

# B M

BELLEVEUE MORTLAKES  
CHARTERED SURVEYORS  
PROPERTY & FIXED CHARGE RECEIVERS

## VALUATION REPORT



FS 79502



# Valuation Report

23 Woolwich Road, Belvedere, DA17 5EE

Prepared on behalf of Proplend Security Limited

9 August 2023

## Contact details

**Lender:** Proplend Security Limited, 15 Little Green, Richmond, TW9 1QH

**Valuer:** Belleveue Mortlakes, 17 Hanover Square, Mayfair, London, W1S 1BN  
Nicholas C D Jones BSc (Hons) MRICS

**Inspection & Valuation Date:** 18/07/2023

## Executive Summary



Front Elevation

The executive summary below is to be used in conjunction with the valuation report to which it forms part and is subject to the assumptions, exclusions and bases of valuation stated herein and should not be read in isolation.

<b>Address</b>	23 Woolwich Road, Belvedere, DA17 5EE		
<b>Property Type</b>	Ground Floor – Retail & Industrial Upper Part – Residential		
<b>Passing Rents</b>	<b>Retail</b> N/A	<b>Residential</b> £9,600 pa	<b>Industrial</b> N/A
<b>Market Rent</b>	<b>Retail</b> £15,000 pa	<b>Residential</b> £16,800 pa	<b>Industrial</b> £15,000
<b>Market Value</b>	<b>£450,000</b> (Four Hundred and Fifty Thousand Pounds)		
<b>Market Value (Restricted (90 Days))</b>	<b>£400,000</b> (Four Hundred Thousand Pounds)		
<b>Building Reinstatement</b>	<b>£850,000</b> (Eight Hundred and Fifty Thousand Pounds)		
<b>Liquidity</b>	Retail Lettings:	9-12 months (assuming the property is competitively priced)	
	Industrial Lettings:	6-9 months (assuming the property is competitively priced)	
	Residential Lettings:	2-4 months (assuming the property is competitively priced)	
	Sales:	6-9 months (assuming the property is competitively priced)	

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- Appendix 1 - Instruction Documentation / General Terms of Business
- Appendix 2 - Standard Limitations & Assumptions
- Appendix 3 - Market Commentary & Economic Overview
- Appendix 4 - Energy Performance Certificate (EPC)

## 1. Instructions

<b>Instructions</b>	1.1	We refer to your instruction letter received 04/07/2023 and to our subsequent acceptance thereof, to provide a valuation report on 23 Woolwich Road, Belvedere, DA17 5EE ("the property"). Copies of these documents are attached at <b>Appendix 1</b> .
	1.2	This valuation has been carried out in accordance with your instruction letter, the 'model conditions of engagement between the lender and valuer' as set out in the RICS Valuation – Global Standards January 2022 Global Edition ('The Red Book') and our General Terms of Business for Valuations ("General Terms of Business").
<b>Client</b>	1.3	Our client for this instruction is Proplend Security Limited ("the Client").
<b>Your Customer</b>	1.4	We understand that your customer is 23 Woolwich Road Ltd ("the Customer").
<b>Valuation Standards</b>	1.5	The Valuation has been undertaken in accordance with the RICS Valuation – Global Standards January 2022 Global Edition ('The Red Book').
<b>Purpose of Valuation</b>	1.6	Secured lending purposes in connection with a purchase.
<b>Conflicts of Interest</b>	1.7	In preparing this report, we confirm that we are acting as External Valuers and we are not aware of any conflict of interest in this respect.
<b>Professional Indemnity</b>	1.8	We confirm that we hold adequate Professional Indemnity Insurance cover in order to provide this valuation. We further confirm that Bellevue Mortlakes have had no historic claims.
<b>Third Party Reliance</b>	1.9	This report has been prepared on behalf of our Client and no responsibility is accepted to any third party.
<b>Disclosure &amp; Publication</b>	1.10	Neither the whole nor any part of this valuation report, nor any reference thereto may be included in a published document, circular or statement, nor published in any way without the prior written approval of Bellevue Mortlakes of the form or context in which it may appear.
	1.11	This Report is for the use of the party to whom it is addressed and should only be used within the context of the instructions under which it is prepared and these assumptions. It may be disclosed to other professional advisers assisting in respect of that purpose. No responsibility is accepted to any third party for the whole or any part of its contents.
<b>Valuation Date</b>	1.12	An inspection of the property was undertaken on 18/07/2023, hereon referred to as the date of valuation.
<b>Expertise</b>	1.13	This report has been prepared by Nicholas C D Jones BSc (Hons) MRICS who is an RICS Registered Valuer. We also confirm that the individual carrying out this valuation has the appropriate knowledge, skills and experience to undertake the valuation competently.
<b>Mandating</b>	1.14	The report and valuation has been mandated by Bellevue Mortlakes quality assurance procedures.

<b>Lender Specific</b>	1.15	N/A
<b>Valuation Bases</b>	1.16	The RICS definitions of Market Value and Market Rent are contained within our General Terms of Business. In accordance with your instructions, we have provided opinions of the value on the following bases:-
<b>Market Value (MV)</b>	1.17	The Market Value in its current condition, with vacant possession.
<b>Special Assumption (1)</b>	1.18	The Market Value in its current condition, with vacant possession, assuming a marketing period restricted to 90 days.
<b>Market Rent (MR)</b>	1.19	The Market Rent of the property. Our letting assumptions are set out in the Valuation Section of this report.
<b>Readers Guidance Notes</b>	1.20	Clients should note that this valuation report should not be relied upon in isolation and should be read in conjunction with our Standard Limitations & Assumptions, copies of which are attached at <b>Appendix 2</b> .
	1.21	Factual information contained within this report has been summarised, the context of each element will not be fully understood, unless it is read in conjunction with our Standard Limitations & Assumptions, which provides detailed commentary and explanation of each element of this report.
	1.22	The Standard Limitations & Assumptions set out our assumptions, restrictions, limitations and exclusions.

## 2. The Property

<b>Situation / Location</b>	<p>2.1 The subject property is located in a tertiary trading location to the south of Woolwich Road (A206) close to its junction with Albert Road within Belvedere (London Borough of Bexley). The property is at the western end of a small parade of retail units and a public house. The parade comprises local retail covenants and fast food takeaway premises at ground floor level with upper parts largely in residential. To the west of the property is a Driving Test Centre.</p> <p>The parade fronts onto a slip road leading from Albert Road, forming a part of a local one way traffic system. The shop will serve the immediate adjacent residential population together with a certain amount of passing trade.</p> <p>2.2 Belvedere is a typically densely populated South-East London district, situated approximately four miles east of Woolwich and approximately thirteen miles south east of Central London. It is an area which benefits from reasonable demand from both the rental and vacant possession sectors. Belvedere retail town centre lies approximately one mile to the north east although more extensive shopping is at nearby Welling, Woolwich and Dartford.</p> <p>2.3 Belvedere represents a “low-medium value” greater London residential suburb, comprising properties of varying eras, including social and local authority housing schemes.</p> <p>2.4 Belvedere (Southeastern) station is situated within one mile to the north east offering a frequent commuter service into Central London (London Cannon Street). Numerous bus routes serve the surrounding area. Parking is available on street along the slip road to the front of the property and within nearby roads.</p> <p>2.5 A location map can also be found within <b>Section 8</b>.</p>
<b>Description</b>	<p>2.6 The subject property comprises the freehold interest in a site developed to provide a two storey detached former house converted and arranged as a ground floor and basement retail unit, and self-contained first floor two bedroom flat, with to the rear light industrial workshop premises and yard. The two storey building was constructed circa 1860 with the workshops circa 1900. The rear workshops have a past history of use as a local dairy depot.</p> <p>The premises are set within a broadly rectangular shaped site. Access to the rear workshops and yard is via a rear service road, this being in shared use with adjoining premises.</p> <p>The ground floor, formerly a retail unit, has since circa 1980 been occupied and in use by the vendor for the sale and servicing of gearboxes, both for private and commercial vehicles. It is arranged to provide various rooms, within which are sited engineering equipment together with racking. The basement, accessed via an external side entrance, is in use as ancillary storage.</p> <p>The rear workshops appear to have been used in conjunction with this business and also separately for the servicing of cars. The workshops are in two sections, within one a two post ramp. Access is via steel roller shutter and side hung timber loading doors.</p> <p>2.7 As at the date of inspection the commercial areas were in use by the vendor. The first floor flat, we understand to be tenanted, was in residential use.</p>

<b>Construction Details</b>	2.8	<p>The main walls of the two storey building are of solid brick construction, construction, rendered externally beneath a pitched slate covered roof.</p> <p>The rear workshops appear to be of brick/block construction beneath a dual pitched roof with a covering of corrugated asbestos cement sheeting, and monopitched roof also with a covering of corrugated asbestos cement sheeting. The dual pitched roof is lined internally with timber. Part of the workshop internal walls are ceramic tiled, relating back to its use as a local dairy depot. There were limited views of the roofs owing to the height and configuration of the building.</p>
	2.9	<p>Floors throughout the building are of a mixture of solid concrete and suspended timber construction.</p>
	2.10	<p>Natural lighting and ventilation is provided by a timber framed single glazed shop front, a mixture of single glazed timber and metal casement windows, and for the flat double glazed PVCu framed windows.</p>
<b>General Repair &amp; Condition</b>	2.11	<p>Shop. This is in a condition commensurate with its use for in excess of 40 years for supplying and maintenance of gearboxes. All surfaces require attention and the decorative order is poor. The rear rooms used for engineering and storage are in poor decorative order and floors were noted to be impregnated to part with engineering oil. Evidence of damp penetration was noted together with damaged floor timbers. Overall the shop requires repair refitting and redecoration and this is potentially likely to include rewiring.</p> <p>Workshops. These are in a condition commensurate with their age and past uses. Oil staining was noted and historic cracking evident to a side wall, although this appears historic. There is no evidence of annual maintenance to these areas.</p> <p>Flat. Internally, generally in moderate order throughout, although would benefit from redecoration. Modern bathroom and kitchen fittings.</p> <p>Externally, items of disrepair were noted, attention to timberwork, redecoration of the rendering of particular note. These defects are consistent for a property of this age and type and should prove capable of remedy by routine maintenance.</p> <p>Yard. Evidence of poor storage of waste oil and consequent staining of concrete. Boundary walls has cracking evident, which appears active and may need to be rebuilt.</p>
<b>General Remarks</b>	2.12	<p>The property includes in the roof construction corrugated asbestos cement sheeting. An asbestos report should be commissioned. The evidence of oil staining both internally and externally needs further investigation to confirm no issues with potential contamination.</p>
<b>EWS1 &amp; External Cladding</b>	2.13	<p>At the time of our inspection, based on the information provided and a ground floor visual inspection of the property, we did not note any external cladding and therefore we do not consider any external remediation works are required.</p>
	2.14	<p>Illustrative photographs can be found within <b>Section 9</b>.</p>
<b>Significant Issues</b>	2.15	<p>We have drawn your attention to the presence of asbestos containing materials and oil staining at the property. Subject to provision of acceptable reports, for loan security purpose, no significant defects or items requiring urgent attention were noted which would be likely to require a retention or be the subject of a condition of the mortgage advance. We may wish to reconsider our opinion once the reports are obtained.</p>

<b>Proposed Sale</b>	2.16	<p>We are advised by the vendor that terms have been agreed for the sale of the property, with vacant possession, in the condition found at £440,000, with no VAT to be payable on the sale.</p> <p>The property has not, we further understand, been actively marketed with the proposed sale agreed off market. It has not been exposed to the property market by usual means.</p>																														
<b>Economic Life</b>	2.17	<p>Subject to appropriate repair, redecoration regular maintenance and decoration it is anticipated that the building will retain a useful economic life of at least twenty-five years.</p>																														
<b>Services</b>	2.18	<p>It would appear from our inspection that mains supplies of gas, electricity and water are provided to the property. Soil drainage is believed to be discharged to the public sewer. The flat has its own independent gas fired central heating system with radiators. Neither the ground floor or workshops have any formal heating systems.</p>																														
<b>Accommodation</b>	2.19	<p>Retail Accommodation:</p> <table border="1" data-bbox="424 741 1485 1081"> <tr> <td><b>Ground Floor</b></td> <td>Sales area, storage, workshops, kitchen and cloakroom/WC.</td> </tr> <tr> <td><b>Net Internal Area</b></td> <td>77.48 sq m (834 sq ft)</td> </tr> <tr> <td><b>Basement</b></td> <td>Storage. Basement specification – no natural light, relatively dry, concrete floor, mains supply of electricity, average floor to ceiling height of 1.75 m.</td> </tr> <tr> <td><b>Net Internal Area</b></td> <td>19.84 sq m (214 sq ft)</td> </tr> <tr> <td><b>ITZA</b></td> <td><b>46.22 sq m (497 sq ft)</b></td> </tr> <tr> <td><b>External</b></td> <td>No outside space.</td> </tr> </table> <p>Industrial/Workshop accommodation:</p> <table border="1" data-bbox="424 1160 1485 1402"> <tr> <td><b>East Unit</b></td> <td>Workshop : Eaves height 3.60 m (11'10")</td> </tr> <tr> <td><b>Gross Internal Area</b></td> <td>47.23 sq m (508 sq ft)</td> </tr> <tr> <td><b>West Unit</b></td> <td>Workshop: Eaves height 2.60m (8'7") and cloakroom/WC.</td> </tr> <tr> <td><b>Gross Internal Area</b></td> <td>52.73 sq m (568 sq ft)</td> </tr> <tr> <td><b>External</b></td> <td>Enclosed yard.</td> </tr> </table> <p>Residential Accommodation:</p> <table border="1" data-bbox="424 1480 1485 1693"> <tr> <td><b>Ground Floor</b></td> <td>Entrance leading to staircase.</td> </tr> <tr> <td><b>First Floor</b></td> <td>Landing, two bedrooms, living room, dining area, kitchen and bathroom/WC.</td> </tr> <tr> <td><b>Gross Internal Area</b></td> <td>63.35 sq m (682 sq ft)</td> </tr> <tr> <td><b>External</b></td> <td>Small area of decking at first floor level.</td> </tr> </table>	<b>Ground Floor</b>	Sales area, storage, workshops, kitchen and cloakroom/WC.	<b>Net Internal Area</b>	77.48 sq m (834 sq ft)	<b>Basement</b>	Storage. Basement specification – no natural light, relatively dry, concrete floor, mains supply of electricity, average floor to ceiling height of 1.75 m.	<b>Net Internal Area</b>	19.84 sq m (214 sq ft)	<b>ITZA</b>	<b>46.22 sq m (497 sq ft)</b>	<b>External</b>	No outside space.	<b>East Unit</b>	Workshop : Eaves height 3.60 m (11'10")	<b>Gross Internal Area</b>	47.23 sq m (508 sq ft)	<b>West Unit</b>	Workshop: Eaves height 2.60m (8'7") and cloakroom/WC.	<b>Gross Internal Area</b>	52.73 sq m (568 sq ft)	<b>External</b>	Enclosed yard.	<b>Ground Floor</b>	Entrance leading to staircase.	<b>First Floor</b>	Landing, two bedrooms, living room, dining area, kitchen and bathroom/WC.	<b>Gross Internal Area</b>	63.35 sq m (682 sq ft)	<b>External</b>	Small area of decking at first floor level.
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<b>Regulated Mortgages</b>	2.20	<p>The residential accommodation accounts for less than 40% of the total gross internal area.</p>																														

### 3. Tenure & Tenancies

<b>Tenure</b>	3.1	The Office Copy provides the following information:	
	3.2	<b>Title No.</b>	K194275
	3.3	<b>Tenure</b>	Freehold
	3.4	<b>Proprietor</b>	Ian Caney
	3.5	<b>Price / Date</b>	Not Stated
	3.6	<b>Lenders Security/Demise</b>	A Land Registry title plan can be found within <b>Section 10</b> .

<b>Tenancies</b>	3.7	<p>We are advised by the Vendor that the property is to be sold with full vacant possession.</p> <p>The title register details that the flat is held by way of long lease of 99 years from 25 March 1990. The vendor has confirmed verbally that this lease has been surrendered. Solicitors to verify. Should this prove to not be the case we reserve the right to review our valuation.</p> <p>It is our understanding that the first floor is let by way of expired AST at a current rent of £800 per calendar month (£9,600 per annum). A copy of this AST has not been provided to us. For the purposes of our valuation we have assumed that appropriate notice will/has been served on the tenant. Solicitors to verify.</p> <p>The rear industrial premises have in the past been occupied on an ad hoc licence basis but the Vendor has confirmed that no tenancies/licences currently exist in respect of the industrial element. Solicitors to verify.</p>
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## 4. Statutory & Legal Matters

<b>Planning Enquiries</b>	4.1	We have made informal enquiries with the Local Planning Authority responsible for this area, via their website.															
<b>Use Class</b>	4.2	E - Retail C3 – Residential															
<b>Planning History</b>	4.3	<table border="1"> <thead> <tr> <th>Ref. No.</th> <th>Description</th> <th>Decision &amp; Date</th> </tr> </thead> <tbody> <tr> <td>19/00741/FUL</td> <td>Demolition of existing building and erection of a part one/part two/part three storey building to provide 1x 1 bed, 1 x 2 bed and 1x 3 bed flats.</td> <td>Granted 16.03 2019</td> </tr> <tr> <td>07/05632/FUL</td> <td>Change of Use of the ground floor to a dog grooming parlour.</td> <td>Granted 24.07.2007</td> </tr> <tr> <td>00/00587/LDCE</td> <td>Application for Certificate of Lawfulness (existing) for use of premises for the sale and repair of motor vehicle gear boxes, axles and clutches including fitting.</td> <td>Granted 24.07.2007</td> </tr> <tr> <td>77/02164/FUL</td> <td>Use of ground floor shop and within ancillary buildings. (No documents listed)</td> <td>Granted 28.06.1977</td> </tr> </tbody> </table>	Ref. No.	Description	Decision & Date	19/00741/FUL	Demolition of existing building and erection of a part one/part two/part three storey building to provide 1x 1 bed, 1 x 2 bed and 1x 3 bed flats.	Granted 16.03 2019	07/05632/FUL	Change of Use of the ground floor to a dog grooming parlour.	Granted 24.07.2007	00/00587/LDCE	Application for Certificate of Lawfulness (existing) for use of premises for the sale and repair of motor vehicle gear boxes, axles and clutches including fitting.	Granted 24.07.2007	77/02164/FUL	Use of ground floor shop and within ancillary buildings. (No documents listed)	Granted 28.06.1977
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<b>Alterations</b>	4.4	None of substance.															
<b>Significant Matters</b>	4.5	<p>The Lawful Development Certificate includes a condition which states “ Use of ground floor premises for the sale and repair of motor vehicle gear boxes, axles and clutches, including all related fitting works thereto to be carried out within the confines of the existing site building only between the hours of 8.30 pm and 5.30 pm, Monday- Friday and at no other times”. Legal confirmation should be sought to confirm if this restriction pertains to the vendors specific use. For the purposes of our valuations we have assumed that the property is able to be occupied and in use without such restriction. Should this prove not to be the case we may wish to reconsider our opinions of value.</p> <p>19/00741/FUL has a three year time limit which has expired. No works appear to have commenced in respect of this planning consent.</p>															
<b>Planning Restrictions</b>	4.6	The property is not listed as a building of historical or architectural importance nor is it situated within a conservation area.															
<b>Highways</b>	4.7	Woolwich Road is understood to be adopted.															
<b>Service Roads / Communal Areas</b>	4.8	Yes – Service road to rear giving access to the rear of the property and yard area, together with providing access to adjoining premises. Our valuations assume appropriate rights in perpetuity and that any maintenance liability is fair and reasonable.															
<b>Rateable Value</b>	4.9	£7,900 – shop and premises															

<b>Council Tax Band</b>	4.10	C
<b>Landlord / Tenancy Licensing &amp; Regulations</b>	4.11	Our valuation assumes that all relevant licenses and registrations are in place for the property to be let and/or continue to be let.
<b>Energy Performance Certificate (EPC)</b>	4.12	<p>23 Woolwich Road E (115) Expires 3 August 2033 23A Woolwich Road D (64) Expires 3 August 2033</p> <p>The Domestic Minimum Energy Efficiency Standard (MEES) Regulations set a minimum energy efficiency level for domestic private rented properties. In order to comply with the 2018 Minimum Level of Energy Efficiency standard the property must have an energy efficiency rating of 'E' or better. From 1st April 2023 this provision applies to all commercial tenancies both new and existing.</p> <p>Since 1 April 2020, landlords can no longer let or continue to let properties covered by the MEES Regulations if they have an EPC rating below E, unless they have a valid exemption in place. We are unaware if the property is exempt, if not therefore security does not currently meet this standard, and the letting of the first floor flat is unlawful.</p> <p>As your Applicants propose renting the industrial element, but no EPC has been prepared for this part of the property. This may be exempt from needing an EPC as it does not have any formal heating, this should be verified by an appropriately qualified EPC assessor.</p> <p>From 2025 all newly rented properties, unless exempt, will be required to have an EPC to a minimum of Band C. This applies to existing tenancies, unless exempt, with effect from 2028. Our valuations are prepared on the assumption that the property will meet the revised MEES requirements in this regard.</p>

## 5. Environmental Considerations

<b>Flooding Risks</b>	5.1	<b>Risk of Flooding From Rivers &amp; Sea</b>	Very Low
		<b>Risk of Flooding From Reservoirs</b>	Unlikely
		<b>Risk of Flooding From Surface Water</b>	Very Low
<b>Contamination</b>	5.2	From our basic enquiries and from our inspection of the property and its surroundings, we have no reason to believe that contamination is present.	
<b>Plant Life</b>	5.3	At the time of inspection no obvious evidence of any harmful vegetation was found on the site.	
<b>Radon</b>	5.4	The property is in a part of the country where there is a very low likelihood of radon posing a potential risk to health.	

## 6. Comparable Evidence & Market Analysis

### Retail Lettings

Transactions, prior to 23rd September 2022 listed below were agreed and occurred, within more buoyant market conditions; as such we have attributed less weight in forming our opinion of value.

Address	Description	Letting Terms	Tenant	Rent Per Annum	Rent £ per sq ft - ITZA	Date of Transaction	Comments
4 Station Approach, DA7 4QP	'E' Use Class – 243 sq ft (ITZA)	New 5 year FRI lease, without review with break option after 3 years. No rent free period.	Local LTD	£11,000	£45.26	August 2023	This unit is situated within a superior trading location, close to station entrance. Small lock up shop. In solicitors hands.
50 Spital Street, DA1 2DT	'E' Use Class – 461 sq ft (ITZA)	New 5 year FRI lease, without review with no break options. A 3 month rent free period.	Local LTD	£15,000	£32.53	April 2023	This unit is situated within a superior trading location.
62 Bellgrove Road, DA16 3PY	'E' Use Class – 492 sq ft (ITZA)	New 5 year FRI lease, without review with no break options. No rent free period.	Local LTD	£15,000	£30.48	April 2023	This unit is situated within a slightly superior parade location.
70A Bellgrove Road, DA16 3PY	'E' Use Class – 634 sq ft (ITZA)	New 5 year FRI lease, without review with no break options. No rent free period.	Local LTD	£18,000	£28.39	November 2022	This unit is situated within a slightly superior parade location.

Address	Description	Condition	Letting Terms	Rent Achieved (Annually)	Analysis	Date of Transaction	Source
Unit 19 Elbourne Trading Estate, Belvedere, DA17 6AW	A small single storey light industrial unit, GIA 520 sq ft. Forms part of a small trading estate.	Good Order	3 yr effectively FRI lease with break option but no rent review.	£8,320	£16.00 psf	July 2023	Watson Day
Unit 4 Elbourne Trading Estate, Belvedere, DA17 6AW	A small single storey light industrial unit, GIA 565 sq ft. Forms part of a small trading estate.	Good Order	3 yr effectively FRI lease with break option but no rent review.	£9,000	£15.93 psf	June 2023	Watson Day
Unit 12A Elbourne Trading Estate, Belvedere, DA17 6AW	A single storey light industrial unit, GIA 1,328 sq ft. Forms part of a small trading estate. Currently under offer.	Good Order	3 yr effectively FRI lease with break option but no rent review.	£21,250	£16.00 psf	Under Offer	Watson Day

## Residential Lettings

Address	Description	Condition	Letting Terms	Rent Achieved (Annually)	Rent Achieved (Monthly)	Status	Date of Transaction	Source
3 Berkhamstead Road, Belvedere, DA17 5EA	A two bedroom self-contained first floor flat including private garden area. Not above retail premises.	Good Order	1 yr AST	£18,600	£1,550	Let	June 2023	Acorn
8 Havelock Road, Belvedere, DA17 5EX	A two bedroom self-contained first floor flat including private garden area. Not above retail premises.	Average Order	1 yr AST	£15,600	£1,400	Let	June 2023	Beaumont Gibbs
12A Athol Road, Erith, DA8 1PT	A two bedroom self-contained first floor flat without private garden. Not above retail premises.	Good Order	1 yr AST	£17,100	£1,425	Let	May 2023	Ashton Reeves
8 Athol Road, Erith, DA8 1PT	A two bedroom self-contained ground floor flat without private garden.	Good Order	1 yr AST	£17,700	£1,475	Let	May 2023	Ashton Reeves

## Residential Sales

Address	Description	Status	Date of Transaction	Achieved Price	Analysis £ / sq ft	Valuers Commentary	Source
19 St Joseph's Court, SE2 0AU	A nearby, two bedroom first floor converted flat, measuring approximately 754 sq ft, without garden but has off street parking presented in good order.	Sold	June 2023	£300,000	£398	Quieter residential area, not above retail, and larger flat benefitting from off street parking. Considered superior to the property. Lease has 109 years unexpired term.	Equity London Ltd.
6 Lessness Park, Belvedere, DA17 5BG	A nearby, two bedroom first floor self-contained converted flat, measuring approximately 822 sq ft, with garden and single garage presented in average order.	Sold	April 2023	£290,000	£353	Quieter residential area, not above retail, and larger flat benefitting from garden and garage. Considered superior to the property. Lease has 77 years unexpired term which affected marketing.	Acorn
2 Horsea Road, Erith, DA8 1HD	A nearby, two bedroom first floor self-contained converted flat, measuring approximately 727 sq ft, without garden, presented in reasonable order.	Sold	April 2023	£250,000	£344	Quieter residential area and not above retail. Considered superior to the property. New lease extension agreed as a part of the sale.	The Property Cloud
83 Picardy Road, Belvedere, DA17 5QL	A nearby, two bedroom first floor self-contained converted flat, measuring approximately 656 sq ft, without garden, presented in reasonable order.	Sold	December 2022	£265,000	£404	Quieter residential area and not above retail. Considered superior to the property. Lease has 90 years unexpired term.	Robinson Jackson

## Investment & Freehold Sales

Transactions, prior to 23rd September 2022 listed below were agreed and occurred, within more buoyant market conditions; as such we have attributed less weight in forming our opinion of value.

Address	Description	Sold price	Initial / Reversionary Yields/psf	Date of Transaction	Comments
237 Bexley Road, DA8 3EX	A ground floor retail unit, together with ground rents on residential accommodation to the upper parts. Let to a local covenant on undisclosed terms, producing an income £15,600 per annum.	£170,000	9.18%	May 2023	Within a comparable trading location. Sold at auction.
6 Marion Crescent, Orpington, BR5 2DD	A mid-terraced, two storey building, arranged as a ground floor A1 retail unit with a one bedroom, self-contained flat above. Sold with full vacant possession of the ground floor. The flat is let on an AST at £10,200 per annum.	£380,000	5.84%	May 2023	Comparable trading location to the property. The retail unit had been let at £12,000 per annum, considered to be at market rental levels.
140 & 140A Long Lane, Bexleyheath, DA7 5AH	A mid terraced two storey building, arranged as a ground floor A1 retail unit with self-contained offices above. Sold with full vacant possession.	£360,000	N/A	May 2023	Better trading location, forming part of a parade. Purchaser understood to occupy the ground floor and convert the upper floor to residential.
168/168A Halfway Street, DA15 8DJ	A mid-terraced, two storey building, arranged as a ground floor A1 retail unit with a self-contained one bedroom flat above. Let to a local covenant on an effectively FRI lease for 10 years from March 2020 at a passing rent of £14,000 per annum. The flat is let on an AST at £6,300 per annum thus producing a total income of £20,300 per annum.	£300,000	6.77%	February 2023	Within an established parade, considered superior to the property. Flat considered under rented.

Address	Description	Sold price	Initial / Reversionary Yields/psf	Date of Transaction	Comments
230 Lewisham High Street, SE13 6JU	A freehold light industrial warehouse unit in need of repair and extending to 1,034 sq ft. Sold with full vacant possession.	£281,000	£272 psf	September 2022	Located to rear of shops. No planning in place for redevelopment. Sold we understand to an owner occupier at auction.

<b>Market Commentary</b>	6.1   In arriving at our Market Value / Market Rent we have analysed the latest transactional evidence available. When considering our reported values we have relied upon a greater degree of judgement having regard to current market sentiment. An excerpt from a recent RICS Property Market Survey is included at <b>Appendix 3</b> .
<b>Overview of Current Market Conditions</b>	6.2   The UK property market is dynamic, diverse and influenced by a range of factors. Overall, the demand remains relatively restrained, reflecting the current economic climate. Factors include higher interest rates, inflation, increased regulation in the rental market and increased taxation. <p>In London the market has maintained a subdued yet steady pace. The city's global reputation and its status as a financial hub, continues to attract both domestic and international buyers. Prices achieved, however, are very much dependent on the type of property and specific location. Demand for prime central London properties such as those in Kensington, Chelsea, and Mayfair has remained strong whilst that for some flats is weaker due to affordability concerns and increased regulation around rented property.</p> <p>The capital's rich cultural heritage, world-class educational institutions, employment opportunities and excellent transport links contribute to the demand for property. The limited supply of available land and properties within the city tends to intensify the competition among buyers. At the same time cautious buyer sentiment is evident. The limited supply of available properties, combined with affordability concerns, has created a more restrained environment.</p> <p>Outside the capital, demand and values also depend a great deal on the type of property and the location. Values of family homes are proving to be resilient, as are properties at the higher end of the price scale whilst those smaller flats typically bought by first time buyers or as buy-to-let investments are proving less so. We have, however, been seeing buyers considering investments in more affordable parts of the country including the major cities of Manchester, Birmingham and Leeds. We have found that proximity to amenities, transportation links, employment opportunities schools and hospitals are key.</p> <p>The rental market in general has seen a rebound, with an increase in demand for rental properties, partly driven by young professionals and international students.</p> <p>Interest rates set by the Bank of England play a significant role in determining borrowing costs for prospective homebuyers. These rates are subject to change periodically as the central bank monitors economic conditions and adjusts its monetary policy accordingly.</p> <p>Another crucial indicator is the current inflation level, which affects the purchasing power of consumers and subsequently impacts property prices. Fluctuations in the consumer price index provide insights into the rate of inflation and its potential effects on the property market.</p> <p>The country's GDP or gross domestic product growth rate provides an overall measure of economic activity, reflecting the health of various sectors, including housing.</p> <p>Employment figures also play a vital role as they indicate the labour market's strength, with higher employment levels generally supporting a more stable property market.</p>

Key determining factors:

- Bank of England Base Rate (June 2023): 5.0%
- Rate of Inflation (April 2023): 8.7%
- Unemployment Rate: (April 2023): 3.8%

The UK economy remains in a period of instability, with prospects of entering in to a recession within 2023. There have been several increases in interest rates since late 2021. Further concerns relating to higher energy costs, inflation and taxation have resulted in adverse implications ahead for businesses and homeowners. This continues to have a knock-on effect in property markets and property values.

Due to the prevailing economic climate / outlook and the potential impact on property values, we recommend that lenders take a more prudent approach to lending and keep the valuation of this property under more frequent review.

## Liquidity

6.3

The Pandemic has resulted in occupiers / employers having to adapt, with more investment in IT and retailers now heavily focusing on online stores/sales. It is further considered with occupiers reconsidering their business models / requirement (i.e. online retail and employees working from home) there is likely to be a higher than previously experience supply of retail and office accommodation. The hospitality industry thus far, remains relatively inconspicuous but it is suspected that the industry (as a whole) will take a protracted time to recovery, which has already included a huge rise in demand for home delivery of hot food.

Online retailers and giants such as Amazon, Uber Eats, Just Eats etc appear to be changing the way people purchase goods and indulge. We consider that other retailers, if they haven't already, will follow suit, which will leave a lasting effect on high street retail/shopping centres.

The sentiment amongst local established agents, respected peers within the property market and in our own professional judgement is in order to transact a commercial premise in the current economic climate, the property must be competitively priced to attract / appease the interest of purchasers / occupiers who are themselves approaching transactions with low levels of confidence and caution.

The 24th March 2022 was the last day that the general moratorium on commercial evictions and restrictions on Commercial Rent Arrears Recovery (CRAR) in England and Wales.

Additionally, The 'Commercial Rent (Coronavirus) Act 2022' is now in place to help resolve remaining commercial rent debts accrued owing to the pandemic. As a result of this Act being introduced, 24<sup>th</sup> March 2022, a legally binding arbitration process is available to assist resolve disputes about pandemic-related rent deb, for certain businesses, including pubs, gyms and restaurants, which were mandated to close, in full or in part from March 2020 until the date restrictions ended for their particular sector.

Assuming the property is competitively priced, it should sell/let within timescales mentioned below at our opinion of Market Value/Market Rent assuming current market conditions and in the condition and standard of presentation as at the valuation date.

Retail Lettings:	9-12 months
Industrial Lettings:	6-9 months
Residential Lettings:	2-4 months
Sales:	6-9 months

We would recommend that the property is sold via private treaty as being the most effective method of disposal.

A rent incentive of up to 6 months rent-free may be required in order to secure commercial tenants, assuming the premises are in repair. We also advise more 'tenant friendly' lease terms may also need to be catered for (i.e. inclusion of more frequent tenant only break options and Covid-19 or similar lockdown clauses).

---

**Demand**

6.4 | If priced correctly the property would be popular with a range of owner occupiers, investors and potentially developers if the expired planning consent can be renewed.

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## 7. Valuation

**Methodology** 7.1 | Comparable & Investment.

### Rental Values

- 7.2 Retail:
- 7.3 The general consensus of professional opinion is that similar retail units will achieve rents in the region of £25.00 - £35.00 per sq ft Zone A (FRI lease terms) depending upon size, layout, specification and permitted use.
- 7.4 We are of the opinion that the Market Rent for the retail element, assuming in repair, and if let on standard commercial terms (5 year FRI lease, with option to break in year 3), is fairly reflected in the sum of £15,000 per annum (circa £30.18 per sq ft Zone A). This is the proposed rent to be paid under the terms of the agreed letting and is therefore at current market levels.
- 7.5 Industrial:
- 7.6 Our analysis of comparables supports a rental value, between £12.50 per sq ft and £15.00 per sq ft.
- 7.7 The proposed rent agreed under the terms of the intended letting is £15,000 per annum. This equates to £13.95 per sq ft and is therefore in line with current market levels.
- 7.8 Residential:
- 7.9 Our analysis of comparables supports a rental value, between £1,250 and £1,450 per month.
- 7.10 The current passing rent of £800 per month (£9,600 per annum) is therefore significantly below current market levels.

### Residential Capital Values

- 7.11 Our analysis of comparables supports a capital value for the residential element, between £150,000 and £175,000 if sold as a separate long leasehold interest, reflecting the flat is above retail and adjacent to industrial premises.

### Investment Yields

- 7.12 Market evidence indicates that rack rented mixed retail/residential/ industrial properties of this nature and in this location will achieve yields in the region of 8.50%-11.00% dependent primarily on the strength of covenant, inter alia. For the property there would not be a market expectation of covenant strengths considered high or of appeal to national concerns.

**Valuers  
Commentary**

7.13

The property comprises a mixed retail/residential and industrial building, forming part of a parade. The original ground floor of the building has been in use for in excess of 40 years for the specialist supply and sale of gearboxes, with ancillary accommodation used in conjunction with this use including repairs. It is in a condition whereby prior to any letting repairs and redecoration are required. If offered to let, and in repair, they would be of appeal to a variety of potential retail/niche tenants.

The flat appears in reasonable order, although would benefit from internal redecoration prior to reletting.

The industrial premises are comparatively basic, reflective of their age and use. Notwithstanding this, if offered to let we are of the opinion that they will be of good interest to the market especially as such premises are very rarely available to the letting market.

You Applicants have advised that two lettings are in place, to related companies. The proposed letting terms are for the retail unit to be let at £15,000 per annum and the industrial units to be let at £15,000 per annum, both on effectively FRI leases for 5 years. The tenants are to fit out at their cost but a rent free period is to be granted.

The proposed tenants are Redline Interiors Limited for the retail unit and Redline Construction Limited. We have not been able to obtain full financial information regarding both companies. However, Redline Construction Limited appears to have been incorporated on 19 October 2017. Redline Interiors Limited (Company No. 06854142) appears to have been dissolved on 10 September 2013.

Externally the property requires repairs and redecoration. For our valuation, we have allowed an estimate of £60,000 for the appropriate repairs/improvements although appropriate costed estimates should be obtained.

The sale has, we understand, been agreed privately and off market. No active marketing was undertaken and the property not exposed at all to potential purchasers.

<b>Valuation Calculation</b>	7.14	<p><b>Capital Value – Retail</b></p> <table border="0"> <tr> <td>Market Rent</td> <td>£15,000 per annum</td> </tr> <tr> <td>YP Perpetuity @ 8.00%</td> <td></td> </tr> <tr> <td>Deferred 1 yr</td> <td><u>11,574</u></td> </tr> <tr> <td>Value</td> <td>£173,610 Say £175,000</td> </tr> </table> <p><b>Capital Value – Industrial</b></p> <table border="0"> <tr> <td>Market Rent</td> <td>£15,000 per annum</td> </tr> <tr> <td>YP Perpetuity @ 8.00%</td> <td></td> </tr> <tr> <td>Deferred 1 yr</td> <td><u>11,574</u></td> </tr> <tr> <td>Value</td> <td>£173,610 Say £175,000</td> </tr> </table> <p><b>Capital Value - Residential</b></p> <table border="0"> <tr> <td>2 Bedroom Flat (682 Sq Ft)</td> <td>£160,000</td> </tr> </table> <p><b>Market Value</b></p> <table border="0"> <tr> <td>Retail</td> <td>£175,000</td> </tr> <tr> <td>Industrial</td> <td>£175,000</td> </tr> <tr> <td>Residential</td> <td><u>£160,000</u></td> </tr> <tr> <td>Market Value</td> <td>£510,000</td> </tr> <tr> <td>Less costs of repairs</td> <td><u>£ 60,000</u></td> </tr> <tr> <td>Value</td> <td>£450,000</td> </tr> </table> <p><b>Yield Analysis</b></p> <table border="0"> <tr> <td>Reversionary Yield</td> <td><math>\frac{£46,800 \text{ (Aggregate Market Rent)}}{£450,000} \times 100 = 10.40\%</math></td> </tr> </table>	Market Rent	£15,000 per annum	YP Perpetuity @ 8.00%		Deferred 1 yr	<u>11,574</u>	Value	£173,610 Say £175,000	Market Rent	£15,000 per annum	YP Perpetuity @ 8.00%		Deferred 1 yr	<u>11,574</u>	Value	£173,610 Say £175,000	2 Bedroom Flat (682 Sq Ft)	£160,000	Retail	£175,000	Industrial	£175,000	Residential	<u>£160,000</u>	Market Value	£510,000	Less costs of repairs	<u>£ 60,000</u>	Value	£450,000	Reversionary Yield	$\frac{£46,800 \text{ (Aggregate Market Rent)}}{£450,000} \times 100 = 10.40\%$
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<b>Market Value</b>	7.15	<p>We are of the opinion that the Market Value of the freehold interest in the property, with the vacant possession, in the condition found at the time of our inspection as at the assumed date of valuation, is fairly reflected in the sum of:</p> <p><b>£450,000</b> <b>(Four Hundred and Fifty Thousand Pounds).</b></p>																																
<b>Market Value (Restricted)</b>	7.16	<p>We are of the opinion that the Market Value of the freehold interest in the property, with the existing tenancies, assuming a marketing period restricted to 90 days, in the condition found at the time of our inspection as at the assumed date of valuation, is fairly reflected in the sum of:</p> <p><b>£400,000</b> <b>(Four Hundred Thousand Pounds).</b></p>																																
<b>Market Rent (Retail)</b>	7.17	<p>We are of the opinion that the Market Rent for the retail element, if let on standard commercial lease terms (5 year FRI lease, with option to break in year 3), as at the date of valuation is:</p> <p><b>£15,000 per annum</b></p>																																

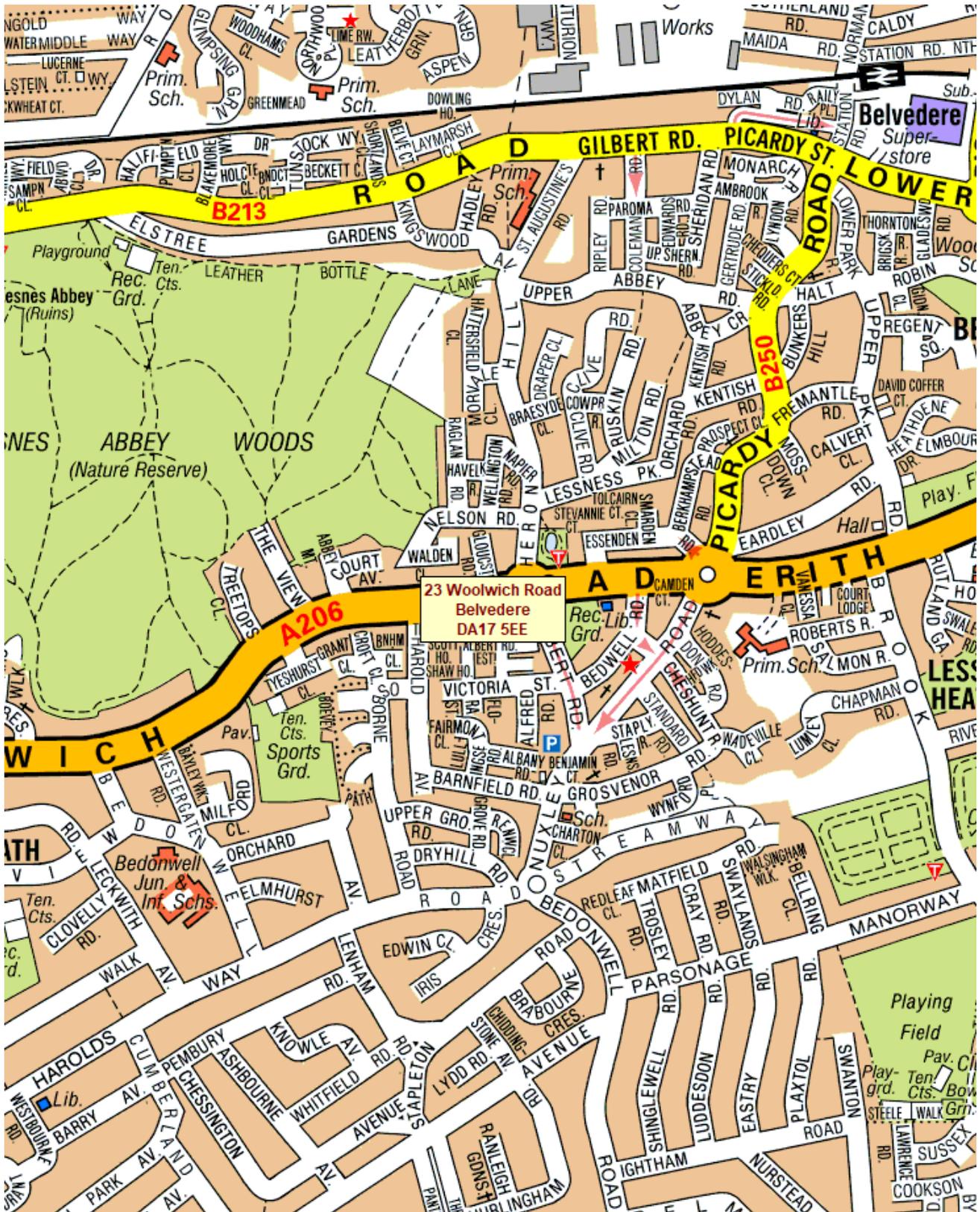
<b>Market Rent (Industrial)</b>	7.18	We are of the opinion that the Market Rent for the industrial element, if let on standard commercial lease terms (5 year FRI lease, with option to break in year 3), as at the date of valuation is:
		<b>£15,000 per annum</b>
<b>Market Rent (Residential)</b>	7.19	We are of the opinion that the gross Market Rent as at the date of valuation is:
		<b>£16,800 per annum   £1,400 per calendar month</b>
	7.20	To comply with the definition of the VPS5 (1.3) and UK Appendix 11 (5.3) of the RICS Valuation – Professional Standards we have made a special assumption that the property is let in good order, unfurnished on a one year Assured Shorthold Tenancy.
<b>Building Reinstatement</b>	7.21	We would recommend that the property be insured for a minimum sum of:
		<b>£850,000 (Eight Hundred and Fifty Thousand Pounds).</b>
<b>Suitability for Lending</b>	7.22	Subject to the comments in this report we consider the property offers good security for loan purposes.

**Lenders  
Action Points**

7.23

- We are not legal advisors and as with all legal documentation the lenders legal advisors should confirm that our understanding of the tenure and tenancies is correct.
- The lenders legal advisors should confirm the valuation has been prepared in accordance with the statutorily permitted use and that acceptable consent from all parties concerned is in place.
- Local authority enquiries have been made, however these are limited and your legal advisors may discover adverse information within their searches which should be brought to our attention.
- The lenders legal advisors should confirm that the interest under consideration has a good and marketable title.
- The property has two EPC's in place, Band E appears to relate to the ground floor retail unit and Band D for the flat. Since 1 April 2020, landlords can no longer let or continue to let properties covered by the MEES Regulations if they have an EPC rating below E, unless they have a valid exemption in place. From 2025 all newly rented properties, unless exempt, will be required to have an EPC to a minimum of Band C. This applies to existing tenancies, unless exempt, with effect from 2028. Our valuations are prepared on the assumption that the property will meet the revised MEES requirements in this regard. We have assumed that the industrial element is currently exempt from the requirement to have a valid EPC, but this must be confirmed.
- We recommend that investigations be completed to confirm that there is no risk of contamination from oil spillages noted at the property. Our valuations assume that there is no risk.
- Aside from the advice provided within our valuation, we further recommend that you keep the valuation of this property under frequent review, by amending lending covenants to include 'valuations can be called upon by the lender on an as and when basis'.

## 8. Location Map



## 9. Property Photographs



*Street Scene*



*Rear Elevation and Yard*



*Basement*



*Sales Area*



*Workshop – Ground Floor*



*Storage – Ground Floor*



*Rear Ground Floor*



*West Unit*



*WC / Cloakroom*



*Waste Oil*



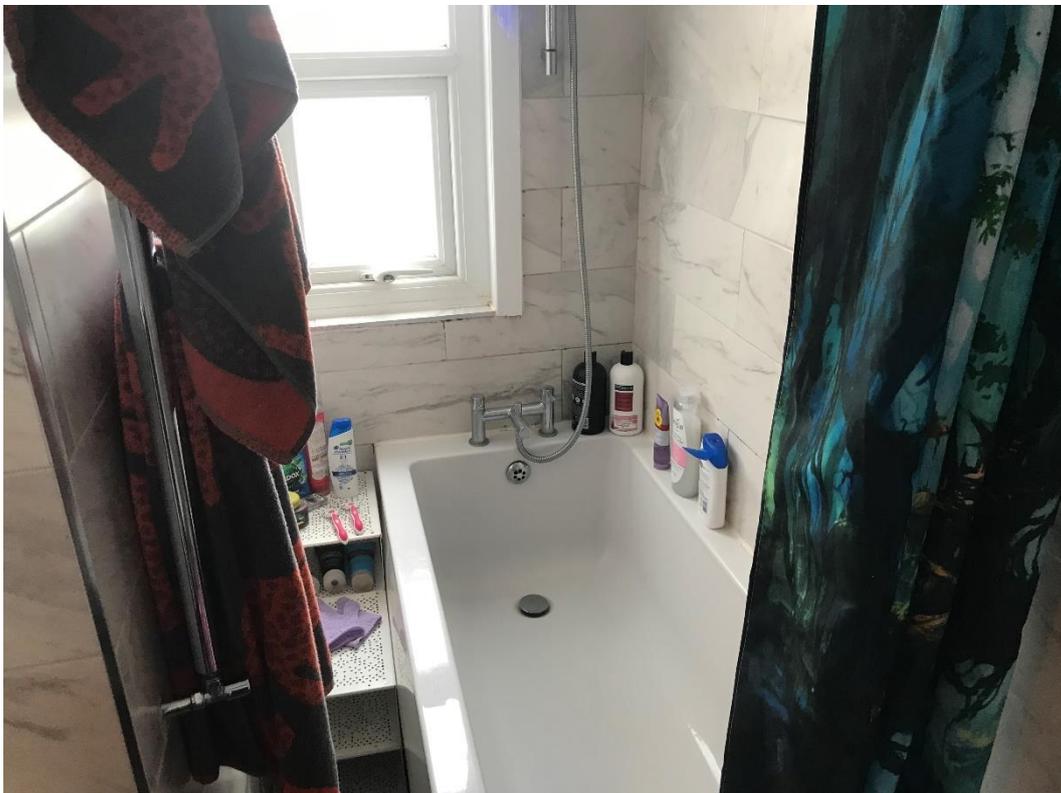
*Reception Room*



*Kitchen*



*Bedroom*



*Bathroom / WC*



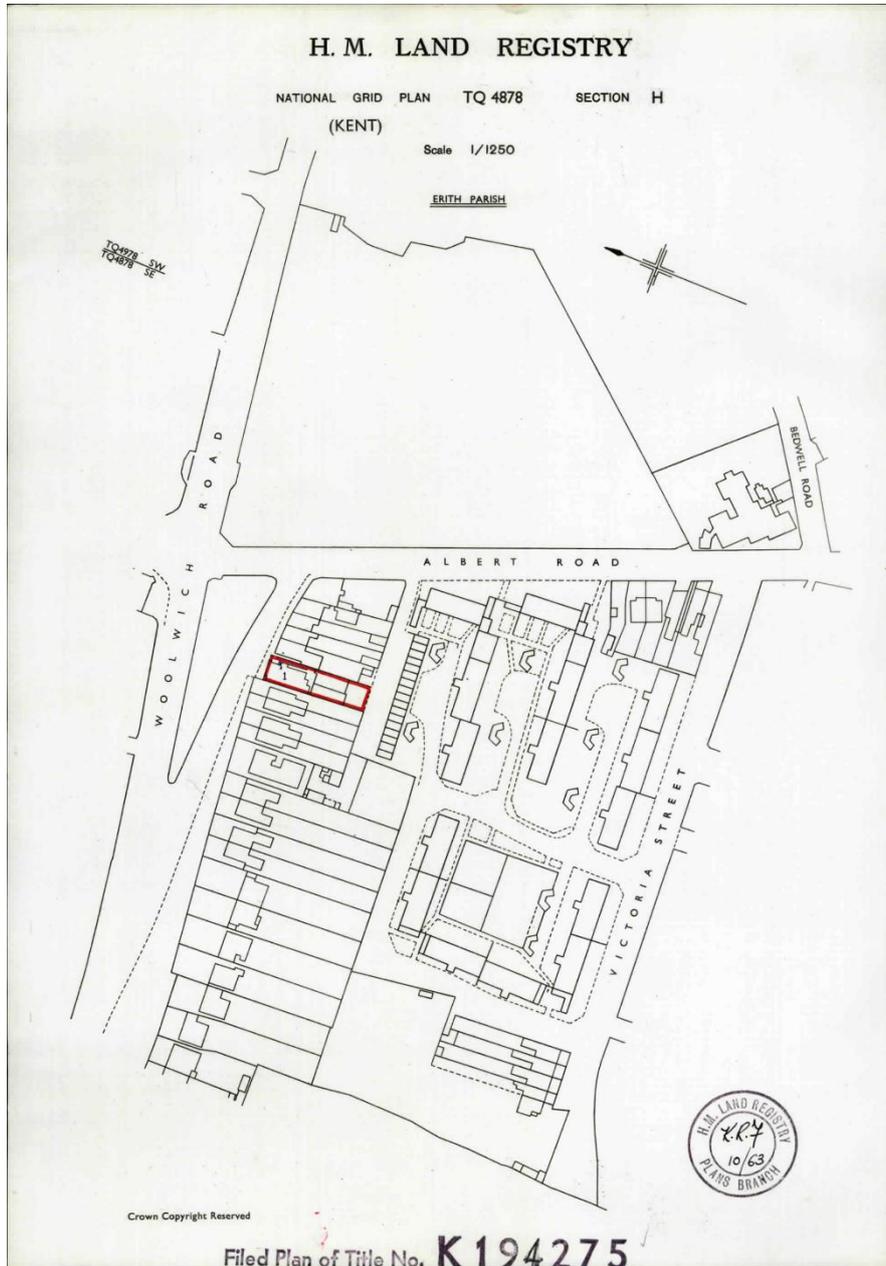
*Rear Yard*

## 10. Land Registry - Title Plan

### Lenders Security

The area edged in red on the title plan reflects the demise of the subject property and lenders security.

We have not been provided with a Report on Title, however, if one is produced we will be pleased to review and pass comment.



This is a print of the view of the title plan obtained from HM Land Registry showing the state of the title plan on 04 July 2023 at 14:23:05. 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, Croydon Office.

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We trust that this report is satisfactory for your current requirements, but, if we can be of further assistance, please do not hesitate to contact us.

Yours faithfully

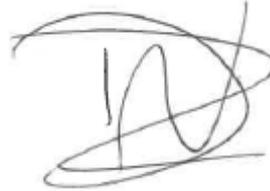
Prepared and Signed by:



**Nicholas C D Jones** MRICS  
RICS Registered Valuer (Membership No. 0068832)  
**Senior Valuer**

For and on behalf of Belleveue Mortlakes

Countersigned by:



**Demis Nicholson** MRICS  
RICS Registered Valuer (Membership No.6838057)  
**Valuation Surveyor**

For and on behalf of Belleveue Mortlakes



**Hinesh Varsani** MRICS  
RICS Registered Valuer (Membership No. 1217966)  
**Partner**

For and on behalf of Belleveue Mortlakes

# APPENDIX 1



Attn: Shaf Ali,  
Bellevue Mortlakes Chartered Surveyors,  
17 Hanover Square,  
Mayfair,  
London,  
W1S 1BN

Ref: SB/  
23 Woolwich Road Ltd

Dear Sirs,

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

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

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

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

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

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

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

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

Borrower:	23 Woolwich Road Ltd
Properties:	23 Woolwich Road, Belvedere, DA17 5EE
Tenure:	Freehold
Use:	Mixed Use

Tenancies:	<p>The Subject Property will be rented as follows;</p> <ol style="list-style-type: none"> <li>1) Redline Construction Group Ltd on a 5-year lease at a rental of £15k p.a.</li> <li>2) Earlswood Interiors Ltd on a 5-year lease at a rental of £15k p.a.</li> <li>3) The flat is let out to a third party tenant for £1,400 pcm/£16,800 p.a.</li> </ol>

## Instruction

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

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

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

## Content of Valuation and Report

The Market Valuation referred to below should be based on current values and should reflect market conditions prevailing at the date of the Valuation Report, and changes in market conditions that you are able to predict, and should include:

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

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**Please provide as appendices:**

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

**Report on Title**

The Security Trustee requires that its acting Solicitors arrange to send you a copy of their Report on Title in respect of the Property and obtain your written confirmation that nothing in the report on title has any effect on the valuation report you have provided to the Security Trustee. Please respond to any such request by the acting Solicitors in a timely manner and without delaying Completion.

**Fees**

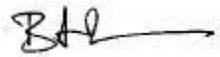
You have quoted and the Borrower has agreed to pay a fee of £ + VAT for this undertaking. Whilst a receipted invoice for this service should be supplied with your report, we ask that you seek settlement of your fee from the proposed Borrower whose contact details are supplied above. Proplend Security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

**Contact Details**

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

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

Yours Faithfully,



Brian Bartaby  
Director

Proplend Security Limited

## Shelley Jones

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**From:** Imogen Walls  
**Sent:** 04 July 2023 14:17  
**To:** 'Stewart Bruce'  
**Subject:** BM025466 / 23 Woolwich Road, Belvedere, DA17 5EE / 23 Woolwich Road Ltd

Good Afternoon,

Thank you for your formal instructions, received 4<sup>th</sup> July 2023.

As per your instruction, I confirm the following:

- On behalf of Belleveue Mortlakes Chartered Surveyors we accept your formal instructions and confirm that there are no conflicts of interest;
- Our practice has had no affiliation/connection to either the subject property or the applicant within the previous 12 months;
- We have sufficient Professional Indemnity Insurance cover to undertake this instruction (currently £15,000,000 per claim);
- Our fee, as agreed, is £1,650.00 plus VAT.

I trust the above is satisfactory for your purposes however, in the meantime, please revert back if you have any queries relating to this instruction.

Kind regards,

### Imogen Walls

Office Assistant

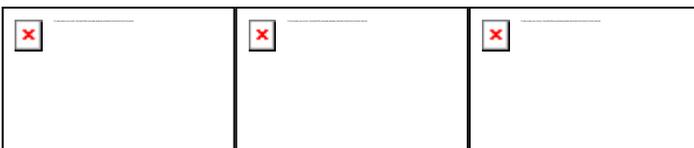
t 020 8367 9555 | e [iwalls@bmortlakes.com](mailto:iwalls@bmortlakes.com) | w <http://www.bmortlakes.com>

Head Office 4 Crossfield Chambers | Gladbeck Way | Enfield | EN2 7HT

Central London Office | Mayfair



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Please note that, as part of our compliance with the General Data Protection Regulation, we have a new Privacy Statement. A copy of our Privacy Statement is available on request. We further advise that all of our calls are recorded for training purposes.

Consider the environment. Please do not print this e-mail unless you really need to.

# General Terms of Business for Valuations

These General Terms of Business comprise a part of our Terms of Engagement. The following General Terms of Business apply to all valuations and appraisals undertaken by Bellevue Mortlakes unless specifically agreed otherwise in confirming instructions and so stated within the main body of the valuation report.

## 1. Bellevue Mortlakes

Bellevue Mortlakes is a Private Limited Company with registered number 3352742. This is a corporate body which has "Directors" and not "Partners".

Any representative of Bellevue Mortlakes described as "Partner" is either a Director or an Employee of Bellevue Mortlakes and is not a Partner in a Partnership. The term "Partner" has been retained because it is an accepted way of referring to senior professionals.

Our VAT registration number is 798 840 460. The details of our professional indemnity insurance specified in the Provision of Services Regulations 2009 will be provided to you on request by Michael Yianni (Senior Partner).

## 2. Jurisdiction

English law shall apply in every respect in relation to the valuation and the agreement with the client which shall be deemed to have been made in England. In the event of a dispute arising in connection with a valuation, unless expressly agreed otherwise in writing by Bellevue Mortlakes, the client, and any third party using the valuation, will submit to the jurisdiction of the English Courts only. This will apply wherever the property or the client is located or the advice is provided.

## 3. Limitations on Liability

**3.1** Our valuation is confidential to the party to whom it is addressed for the stated purpose and no liability is accepted to any third party for the whole or any part of its contents. Liability will not subsequently be extended to any other party save on the basis of written and agreed instructions; this may incur an additional fee. Except as set out in 3.2 below the terms of the agreement between Bellevue Mortlakes and the client are not enforceable by any third party under the Contracts (Rights of Third Parties) Act 1999.

**3.2** No claim arising out of or in connection with this agreement against any member, employee, partner or consultant of Bellevue Mortlakes (each called a "Bellevue Mortlakes Person"). Those individuals will not have a personal duty of care to the client or any other party and any such claim for losses must be brought against Bellevue Mortlakes. Any Bellevue Mortlakes Person may enforce this clause under the Contracts (Rights of Third Parties) Act 1999 but the terms of our agreement may be varied by agreement between the client and Bellevue Mortlakes at any time without the need for any Bellevue Mortlakes Person to consent.

**3.3** Our maximum total liability for any direct loss or damage whether caused by our negligence or breach of contract or otherwise is limited to £10,000,000.

**3.4** We do not accept liability for any indirect or consequential loss (such as loss of profits). Nothing in these Terms of Business (or in our letter of engagement) shall exclude or limit our liability in respect of fraud or for death or personal injury caused by our negligence or for any other liability to the extent that such liability may not be excluded or limited as a matter of law.

## 4. Disclosure and Publication

If our opinion of value is disclosed to persons other than the addressee of our report, the basis of valuation should be stated. Neither the whole nor any part of the valuation report nor any reference thereto may be included in any published document, circular or statement nor published in any way whatsoever whether in hard copy or electronically (including on any web-site) without our prior written approval of the form and context in which it may appear.

## 5. Complaints Procedure

If you have any concerns about our service, please raise them in the first instance with valuer concerned. If this does not result in a satisfactory resolution, please contact our Senior Partner, Michael Yianni, as required by RICS, we will send you a copy of our Complaints Procedure on request.

## 6. Our Fees

**6.1** If any invoice remains unpaid after the date on which it is due to be paid, we reserve the right to charge interest, calculated daily, from the date when the payment was due until payment is made at 4% above the then prevailing bank base rate of National Westminster Bank PLC or (if higher) at the rate provided for under the Late Payment of Commercial Debts (Interest) Act 1998 and its regulations (if applicable). If we should find it necessary to use legal representatives or collection agents to recover monies due, you will be required to pay all costs and disbursements so incurred.

**6.2** If before the valuation is concluded:

- you end this instruction, we will charge abortive fees; or
- you delay the instruction by more than 1 month or materially alter the instruction so the additional work is required at any stage we will charge additional fees,

And in each case such fees will be calculated on the basis of reasonable time and expenses incurred.

**6.3** Where the valuation is for loan security purposes, and we agree to accept payment of our fee from the borrower, the fee remains due from yourselves until the payment is received by us. Additionally, payment of our fee is not conditional upon the loan being drawn down or any conditions of the loan being met.

## 7. Disclosable Interests

We may offer the following services to prospective purchasers and similarly the services may be offered to them by another organisation in circumstances where we may benefit financially: financial services, property letting and management services, building construction, refurbishment and maintenance services and the sale of the prospective purchasers property.

## 8. RICS Valuation Standards – "The Red Book"

Valuations and appraisals will be carried out in accordance with the RICS Valuation Professional Standards (9<sup>th</sup> Edition) ("The Red Book"), any valuers who conform to its requirements and with regard to relevant statutes and regulations. Compliance with the Red Book is mandatory for Chartered Surveyors in the interest of maintaining high standards of service and for the protection of clients.

## 9. Regulation and Monitoring

Bellevue Mortlakes is registered for the regulation in the UK by RICS. The valuation may be subject to monitoring under the RICS conduct and disciplinary regulations. The report and valuation may be subject to RIC audit for compliance purposes.

## 10. Valuation Basis

Valuations and appraisals are carried out on basis appropriate to the purpose for which they are intended and in accordance with the relevant definitions, commentary and assumptions contained in The Red Book. The basis of valuation will be agreed with you in the letter covering the specific terms for the instruction.

## 11. Portfolios

Where requested to value a portfolio, unless specifically agreed with you otherwise, we will value the individual properties separately, upon the assumption that the properties have been marketed in an orderly manner.

## 12. Sources of Information

We rely upon information provided to us, by the sources mentioned within our valuation report, as to details of tenure and tenancies, planning consents and other relevant matters, as summarised in our report. We assume that this information is complete and correct.

## 13. Identity of Property to be Valued

We will exercise reasonable care and skill (but will not have an absolute obligation to you) to ensure that the property, identified by the property address in your instructions, is the property inspected by us and contained within our valuation report. If there is ambiguity as to the property address, or the extent of the property to be valued, this should be drawn to our attention in your instructions or immediately upon receipt of our report.

## 14. Confidentiality

The report will be provided for the stated purpose and for the sole use of the named client. We accept responsibility to the client alone that the report will be prepared with the skill, care and diligent responsibility to be expected of a reasonably competent valuer and accept no responsibility whatsoever to any parties other than the client. Any third parties rely upon the report at their own risk. Neither the whole or any part of the report nor any reference to it may be included in any published document, circular or statement nor published in any way without the prior written consent of Bellevue Mortlakes as to the form and context in which it may appear.

## 15. Data Security

During the valuation process we will have access to, or may be provided with personal, confidential and/or commercially sensitive information. Bellevue Mortlakes will maintain this information in accordance with the Data Protection Act 1988 and the company's data security policy. Any such information will be held securely with authorised access only; it will be verified where appropriate, and only used for the purposes of providing our valuation service.

## Valuation Bases:

### 1. Market Value (MV):

Valuations based on Market Value shall adopt the definition, and the conceptual framework, settled by the International Valuation Standards Committee.

Market Value is defined as:

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

### 2. Existing Use Value (EUV):

Existing Use Value is the basis suitable for financial reporting purposes under UK accounting standards only and is defined as:

The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in 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.

(Cont..)

## General Terms of Business for Valuations

3. **Market Rent (MR):**  
Market Rent is defined as:  
The estimated amount for which a property, or space within a property, should lease (let) on the date of valuation between a willing lessor and a willing lessee on appropriate lease terms in an arm's – length transaction after proper marketing wherein the parties had acted knowledgeably, prudently and without compulsion.
4. **Projected Market Value (PMV) of a Residential Property only:**  
Projected Market Value is designed to provide residential mortgage lenders with a simple numeric indication of the valuer's opinion of short- term market trends and is defined as:  
  
The estimated amount for which a property is expected to exchange at a date, after the date of valuation and specified by the valuer, between a willing buyer and a willing seller, in an arm's – length, after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.
5. **Market Value, Subject to Special Assumptions:**  
Where an assumption is made that assumes facts that differ from those existing at the *date of valuation*, it becomes a *special assumption* (see *VPS 4 Paragraph 3 Special Assumptions and IVS 101 Scope of Works*). *Special assumptions must be agreed in writing with the Client*. Special assumptions are often used to illustrate the effect of possible changes on the value of an asset. They are designated as "special" so as to highlight to a valuation user that the valuation conclusion is contingent upon a change in the current circumstances or that it reflects a view that would not be taken by market participants generally on the *valuation date*. Assumptions and *special assumptions* must be reasonable and relevant having regard to the purpose for which the valuation is required.

In certain circumstances we may be asked to provide a Market Value subject to special assumptions which have previously been agreed between us and the client. Where such interpretations are required the additional special assumptions will be included within the valuation section of the report.

### **Regulated Purpose Valuations (RPV):**

RICS has established particular requirements in circumstances where a valuation although provided for a client may also be of use to third parties, for instance, the shareholders in a company, defined by the RICS as "Regulated Purpose Valuations". Where a valuation is for a regulated Purpose, in accordance with RICS requirements, Bellevue Mortlakes shall state the following in its report:

- (a) The length of time the valuer has continuously been the signatory to valuations provided to the client for the same purpose as the Report, together with the length of time Bellevue Mortlakes has continuously been carrying out the valuation instruction for the client.
- (b) The extent and duration of the relationship of Bellevue Mortlakes with the client.
- (c) In relation to Bellevue Mortlakes's preceding financial year the proportion of the total fees, if any, payable by the client to the total fee income of Bellevue Mortlakes is expressed as one of the following:
  - Less than 5%; or
  - If more than 5% an indication of the proportion within a range of 5 percentage points.
- (d) Where, since the end of the last financial year, it is anticipated that there will be a material increase in the proportion of the fees payable, or likely to be payable, then we shall include a further statement to that effect in addition to (c) above.

When instructed in a continuing role as a Valuer it is Bellevue Mortlakes's policy to rotate persons responsible for valuations and the signatory to the report, on a seven yearly basis, unless specifically agreed otherwise.

# APPENDIX 2



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# Standard Limitations & Assumptions

## 1. Security Analysis

### General Commentary

- 1.1 We have been requested to comment on the suitability of the property for loan security purposes.
- 1.2 Within our valuation report we have commented on any inherent property related risks which we have identified as part of our due diligence and which we consider should be drawn to your attention. Determination of the degree and adequacy of capital and income cover for loans is the responsibility of the lender having regard to the terms of the loan.

### Loan/Borrower

- 1.3 We have not been provided with accounts or other financial information on your Customer, and are unable to comment on their financial strength. We would recommend that you satisfy yourselves that your Customer has the necessary capability to meet the intended repayments.
- 1.4 We have not been provided with the terms of the loan being offered to your Customer. We assume that the loan to value ratio, interest cover ratio and loan term length are within typical market parameters. Our assessment is made upon the property itself (in isolation) and no recommendation is given by Belleveue Mortlakes in respect of the length of term considered appropriate or sum to be advanced and any decision in this respect should be subject to the usual lending criteria of the Bank.

### Verification

- 1.5 The report has been based, to some extent, on information provided verbally which should be checked by your solicitors. In particular, this may apply to tenure and planning. Their searches may also reveal whether any historical use of the property is likely to have resulted in contamination.
- 1.6 We reserve the right to amend our valuation following any searches which provide information that differs from that previously assumed.

### Specialist & Suggested Reports

- 1.7 Where appropriate we may highlight in some instances specialist reports which may be required.
- 1.8 Suggestion – (not essential, unless specifically drawn to your attention) - the lender may wish to commission an EnviroScreen or GroundSure report which will provide commentary on risk of contamination/flooding. This type of survey report can usually be requested as an additional search via your legal advisors.

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## Recoveries

- 1.9 We are not privy to the full extent of how this loan is structured and can therefore only comment on the recovery of a loan advanced against this security, in isolation.
- 1.10 The report has been reviewed by our LPA Receivers, who confirm that there are no major areas of concern which will adversely affect enforcement of this security. We recommend that this is also confirmed by your legal advisors.

## Scope of Enquiries

- 1.11 The extent of enquiries made are set out in our General Terms of Business and within this Standard Limitations & Assumptions. In carrying out this instruction we have undertaken verbal / web based enquiries referred to in the relevant section of the report. We have relied upon this information as being accurate and complete.
- 1.12 Some information within the valuation report has been provided "the Client", "the Customer", its advisers and other third parties. We have relied upon information as being materially correct in all respects.
- 1.13 In the absence of any other documents or information provided, we have had to rely solely upon our own enquiries as outlined in the valuation report. Any assumptions resulting from the lack of information are also set out in the relevant sections of the valuation report and within this Standard Limitations & Assumptions document.

## 2. The Property

### Description

- 2.1 Where the age of the building is estimated, this is for guidance only.

### Construction

- 2.2 Unless otherwise stated within the report, the property is of a traditional or system built (applicable to Local Authority blocks) construction.
- 2.3 We do not normally carry out investigations on site to ascertain whether any building was constructed or altered using deleterious materials or techniques (including, by way of example, high alumina cement concrete, woodwool as permanent shuttering, calcium chloride or asbestos).
- 2.4 For the purposes of this valuation we have assumed that such investigations would not disclose the presence of any such material in any adverse conditions.

### General Repair & Condition

- 2.5 We have undertaken a visual inspection of the exterior and interior of the property, to the extent which is accessible with safety and without undue difficulty, as can be seen whilst standing at ground level and within the boundaries of the site, and adjacent public/communal areas, and whilst standing at the various floor levels which we consider reasonable in order to provide the service having regard to its purpose. We have not carried out a building or structural survey or inspect those parts of the property which were covered, unexposed or inaccessible nor raised floor boards, moved any fixed apparatus or arranged for a test of the electrical, heating or other services.
- 2.6 With regard to flats, our inspection was limited to the subject flat(s) and immediately adjacent common areas only. It is not possible to comment on the condition of other parts of the building or on any potential liability for defects in such parts.
- 2.7 In preparing the report, unless otherwise stated, the following assumptions have been made which we are under no duty to verify:
- A. That no deleterious or hazardous materials or techniques were used in the construction of the property nor have since been incorporated.
  - B. That inspections of those parts which have not been inspected would neither reveal material defects nor cause the valuer to alter the valuation materially.

### Condition

- 2.8 An overview of the condition of the property is described within the report.

### General Remarks

- 2.9 For loan security purpose, within each report, significant defects or items requiring urgent attention will be brought to your attention. We will also advise if a retention is required or a condition of the mortgage advance is recommended.

### Significant Issues

- 2.10 We would refer you to the main body of the report for details of repair liabilities. Where appropriate, we have highlighted significant issues which require immediate attention or issues which will have an adverse affect on value. Should this be the case, we have factored these considerations into our reported Market Values.

- 2.11 Properties built prior to the 1960s in particular are susceptible to dampness, timber decay and attack by wood boring beetle infestation. We have reported only on any obvious serious problems that might affect value. Otherwise we recommend that the property is regularly inspected and maintained to ensure that it is kept from these defects, and this is a matter that should be addressed under the general maintenance and management of the building.
- 2.12 We may report that the building has areas of flat roof. Flat roofs, particularly those with a felt covering, have a limited life and are prone to failing suddenly and therefore require regular inspection, maintenance and cyclical renewal.

### **Structural Condition**

- 2.13 Building, structural and ground condition surveys are detailed investigations of the building, the structure, technical services and ground and soil conditions undertaken by specialist building surveyors or engineers and fall outside the normal remit of a valuation. Since we will not have carried out any of these investigations, except where separately instructed to do so, we are unable to report that the property is free of any structural fault, rot, infestation or defects of any other nature, including inherent weaknesses due to the use in construction of deleterious materials. We do reflect the contents of any building survey report referred to us or any defects or items of disrepair of which we are advised or which we note during the course of our valuation inspections but otherwise assume properties to be free from defects.
- 2.14 We have reported on any obvious structural movement that may be significant, progressive or require further investigation.

### **Ground Conditions**

- 2.15 We assume there to be no unidentified adverse ground or soil conditions and that the load bearing qualities of the sites of each property are sufficient to support the building constructed or to be constructed thereon.

### **Services**

- 2.16 We have not tested any of the services within the property but made a visual inspection of those which are connected.
- 2.17 Specific details relating to the mains services of the property have been described within the valuation report.
- 2.18 We assume that all service installations are tested including by approved NICEIC and Gas Safe Registered contractors and that all recommendations and statutory requirements are fully implemented.
- 2.19 We emphasise that we have not undertaken a building survey of the property and should you require a more detailed report upon the mechanical and electrical equipment, a further inspection and report will be necessary. Our valuation assumes that all electronically operated or electronically controlled equipment at the property is not or will not be adversely affected by any computer virus or date related programming problems.
- 2.20 With respect to properties which have comfort cooling/air-conditioning, regulations for the installation, maintenance and re-filling of air conditioning plants have become more complex and restrictive in recent years. We have not inspected or tested the plant to confirm whether it works satisfactorily or whether it complies with all current legislation.

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## Accommodation

- Measurement**
- 2.21 All areas are approximate only and unless indicated otherwise have been measured in accordance with RICS Property Measurement, First Edition, on a Gross Internal Area (GIA), Net Internal Area (NIA) or Gross External Area (GEA) basis.
  - 2.22 We have measured the property using a Disto electronic measuring device, accurate to +/- 5mm up to 60m.
  - 2.23 The accommodation description is summarised within the report.
  - 2.24 The valuation given does not include any chattels or contents within the property.

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## 3. Tenure & Tenancies

### Legal Title

- 3.1 We have assumed a good and marketable title and that all documentation is satisfactorily drawn. We further assume that there are no unusual outgoings, planning proposals, onerous restrictions or local authority intentions which affect the property, nor any material litigation pending.
- 3.2 We recommend that our understanding of all legal title issues is referred to your legal advisers for their confirmation that our understanding is correct.
- 3.3 If any matters come to light as a result of your legal adviser's review of these issues, we request that these matters are referred back to us as this information may have an important bearing upon the values reported.
- 3.4 We have not been provided with a Report on Title (ROT) and have, therefore, made various assumptions for the purposes of the valuation reported herein. If a ROT is produced we will be pleased to review and advise accordingly.
- 3.5 We emphasise that we are not Solicitors, and our observations are subject to verification by the Bank's appointed legal advisers in their formal Report on Title.

### Tenure

- 3.6 We will usually inspect Office Copy entries relating to the property. Instances of uncertainty or anomalies will be raised within the report.

### Freehold

- 3.7 Where the property has been identified as freehold, we have assumed that the freehold interest is free from any encumbrances, unduly onerous or unusual easements, rights of way, rights of light, restrictions, outgoings or conditions which would have an adverse effect upon the value of the property.

### Leasehold

- 3.8 In the absence of a copy lease, we have assumed that normal covenants and liabilities devolve upon the lessee.
- 3.9 We are not aware of the current passing ground rents or service charges but have assumed they are commensurate for the respective property type and location.
- 3.10 Where it is identified as being leasehold, we have assumed that the leasehold interest is free from any encumbrances, unduly onerous or unusual easements, rights of way, rights of light, restrictions, outgoings or conditions which would have an adverse effect upon the value of the property.

- Short Leasehold**
- 3.11 Leasehold interests approaching or below 80 years are considered short and these properties will continue to be a depreciating asset until such time as the lease is extended. Legal advisers should ensure that the lease can be extended subject to the Commonhold and Leasehold Reform Act 2002.
  - 3.12 Where this is the case the valuation takes into account the effect of the diminution in value as a result of the term unexpired and how these would be treated by lenders, for loan security purposes.
  - 3.13 Our assumptions relating to tenure should be verified by your legal advisers. If they prove incorrect any variation may have a material impact on value and should be referred back to us for further comment.

## Tenancies

- Inspection of Tenancy Agreements**
- 3.14 The report will confirm if an Assured Shorthold Tenancy 'AST', occupational agreement, commercial lease or other form of tenancy agreement has been provided.
- Provided**
- 3.15 Where documentation is provided, the Assured Shorthold Tenancy 'AST' / Commercial Lease / Occupational Agreement or tenancy agreement's salient terms will be summarised.
  - 3.16 Adverse or onerous terms, conditions, or covenants which would affect value will be highlighted and commented upon. We emphasise that we are not Solicitors, and our observations in this regard are subject to verification by your legal advisers.
- Not Provided**
- 3.17 In the absence of tenancy documentation, we have relied upon information provided to us by your Customer.
  - 3.18 In this instance, we assume that the AST/Commercial Lease or other form of tenancy agreement is in usual form, with no onerous terms, conditions, covenants which would affect value.
  - 3.19 We advise that all information and assumptions relating to the tenancies are verified by your legal advisors. If they prove incorrect any variation may have a material impact on value and should be referred back to us for further comment.

## Covenant Strength

- 3.20 We reflect our general appreciation of potential investors' likely perceptions of the financial status of tenants. We do not, however, carry out detailed investigations as to the financial standing of tenants, except where specifically instructed, and assume, unless informed otherwise, that in all cases there are not significant arrears of payment and that tenants are capable of meeting their obligations under the terms of leases and agreements.
- 3.21 It is beyond the scope of our expertise to give any guarantees in respect of the financial credibility and grading of the commercial tenant. We recommend that the lender, purchaser or investor undertakes its own due diligence and satisfies themselves in this regard.

## 4. Statutory & Legal Matters

### Planning Enquiries

- 4.1 Enquiries of the relevant Planning and Highways Authorities in respect of matters affecting the property, where considered appropriate, are normally only obtained verbally or from a Local Authority website. Written enquiries can take several weeks for response and incur charges. Where reassurance is required on planning matters, we recommend that formal written enquiries should be undertaken by the client's solicitors.
- 4.2 These enquiries should not be taken as comprehensive searches and information on the relevant website is assumed to be both accurate and up to date. We recommend that a formal planning enquiry should be made via your legal advisors.
- 4.3 Unless specifically highlighted within the valuation report, for the purpose of our valuation, we have assumed that the property benefits from planning permission and building regulations for its current layout, configuration, conversion, extension and use. We further assume that the premises comply with all relevant statutory requirements including fire and building regulations
- 4.4 In the case of properties built within the last ten years, we have assumed that the customary 10 years NHBC, Zurich or identical cover is in place and that all necessary statutory consents have been obtained and complied with for the development.

### Planning History

- 4.5 Where available, planning history relating to the property will be provided within the valuation report.

### Alterations

- 4.6 Internal alterations, extensions or conversions will be described within the individual valuation reports.

### Significant Matters

- 4.7 Where suspected, instances of uncertainty or anomalies relating to planning or statutory regulations will be highlighted. This section of the valuation report will highlight any adverse planning related matters which may affect our reported values, for example this may include instances where there may be a suspected breach of planning permission.

### Enforcement

- 4.8 For the purposes of our valuation, we assume that there are no outstanding statutory enforcement notices. Your legal advisors should confirm should also confirm the same.

### Planning Restrictions

- 4.9 Unless specifically mentioned within the valuation report, it is assumed that the property is not listed as a building of historical or architectural importance. We further assume that it is not situated within a conservation area.

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## Highways & Access

- Highways** 4.10 Unless stated otherwise, we understand from enquiries of the Highways Authority that the property is situated on a made up road, which is adopted and maintainable at public expense.
- Access** 4.11 We assume the property benefits from good access. We further assume that the property is not affected by any encumbrances relating to rights of way.
- Shared Drives / Services Roads/ Communal Areas** 4.12 Where a shared drive is brought to attention, a service road exists or communal areas are highlighted, solicitors may wish to investigate its ownership, rights of way and joint liabilities with respect to maintenance.
- Residential Blocks** 4.13 We assume appropriate rights of way exist over communal access areas and maintenance is covered by way of a service charge.

## Rating Assessment

- 4.14 Information relating to Council Tax bands or Rateable Values has been obtained via The Valuation Office Agency, and is presented within the valuation report.

## Registration & Licences

- 4.15 Unless specifically highlighted within our valuation report, we understand that no licences are required from the Local Authority for the current occupations.

- HMO Specific Legislation** 4.16 Information relating to HMO licensing will be provided, if applicable, within the valuation report.

## Fire Safety Legislation

- 4.17 The Fire Regulatory Reform (Fire Safety) Order 2005 came into effect on 1st October 2006 and replaces most fire safety legislation.
- 4.18 The FSO applies to all non-domestic premises in England and Wales, including the common parts of blocks of flats and houses in multiple occupation (HMOs).
- 4.19 Under this legislation, a "responsible person" must now carry out a "Fire Risk Assessment" (or otherwise ensure one is carried out by a suitably qualified person).
- 4.20 We are not aware if a Risk Assessment has been undertaken. We recommend that the need to commission such an assessment and the implementation of its recommendations should be drawn to the attention of the customer.

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## **Equality Act (Commercially Used Premises Only)**

- 4.21 The Equality Act 2010 came into effect on 1<sup>st</sup> October 2010 and replaces previous legislation concerning discrimination, much of which was contained within the Disability Discrimination Act 1995.
- 4.22 A service provider or property owner is required to take reasonable steps to remove or alter any feature of a property that makes it impossible, or unreasonably difficult, for a disabled person to make use of the services of the property.
- 4.23 The definition of disability is wide ranging and the assessment of a building for this purpose is beyond the scope of this report.
- 4.24 This matter should be brought to the customers' attention as non-compliance could result in civil proceedings.
- 4.25 In order to properly assess what steps if any need to be taken to ensure that the property is compliant with the Act, we advise that an Access Audit is undertaken so that any deficiencies are correctly identified. We would be happy to comment on the contents of the report and likely effect, if any, on the property's value.
- 4.26 We have not carried out or commissioned any investigations to determine whether or not the property complies with the above requirements nor have we made any allowance for the cost of compliance works.

## **Asbestos at Work Regulation (Commercially Used Premises Only)**

- 4.27 Obligations within the Control of Asbestos Regulations 2012 require every "dutyholder" of non-domestic premises to assess whether asbestos is, or is liable to be, present; to prepare and implement a plan for managing any risks arising; and to review and revise the plan as necessary. A "dutyholder" is any person with any extent of responsibility for the maintenance or control of the whole or part of the premises.
- 4.28 The legal requirement to commission such a report in accordance with the Regulations from a suitable qualified and insured professional, individual or company and the need to implement its recommendations, should be drawn to the attention of the customer.
- 4.29 We have not been informed of whether or not a full survey or register has been prepared and would recommend that the Client's solicitor clarifies this.

## **Asbestos (Residential Premises)**

- 4.30 Properties built after the 1940s and prior to the late 1980s in particular often contain asbestos based materials within their construction and the material might be found in such items as textured wall or ceiling finishes, floor tiles, wall, duct or door panels, electric heaters, some water tanks, lagging, and bath panels etc. Unfortunately, it is not always possible to identify asbestos based materials on a purely visual inspection. Further advice on asbestos may be obtained from the local environmental health officer.

## Health & Safety

- Residential Premises**
- 4.31 The letting of residential property requires compliance with strict health and safety standards by both owners and managers. The failure to comply can lead to civil and even criminal prosecutions. The requirements placed on the owners of let residential property include, but are not limited to:-
- 4.32
- Furniture & Furnishings (Fire) (Safety) Regulations 1988
  - Gas Safety (Installation and Use) Regulations 1998
  - Electrical Equipment (Safety) Regulations 1994
  - Housing Fitness Standards
  - Housing Health & Safety Rating System under the Housing Act 2004
- Commercial Premises**
- 4.33 All occupiers should be aware that Health and Safety requirements differ greatly according to how the premises are used. We have not made enquiries to ascertain the appropriateness of the premises for their current/proposed use or to confirm compliance with regulations.
- 4.34 We have assumed for the purposes of our report that there are no outstanding improvement notices served under appropriate legislation.
- 4.35 We have assumed in our valuation that all regulations have and will be complied with.
- The Smoke and Carbon Monoxide Alarm (England) Regulations 2015**
- 4.36 At the time of our inspection, we did not test any alarms or installations as this is beyond the scope of our instructions. We recommend that the Bank's legal advisers obtain confirmation from the customer that if the property is to be let, that it is fully compliant that the customer will ensure that these obligations on the landlord continue to be met.
- In arriving at our opinion of value we have assumed continuing compliance with the legislation.

## Energy Act 2011

- EPC Ratings**
- 4.37 The EPC ratings provided within our valuation report have been sourced from data published by Department of Communities and Local Government, on [www.ndepcregister.com](http://www.ndepcregister.com) (commercial premises) and [www.epcregister.com](http://www.epcregister.com) (residential premises). We will indicated within our report if we have been unable to obtain an EPC Certificate/rating.
- 4.38 Since 1<sup>st</sup> October 2008, all owners of residential and commercial property are required to produce an Energy Performance Certificate (EPC) when the property is either sold or let.
- 4.39 EPCs give information on a buildings energy efficiency on a sliding scale from 'A' (very efficient) to 'G' (least efficient), as well as providing recommendations as to how to improve these ratings.
- 4.40 The Energy Act 2011 includes provisions that will outlaw the letting of residential and commercial properties with 'F' and 'G' EPC ratings by no later than 1 April 2018. This is unlikely to affect our opinion of value at the current time.
- 4.41 For properties which have 'F' or 'G' ratings it is likely that capital expenditure will be required to maintain their marketability under the Act. We have not made an allowance in our valuation for this potential capital expenditure.

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## 5. Environmental Considerations

### Flooding

- 5.1 We have undertaken online research via the Environmental Agency website and summarise our findings within the report.
- 5.2 We have made an assumption that building insurance is available on "normal" terms.

### Contamination

- 5.3 Investigations into environmental matters would usually be commissioned from suitably qualified environmental specialists.
- 5.4 Unless any concerns are specifically raised within our valuation report, from our basic enquiries and from our inspection of the property and the respective surroundings, we have no reason to believe that contamination is present. Our views as to value therefore assume that the property is unaffected. However, should it be established subsequently that contamination exists at the property, or on any neighbouring land, or that the premises have been put to any contaminative use, this might reduce the value now reported.
- 5.5 We are not environmental specialists and therefore we do not carry out any scientific, investigations of sites or buildings to establish the existence or otherwise of any environmental contamination, nor do we undertake searches of public archives to seek evidence of past activities which might identify potential for contamination. Where contamination is suspected or confirmed, but adequate investigation has not been carried out and made available to us, then the valuation will be qualified by reference to appropriate sections of The Red Book.
- 5.6 With regard to new properties or those built within the last 30 years, we have assumed that any necessary remedial land decontamination works were properly completed prior to the development commencing.

### Plant Life

- 5.7 Unless specifically stated, at the time of inspection no obvious evidence of any harmful vegetation was found at any of the property.
- 5.8 We recommend regular inspection and maintenance of plant life, to prevent any potential harm to the stability of the building.
- 5.9 However, the presence of knotweed can be temporarily disguised by cutting it back to ground level and we cannot warrant that it is not present. On large sites or sites with inaccessible areas, again we cannot warrant that no invasive plants are present.
- 5.10 Trees may be present close to the building. The effect of trees on the structure or services of the building will depend on their size, proximity, species, maturity, weather conditions and whether the subsoil is of a shrinkable nature. We have only specifically reported where we believe the tree(s) to be a significant hazard. We recommend generally that trees are regularly pruned and pollarded to prevent them from increasing in size.

## **Radon**

- 5.11 The property is in a part of the country where there is a low to medium likelihood of radon posing a potential risk to health. A specific test is advised if certainty is required in this regard.

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## 6. Comparable Evidence & Market Analysis

### Comparable Evidence

- 6.1 Where comparable evidence information is included in our report, this information is often based upon oral enquiries and its accuracy cannot always be assured, or may be subject to undertakings as to confidentiality. However, such information will only be referred to where we have reason to believe its general accuracy or where it is in accordance with expectation. In addition, we have not inspected comparable properties.
- 6.2 We have carried out our usual research and enquiries and had discussions with leading local agents and analysed the existing market commentaries and data in determining our opinion as to the applicable Market Value 'MV' & Market Rent 'MR' of the subject properties. Information has also been sourced from our own internal records.
- 6.3 Secondary evidence has been drawn from properties which are on the market and have not yet legally exchanged contracts.
- 6.4 In arriving at our opinion of Market Rent & Market Value we have had reference to the comparable evidence summarised within the valuation report. We have taken into account the location, size, specification and condition of the property and have had to make adjustments to account for fluctuations within the market and other material factors. We should point out that rental levels achieved may vary depending on the term of letting, covenant strength and any services provided.
- 6.5 In the case of the leasehold interests, where the leases have less than 80 years remaining, we have attempted to access evidence of similar units with short term leases. Where we have found no such transaction evidence, we have relied on our own experience of leasehold enfranchisement.

### Market Commentary & Economic Overview

- 6.6 An excerpt from a recent RICS Property Market Survey is appended to our valuation report.
- 6.7 It should be noted that this supplement is included for 'general' information only and is aimed to provide the lender a glance of the overall notable market overview, comments within the report should not form the basis of any formal decision. Being a general report, the material does not necessarily represent the view of Belleveue Mortlakes in relation to specific properties or projects and no responsibility can be accepted by Belleveue Mortlakes resulting from the contents of the document.
- 6.8 Our market analysis has been undertaken using market knowledge within Belleveue Mortlakes, enquiries of other agents/property professionals, searches of property databases, the RICS, Council of Mortgage Lenders, IPD as well as other published sources/research.

## 7. Valuation

### Methodology

- 7.1 Our valuation has been undertaken using appropriate valuation methodology and our professional judgement.

### Comparative Method

- 7.2 Where indicated within our report, in determining our opinion of Market Value & Market Rent of the property, we have made our assessment on the basis of a collation and analysis of appropriate comparables. With the benefit of such transactions we have then applied these to the property, taking into account size, location, aspect and other material factors.

### Residential Blocks

- 7.3 Where a house has been converted into self-contained flats, in line with its permitted planning permission for the conversion, or we are providing a valuation of a purpose built block of flats, our aggregate Market Value of the individual flats is based on the assumption that each flat can be sold off separately subject to a long leasehold interest (125 years) at nominal ground rent with appropriate service charge provision.

### Short Leasehold Interests (<80 years Unexpired)

- 7.4 A leasehold term approaching or below 80 years unexpired is considered short and the property will continue to be a depreciating asset until such time as the lease is extended.
- 7.5 We will attempt to access evidence of similar flats with short term leases, however this may not be readily available. Where there is a lack of direct comparables of this nature we will assess the Market Value of the property assuming it were to be sold with a long leasehold interest and make appropriate adjustments via published relativity graphs.

### Investment Method

- 7.6 Where indicated within our report, we have valued the property by way of an Investment Approach as this is the basis upon which such properties are bought and sold. In arriving at our valuation we have had regard to the rental value of the property. We have taken into consideration investment returns determined by direct comparison with yields obtained on comparable property transactions as well as other forms of investment.
- 7.7 We have also had regard to the Direct Capital Comparison method of valuation with regard to assessing any residential accommodation, which may form part of a mixed use property.

## Residual Method

- 7.8 Where indicated within our report, in determining our opinion of the Market Value (MV) of the property we have adopted the residual method of valuation taking into account the benefit of the planning permission, carrying out a valuation of the completed building and then making an allowance for the cost of construction together with fees and the cost of finance plus an allowance for developers profit. To assist with our valuation, we have utilised an industry recognised residual development valuation package which enables a full sensitivity analysis to be carried out.
- 7.9 Where our instruction requires us to have regard to build cost information, for example in the valuation of properties with development potential, we strongly recommend that you supply us with build cost and other relevant information prepared by a suitably qualified construction cost professional, such as a quantity surveyor. We do not hold ourselves out to have expertise in assessing build costs and any property valuation advice provided by us will be stated to have been arrived at in reliance upon the build cost information supplied to us by our client or their customer. In the absence of any build cost information supplied to us, we may have regard to published build cost information. There are severe limitations on the accuracy of build costs applied by this approach and professional advice on the build costs should be sought by you. The reliance which can be placed upon our advice in these circumstances is severely restricted. If you subsequently obtain specialist build cost advice, it is recommended that we are instructed to review the advice.

## Planning Irregularities

- 7.10 In instances where we have highlighted that the building does not benefit from planning permission and usual statutory regulations for its existing configuration or use, our valuation will be based on the permitted use, after making appropriate allowances/deductions for costs associated with re-instatement works.

## Valuation Bases & Definitions

**Market Value** 7.11 Market Value is defined within RICS Valuation Standards as:

“The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.”

**Market Rent** 7.12 The basis of valuation for our opinion of rental value is Market Rent. This is defined in RICS Valuation Standards as:

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

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## Disposal Costs and Liabilities

- 7.14 No allowance is made in our valuation for expenses of realisation or for taxation which may arise in the event of a disposal and our valuation is expressed as exclusive of any VAT that may become chargeable. Properties are valued disregarding any mortgages or other charges.

## Building Reinstatement

- 7.15 We are not aware of the current level of building reinstatement insurance cover and therefore cannot comment upon the adequacy of same, however we would recommend that the property be insured for a minimum sum, as reported.
- 7.16 This sum allows for full reinstatement, professional fees and VAT but excludes any allowance for inflation, and should accordingly be updated on an annual basis to keep pace with rising costs.
- 7.17 Where the properties form part of a larger structure (i.e. block), the building insurance figure provided is for the subject property only and given solely as a guide as it is assumed that the building as a whole is insured under a single policy.
- 7.18 We would emphasise that the figures detailed in our report is our estimate of the cost of rebuilding the premises and bears no direct relationship to current market value. The figure given is for guidance only and does not comprise a formal fire insurance valuation of this property.
- 7.19 Our reinstatement assessment should be compared with the owner's and if there is a material difference, then a full reinstatement valuation should be considered.

## Building Insurance

- 7.20 Our valuation assumes that the property would, in all respects, be insurable against all usual risks including terrorism, flooding and rising water table at normal, commercially acceptable premiums.

# APPENDIX 3



## Headline occupier demand metric stabilises as the weaker trend in investor activity eases

- Industrial capital value expectations recover slightly, with occupier fundamentals still solid
- Secondary offices and retail continue to struggle but prime offices post firmer expectations
- Majority of respondents still view the market to be in a downturn although a rising share now feel conditions are stabilising (or beginning to improve) relative to last quarter

The results of the Q1 2023 RICS UK Commercial Property Monitor remain generally subdued as the market continues to contend with higher borrowing costs and a sluggish economic growth outlook. That said, the overall tone to the latest feedback is not as downbeat as last quarter. Indeed, the industrial sector in particular has shown renewed momentum, evidenced by near-term capital value expectations turning marginally positive following the sharp downward adjustment seen at the end of last year as bond yields jumped higher. Overall, although 50% of respondents feel conditions are consistent with a downturn phase of the property cycle, respective shares of 25% and 21% now feel the market has either reached a floor or has begun to turn up (9% and 5% in Q4).

Starting with the occupier backdrop, the headline net balance for tenant demand came in at -3% in Q1. Although indicative of a largely flat picture, this marks an improvement on a reading of -20% posted last time. Within this, the industrial sector saw a pick-up in occupier demand, registering a net balance of +16% vs +6% in Q4. Meanwhile, tenant demand was flat to marginally negative for office space (net balance -6%) and continued to fall across the retail sector (net balance -23%). Even so, in both instances, this was less negative than in the previous quarter. Alongside this however, vacant space continued to edge higher within the office and retail segments, prompting landlords to increase to value of incentive packages. Conversely, availability dipped marginally for industrials.

Looking at the prospects for rental growth, the net balance of respondents anticipating an increase in prime industrial rents over the next twelve months rose from +40% in Q4 to +58% in Q1, and from +6% to +23% for secondary industrial rents. By way of contrast, the outlook for rents remains negative for prime and secondary retail outlets, although the net balance of respondents expecting falls did moderate compared to Q4. For the office sector, there remains a stark contrast between prime and secondary, with the former expected to see solid rental gains (net balance +29%) while rents are seen falling across the latter (net balance -37%). Anecdotal remarks continue to cite ESG factors as an important driver of demand for some offices.

When disaggregated by broad region, a net balance of +38% of respondents foresee prime office rents in London rising in the year to come (up from a figure of +19% beforehand). Although growth in prime office rents is also seen across the South, Midlands and the North, expectations are not quite as elevated as those in London (in net balance terms). On the same basis, industrial rental growth expectations are particularly buoyant across the Midlands, albeit all parts of the country are expected to deliver a solid uptick in industrial rents. At the weaker end of the spectrum, both prime and

secondary retail rents are projected to fall across most parts of the UK. Interestingly however, rents are now anticipated to pick-up marginally for prime retail space in London.

Turning to the investment market, the headline metric capturing investor demand posted a net balance of -14% in Q1. Although still indicative of a weakening in investor enquiries (for a third straight quarter), the latest figure is less downcast than the reading of -30% seen in Q4. A tighter lending environment continues to present a headwind to investor activity, with the survey's series gauging changes in credit conditions pointing to a fifth successive quarterly deterioration. Even so, the Q1 net balance of -37%, while still signalling a tougher lending backdrop, is the least negative reading seen since Q1 2022.

At the sector level, the latest net balances regarding investment demand for offices and retail assets came in at -26% and -27% respectively. Alongside this, industrial buyer demand appeared to stabilise, returning a net balance reading of +4% (compared to -9% last quarter). Notwithstanding this, indicators tracking overseas investment demand remained in negative territory across all three traditional market sectors.

Regarding the twelve-month outlook for capital values, the all-property expectations net balance moved to -10% following a reading of -40% previously. Moreover, expectations turned from negative to slightly positive in both the prime and secondary portions of the industrial market. Across the prime office sector, values are now seen holding steady over the year ahead (net balance +6% vs -31% in Q4), although expectations remain deeply negative for secondary office values (net balance -44% compared to -65% previously). Alongside this, respondents still foresee further falls in retail values, both prime and secondary, posting net balances of -19% and -50% respectively.

Away from the mainstream sectors, respondents do envisage some positive growth over the year ahead in capital values across aged care facilities, life sciences, student housing and multifamily residential. For hotels, the outlook appears flat to marginally positive. At the other end of the scale, leisure capital values are expected to fall according to a net balance of -24% of respondents.

In response to a set of extra questions included in the Q1 survey, just over 50% of respondents stated that they currently assess the extent of potentially 'stranded' assets in the portfolios they are involved with. Furthermore, close to three-quarters of respondents feel that between 10% and 30% of these assets could potentially be 'stranded' if no investment at all is made to enhance them to meet legislative and market requirements.

## Forward-looking indicators again turn slightly less downbeat but clouds are gathering on the horizon

- Metrics on new buyer enquiries and agreed sales post the least negative readings in twelve months
- National house prices are still falling although downward momentum continues to ease
- New instructions indicator moves into positive territory for the first time since early 2022

The results of the May 2023 RICS UK Residential Survey continue to turn a little less downbeat, evidenced in particular by metrics on demand and sales returning their least negative readings in over a year. That said, the recent upward shift in interest rate expectations, prompted by disappointingly high consumer price inflation data, may place renewed pressure on the sales market in the months ahead.

Looking at demand, the headline net balance for new buyer enquiries came in at -18% in May. Although this is still indicative of a subdued trend in buyer demand, the latest reading is up from a net balance of -34% last time and represents the least negative return over the past twelve months. When viewed at the regional level, virtually all parts of the UK exhibit a less negative reading for new buyer enquiries when compared to the start of the year.

Meanwhile, the agreed sales indicator returned a net balance of -7% this month, noticeably less downbeat than figures of -29% and -18% seen back in March and April respectively. Similarly, the latest net balance for near-term sales expectations was recorded at -7%, representing the least pessimistic view from respondents since May 2022 (up from -17% in April). At the twelve-month time horizon, the sales expectations net balance stands at +2% (virtually unchanged from +3% previously) and is consistent with a generally steady sales outlook.

Interestingly, new instructions were reported to have risen by a net balance of +14% of survey participants during May. Consequently, this breaks a run of thirteen successive negative monthly readings beforehand, and marks the strongest reading for the new listings metric since March 2021. Alongside this, average stock levels on estate agents books have picked up slightly in recent months to stand at 38 properties, albeit



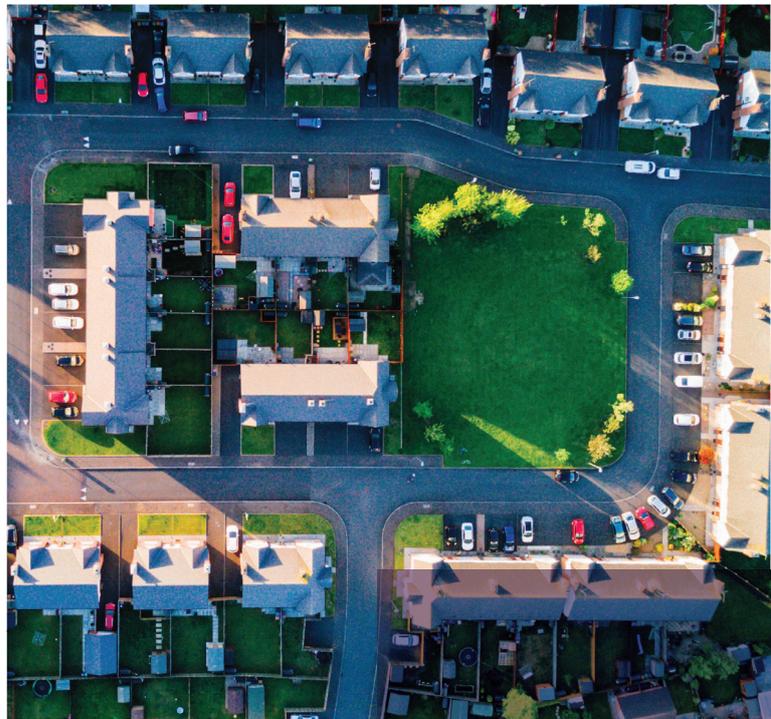
inventories remain low on a historical comparison (and still comfortably below the near 40 average seen over the past five years).

Turning to house prices, a net balance of -30% of respondents cited a further fall in national prices during May. Even so, this measure has now turned less negative in each of the past three reports, having hit a recent low of -46% in February. Within this, the disaggregated data is now showing some noteworthy variations in house price trends across different parts of the UK. In London for instance, the latest net balance of -3% is now pointing to a largely steady picture (up from readings of -42% and -11% in March and April). At the same time, respondents in both Scotland and Northern Ireland are seeing an uplift in house prices. At the other end of the spectrum, prices continue to fall in most other English regions, with the net balances across the East Midlands (-68%) and the South East (-48%) sitting most deeply in negative territory.

Looking ahead, the national house price expectations series (for the coming twelve months) now sits in broadly neutral territory, posting a net balance of just -3%. This is up from a reading of -16% last month and is now signalling that a much steadier picture for house prices is anticipated in a year's time. Within this, respondents foresee prices rising on a twelve-month perspective in Northern Ireland, Scotland, London, the North West and the South West (marginally). Away from these areas however, respondents see the outlook for prices as flat to modestly negative in most cases.

In the lettings market, a headline net balance of +44% of contributors saw an increase in tenant demand in May (part of the monthly non-seasonally adjusted lettings dataset). On the same basis, new landlord instructions were said to have fallen by a net balance of -23% of respondents.

Drilling further into the supply backdrop across the rental market, almost two-thirds of survey participants report seeing an increase in the number of buy-to-let landlords looking to sell their properties. Alongside this, a similar proportion report that there has been a decline the level of interest from new UK based buy-to-let investors over the past six months, while 30% also cite a decline in interest from overseas buy-to-let investors. With all of this contributing to the continued mismatch between rising demand and falling supply, rental prices are expected to rise by a net balance of +53% of respondents over the near term. Moreover, rental price growth is now expected to average just shy of 6% per annum over the course of the next five years.



# APPENDIX 4



# Energy performance certificate (EPC)

23 Woolwich Road  
BELVEDERE  
DA17 5EE

Energy rating

**E**

Valid until: **3 August 2033**

Certificate number: **1621-5492-1981-5513-7721**

Property type

Retail/Financial and Professional Services

Total floor area

69 square metres

## Rules on letting this property

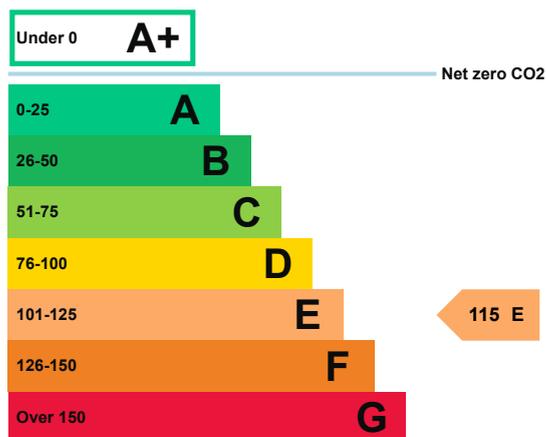
Properties can be let if they have an energy rating from A+ to E.

## Energy rating and score

This property's current energy rating is E.

Properties get a rating from A+ (best) to G (worst) and a score.

The better the rating and score, the lower your property's carbon emissions are likely to be.



## How this property compares to others

Properties similar to this one could have ratings:

If newly built

14 A

If typical of the existing stock

54 C

## Breakdown of this property's energy performance

Main heating fuel

Grid Supplied Electricity

Building environment

Heating and Natural Ventilation

Assessment level

3

Building emission rate (kgCO<sub>2</sub>/m<sup>2</sup> per year)

34.94

Primary energy use (kWh/m<sup>2</sup> per year)

367

## Recommendation report

Guidance on improving the energy performance of this property can be found in the [recommendation report \(/energy-certificate/4949-1595-7407-1962-2049\)](#).

## Who to contact about this certificate

### Contacting the assessor

If you're unhappy about your property's energy assessment or certificate, you can complain to the assessor who created it.

Assessor's name	Richard Longhurst
Telephone	07462544224
Email	<a href="mailto:richard@rainbowecosolutions.co.uk">richard@rainbowecosolutions.co.uk</a>

### Contacting the accreditation scheme

If you're still unhappy after contacting the assessor, you should contact the assessor's accreditation scheme.

Accreditation scheme	Elmhurst Energy Systems Ltd
Assessor's ID	EES/018822
Telephone	01455 883 250
Email	<a href="mailto:enquiries@elmhurstenergy.co.uk">enquiries@elmhurstenergy.co.uk</a>

### About this assessment

Employer	Rainbow eco solutions
Employer address	
Assessor's declaration	The assessor is not related to the owner of the property.
Date of assessment	3 August 2023
Date of certificate	4 August 2023

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# Energy performance certificate (EPC) recommendation report

23 Woolwich Road  
BELVEDERE  
DA17 5EE

Report number  
**4949-1595-7407-1962-2049**

Valid until  
**3 August 2033**

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## Energy rating and EPC

This property's current energy rating is E.

For more information on the property's energy performance, see the EPC for this property.

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## Recommendations

Make these changes to improve the property's energy efficiency.

Recommended improvements are grouped by the estimated time it would take for the change to pay for itself. The assessor may also make additional recommendations.

Each recommendation is marked as low, medium or high. This shows the potential impact of the change on reducing the property's carbon emissions.

### Changes that pay for themselves within 3 years

Recommendation	Potential impact
Replace 38mm diameter (T12) fluorescent tubes on failure with 26mm (T8) tubes.	Medium
Replace tungsten GLS lamps with CFLs: Payback period dependent on hours of use.	Low
Consider replacing T8 lamps with retrofit T5 conversion kit.	Low
In some spaces, the solar gain limit defined in the NCM is exceeded, which might cause overheating. Consider solar control measures such as the application of reflective coating or shading devices to windows.	Medium

### Changes that pay for themselves within 3 to 7 years

Recommendation	Potential impact
Introduce HF (high frequency) ballasts for fluorescent tubes: Reduced number of fittings required.	Low
Some walls have uninsulated cavities - introduce cavity wall insulation.	Medium

### Changes that pay for themselves in more than 7 years

Recommendation	Potential impact
Some windows have high U-values - consider installing secondary glazing.	Medium
Some solid walls are poorly insulated - introduce or improve internal wall insulation.	Medium
Some glazing is poorly insulated. Replace/improve glazing and/or frames.	Medium
Consider installing an air source heat pump.	High
Consider installing solar water heating.	Low

### Additional recommendations

Recommendation	Potential impact
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**Recommendation****Potential  
impact**

Add optimum start/stop to the heating system.

Medium

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**Property and report details**

Report issued on 4 August 2023

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Total useful floor area 69 square metres

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Building environment Heating and Natural Ventilation

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Calculation tool DesignBuilder Software Ltd, DesignBuilder SBEM, v7.2.0, SBEM, v6.1.e.0

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## Assessor's details

Assessor's name Richard Longhurst

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Telephone 07462544224

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Email [richard@rainbowecosolutions.co.uk](mailto:richard@rainbowecosolutions.co.uk)

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Employer's name Rainbow eco solutions

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Employer's address

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Assessor ID EES/018822

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Assessor's declaration The assessor is not related to the owner of the property.

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Accreditation scheme Elmhurst Energy Systems Ltd

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# Energy performance certificate (EPC)

23a Woolwich Road  
BELVEDERE  
DA17 5EE

Energy rating

D

Valid until: **3 August 2033**

Certificate number: 5737-6128-0200-0274-9202

Property type

Top-floor flat

Total floor area

61 square metres

## Rules on letting this property

Properties can be let if they have an energy rating from A to E.

You can read [guidance for landlords on the regulations and exemptions](https://www.gov.uk/guidance/domestic-private-rented-property-minimum-energy-efficiency-standard-landlord-guidance) (<https://www.gov.uk/guidance/domestic-private-rented-property-minimum-energy-efficiency-standard-landlord-guidance>).

## Energy rating and score

This property's current energy rating is D. It has the potential to be C.

[See how to improve this property's energy efficiency.](#)

Score	Energy rating	Current	Potential
92+	A		
81-91	B		
69-80	C		71 C
55-68	D	64 D	
39-54	E		
21-38	F		
1-20	G		

The graph shows this property's current and potential energy rating.

**Properties get a rating from A (best) to G (worst) and a score.** The better the rating and score, the lower your energy bills are likely to be.

For properties in England and Wales:

the average energy rating is D  
the average energy score is 60

## Breakdown of property's energy performance

### Features in this property

Features get a rating from very good to very poor, based on how energy efficient they are. Ratings are not based on how well features work or their condition.

Assumed ratings are based on the property's age and type. They are used for features the assessor could not inspect.

Feature	Description	Rating
Wall	Solid brick, as built, no insulation (assumed)	Very poor
Wall	Cavity wall, as built, partial insulation (assumed)	Average
Roof	Pitched, 150 mm loft insulation	Good
Roof	Flat, limited insulation (assumed)	Poor
Window	Fully double glazed	Average
Main heating	Boiler and radiators, mains gas	Good
Main heating control	Programmer, room thermostat and TRVs	Good
Hot water	From main system	Good
Lighting	Low energy lighting in all fixed outlets	Very good
Floor	(other premises below)	N/A
Secondary heating	None	N/A

### Primary energy use

The primary energy use for this property per year is 264 kilowatt hours per square metre (kWh/m<sup>2</sup>).

### Additional information

Additional information about this property:

- Cavity fill is recommended
-

## How this affects your energy bills

An average household would need to spend **£1,497 per year on heating, hot water and lighting** in this property. These costs usually make up the majority of your energy bills.

You could **save £332 per year** if you complete the suggested steps for improving this property's energy rating.

This is **based on average costs in 2023** when this EPC was created. People living at the property may use different amounts of energy for heating, hot water and lighting.

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### Heating this property

Estimated energy needed in this property is:

- 8,847 kWh per year for heating
- 1,871 kWh per year for hot water

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### Impact on the environment

This property's current environmental impact rating is D. It has the potential to be C.

Properties get a rating from A (best) to G (worst) on how much carbon dioxide (CO<sub>2</sub>) they produce each year. CO<sub>2</sub> harms the environment.

#### Carbon emissions

An average household produces 6 tonnes of CO<sub>2</sub>

This property produces 2.8 tonnes of CO<sub>2</sub>

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This property's potential production 2.1 tonnes of CO<sub>2</sub>

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You could improve this property's CO<sub>2</sub> emissions by making the suggested changes. This will help to protect the environment.

These ratings are based on assumptions about average occupancy and energy use. People living at the property may use different amounts of energy.

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### Changes you could make

Step	Typical installation cost	Typical yearly saving
1. Flat roof or sloping ceiling insulation	£850 - £1,500	£55
2. Cavity wall insulation	£500 - £1,500	£102
3. Internal or external wall insulation	£4,000 - £14,000	£176

### Help paying for energy improvements

You might be able to get a grant from the [Boiler Upgrade Scheme \(https://www.gov.uk/apply-boiler-upgrade-scheme\)](https://www.gov.uk/apply-boiler-upgrade-scheme). This will help you buy a more efficient, low carbon heating system for this property.

## More ways to save energy

Find ways to save energy in your home by visiting [www.gov.uk/improve-energy-efficiency](http://www.gov.uk/improve-energy-efficiency).

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## Who to contact about this certificate

### Contacting the assessor

If you're unhappy about your property's energy assessment or certificate, you can complain to the assessor who created it.

Assessor's name	Richard Longhurst
Telephone	07462544224
Email	<a href="mailto:richard@rainbowecosolutions.co.uk">richard@rainbowecosolutions.co.uk</a>

### Contacting the accreditation scheme

If you're still unhappy after contacting the assessor, you should contact the assessor's accreditation scheme.

Accreditation scheme	Elmhurst Energy Systems Ltd
Assessor's ID	EES/018822
Telephone	01455 883 250
Email	<a href="mailto:enquiries@elmhurstenergy.co.uk">enquiries@elmhurstenergy.co.uk</a>

### About this assessment

Assessor's declaration	No related party
Date of assessment	4 August 2023
Date of certificate	4 August 2023
Type of assessment	<a href="#">RdSAP</a>

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