

Valuation Report

56 Washford Industrial Estate

Heming Road

Redditch

B98 0EA

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**Date of Inspection
and Valuation:**

2nd August 2023

Date of Report:

4th August 2023

Bank Reference:

SB/Oscroft & Sons Group Limited

BK Ref:

JN537443/NF/ISP/AS

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1.0 Executive Summary

| | |
|-----------------------------------|---|
| Property | 56 Washford Industrial Estate, Heming Road, Redditch B98 0EA |
| Classification and Use | Industrial. |
| Location | Established industrial location close to the town centre situated on a prominent corner plot. |
| Description | Industrial B8. |
| Planning Use | A two-bay industrial unit with integrated office and staff accommodation to front and side. There is a large secure storage yard suitable for this size unit with approximately 40% site coverage. |
| Floor / Site Area | GIA of 4,847.90 sq m (52,182 sq ft) 1.0 hectare (2.47 acre). |
| Tenure | Freehold. |
| Condition | The property appeared to be in a reasonable condition commensurate with its age, use and construction. |
| Specialist Reports | None recommended. |
| Cladding & Fire Safety | The building is not in scope for potential concerns relating to fire safety associated with cladding and balcony materials. |
| Environmental | No obvious sign of contamination upon inspection. |
| Valuation | In our opinion the Market Value of the subject property as at 2 nd August 2023 freehold with vacant possession throughout and subject to the assumptions and comments in this Report and Appendices was £3,000,000 (Three Million Pounds). |

In our opinion the Market Value of the subject property on the special assumption that a sale is completed within 90 days as at 2nd August 2023 freehold with vacant possession throughout and subject to the assumptions and comments in this Report and Appendices was £2,100,000 (Two Million One Hundred Thousand Pounds).

In our opinion the Market Rent of the subject property as at 2nd August 2023 on the assumption that a lease would be granted for a term of not less than five years on full repairing and insuring term sand subject to the assumptions and comments in this Report and Appendices was £280,000 (Two Hundred and Eighty Thousand Pounds) per annum exclusive.

Comment

We have been advised the property is quasi owner occupied. A new 5-year lease will be entered into between the OpCo AE Oscroft & Sons Ltd and the PropCo at £180,000 per annum.

As the properties are connected parties, we have disregarded this lease and have provided a vacant possession value only.

Markets did not respond well to the September 2022 mini-budget and the general perception was that unless there is some intervention, interest rates will continue to rise affecting the availability and cost of loan and mortgage finance. Lenders in the commercial market raised interest rates accordingly; whilst there is competition, borrowers are pricing in the likely new rates when considering offers. In the residential market lenders withdrew a record number of mortgage products as a reaction to expectations of sharp interest rate rises. Since the December budget, the BoE have increased the base rate on a number of occasions, more recently to 5.25%. This latest increase may well result in a slow down of the economy and mortgage products being withdrawn. Commentators consider that some house price correction is likely, especially when combined with the ongoing cost-of-living crisis even with energy prices falling which is unlikely to resolve itself for some time.

This is an extremely unusual combination of economic factors and its impact on the property market is impossible to predict. Any lending decisions should be made in the knowledge that values reported now might not hold true into the future.

Consequently, in respect of the above a higher degree of caution should be attached to our valuation than would normally be the case.

Note

The above is merely a summary of the valuation report and reference should be made to the remainder of the document for a more detailed report of the property.

SWOT ANALYSIS

Strengths

- Freehold.
- Established industrial location.
- Large site.

Weaknesses

- Whilst a lease is in place the landlord and tenant are connected parties.

Opportunities

- Develop the site further (Subject to planning consent being obtained).

Threats

- Inflation.
- Further increase to interest rates.
- Market uncertainty.

Important Notice to Mortgage Applicants

This report has been prepared to allow the mortgage lender to assess the suitability of the property as security; it has not been prepared for the benefit of the Mortgage Applicant who is not entitled to rely on the report. The services have not been tested and a detailed survey has not been carried out and thus defects could exist which are not mentioned in the report. The Valuer is entitled to make certain assumptions which during subsequent legal or other investigations may prove to be inaccurate. Applicants acquiring property interests are strongly advised to obtain their own detailed advice from suitably qualified professionals before exchanging contracts.

2.0 Terms of Instruction

- 2.1 In accordance with your letter of instruction dated 1st August 2023 (copy at Appendix Three), the agreed scope and details of which are set out in our letter of confirmation dated 2nd August 2023 (copy at Appendix Four), we have inspected the subject property in order to advise you of our opinion of the Market Value of the freehold interest in the property for secured lending purposes.
- 2.2 The subject property was inspected by, and this report is prepared by **Nicole Fitzpatrick BSc (Hons) MRICS – RICS Registered Valuer** who has sufficient current local and regional knowledge of the particular market and the skills and understanding to undertake this valuation competently.
- 2.3 The Valuation Date is 2nd August 2023, being the date of inspection. Our inspection was not limited.
- 2.4 We confirm that this valuation is prepared in accordance with the RICS Red Book Global Standards effective 31st January 2022, which incorporates the International Valuation Standards 2020 (IVS), published by the Royal Institution of Chartered Surveyors and we are acting as external valuers as defined therein.
- 2.5 We confirm that, we have had prior involvement with the subject property and/or the borrower **having previously undertaken a valuation on the property for Proplend in September 2020**. We do not however have any material conflict of interest in providing this valuation and report with the required level of independence and objectivity.
- 2.6 You have also requested that we provide an additional valuation on the following Special Assumption
- a) Market Value subject to vacant possession and a restricted marketing period of 90 days.
- 2.7 We have considered this special assumption in accordance with Valuation Technical & Performance Standard 4 of the RICS Red Book Global Standards effective 31st January 2022 and consider that it can reasonably be regarded as realistic, relevant and valid in connection with the particular circumstances of the valuation.

- 2.8 Our letter confirming instructions, including our Standard Terms and Conditions of Engagement, forms an integral part of this valuation report. They should be read in full as they contain important caveats and conditions relevant to this valuation including limits of liability, non-publication restrictions, condition and contamination. Full definitions of the basis of valuation are also included.
- 2.9 Where we are providing one or more valuations of a property or properties (“the Property”), in circumstances where you have already made a loan secured (whether wholly or partially) against the Property, and you make further loan or loans secured on the Property in reliance of our valuation(s), our liability to you for any loss that you incur arising from our valuation(s) will be limited to the lesser of: (1) the further sum (if any) that you lend in reliance of our valuation(s); or (2) the difference between our valuation(s) and the true value of the Property at the date of our valuation(s). This limitation of liability applies irrespective of whether, in making a loan based on our valuation(s), you have released the original charge and executed a new charge or lent additional sums against the original charge. We will not be liable for any loss arising from the original loan (including any extensions to that loan prior to our valuation(s)) that you made, secured by the Property, unless: (1) We carried out the original valuation(s) of the Property; (2) You made the original loan in reliance of our valuation(s); and (3) Our original valuation(s) was negligent.
- 2.10 This Report and Valuation has been prepared on the basis that there has been full disclosure of all relevant information and facts which may affect the valuation. It is provided for the stated purposes and only for the use of the party whom it is addressed. It is confidential to Proplend Security Limited and may not be disclosed to any other third party without our prior written consent. In breach of this condition, no responsibility can be accepted to third parties for the comments or advice contained in this report.
- 2.11 Any transferee, successor or assignee relying upon the Report shall be deemed to be bound by the terms of our engagement letter and our liability shall be no greater in either amount or duration as a result of extending reliance to those third parties. The number of assignments shall be no more than two.

3.0 Property Report

3.1 Location

- 3.1.1 Redditch is located approximately 15 miles south of Birmingham and 15 miles north of Evesham.
- 3.1.2 The motorway can be accessed via Junction 2 of the M42, some 5 miles distant along the A441 Birmingham Road. The M5 can be accessed within 10 miles of the subject site at Junction 4 or 5 via the A448.
- 3.1.3 The subject site is located to the south east of Redditch Town Centre within the Mappleborough Green area. Lakeside area is accessed from the A435 linking it to the ring road system.
- 3.1.4 The area surrounding the site is a mixture of commercial properties, predominantly industrial in use.
- 3.1.5 A Location Plan and an Ordnance Survey extract are attached as Appendix One. Our understanding of the extent of the subject property is outlined in red on the extract which is provided for identification purposes only.

3.2 Description

- 3.2.1 A detached two bay warehouse of steel portal frame construction with profile clad roof and sides. The property has an eaves height of 6m and access is via three roller shutter doors.
- 3.2.2 Specification includes concrete floor, sodium lighting, translucent roof lights, WC facilities and staff room. There are two x 5 tonne cranes within the unit.
- 3.2.3 To the front of the warehouse is a two-storey brick built office building with flat roof and upvc double glazed windows. This provides a reception area, meeting rooms and partitioned offices. Specification includes painted and plastered walls, carpet covered floors, central heating, WC and kitchen facilities.
- 3.2.4 Externally, the property is accessed via manually operated gates. There is parking for c 40 cars and a large yard area. The property has a site coverage of approximately 40%.

3.2.5 Photographs of the main elevations of the subject property are attached at Appendix Two.

3.3 Accommodation

3.3.1 We were previously provided with scale floor plans by the Borrower and took check measurements on site in September 2020 to confirm their accuracy and can therefore report the following approximate gross internal floor areas calculated in accordance with the RICS' Code of Measuring Practice (6th Edition). We can confirm not material changes have occurred since our previous inspection.

| Floor | Use | Gross Internal Area (approx.) | |
|--------------|-----------|-------------------------------|---------------|
| | | Sq M | Sq ft |
| Ground | Warehouse | 4,154.54 | 44,720 |
| Ground | Offices | 460.69 | 4,958 |
| First | Offices | 232.67 | 2,504 |
| Total | | 4,847.90 | 52,182 |

3.3.2 Using Promap software we calculate that the site extends to approximately 1.0 hectare (2.47 acre).

3.3.3 We have been requested to provide an apportionment between residential and commercial uses to assist your own review of whether the proposed loan is regulated for FCA purposes. For the avoidance of doubt, we make no judgement as to the potential status of occupants for regulatory purposes. The whole property is commercial.

3.4 Services

3.4.1 We understand that the property is connected to all mains services – gas, electricity, drainage and water, but have not carried out any tests in this regard.

3.4.2 The property has a bio mass boiler and we have been advised there are solar panels on the roof of the industrial unit.

3.5 Power Lines

3.5.1 We confirm from our inspection that there are no high voltage power lines or phone masts impacting the subject property.

3.6 Condition

- 3.6.1 Your attention is directed to our Standard Terms and Conditions of Engagement contained at Appendix Four. We confirm that we have not carried out a building condition survey.
- 3.6.2 During the course of our inspection, we noted that the property generally appeared to have been satisfactorily maintained having regard to its age, use and construction.
- 3.6.3 We have not had any structural or M&E surveys provided to us.
- 3.6.4 We do not consider any remedial works to be essential to maintain the value of the property.
- 3.6.5 It was possible to inspect all parts of the property which would normally be accessible.
- 3.6.6 The age and style of construction of the subject property is such that materials such as high alumina cement concrete, woodwool shuttering, calcium chloride or asbestos are likely to have been used in its original construction or subsequent alteration. We assume that the building is not constructed of either RAAC or PRC. We are valuing on this basis.
- 3.6.7 Our valuation is based on the assumption that the building and its services are in a good working order and no allowance has been made for any outstanding wants of repair or defects.

3.7 Environmental Matters

- 3.7.1 Your attention is directed to our Standard Terms and Conditions of Engagement contained in Appendix Four.

Contamination

- 3.7.2 We noted no obvious signs of contamination during our inspection, but we are not qualified to give assurances on environmental issues. Our valuation has been undertaken on the basis that the property is not contaminated. Should it be established subsequently that contamination exists on the subject property or any neighbouring land, this might reduce the values now reported.
- 3.7.3 To the best of our knowledge, the previous use of the property was existing.

Flooding

- 3.7.4 We have referred to the Environment Agency flood maps and note that the property does not appear to be within an area affected by flooding.

Radon

- 3.7.5 The Ionising Radiation Regulations 1999, require employers to take action when radon is present above a defined level in the workplace. Advice may be obtained from your local Health and Safety Executive Area Office or The Environmental Health Department of your local Authority.

- 3.7.6 The UK Radon map shows that the Property is in an area at less than 1% risk of exposure to radon.

Made up Ground

- 3.7.7 No investigations have been carried out to determine whether the site has a history of instability, and we are, therefore, unable to report that the property is free from risk in this respect. We have assumed, for the purpose of the valuation, that such investigation would not disclose the presence of any such problems.

Coal Mining

- 3.7.8 We have referred to the Coal Authority maps and note that the property is not within a coal mining reporting area.

Invasive Species

- 3.7.9 Japanese Knotweed can block footpaths and damage concrete, tarmac, flood defences and the stability of riverbanks and Giant Hogweed can cause harm to human health. Injurious weeds are native species, which cause problems for farming as they are harmful to livestock and must not be allowed to spread to agricultural land.

- 3.7.10 During the course of our inspection on 2nd August 2023, we did not note the presence of any invasive vegetation, however, we are not qualified to give such assurances and cannot guarantee that the land is entirely free from the same. For the purpose of this report, we are valuing on the basis that there is no invasive vegetation present including Japanese Knotweed.

Archaeological Remains

- 3.7.11 We are unaware of the presence, or likely presence, of any archaeological remains on or adjacent to the subject property and have assumed there are none in arriving at our opinion of value.

3.8 Local Authority & Statutory Enquiries

3.8.1 Your attention is directed to our Standard Terms and Conditions of Engagement contained at Appendix Four.

3.8.2 We have assumed that the property and its value are unaffected by any matters which would be revealed by a Local Search and replies to the usual enquiries or statutory notice and that neither the property, nor its condition, nor its use, nor its intended use is or will be unlawful. It is recommended that verification is obtained from acting solicitors that:

- The position is correctly stated in this Report;
- The property is not adversely affected by any other decisions made or conditions prescribed by local authorities; and
- That there are no outstanding statutory notices.

3.8.3 The valuation is prepared on the basis that the premises comply with all statutory regulations.

Planning

3.8.4 We have reviewed the Local Planning Authority’s website regarding town planning matters that may affect the valuation. The property lies within the planning jurisdiction of Redditch Council where planning decisions are governed by an adopted Local Plan and Core Strategy documents.

3.8.5 The property is not Listed, nor does it lie within a Conservation Area.

3.8.6 Obtained from the Council’s website we summarise the following pertinent planning decisions:

| App. Ref | Details | Decision | Date |
|--------------|--|----------|--------------|
| 2013/273/ADV | New Signage to business premises. | Unknown | October 2013 |
| 2012/212/COU | Change of use to B1(c), B2 and B8 in line with Class E Part 3 of schedule 2 of the Town and Country Planning (General Permitted Development) Order 1995, and replacement of seven existing raised loading doors with two yard level new loading doors. | Granted | August 2012 |

| | | | |
|--------------|---|---------|------------|
| 2001/030/FUL | Alterations to North Elevation To Create A New Loading Door And The Installation Of Plant To The Flat Roof Area Above The Plant Room. | Unknown | March 2001 |
|--------------|---|---------|------------|

3.8.7 We have not made specific enquiries to verify this information, which is assumed to be correct. We do not accept liability for either incorrect information or for material omissions in the information obtained, including statutory notices or contraventions of statutory requirements.

Highways

3.8.8 We have been unable to establish whether there are any highway or major development proposals in the immediate area that may impact upon the value of the subject property. We assume there are none, but your solicitors should confirm as part of their normal Local Search enquiries. Given the nature and surfacing of Heming Road, we have assumed that it is a highway adopted and maintainable at public expense. Your solicitors should confirm in the normal way.

Fire Safety Order and Fire Risk Assessment

3.8.9 The Fire Safety Order applies to owners, occupiers, landlords, employers and anyone else with control of the premises, e.g. a facilities manager, building manager and managing agent of a business or other non-domestic premises.

3.8.10 We have not made any enquiries in this regard and we have not been provided with a copy of the risk assessment, but in preparing our valuation have assumed that all necessary measures are in place and that no additional costs would be incurred in order to comply.

3.8.11 We recommend that your solicitor checks that the responsible party has fulfilled their obligations, including:

- carry out a fire risk assessment of the premises and review it regularly;
- tell staff or their representatives about the risks you’ve identified;
- put in place, and maintain, appropriate fire safety measures;
- plan for an emergency;
- provide staff information, fire safety instruction and training.

Cladding in High Rise/Multi Occupancy Buildings

3.8.12 Not applicable.

Smoke & Carbon Monoxide Alarm (England) Regulations 2015

3.8.12 Not applicable.

Equality Act 2010

3.8.13 The Equality Act encompasses the previous Disability Discrimination Act which deals with accessibility of premises and the workplace and seeks to limit discrimination in the terms of race, religion or physical ability. The Act seeks to ensure that disabled persons can access and acquire premises and that they are suitably adapted if for public workplace access. The Act places a Duty of Care on owners and physical changes to premises may be required for compliance purposes.

Office, Shops & Railway Premises Act

3.8.14 We assume that, where appropriate, the property complies with this legislation.

Control of Asbestos at Work Act

3.8.15 We have not had sight of a written record in respect of the presence or otherwise of asbestos at the subject property. We presume that there are no costs outstanding in this regard.

Energy Performance Certificates (EPC)

3.8.16 The Energy Act 2011 provides for EPC minimum standards such that since 1 April 2018 it has been unlawful to let residential or business premises that do not meet minimum energy efficiency standards. The minimum threshold is an EPC rating in Band E (i.e. it is now unlawful to let premises with an F or G rating).

3.8.17 From 1 April 2023 it will be an offence to continue to let or rent out a property in England or Wales if it does not have an EPC rating of at least E. This therefore applies to new leases and (from 1 April 2023) existing leases.

3.8.18 We have consulted the Gov.uk online Energy Performance Register at <https://find-energy-certificate.digital.communities.gov.uk/find-a-certificate/type-of-property> and note the EPC has a rating of D which is satisfactory.

Sustainability - Commercial

3.7.19 As the property market adjusts to new legislative requirements and the drive for more sustainable property assets, it is possible, in the future, that there will be an increasing divergence of values between those buildings which are considered to be compliant or "sustainable" and those which are not. Property investors and occupiers are becoming increasingly sensitive to a building's environmental and sustainability performance (e.g. BREEAM rating) with consequent implications for both rental and capital values.

3.8.20 At present, however, there is little consensus in market evidence or meaningful analysis of investment performance to enable any firm conclusions on to be drawn from the impact on capital and rental values of the various legislative initiatives and "sustainability" generally, but this may change.

Housing Acts

8.3.21 Not applicable.

Business Rates

3.8.22 Our enquiries with <https://www.tax.service.gov.uk/view-my-valuation/search> confirm that, as at the date of this report, the subject property has the following 2023 list entry:

| Address | Description | Rateable Value |
|--|-----------------------|----------------|
| Unit 56 Heming Road, Redditch, Worcestershire B98 0EA | Warehouse and Premise | £224,000 |

3.8.23 In England and Wales, the standard Uniform Business Rate (UBR) is adjusted by the Government on an annual basis at the start of each financial year which is then adopted to calculate the actual rates liability for each hereditament. In addition, there are many various rates relief schemes that may apply altering the liability.

Council Tax

3.8.24 Not applicable.

3.9 Tenure

- 3.9.1 We have not been provided with any Title documentation. We understand that the property is owned freehold and we have assumed that the Title is unencumbered and free from any unusual or especially onerous or restrictive covenants, easements, restrictions, encumbrances, outgoings or rights of way which could affect value. This should be verified by your solicitors.
- 3.9.2 The property is held freehold under title number HW109873 which states the proprietor is Oscroft & Sons Group Limited and the price stated to have been paid 15th November 2012 was £1,100,000 plus VAT.

3.10 Occupation

- 3.10.1 We have been advised the property is quasi owner occupied. A new 5-year lease will be entered into between the OpCo AE Oscroft & Sons Ltd and the PropCo at £180,000 per annum.
- 3.10.2 As the properties are connected parties, we have disregarded this lease and have provided a vacant possession value only.

4.0 The Valuation

4.1 Factors Affecting Value

- 4.1.1 The property is located in a well established industrial estate close to the town centre.
- 4.1.2 It is a large industrial unit with office accommodation and occupies a large self-contained site.
- 4.1.3 The property is held freehold under title number HW109873 which states the proprietor is Oscroft & Sons Group Limited and the price stated to have been paid 15th November 2012 was £1,100,000 plus VAT.
- 4.1.4 We have been advised the property is quasi owner occupied. A new 5-year lease will be entered into between the OpCo AE Oscroft & Sons Ltd and the PropCo at £180,000 per annum.
- 4.1.5 As the properties are connected parties, we have disregarded this lease and have provided a vacant possession value only.
- 4.1.6 The property appeared to be in a reasonable condition.

4.2 Market Conditions & Demand

- 4.2.1 Redditch is a mid-sized submarket containing around 9.2 million square feet of industrial space.
- 4.2.2 Vacancies have dipped slightly over the past year, but at 2.2%, there's not much room left for tightening. Net absorption over the past year clocked in at about 47,000 sq ft, slightly below the five year annual average of 55,000 sq ft.
- 4.2.3 Rents grew by 9.4% over the past 12 months, easily exceeding the 5.4% average annual change over the past decade.
- 4.2.4 There are no supply-side pressures on vacancy or rent in the near-term, as nothing is underway. Though the pipeline is empty, the submarket has seen recent development. Roughly 32,000 square feet has delivered over the past three years, representing a modest inventory expansion of 0.4%.

4.2.5 Industrial properties traded with regularity last year, consistent with the generally high level of activity over the past three years.

4.3 Comparable Evidence

Capital Value Evidence and Analysis

4.3.1 **Unit 46 Heming Toad, Washford Heath Estate, Redditch B98 0EA - sold in October 2021 for £1,650,000**

Leeson Investments Limited have purchased the freehold interest in 20,709 sq ft of accommodation. The property was constructed in the 1980s and comprises a detached warehouse unit with dedicated parking and a fenced yard. The property was let in its entirety to Entaco Limited on a lease expiring 4th February 2027 at a rent of £105,010 per annum (£5.07 per sq ft). The sales price equates to a net initial yield of 6.25% / £79.68 per sq ft. The rate per sq ft will be distorted being an investment transaction. This property had a high sight coverage. Located on the same estate as the subject.

4.3.2 **Shawbank House, Shawbank Road, Redditch B98 8YN – sold in February 2023 for £727,500 off an asking price of £825,000**

The property is a detached industrial unit comprising 9,720 sq ft of accommodation and has a small yard area. We understand the unit had been refurbished. The sales price equates to £74.85 per sq ft. Smaller and quantum would apply, this unit however has significantly less yard area.

4.3.3 **18-19 Crossgate Road, Redditch B98 7TH - sold in September 2022 for £2,860,000**

The property comprises a detached industrial unit constructed in the 1980s comprising 54,496 sq ft of accommodation. It has two loading yards and c 40 parking spaces. The property has an eaves height of 5.2m The property was let on an FRI lease until 24th August 2031- though the rent achieved was not stated on the sales particulars. Similar in terms of size and specification. This property is however let, though the rent was unknown. The sales price equates to £52.53 per sq ft. Located in a slightly inferior location when compared with the subject.

4.3.4 **2 Oxleasow Road, Redditch, B98 0RE – Sold in February 2023 for £3,280,000**

The property comprises 44,229 sq ft of office and industrial accommodation. It did form part of a portfolio of two sale as the property was let to Huegli UK Limited until April 2026 at a rent unknown. This unit is slightly smaller though ha a decent sized yard area. It is, however, let so the rent per sq ft will be slightly distorted. The sales price equates to £74.11 per sq ft.

Rental Value Evidence and Analysis

4.3.5 Heming Road, Redditch B98 0EA - let in July 2022

Deeley Precision Engineering Limited has taken 5,809 sq ft of industrial accommodation on a new 5 year lease at an asking rent of £6.50 per sq ft. This is a detached industrial unit constructed in 1994 with a yard area. We would expect the subject to achieve below this rate per sq ft due to being significantly larger.

4.3.6 48b Pipers Road, Redditch B98 0HU - let in February 2022

Brencham (1988) Limited have taken 48,556 sq ft of industrial accommodation on a new 12 year lease at an effective rent of £5.41 per sq ft. The property is a large industrial unit not too dissimilar in size to the subject with a large parking area. This is one of the best comparables in terms of size and location when compared with the subject.

4.3.7 The IO Centre, Nash Road, Redditch B98 7AS - let in November 2021

Midland Carpets Ltd have taken 6,858 sq ft of industrial accommodation on a new lease off an asking rent of £6.30 per sq ft. The property is purposely built accommodation constructed in the 1990's and is slightly superior in terms of specification. This property is smaller and quantum would apply.

4.4 Valuation Methodology

Market Value

4.4.1 In arriving at our opinion of Market Value, we have had regards to the comparable evidence outlined above and taken into consideration size, location and specification.

4.4.2 The property is a large detached industrial unit with office accommodation situated on a site of c2 acres with ample parking and yard area. It is a self-contained site located in one of the prime industrial areas in Redditch.

4.4.3 Noting some of the above comparables are reflective of leases in place and on the basis, we are valuing on the basis of vacant possession, we have applied £57.50 per sq ft to our floor areas noting size, condition and yard space. This provides a Market Value of £3,000,465, which we have rounded to £3,000,000.

Market Value subject to a restricted marketing period of 90 days

4.4.4 In arriving at our opinion of Market Value subject to a restricted marketing period of 90 days, we have made a 30% deduction based on current market conditions caused by rising interest rates and having regards to recent auctions where stock is failing to sell. This provides a Market Value of £2,100,000.

Market Rent

4.4.5 In arriving at our opinion of Market Rent, we have had consideration to the evidence above particularly 4.3.6 given its size and location. We have applied £5.40 per sq ft to the floor areas which provides a Market Rent of £281,782, which we have rounded to £280,000 per annum for reporting purposes.

4.4.6 No allowance has been made for costs of acquisition or realisation of the property, nor for any liability for taxation which may arise on disposal whether actual or notional, e.g. VAT, Inheritance Tax or Capital Gains Tax. Unless stated to the contrary it is assumed that where there is an imposition or otherwise of VAT on the rent that the lessee will be able to fully reclaim the VAT paid.

4.5 Suitability for Loan Security

4.5.1 In our opinion, the property represents suitable security for loan purposes on the assumption that it will be maintained in a reasonable state of repair. The amount of such loan is at your discretion.

4.5.2 It is our opinion that the estimated useful economic life of the property should be no less than the term of the loan again assuming that the property is maintained and kept in a reasonable state of repair.

4.6 Estimated Reinstatement Cost

4.6.1 Your attention is drawn to our letter containing our Standard Terms and Conditions of Engagement contained at Appendix Four in this regard.

4.6.2 Our informal estimate of the current reinstatement cost of the subject property is some £6,500,000.

4.6.3 You should not rely on this figure for insurance purposes, and we strongly recommend that the Bank obtains a formal assessment by a Building Surveyor. We can provide a formal assessment if required.

4.7 Verification

4.7.1 This report has been based, to some extent, on information provided verbally which should be checked by your solicitors. In particular, this applies to tenure and planning. Their searches may also reveal whether any historical use of the property is likely to have resulted in contamination or whether there are any encumbrances or other third party rights affecting the title or use of the property. If any assumption we have made proves incorrect the matter should be referred back to us as it may have an impact on the value of the property and its suitability as loan security.

4.8 Valuation Definitions

Market Value

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

Market Rent

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

Gross Development Value (GDV)

4.8.3 “The aggregate market value of the proposed development, assessed on the special assumption that the development is complete as at the date of valuation in the market conditions prevailing at that date.”

4.9 Valuation

4.9.1 In our opinion, the Market Value of the property, freehold with full vacant possession throughout as at 2nd August 2023 and subject to the assumptions and comments in this Report and the Appendices was **£3,000,000 (Three Million Pounds Thousand Pounds)**.

- 4.9.2 In our opinion the Market Value of the subject property on the special assumption that a sale is completed within 90 days as at 2nd August 2023 freehold with vacant possession throughout and subject to the assumptions and comments in this Report and Appendices was **£2,100,000 (Two Million One Hundred Thousand Pounds)**.
- 4.9.3 In our opinion the Market Rent of the subject property as at 2nd August 2023 on the assumption that a lease would be granted for a term of not less than five years on full repairing and insuring terms and subject to the assumptions and comments in this Report and Appendices was **£280,000 (Two Hundred and Eighty Thousand Pounds) per annum exclusive**.
- 4.9.4 Values change over time, particularly when markets are unusually active or inactive. This should be borne in mind in relation to the date of valuation.
- 4.9.5 Markets did not respond well to the September 2022 mini-budget and the general perception was that unless there is some intervention, interest rates will continue to rise affecting the availability and cost of loan and mortgage finance. Lenders in the commercial market raised interest rates accordingly; whilst there is competition, borrowers are pricing in the likely new rates when considering offers. In the residential market lenders withdrew a record number of mortgage products as a reaction to expectations of sharp interest rate rises. Since the December budget, the BoE have increased the base rate on a number of occasions, more recently to 5.25%. This latest increase may well result in a slow down of the economy and mortgage products being withdrawn. Commentators consider that some house price correction is likely, especially when combined with the ongoing cost-of-living crisis even with energy prices falling which is unlikely to resolve itself for some time.
- 4.9.6 This is an extremely unusual combination of economic factors and its impact on the property market is impossible to predict. Any lending decisions should be made in the knowledge that values reported now might not hold true into the future.
- 4.9.7 Consequently, in respect of the above a higher degree of caution should be attached to our valuation than would normally be the case.
- Sale and Letting Periods**
- 4.9.8 In our opinion, based on a normal marketing strategy, we are of the opinion that it would take 6 months to sell the property.

4.9.9 In our opinion, based on a normal marketing strategy, we are of the opinion that it would take 6 months to let the property.

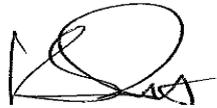
We trust that this report is satisfactory for your immediate purposes but, should any matter require further clarification, we shall be pleased to hear from you. We would reiterate that neither the whole nor any part of this Valuation Report may be included in any published document, circular or statement nor published in any way without our written approval of the form and context in which it may appear.

Valuer:



**Nicole Fitzpatrick BSc (Hons) MRICS
RICS Registered Valuer
For and on behalf of
Bruton Knowles LLP**

Approving Officer:



**Ian S Pitt BSc (Hons) FRICS IRRV (Hons)
RICS Registered Valuer
For and on behalf of
Bruton Knowles LLP**

Appendix One

Location and Site Plans

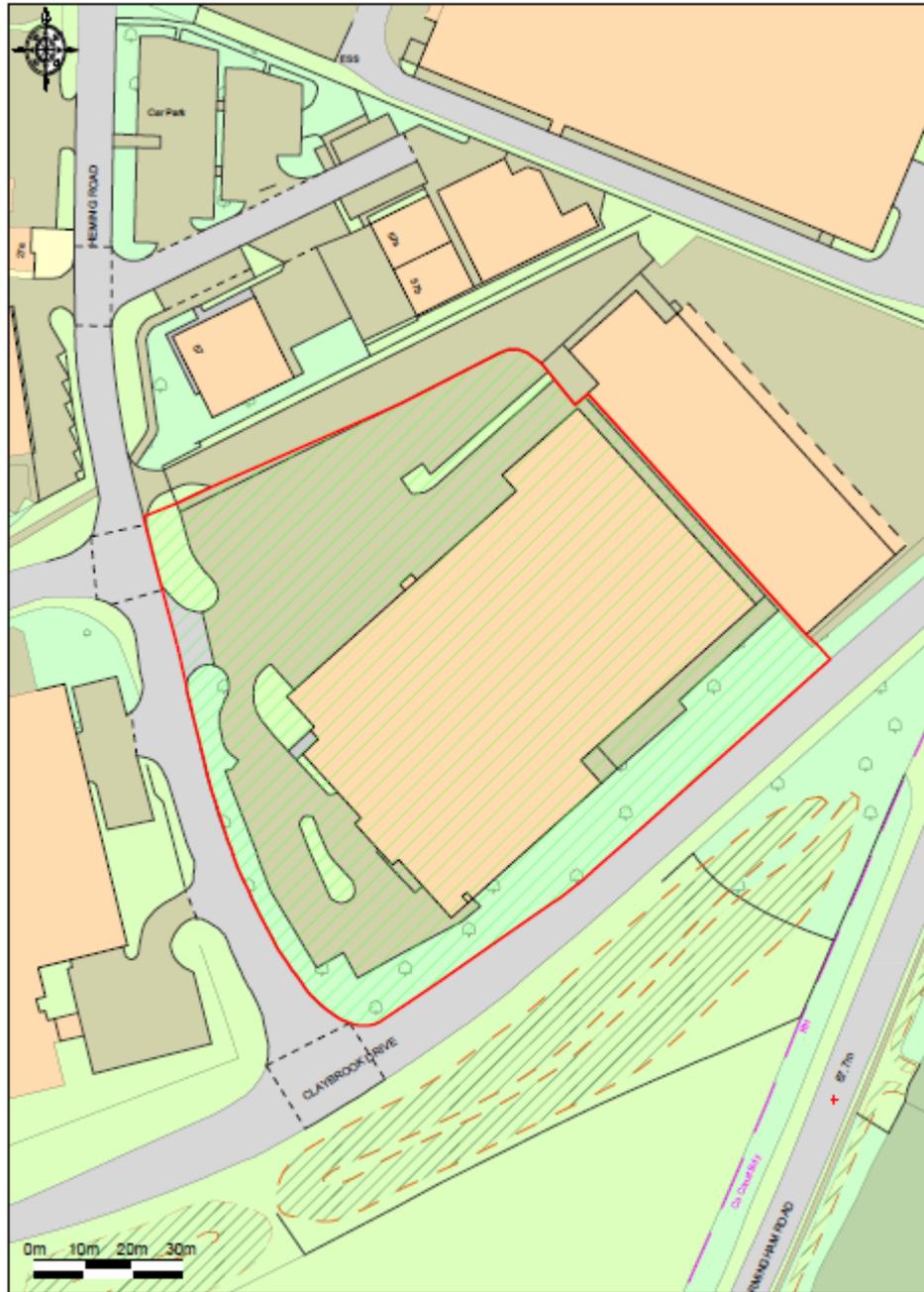
**Location Plan:
56 Washford Industrial Estate
Heming Road, Redditch
B98 0EA**



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Promap Ordnance Survey Crown Copyright 2023. All rights reserved.
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● LANDMARK INFORMATION Plotted Scale - 1:5000. Paper Size – A4

56 Washford Industrial Estate

Redditch, B98 0EA



Promap
LANDMARK INFORMATION GROUP

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For identification purposes only

Appendix Two

Photographs

PHOTOGRAPHS

56 Washford Industrial Estate, Heming Road, Redditch B98 0EA



External 1



External 2



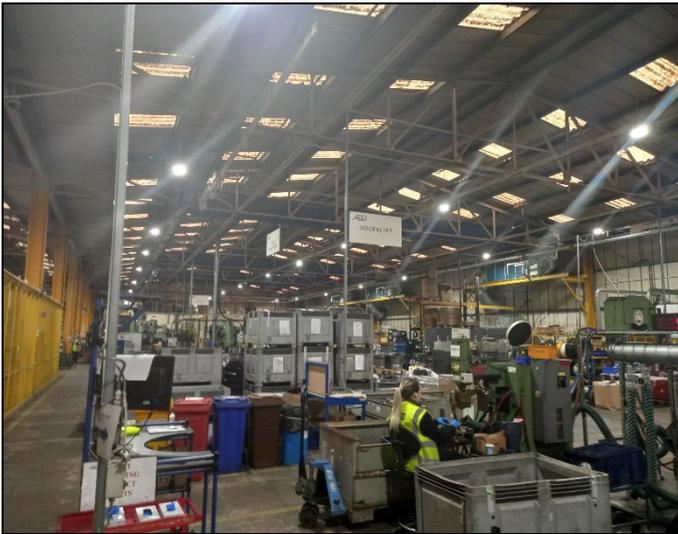
External 3



Yard

PHOTOGRAPHS

56 Washford Industrial Estate, Heming Road, Redditch B98 0EA



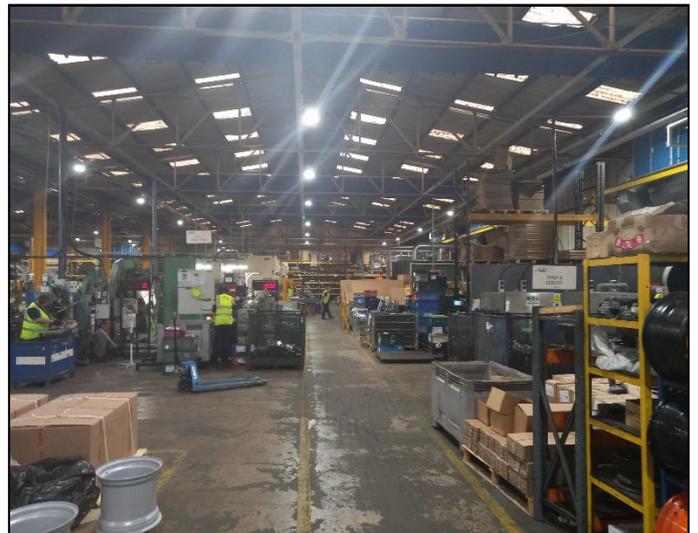
Internal 1



Internal 2



Internal 3



Internal 4

PHOTOGRAPHS

56 Washford Industrial Estate, Heming Road, Redditch B98 0EA



Internal 5



Internal 6



Internal 7



Internal 8

Appendix Three

Letter of Instruction

Attn: Ruth Harris/Ian Pitt,
Bruton Knowles Chartered Surveyors,
60 Church Street,
Birmingham,
B3 2DJ

Ref: SB/
Oscroft & Sons Group 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: | Oscroft & Sons Group Ltd |
| Contact Name: | Timothy Oscroft or Claire Ryan |
| Phone Number: | 01527 502203 or 07717 841387 |
| Email: | T.Oscroft@aeoscroft.co.uk |
| Properties: | 56 Washford Industrial Estate, Hering Road, Redditch, B98 0EA |
| Tenure: | Freehold |
| Use: | Mixed Use (Commercial) |

| | |
|------------|--|
| Tenancies: | The Property is quasi owner-occupied. A new, 5-year FRI lease will be entered into between the OpCo, AE Oscroft & Sons Ltd, and the PropCo, our borrower, at £180,000 per annum. |
| Access: | To arrange access to the Property please contact the client directly - Timothy Oscroft or Claire Ryan / / T.Oscroft@aeoscroft.co.uk. |

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.

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

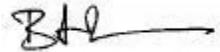
You have quoted and the Borrower has agreed to pay a fee of £ + VAT for this undertaking. Whilst a receipted invoice for this service should be supplied with your report, we ask that you seek settlement of your fee from the proposed Borrower whose contact details are supplied above. Proplend Security 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**, with hard copy to 15 Little Green, Richmond TW9 1QH. Following provision of the Valuation Report, you should be prepared to discuss its contents with the Proplend and Proplend Security Limited (Security Trustee). By sending the Valuation Report you signify your acceptance of the terms of this letter of instruction, which shall be governed by and construed in accordance with English law.

Yours Faithfully,



Brian Bartaby
Director

Proplend Security Limited

Appendix Four

Letter of Confirmation & Standard Terms and Conditions of Engagement

Date: 2nd August 2023
Our ref: NF/ISP/KP/537443
Your ref: SB/Oscroft & Sons Group Limited

COILDOC 1.5

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

Property Consultants

60 Church Street
Birmingham
B3 2DJ

T 07967 824558
E nicole.fitzpatrick@brutonknowles.co.uk
W brutonknowles.co.uk
Offices across the UK

For the attention of Stewart Bruce
Email: sbruce@proplend.com

Dear Sirs,

RE: 56 Washford Industrial Estate, Heming Road, Redditch B98 0EA (the “Property”)

Confirmation of Instruction Letter and Our Standard Terms and Conditions of Engagement

We acknowledge your instructions received 1st August 2023 to prepare a valuation report for you of the above-mentioned Property (“Valuation”) - (“Valuation Report”).

This Valuation Report is to be completed for Proplend Security Limited, 20-22 Wenlock Road, London N1 7GU herein referred to as the “Lender”, “you” or “your”.

We write to confirm our acceptance of your instructions which will be undertaken in accordance with this letter, our Standard Terms and Conditions of Engagement and the RICS Valuation – Global Standards (effective from 31 January 2022), which incorporates the International Valuation Standards (IVS) (effective from 31 January 2022) which together confirm the scope and details of the service to be provided by us, and which will form part of our Valuation Report. If there is a conflict between the terms of any of this letter, RICS Valuation – Global Standards (effective from 31 January 2022), or our Standard Terms and Conditions of Engagement, the priority of such documents shall be as follows:

- RICS Valuation – Global Standards (effective from 31 January 2022), which incorporates the International Valuation Standards (IVS) (effective from 31 January 2022)
- this letter;
- our Standard Terms and Conditions of Engagement;



Authorised and regulated by the Financial Conduct Authority

Bruton Knowles LLP is a limited liability partnership registered in England and Wales with registered number OC418768 Registered Office Olympus House, Olympus Park, Quedgeley, Gloucester GL2 4NF.



A list of Partners is available upon request

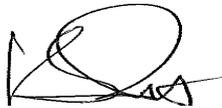
In addition, we confirm the following:

1. The Valuation will be undertaken by **Nicole Fitzpatrick BSc (Hons) MRICS - Partner** (“Valuer”) of Bruton Knowles LLP. We confirm that Valuer is in a position to provide an objective and unbiased valuation.
2. That the Valuer does not have a material connection or involvement with the Property or the parties to the Valuation. In accordance with our normal practice, we confirm to the best of our knowledge and belief, we have had prior dealings with the Property on behalf of yourselves in 2020. We confirm that we do not have any conflict of interest in accepting these instructions and we can act independently;
3. That the Valuer has the appropriate current local and regional knowledge of the particular market and has the sufficient skills and understanding to undertake the Valuation competently;
4. The Valuation Report is given by Bruton Knowles LLP and neither the Valuer nor any other partner, member, employee or consultant of Bruton Knowles LLP assumes any personal responsibility for it or shall owe any duty of care in respect of it.
5. The subject of the Valuation Report is the freehold interest in the above-mentioned Property;
6. The Valuation is to be provided in £s Sterling;
7. The Valuation Report is to be provided for Loan Security purposes. We highlight, we shall have no responsibility or liability to any party in the event that the Valuation Report is used outside the purposes for which it was intended;
8. The basis of Valuation will be Market Value. We have also been asked to provide Valuations subject to special assumptions which are detailed herein. The approved service level agreement, terms and conditions, contains a full definition of Market Value and Market Rent. From our existing knowledge of the Property and your requirements, we can confirm that we consider this to be the most appropriate basis of Valuation;
9. The date of Valuation will be the date of inspection;
10. The Valuation will be completed with no limitations or restrictions to the inspection, enquiries and analysis, which can reasonably be expected to be undertaken as part of the Valuation; this may be subject to change as our investigations are undertaken and we will provide further confirmation within the Valuation Report;

11. When undertaking the Valuation, we will place reliance upon information provided by the Lender and their Customer, which will include but is not limited to, tenure documentation, property information, and environmental documentation;
12. In arriving at the valuation, we have relied on the EWS1 form, prepared by a professionally qualified third party. In so doing, we are not offering any advice as to the accuracy, completeness or fitness for purpose of the form or its content and neither the individual preparing the valuation nor this firm shall have any liability to you, or to any third party with whom you share the valuation, for any losses or potential losses arising directly and solely as a result of any inaccuracies or errors in, or otherwise in any way related to, the EWS1 Form.
13. As previously noted, we have been instructed to provide a number of Valuations subject to special assumptions, for clarity we confirm these as follows:
 - a. Market Value 2 – Market Value subject to any existing leases or tenancies assuming a sale to be completed within 90 days;
 - b. Market Value 3 – Market Value with vacant possession
14. Subject to paragraphs 15, the Valuation Report shall be addressed to Proplend Security Limited solely for its own benefit and for the purpose identified in paragraph 7 (above) and may only be relied upon by Proplend Security Limited for that purpose. It may not be disclosed to or relied on by any other person or used for any other purpose without our prior written consent.
15. This Valuation Report may be disclosed:
 - where required by law;
 - on a non-reliance basis to your professional advisers, auditors, insurers and regulators.
16. Liability will not be extended to any other party except on the basis of written and agreed instructions; this will include an additional fee. The terms of the agreement between us are not enforceable by any third party under the Contracts (Rights of Third Parties) Act 1999
17. The Valuation will be prepared in accordance with the RICS Valuation – Global Standards (effective from 31 January 2022), VPS 3 and the International Valuation Standards (IVS) (effective from 31 January 2022);
18. Our fee will be charged at £ plus VAT as agreed and payment is due in advance of the Valuation Report. If you instruct us to carry out additional services then, at our discretion we may charge you for the additional services in addition to the fees set out in this letter by reference to the time spent by those carrying out the additional services payable in the manner set out above; or we may require that you enter into a new contract and re-evaluate the fees which are payable:

19. Bruton Knowles follows documented procedures to deal with all complaints, as part of our Quality Assurance Certification. A copy of our complaints handling procedure is available on request;
20. The Valuation Report may be subject to monitoring under the Royal Institution of Chartered Surveyors conduct and disciplinary regulations;
21. Our aggregate liability arising out of, or in connection with, our valuation, whether arising from negligence, breach of contract, or any other cause whatsoever, shall in no event exceed £10,000,000. This clause shall not limit our liability for death or personal injury caused by our negligence. We have sufficient Professional Indemnity Insurance (PII) on a per claim basis to undertake this Valuation Report.

Kind regards



Ian S Pitt BSc (Hons) FRICS, IRRV (Hons)

Partner

RICS Registered Valuer

For and behalf of

Bruton Knowles LLP

Enc. Standard Terms and Conditions of Engagement (STC)

Standard Terms & Conditions of Engagement

1 R.I.C.S. Valuation Standards

Our valuation has been made in accordance with the RICS Valuation – Global Standards (effective from 31 January 2022), which incorporates the International Valuation Standards (IVS) (effective from 31 January 2022), published by the Royal Institution of Chartered Surveyors and we are acting as external valuers as defined therein., this firm being independent Valuers as defined in the manual.

2 Basis/Bases of Valuation

In accordance with your instructions, our valuation has been prepared under one or more of the following bases of valuation.

Market Value (MV) is :-

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

The interpretative commentary contained within Valuation Technical and Performance Standard 4 (VPS4) of the RICS Valuation – Global Standards (effective from 31 January 2022), which incorporates the International Valuation Standards (IVS) (effective from 31 January 2022) published by the Royal Institution of Chartered Surveyors and we are acting as external valuers as defined therein., this firm being independent Valuers as defined in the manual.

forms an integral part of this definition.

Market Rent (MR) is :-

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

The interpretative commentary contained within VPS4 of the RICS Valuation – Global Standards (effective from 31 January 2022), which incorporates the International Valuation Standards (IVS) (effective from 31 January 2022) published by the Royal Institution of Chartered Surveyors and we are acting as external valuers as defined therein., this firm being independent Valuers as defined in the manual.

forms an integral part of this definition.

Existing Use Value (EUV) is :-

“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 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.”

Fair Value (FV) is :-

The definition adopted by the International Accounting Standards Board (IASB) in IFRS 13:

The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The interpretative commentary contained within VPS4 of the RICS Valuation – Global Standards (effective from 31 January 2022), which incorporates the International Valuation Standards (IVS) (effective from 31 January 2022), published by the Royal Institution of Chartered Surveyors and we are acting as external valuers as defined therein., this firm being independent Valuers as defined in the manual forms an integral part of this definition.

Market Value having regard to Trading Potential is :-

Defined in VGPA4 of RICS Valuation – Global Standards (effective from 31 January 2022), which incorporates the International Valuation Standards (IVS) (effective from 31 January 2022), published by the Royal Institution of Chartered Surveyors and we are acting as external valuers as defined therein., this firm being independent Valuers as defined in the manual and a trade related property is considered to be an individual trading entity and is typically valued on the assumption that there will be a continuation of trading.

3 Scope & Title

We have not carried out formal searches of Local Authority Registers or on Title and it has therefore been assumed that no onerous or restrictive covenants attach to Title. You should rely on your solicitor in these matters and we reserve the right to amend our valuation should any encumbrance be shown to materially affect the value of the property. For owner occupied properties, our valuation assumes vacant possession would be given by the vendor upon completion of a disposal. For tenanted premises, our valuation is subject to the information on tenancies contained within our Report unless otherwise stated. Our valuation is made on the assumption that information given to us, either verbally or in writing by the Bank, your representatives or from any official sources (including, where relevant, the Borrower, the vendor, the selling agents and the Local Authority), is capable of formal substantiation. We do not accept liability for any errors or omissions in the information and documentation provided to us, nor for any consequences that may flow from such errors and omissions. Our valuation also assumes that the property is free from any borrowings or encumbrances, unless otherwise stated.

4 Condition

We have not carried out a building survey or tested services, nor have we inspected those parts of the property which are covered, unexposed or inaccessible and such parts have been assumed to be in good repair and condition. We cannot express an opinion about, or advise upon, the condition of uninspected parts and our Report should not be taken as making any implied representation or statement about such parts. We have not arranged for any investigations to be carried out to determine whether or not any deleterious or hazardous material has been used in the construction of the property, or has since been incorporated, and we are therefore unable to report that the property is free from risk in this respect. For the purpose of our valuation we have assumed that such investigation would not disclose the presence of any such material to any significant extent. We will assume that all recently built or extended property, or any property to be built/extended or in the course of development/extension has the benefit of all relevant, transferrable and insurance backed warranties, Professional Consultancy Certificates and any other required document.

With specific regard to the Control of Asbestos Regulations 2006, we will reflect the content of any written risk assessment provided, however where a risk assessment has not been carried out or is not available, we will assume that a risk assessment would not reveal any matters which could affect value.

We are under no duty to and have not a) moved anything; b) used a moisture detecting meter; c) arranged for the testing of electrical, heating or other service installations; or d) carried out an environmental audit. We have also assumed that no radon gas is present at the property. Unless stated to the contrary, no investigations have been carried out to determine whether the site has a history of instability and we are, therefore, unable to report that the property is free from risk in this respect. We have assumed, for the purpose of the valuation, that such investigation would not disclose the presence of any such problems

5 Contamination

We will not identify the existence of contamination unless either reports have been made available to us in this respect or, during the course of our inspection, we conclude that there may be material contamination at the property or on any neighbouring land. In the latter case we will report this possible contamination immediately with a view to a decision being taken as to whether the valuation instructions are to be amended. Otherwise, our valuation has been undertaken on the assumption that no contaminative or potentially contaminative uses have ever been carried out on the property.

Should it be established subsequently that contamination does exist at the property or on any neighbouring land, or that the premises have been or are being put to any contaminative use, this might reduce the values reported.

6 Local Authority Enquiries

Where appropriate, verbal enquiries have been made of the local authority and unless otherwise stated, we have assumed that there are no planning proposals, highway improvements or compulsory acquisition schemes likely to affect value. We have also assumed planning consent and all other statutory requirements have been obtained and complied with for the erection and occupation of the building. Formal searches have not been made and we reserve the right to amend our valuation should information at variance to these assumptions be forthcoming. No allowance has been made for rights, obligations or liabilities arising from the Defective Premises Act 1972 or the Disability Discrimination Act 1995.

7 Fixtures & Fittings and Plant and Machinery

Unless stated to the contrary, our valuation has excluded any element of goodwill, trade equipment and moveable fixtures and fittings attached to the property. We have also excluded any stock associated with the business. Our valuation includes only such items as form part of the normal building services installations and any items in the nature of specialist or the present occupiers process plant and machinery have been excluded. No equipment or fixtures and fittings have been tested in respect of Electrical Equipment Regulations and Gas Safety Regulations and we assume that where appropriate all such equipment meets the necessary legislation.

8 Sources, Extent and Non-Disclosure of Information

In preparing our valuation we have relied upon such information as has been provided by the client or building occupier in respect of tenure, tenancies, planning consent and any other relevant information. Where leases or other documents have been produced to us, our Report so states. Otherwise, such information should be verified and in the event of significant variation from the information initially given to us, our valuation could require adjustment.

9 VAT, Taxation and Costs of Acquisition or Realisation

No allowance has been made for costs of acquisition or realisation of the property, nor for any liability for taxation which may arise on disposal whether actual or notional, e.g. VAT, Inheritance Tax or Capital Gains Tax. Unless stated to the contrary it is assumed that where there is an imposition or otherwise of VAT on the rent that the lessee will be able to fully reclaim the VAT paid.

10. Reinstatement Cost

Where we have been requested to provide our opinion of the buildings' reinstatement cost, we confirm that we have not carried out a formal estimate of the reinstatement value of the premises. The figure provided is for guidance purposes only and we recommend that a formal assessment is obtained from a specialist insurance valuer if insurance cover is to be effected. However, our informal estimate is inclusive of site clearance, demolition, statutory and professional fees but excludes VAT, loss of rent, the cost of alternative accommodation for the reinstatement period and inflation during the policy year or the rebuilding period.

11. Future Prospects

Where our Report contains any statement as to the prospect of future growth in rental and/or capital values, it should be appreciated that such growth may not occur and that the values can fall as well as rise.

12. Limitation of Liability

Our valuation is provided only for the purpose agreed with the instructing client and will be for the sole use of the client. As such, it is confidential to the client and his professional advisers. We accept responsibility to the client alone that the report has been prepared with the skill and care which may reasonably be expected of a competent valuer but accept no responsibility whatsoever to any other person who relies upon the report at his own risk. Neither the whole nor any part of the Valuation Report may be included in any published document, circular or statement nor published in any way without our written approval of the form and context in which it may appear. We undertake all services only on the basis of these terms which shall apply to the exclusion of any other terms and conditions which the client may seek to impose. No variation of these terms shall be binding unless agreed in writing by an authorised representative of BK and the client.

Where we are providing one or more valuations of a property or properties ("the Property"), in circumstances where you have already made a loan secured (whether wholly or partially) against the Property, and you make further loan or loans secured on the Property in reliance of our valuation(s), our liability to you for any loss that you incur arising from our valuation(s) will be limited to the lesser of: (1) the further sum (if any) that you lend in reliance of our valuation(s); or (2) the difference between our valuation(s) and the true value of the Property at the date of our valuation(s). This limitation of liability applies irrespective of whether, in making a loan based on our valuation(s), you have released the original charge and executed a new charge, or lent additional sums against the original charge. We will not be liable for any loss arising from the original loan (including any extensions to that loan prior to our valuation(s)) that you made, secured by the Property, unless: (1) We carried out the original valuation(s) of the Property; (2) You made the original loan in reliance of our valuation(s); and (3) Our original valuation(s) was negligent.

Our aggregate liability arising out of, or in connection with, our valuation, whether arising from negligence, breach of contract, or any other cause whatsoever, shall in no event exceed £10,000,000. This clause shall not limit our liability for death or personal injury caused by our negligence.

If you suffer loss as a result of our breach of contract or negligence, our liability shall be limited to a just and equitable proportion of your loss having regard to the extent of responsibility of any other party. Our liability shall not increase by reason of a shortfall in recovery from any other party, whether that shortfall arises from an agreement between you and them, your difficulty in enforcement, or any other cause

Liability will not be extended to any other party except on the basis of written and agreed instructions; this will include an additional fee. The terms of the agreement between us are not enforceable by any third party under the Contracts (Rights of Third Parties) Act 1999.

13. Governing Law

These terms for the provision of our valuation is subject to English law. Any dispute in relation to this contract, or any aspect of our valuation, shall be subject to the exclusive jurisdiction of the Courts of England and Wales, and shall be determined by the application of English law, regardless of who initiates proceedings in relation to the services

Appendix Five

Energy Performance Certificate

Energy performance certificate (EPC)

Unit 56
The Washford Industrial Estate
Heming Road
REDDITCH
B98 0EA

Energy rating

D

Valid until: **4 April 2032**

Certificate number: **0772-1212-0302-7022-1300**

Property type

B2 to B7 General Industrial and Special Industrial Groups

Total floor area

5,004 square metres

Rules on letting this property

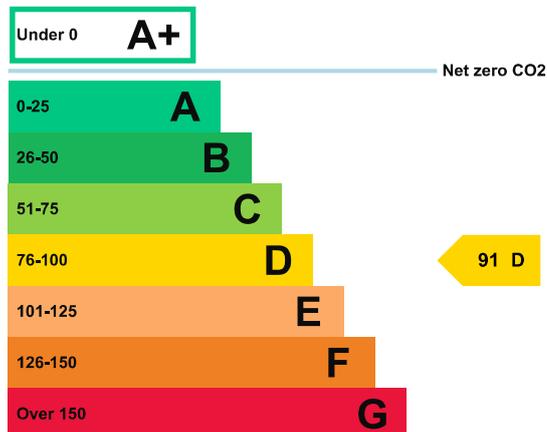
Properties can be let if they have an energy rating from A+ to E.

Energy rating and score

This property's current energy rating is D.

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

21 A

If typical of the existing stock

61 C

Breakdown of this property's energy performance

Main heating fuel

Biomass

Building environment

Heating and Mechanical Ventilation

Assessment level

3

Building emission rate (kgCO₂/m² per year)

87.94

Primary energy use (kWh/m² per year)

618

Recommendation report

Guidance on improving the energy performance of this property can be found in the [recommendation report \(/energy-certificate/2170-4227-0120-3102-0271\)](/energy-certificate/2170-4227-0120-3102-0271).

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 Weaver |
| Telephone | 07812 050385 |
| Email | richard.weaver@enercert.co.uk |

Contacting the accreditation scheme

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

| | |
|----------------------|--|
| Accreditation scheme | Quidos Limited |
| Assessor's ID | QUID201584 |
| Telephone | 01225 667 570 |
| Email | info@quidos.co.uk |

About this assessment

| | |
|------------------------|---|
| Employer | Enercert |
| Employer address | 328 Bath Road, Worcester WR5 3EX |
| Assessor's declaration | The assessor is not related to the owner of the property. |
| Date of assessment | 30 March 2022 |
| Date of certificate | 5 April 2022 |
