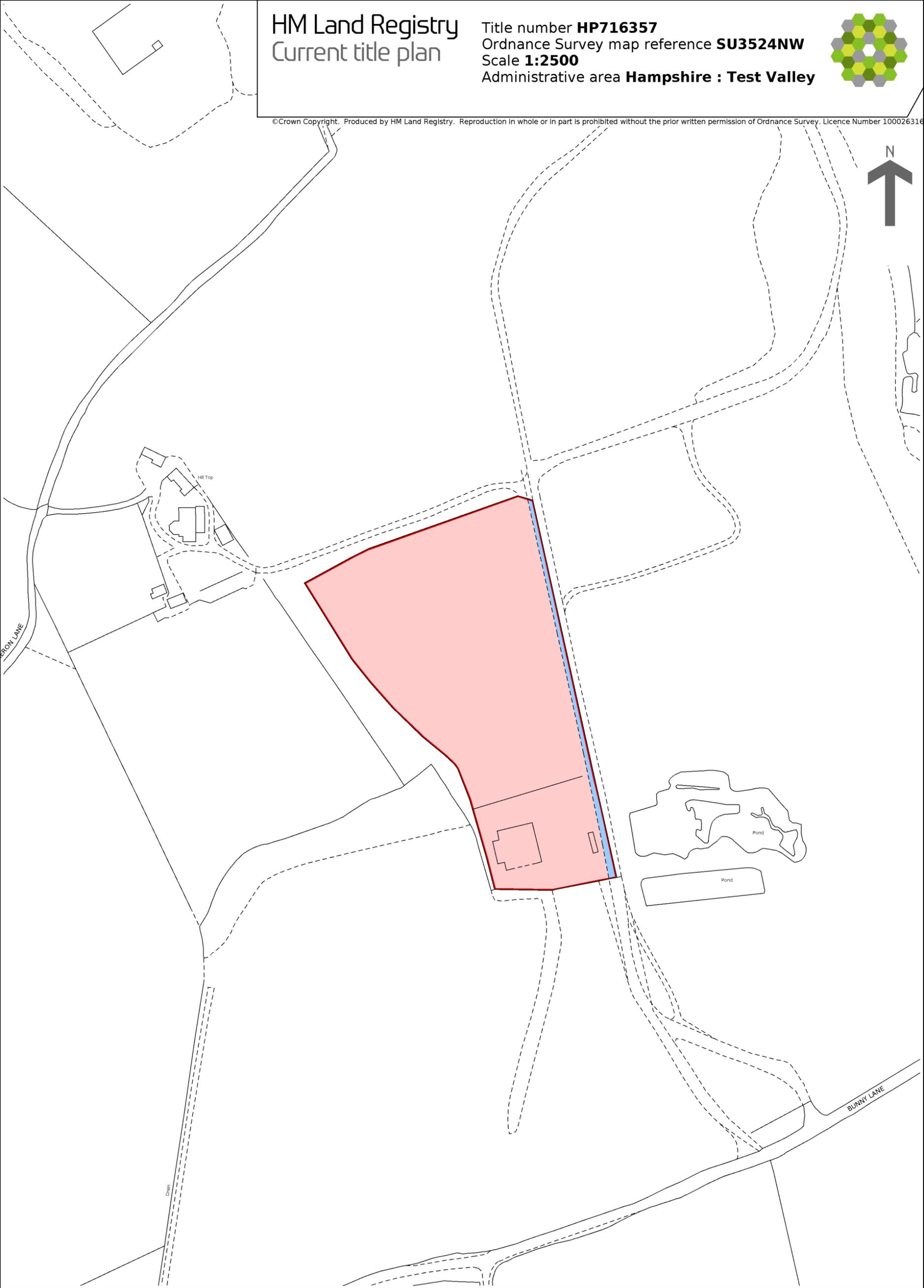
End of register

# HM Land Registry Current title plan

Title number **HP716357**  
Ordnance Survey map reference **SU3524NW**  
Scale **1:2500**  
Administrative area **Hampshire : Test Valley**



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**HM Land Registry endeavours to maintain high quality and scale accuracy of title plan images. The quality and accuracy of any print will depend on your printer, your computer and its print settings. This title plan shows the general position, not the exact line, of the boundaries. It may be subject to distortions in scale. Measurements scaled from this plan may not match measurements between the same points on the ground.**

**This title is dealt with by HM Land Registry, Weymouth Office.**



in association with the



## Flood Risk Indicator

### Title number and property description

HP716357

R F Salvage, Bunny Lane, Timsbury, Romsey, SO51 0PG

### Flood risk

The land registered under the above title number does not fall within a river or sea floodplain and is more than 300 metres from the nearest river or sea floodplain.

The land is in an area that has a very low chance of flooding from rivers or the sea which means that it is unlikely to flood except in extreme conditions. The chance of flooding each year is less than 0.1 percent (1 in 1000). This takes into account the effect of any flood defences that may be in this area.

This result was produced on 2 February 2021 based on Environment Agency and Natural Resources Wales flood risk data that was current as of July 2018 and Land Registry data that was current as of 2 February 2021.

The Flood Risk Indicator is based on the most up to date Environment Agency and Natural Resources Wales flood data available at the date and time of your search.

## Disclaimer

The information contained in this document is for general information purposes only. The flood risk information is provided by the Environment Agency and Natural Resources Wales. You should note that:-

The Flood Risk Indicator shows only the predicted likelihood of flooding of areas of land from rivers or the sea and it is not detailed enough to describe the likelihood of flooding for individual properties.

Individual properties may not always face the same chance of flooding as the areas that surround them because, for example the property may be higher than the surrounding land. There may also be particular occasions when flooding occurs and the observed pattern of flooding does not in reality match the predicted patterns shown on the Environment Agency and Natural Resources Wales flood data.

Because the flood data from the Environment Agency and Natural Resources Wales is created as a result of a modelling process, it may by its nature not be as accurate as might be desired.

If you believe that a particular property does not face the chance of flooding shown on the Environment Agency and Natural Resources Wales flood data, or if you have information that you believe may not have been taken into account, then you should contact your local Environment Agency or Natural Resources Wales office or see the Environment Agency or Natural Resources Wales website for more information on flood data.

We will endeavour to keep the information up to date and correct but make no representations or warranties of any kind, express or implied, about the completeness, accuracy, reliability, suitability or availability with respect to the flood data. Any reliance you place on such information is therefore strictly at your own risk.

See <https://www.gov.uk/browse/environment-countryside/flooding-extreme-weather>

and <http://www.naturalresourceswales.gov.uk/flooding-and-water>



## VAT receipt

Date  
02 February 2021

Items  
Flood Risk Indicator for HP716357

WorldPay Transaction ID: 18492283265

Net value	£9.00
VAT @ 20%	£1.80
Total including VAT	£10.80

HM Land Registry  
Trafalgar House  
1 Bedford Park  
Croydon  
CR0 2AQ

VAT registration number: GB 8888 181 53

Title Number : HP763789

This title is dealt with by HM Land Registry, Weymouth Office.

The following extract contains information taken from the register of the above title number. A full copy of the register accompanies this document and you should read that in order to be sure that these brief details are complete.

Neither this extract nor the full copy is an 'Official Copy' of the register. An official copy of the register is admissible in evidence in a court to the same extent as the original. A person is entitled to be indemnified by the registrar if he or she suffers loss by reason of a mistake in an official copy.

This extract shows information current on 29 OCT 2021 at 12:49:45 and so does not take account of any application made after that time even if pending in HM Land Registry when this extract was issued.

REGISTER EXTRACT

Title Number	: HP763789
Address of Property	: Maryland, Bunny Lane, Timsbury, Romsey
Price Stated	: £3,950,000 exclusive of VAT
Registered Owner(s)	: WALTET LIMITED (Co. Regn. No. 06550655) of Unit 4, Andes Road, Nursling, Southampton SO16 0YZ.
Lender(s)	: Handelsbanken PLC

## Title number HP763789

This is a copy of the register of the title number set out immediately below, showing the entries in the register on 29 OCT 2021 at 12:49:45. This copy does not take account of any application made after that time even if still pending in HM Land Registry when this copy was issued.

This copy is not an 'Official Copy' of the register. An official copy of the register is admissible in evidence in a court to the same extent as the original. A person is entitled to be indemnified by the registrar if he or she suffers loss by reason of a mistake in an official copy. If you want to obtain an official copy, the HM Land Registry web site explains how to do this.

### A: Property Register

This register describes the land and estate comprised in the title.

HAMPSHIRE : TEST VALLEY

- 1 (14.08.2008) The Freehold land shown edged with red on the plan of the above title filed at the Registry and being Maryland, Bunny Lane, Timsbury, Romsey.
- 2 (02.06.2009) The land has the benefit of the rights reserved by but is subject to the rights granted by a Transfer of the land tinted brown on the title plan dated 30 April 2009 made between (1) Suzanne Doris Trotter and (2) Waltet Property LLP.  
*NOTE: Copy filed under HP716357.*
- 3 (05.09.2013) The land has the benefit of the rights granted by but is subject to the rights reserved by the Transfer dated 26 August 2013 referred to in the Charges Register.
- 4 (05.09.2013) The Transfer dated 26 August 2013 referred to above contains a provision excluding the operation of section 62 of the Law of Property Act 1925 as therein mentioned.

### B: Proprietorship Register

This register specifies the class of title and identifies the owner. It contains any entries that affect the right of disposal.

#### Title absolute

- 1 (02.02.2021) PROPRIETOR: WALTET LIMITED (Co. Regn. No. 06550655) of Unit 4, Andes Road, Nursling, Southampton SO16 0YZ.
- 2 (02.02.2021) The price stated to have been paid on 29 January 2021 for the land in this title and in HP716357 was £3,950,000 exclusive of VAT.
- 3 (02.02.2021) The Transfer to the proprietor contains a covenant to observe and perform the covenants referred to in the register and of indemnity in respect thereof.
- 4 (02.02.2021) RESTRICTION: No disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction, is to be registered without a written consent signed by the proprietor for the time being of the Charge dated 29 January 2021 in favour of Handelsbanken PLC referred to in the Charges Register.

### C: Charges Register

This register contains any charges and other matters that affect the land.

- 1 (14.08.2008) A Conveyance dated 25 May 1943 made between (1) Clara Cox and Harry Hill (Vendors) and (2) Stephen Bull and Luke Bull

## C: Charges Register continued

(Purchasers) contains covenants details of which are set out in the schedule of restrictive covenants hereto.

- 2 (14.08.2008) The land is subject to the following rights reserved by a conveyance of the land in this title and other land dated 10 February 1965 made between (1) S & L Bull Brothers Limited (Vendor) and (2) Jihade Agricultural Limited (Purchaser):-

"EXCEPT AND RESERVED unto the Vendor as incident to the ownership or occupation of all or any part or parts of the land edged yellow on the plan the rights and minerals set forth in the first part of the Second Schedule hereto subject nevertheless to the provisions for the release thereof contained in the second part of the Second Schedule.

### THE SECOND SCHEDULE

#### FIRST PART

(i) The right in common with the Purchaser and his successors in title and all other persons for the time being having the like right at all times and for all purpose with or without horses carts or other vehicles mechanically propelled or otherwise to go pass and repass over and along the land coloured brown between the points "A" and "B" on the said plan having an average width of Twenty feet leading from the said land verged yellow to Bunny Lane having a width at the mouth of Twenty-five feet.

.....

(iii) The right to use maintain amend repair and renew the existing telephone and electricity supply lines running in over upon under or across the said lands and to alter the routes thereof from time to time.

#### SECOND PART

.....

(b) Within a period of six months after the expiration of twenty years from the date hereof the Vendor will at the written request and cost of the Purchaser release the said exception and reservation referred to under (i) above relating to the right of way and to (iii) above relating to electricity and telephones to the Purchaser. Such written request shall be in the form of a notice addressed by the Purchaser to the Vendor and shall expire at the end of one calendar month after the service thereof which shall be deemed to be effected in the ordinary course of post."

*NOTE: Copy plan filed under HP498966.*

- 3 (14.08.2008) By a Conveyance of the land tinted pink on the title plan and other land dated 26 October 1971 made between (1) Derek Campbell Smith (Vendor) and (2) Ronald Francis Salvidge (Purchaser) the land tinted pink on the title plan was conveyed subject as follows:-

"SUBJECT to

(a) such liability (if any) as the land hereinbefore conveyed is subject in respect of a fee farm rent of One pound and Twenty-seven new pence or such part thereof (if any) payable to George Morris and members of his family and others and to the payment and discharge of any part of a liability to keep up and repair one-half of the bridge formerly known as Upper or Higher Greatbridge and now known as Timsbury Bridge."

- 4 (14.08.2008) The land tinted pink on the title plan is subject to the following rights reserved by the Conveyance dated 26 October 1971 referred to above:-

"EXCEPT AND RESERVED exclusively unto the Vendor and his accompanied guests all shooting fowling and sporting rights over and upon the land hereinbefore conveyed together with the right to enter the said land for the purpose of exercising the said rights and to do all such things

## C: Charges Register continued

as may be reasonably necessary and proper for the maintenance encouragement and preservation of game."

- 5 (14.08.2008) By a Conveyance of the land tinted blue on the title plan and other land dated 5 February 1974 made between (1) Chilworth Construction Limited (Vendor) and (2) Khuba Bhagwanani (Purchaser) the land tinted blue was conveyed subject as follows:-

"SUBJECT as to .....

(a) Such liability (if any) as the land hereby conveyed may be subject in respect of a fee farm rent of one pound twenty seven pence or such part thereof (if any) payable to George Morris and members of his family and others and to the payment and discharge of any part of a liability to keep up and repair one half of the bridge formerly known as Upper or Higher Greatbridge and later known as Timsbury Bridge."

- 6 (14.08.2008) By a Assent dated 29 July 2008 made between (1) Nicola Salvidge and Suzanne Doris Trotter and (2) Suzanne Doris Trotter the land was conveyed subject as follows:-

"Subject to a right of way at all times and for all purposes over the access way coloured blue in favour of the adjoining land to the east."

*NOTE: Copy filed under HP706673.*

- 7 (05.09.2013) A Transfer of the land in this title dated 26 August 2013 made between (1) Suzanne Doris Trotter and (2) Waltet Property Llp contains restrictive covenants.

*NOTE: Copy filed.*

- 8 (02.02.2021) REGISTERED CHARGE dated 29 January 2021 affecting also title HP716357.

- 9 (02.02.2021) Proprietor: HANDELSBANKEN PLC (Co. Regn. No. 11305395) of 3 Thomas More Square, London E1W 1WY and of 101 Barbirolli Square, Manchester M2 3BG.

- 10 (02.02.2021) The proprietor of the Charge dated 29 January 2021 referred to above is under an obligation to make further advances. These advances will have priority to the extent afforded by section 49(3) Land Registration Act 2002.

## Schedule of restrictive covenants

- 1 (14.08.2008) The following are details of the covenants contained in the Conveyance dated 25 May 1943 referred to in the Charges Register:-

"FOR the benefit of the Vendors adjoining and neighbouring property being the remaining portions of the property known as Brook Farm aforesaid and any part or parts thereof the Purchasers hereby covenant with the Vendors that the Purchasers and the persons deriving title under them will henceforth at all times hereafter observe and perform all and singular the restrictions and stipulations contained in the Second Schedule.

THE SECOND SCHEDULE above referred to

(a) Not to excavate gravel sand or soil within seven feet of the boundaries of the property thereby conveyed and marked A to B B to D and D to E on the said plan and such seven feet shall not be used except for the purposes of making a way or ways and not in the course of excavating gravel sand or soil in the said property to interfere with or endanger the support for the adjoining property of the Vendor.

(b) IN the event of gravel sand or soil being excavated from the property hereby conveyed the space so excavated shall not be filled in with house refuse animal vegetable or other noxious matter whereby to attract rats or other vermin and nothing shall be done on the said property either in the course of excavating or otherwise that shall be or grow to be or shall cause a nuisance or annoyance to the Vendors or the Owners or occupiers of adjoining or neighbouring property Provided

Title number HP763789

## Schedule of restrictive covenants continued

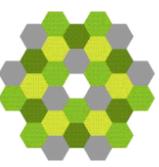
always that the working of a modern ballast and gravel excavating washing and screening plant in a proper and efficient manner with the least possible noise shall not be deemed to be a breach of the Purchasers' obligations under this Clause."

NOTE: No copy of the plan referred to was lodged on first registration.

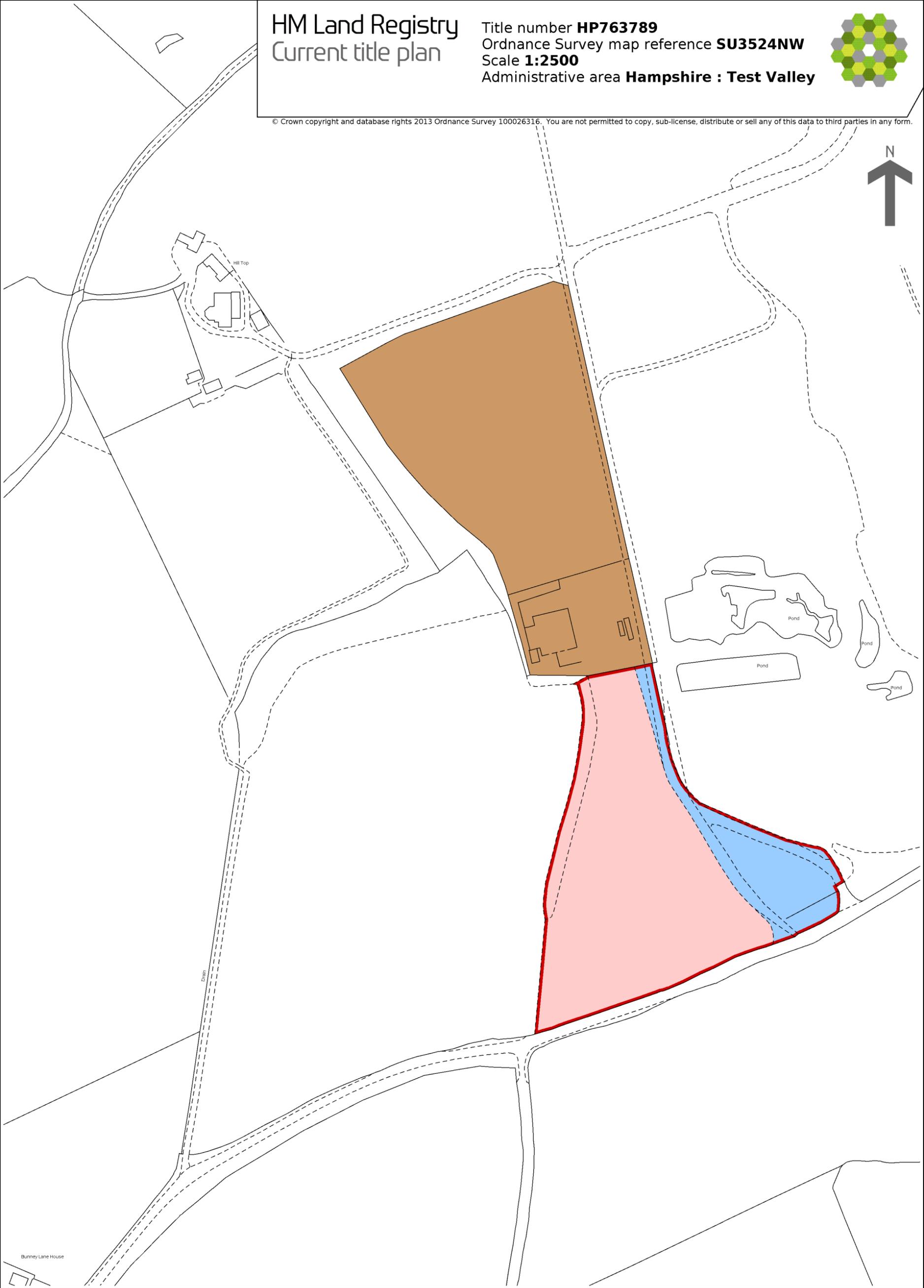
End of register

HM Land Registry  
Current title plan

Title number **HP763789**  
Ordnance Survey map reference **SU3524NW**  
Scale **1:2500**  
Administrative area **Hampshire : Test Valley**



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**This is a copy of the title plan on 29 OCT 2021 at 12:49:45. This copy does not take account of any application made after that time even if still pending in HM Land Registry when this copy was issued.**

**This copy is not an 'Official Copy' of the title plan. An official copy of the title plan is admissible in evidence in a court to the same extent as the original. A person is entitled to be indemnified by the registrar if he or she suffers loss by reason of a mistake in an official copy. If you want to obtain an official copy, the HM Land Registry web site explains how to do this.**

**HM Land Registry endeavours to maintain high quality and scale accuracy of title plan images. The quality and accuracy of any print will depend on your printer, your computer and its print settings. This title plan shows the general position, not the exact line, of the boundaries. It may be subject to distortions in scale. Measurements scaled from this plan may not match measurements between the same points on the ground.**

**This title is dealt with by HM Land Registry, Weymouth Office.**

# Definitions and Reservations for Valuations

## Definitions and Reservations for Valuations

### Information

All information supplied by the Client, the Client's staff and professional advisers, local authorities, other statutory bodies, investigation agencies and other stated sources is accepted as being correct unless otherwise specified.

### Tenure

Title Deeds and Leases are not inspected (unless specifically stated) and, unless we are informed to the contrary, it is assumed that a property is free of any onerous covenants, easements, other restrictions or liabilities including mortgages, grants and capital allowances which may affect the value.

No responsibility or liability will be accepted for the true interpretation of the legal position of the client or other parties.

### Tenants

Tenants' status is investigated only where we are so instructed and so specified in the valuation.

### Plans

Any plans supplied are for identification purposes only unless otherwise stated. The valuation assumes site boundaries are as indicated to us. The reproduction of Ordnance Survey sheets has been sanctioned by the Controller of Her Majesty's Stationery Office, Crown Copyright reserved.

### Site Areas

Site areas are normally computed from plans or the Ordnance Survey and not from a physical site survey. They are approximate unless otherwise indicated.

### Floor Areas and Dimensions

Floor areas and dimensions are taken from inspection unless otherwise specified but are nevertheless approximate. Where provided by us, areas quoted are calculated in accordance with the RICS Professional Statement – RICS Property Measurement 2nd edition, January 2018 on the basis agreed with the Client, i.e. adopting either (1) The Code of Measuring Practice, 6th edition published by the Royal Institution of Chartered Surveyors, or (2) The International Property Measurement Standards (IPMS): Office Buildings, or (3) The International Property Measurement Standards (IPMS): Residential Buildings.

The following bases are those most frequently used under the Code of Measuring Practice, 6th edition:

*Net Internal Area* - Measured to the internal faces of external walls, excluding toilets, permanent corridors, internal walls and partitions, stairwells, plant rooms etc.

*Gross Internal Area* - Measured to the internal faces of external walls, including toilets, permanent corridors, internal walls and partitions, stairwells, plant rooms etc.

*Gross External Area* - Measured to the external faces of external walls, including toilets, permanent corridors, internal walls and partitions, stairwells, plant rooms etc.

*Net Sales Area (NSA)* – the GIA of a new or existing residential dwelling, subject to certain Conditions.

The following bases are those used under The International Property Measurement Standards (IPMS): Office Buildings:

*IPMS1* - The sum of the areas of each floor level of a building measured to the outer perimeter of external construction features and reported on a floor by floor basis.

*IPMS 2 - Office* - The sum of the areas of each floor level of an office building measured to the internal dominant face and reported on a component by component basis for each floor of a building.

*IPMS 3 - Office* - The floor area available on an exclusive basis to an occupier, but excluding standard facilities and calculated on an occupier-by-occupier or floor-by-floor basis for each building.

*IPMS 2 – Residential*: The sum of the areas of each floor level of a residential building measured to the internal dominant face, which may be reported on a component-by-component basis for each floor of a building.

*IPMS 3 – Residential*: The floor area available on an exclusive basis to an occupier.

### Ground Conditions

Soil stability, mining and geological reports are not undertaken by us or normally inspected. Unless we are instructed to the contrary, we assume that the ground and any adjoining or nearby areas are not contaminated, that there are no dangerous materials in the vicinity and that it is capable of development without the need for abnormal costs on foundations and services.

### Condition of Buildings, Plant Etc

Our inspection of a property does not constitute a structural survey. When preparing our valuation we have regard to apparent defects and wants of repair and take into account the age of the property. We do not however carry out the detailed search for defects which is undertaken as part of the structural survey neither do we necessarily set out the various defects when making the report. We do not inspect woodwork or other parts of the structure which are covered, unexposed or inaccessible.

## Definitions and Reservations for Valuations

We do not arrange for any investigation to be carried out to determine whether or not high alumina cement concrete or calcium chloride additive or any other deleterious materials or permanent woodwool shuttering or composite panelling has been used in the construction.

Unless so instructed we do not arrange for any investigations to be carried out to determine whether or not any deleterious or hazardous material or techniques have been used in the construction of the property or has since been incorporated and the services are not tested.

We are therefore unable to report that the property is free from defect in these respects.

For valuation purposes we assume unless otherwise stated that the property (including associated plant and machinery, fixtures and fittings) is in serviceable order and will remain so for the foreseeable future. It will be assumed that the building/s is/are in good repair, except for defects specifically noted.

### Asbestos Regulations

The Control of Asbestos Regulations 2012 came into force on 6 April 2012, updating previous asbestos regulations to take account of the European Commission's view that the UK had not fully implemented the EU Directive on exposure to asbestos (Directive 2009/148/EC). Your legal advisers should enquire as to compliance with these regulations and property owners will need to be able to provide confirmation as to the existence and condition of asbestos.

### Fire Safety

The Regulatory Reform (Fire Safety) Order 2005 (The Order) replaces previous fire safety legislation including both the Fire Precautions Act 1971 and the Fire Precautions (workplace) Regulation 1997. Consequently any fire certificate issued under the Fire Precautions Act 1971 will cease to have any effect. The Order came into force completely on the 1st April 2006.

The Order applies to the majority of premises and workplaces in England and Wales although does not include people's private homes. It covers general fire precautions and other fire safety duties, which are needed to protect 'relevant persons' in case of fire in and around most 'premises'.

Under the order, anyone who has control in a premises or anyone who has a degree of control over certain areas may be classified as a 'responsible person'. It is thus the duty of such individual to comply with the requirements of the Order and make certain that all measures are taken to ensure the safety of all the people he or she is directly or indirectly responsible for.

The responsible person must then carry out a Fire Risk Assessment. In short this is a five-point process whereby fire hazards must be identified, relevant persons at risk recognised, potential risks reduced, staff training implemented and the whole assessment regularly reviewed. The assessment must pay particular attention to those at special risk such as disabled people, those who have special needs and young persons. Furthermore the responsible person must provide and maintain clear Means of Escape, Signs, Notices, Emergency Lighting, Fire Detection & Alarm and Extinguishers.

This approach is different from previous legislation, as it is now necessary to consider everyone who might be on your premises, whether they are employees, visitors or members of the public.

The Risk Assessment must be regularly reviewed and if necessary amended. Finally if the responsible person employs five or more people, the premises are licensed or the Inspector requires it then the Risk Assessment must be formally recorded.

The Smoke and Carbon Monoxide Alarm (England) Regulations 2015 effective 1 October 2015 require that landlords of residential property must provide (1) a smoke alarm on each storey of the premises on which there is a room used wholly or partly as living accommodation and (2) a carbon monoxide alarm in any room of the premises which is used wholly or partly as living accommodation and contains a solid fuel burning combustion appliance. The landlord has a responsibility to ensure that the detectors are checked and in proper working order.

It is assumed that the property is compliant in regard to the above regulations.

## Definitions and Reservations for Valuations

### EWS1 Forms

Avison Young is not responsible for verifying the accuracy of any information contained within an EWS1 form provided to it for the purposes of Avison Young completing its Services. Avison Young shall be entitled to rely on the information contained within the EWS1 form as if it were true and accurate in all material respects. If the Client discovers that the information contained within the EWS1 form is inaccurate in any material way, the Client shall bring this to Avison Young's attention promptly so that the parties can discuss the impact it may have on the Services Avison Young has provided. Avison Young shall not be liable for any loss or damage or costs suffered or incurred by the Client arising either from the information contained within an 'EWS1' form or from Avison Young's reliance on it. For the avoidance of doubt Avison Young are not qualified to produce or complete EWS1 forms and under no circumstances shall we do so. EWS1 forms can only be completed by certain qualified practitioners.

### Accessibility

From 1 October 2010, the Equality Act 2010 replaced previous anti-discrimination laws, including the Disability Discrimination Act, with a single Act to make the law simpler and to remove inconsistencies. The Equality Act protects the important rights of disabled people to access everyday facilities and services and to ensure that disabled workers are not disadvantaged. Our report will contain observations of a general nature on the extent to which we consider that the building would be regarded by the market as complying with the accessibility requirements of the Equality Act. We have not, however, carried out an in-depth study which would be required to reach a formal view.

### Energy Performance Certificates

From 2008 Energy Performance Certificates (EPCs) are required for the sale, rental or construction of commercial buildings. The requirement was phased in over 6 months between 6 April and 1 October 2008. Commercial properties with a useful floor area of more than 10,000 sq m were affected from 6 April 2008, those exceeding 2,500 sq m had to comply from 1 July 2008 and the remaining properties had to comply from 1 October 2008. An EPC must be provided on the sale, rental or construction (or in some cases modification) subject to transitional arrangements. Non-compliance may lead to sanction under civil legislation, involving a financial penalty.

Unless stated to the contrary, our valuation assumes that the property has an Energy Performance Certificate (if required under the Energy Performance of Buildings (Certificates and Inspections) (England and Wales) Regulations 2007) and that the Certificate will be maintained as required.

### Services

It is assumed that the services and any associated controls or software, are in working order and free from defect.

### Composite Panels and Insurance

We will not test any panels within the property to see whether there are any polystyrene insulated composite panels. The presence of such panels may result in the property being uninsurable, which would have an adverse impact on value.

### Defective Premises Act 1972

Obligations or liabilities or any rights thereunder, whether prospective or accrued, are not reflected in valuations unless actually specified.

### Environmental Issues

Our Valuation Report does not constitute an Environmental Audit or survey and nothing contained in it should be treated as a statement that there are no contamination or pollution problems relating to the property or confirmation that the property, or any process carried on therein, complies with existing or proposed legislation on environmental matters. If we have been provided with third party reports, we have accepted their contents as being correct.

### Enquiries

Enquiries of local authorities and statutory undertakers are made verbally in respect of contingent liabilities such as road widening, road charges, redevelopment proposals and the possible effect of any town planning restrictions, and on occasion in respect of rating assessments. Local searches are not undertaken. No responsibility is accepted for any inaccurate information provided.

Generally it is assumed that buildings are constructed and used in accordance with valid Town Planning Consents, Permits, Licences and Building Regulation Approval, with direct access from a publicly maintained highway, that Town Planning Consents do not contain restrictions which may adversely affect the use of a property and that there are no outstanding statutory or other notices in connection with a property or its present or intended use.

## Definitions and Reservations for Valuations

It is further assumed unless otherwise stated that all necessary licences, permits etc either run with the property or are transferable to a new occupier as appropriate.

### Flooding Risk

The valuer will make enquiries concerning flooding risk where it is perceived to be of relevance as published by the Environmental Agency. However we are not qualified to definitively assess the risk of flooding and our valuation will assume no difficulties in this regard. Further, Avison Young shall not undertake any additional enquiries to confirm this information.

### Plant, Machinery, Fixtures and Fitting

Unless otherwise specified, all items normally associated with the valuation of land and buildings are included in our valuations and reinstatement cost assessments, including:-

Fixed space heating, domestic hot water systems, lighting and mains services supplying these, 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, fixed demountable partitions, suspended ceilings, carpets, drains, sewers and sewerage plants not primarily concerned with treating trade effluent, air conditioning except where part of a computer installation or primarily serving plant and machinery.

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 plants primarily concerned with treating trade effluent, air conditioning where part of a computer installation or primarily serving plant and machinery, and water, electricity, gas, steam and compressed air supplies and circuits serving industrial and commercial processes.

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.

In the case of filling stations, hotels and other properties normally sold and valued as operational entities, all items of equipment normally associated with such a property are assumed to be owned and are included within the valuation unless otherwise specified.

### Taxation and Grants

Value Added Tax, taxation, grants and allowances are not included in capital and rental values as, unless otherwise specified in the report, these are always stated on a basis exclusive of any VAT liability even though VAT will in certain cases be payable.

It is assumed for the purposes of valuation that any potential purchaser is able to reclaim VAT, unless otherwise stated. In particular it should be noted that where a valuation has been made on a Depreciated Replacement Cost basis the Replacement Cost adopted is net of VAT unless otherwise stated.

Unless otherwise specified Avison Young will not take into account of any existing or potential liabilities arising for capital gains or other taxation or tax reliefs as a result of grants or capital allowances, available to a purchaser of the property.

### Market Value (MV)

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 Value provides the same basis as the OMV basis of value supported by the first four editions of the Red Book, but no longer used as a defined term.

### Fair Value

1. The estimated price for the transfer of an asset or liability between identified knowledgeable and willing parties that reflects the respective interests of those parties (IVS 2013).
2. The price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date (IFRS 13).

### Depreciated Replacement Cost

The current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimisation. Note that this basis of valuation may not reflect the price achievable for the property on the open market.

## Definitions and Reservations for Valuations

### Operational Entities

The RICS advises that the most appropriate basis of valuation of properties normally sold as operational entities is Market Value as defined above. Such properties include public houses, hotels and other leisure uses, together with nursing homes, residential care homes, private hospital and petrol filling stations.

Our valuations reflect the following:-

- a) The market's perception of trading potential with an assumed ability on the part of the purchaser to renew existing licenses, consents, registrations and permits;
- b) That the property is offered with vacant possession throughout, although in the case of nursing and residential care homes, subject to the contractual rights of the patients/residents occupying the home from time to time;
- c) That trade fixtures, fittings, furniture, furnishings and equipment are included.

Our valuations also specifically assume, unless otherwise specified that the business will continue to operate at a level not significantly worse than that indicated to us.

### Existing Use Value

The estimated amount for which a property should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing wherein the parties had acted knowledgeably, prudently and without compulsion, assuming that the buyer is granted vacant possession of all parts of the property required by the business and disregarding potential alternative uses and any other characteristics of the property that would cause its Market Value to differ from that needed to replace the remaining service potential at least cost.

### 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 each acted knowledgeably, prudently and without compulsion.

### Insurance

Insurance is usually arranged by clients (or their brokers) based on reinstatement cost assessments or occasionally on an indemnity basis and other methods of valuation are not appropriate.

### Reinstatement Cost Assessment

A Reinstatement cost assessment is our opinion of the likely cost of reinstating all the buildings, normally for insurance purposes, on the basis that:-

- a) the accommodation provided will be similar in construction, design and area to the existing buildings;
- b) the works will be in compliance with conditions imposed by local Authorities in connection with the construction of the building;
- c) unless reported separately, allowances are made to cover the cost of necessary demolition and site clearance prior to rebuilding, external works such as hardstandings, private roadways and fences and professional fees which would normally be incurred.

Unless otherwise stated, the reinstatement cost does not include any allowance for:-

- a) any loss of rent incurred during rebuilding;
- b) planning restrictions which a planning authority might impose;
- c) special foundations required for plant and machinery or due to adverse ground conditions;
- d) any plant, machinery, equipment, tanks, loose tools, office furniture and equipment (refer to the heading "Plant, Machinery, Fixtures and Fittings" for details of items normally included);
- e) any effect of inflation on building costs occurring after the valuation date;
- f) VAT (except on professional fees) which will normally be payable in addition.

Note - A reinstatement cost assessment is not a valuation. The valuer's assessment of the reinstatement cost assessment should be regarded as an informal estimate and should not be used to arrange insurance cover.

### Apportionment of Values

Apportionments provided between buildings, land and plant and machinery are normally for depreciation purposes only. In normal circumstances apportionments are not valuations and they should not be used for any other purpose unless specified in our report.

## Definitions and Reservations for Valuations

### Future Useful Economic Life

Future useful economic life of buildings is normally assessed in bands of years, most frequently subject to a maximum of fifty years. This applies to freehold properties and to leasehold properties where the future life is less than the unexpired term of the lease. An average figure is usually provided for groups of buildings forming a single asset. The figures are appropriate for depreciation purposes only.

### Compliance with Valuation Standards

Where applicable our valuations are in accordance with the RICS Valuation – Global Standards effective from 31 January 2022, published by the Royal Institution of Chartered Surveyors (“RICS”), the Insurance Companies (Valuation of Assets) Regulations 1981, the Financial Conduct Authority (FCA) “Listing Rules” (“Source Book”) and “City Code on Takeovers and Mergers” (“Blue Book”) as amended and revised from time to time. A copy is available for inspection.

### RICS Investigations

The valuation may be investigated by the RICS for the purposes of the administration of the Institutions conduct and disciplinary regulations. Guidance on the operation of the RICS monitoring scheme including matters relating to confidentiality is available from [www.rics.org](http://www.rics.org).

### Total Valuation

Where provided this is the aggregate of the value of each individual property. It is envisaged that properties would be marketed singly or in groups over an appropriate period of time. If all properties were to be sold as a single lot, the realisation would not necessarily be the same as the total of the valuations. This assumption is not applicable to valuations made for taxation purposes.

### Legal Issues

Any interpretation of leases and other legal documents and legal assumptions is given in our capacity as Property Consultants (including Chartered Surveyors and Chartered Town Planners) and must be verified by a suitability qualified lawyer if it is to be relied upon. No responsibility or liability is accepted for the true interpretation of the legal position of the client or other parties.

### Date, Market Conditions and Validity of Valuation

Valuations may be relied upon for the stated purpose as at the date specified. In normal market conditions the value may not change materially in the short term. However the property market is constantly changing and is susceptible to many external facets which can affect business confidence. If any reliance is to be placed on the valuation following any changes which could affect business confidence, then further consultation is strongly recommended. In any event, the valuation should not be considered valid after a period of three months.

### Valuations and Reports

Valuations and Reports are only for the use of the party to whom they are addressed. They may be disclosed only to other professional advisors assisting in respect of that purpose. No responsibility is accepted to any third party for the whole or any part of the contents.

Reports should be considered in their entirety and should only be used within the context of the instructions under which they are prepared.

Neither the whole nor any part of a valuation, report or other document or any reference thereto may be included in any published article, document, circular or statement or published in any way without prior written approval of Avison Young of the form and context in which it may appear.

### Warranties

The client warrants and represents that, to the best of its knowledge, information and belief, the information supplied by and on its behalf to Avison Young is true and accurate and that it will advise and instruct its third party advisers to advise Avison Young in the event that it and/they receive notice that any such information is either misleading or inaccurate.

### Emerging Environmental Attributes and Natural Capital

Unless specifically directed to do otherwise as part of the agreed instruction or as recorded here, our valuation is based on the current conditions of the markets relevant to the property and does not take into account any particular potential that the property may have to secure value from its current or potential environmental attributes or natural capital assets, including (and not exhaustively) those in relation to carbon, biodiversity, nutrient neutrality or flood management, whether by entry into any specific future agreement under a government scheme or with third parties privately involving the exploitation, exchange, off-setting or development of those environmental attributes or natural capital assets and any additional

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value which may arise therefrom. These are emerging and as yet unclear markets, awaiting both regulatory and policy development and clarification of the bases on which value can be widely recognised in the market. We will consider the property in its current condition and, where either the details of such contracts currently in place or reports into the property's potential for them have been made available to us prior to acceptance of the instruction, we will take them into account. Where such details are made available to us after acceptance of the instruction, we will advise as soon as possible whether the valuation instructions should be amended. Otherwise, our valuation has been undertaken on the assumption that there is no special potential for the land in these respects. Should it be established subsequently that such special potential does exist at the property this might affect the values reported.

# Contact Details

## Enquiries

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