

Report and Valuation



Address: Land off Cotswold Dene
Lakeside Industrial Estate
Standlake
Witney
Oxfordshire
OX29 7PL

Date of Valuation: 28th July 2019

Prepared For: PD1 SPV1 Ltd

Prepared By: Grindlay Taylor Real Estate (Weybridge) Ltd
1 The Quadrant
Limes Road
Weybridge
Surrey
KT13 8DH

Contents	Page
<hr/>	
Instructions	
1 Executive Summary	1
2 Location	2
3 Description	2
4 Accommodation	3
5 Condition	3
6 Services	4
7 Statutory Enquiries	4
8 Environmental Issues	6
9 Tenure	7
10 Occupation Leases & Other Agreements	7
11 Market Trends & General Comments	7
12 Market Value	11
13 Security For Loan Purposes	13

Appendices

1	Terms & Assumptions of Valuation/Instruction Letter
2	Enclosures & Information Supplied
3	Definitions of Value

Grindlay Taylor Real Estate (Weybridge) Ltd
39A Church Street
Weybridge
Surrey
KT13 8DG

18th April 2019

PD1 SPV1 Ltd
14 Marine Drive
St Helier
Jersey
Chanel Islands

Our Ref: 20180129
Your Ref: NA

Dear Sirs,

REDBOOK VALUATION
LAND OF COTSWOLD DENE, LAKESIDE INDUSTRIAL ESTATE, STANDLAKE, WITNEY, OXFORDSHIRE

INSTRUCTIONS

In accordance with your instructions, as set out in your letter to us dated 24th July 2019, we have inspected and completed our investigations into the above freehold asset hereafter referred to as the 'Property', which is currently a level site measuring 7.9 acres (3.2 Hectares) classed as industrial land.

The valuation, which is expressed as at the date of our inspection, has been prepared in accordance with the RICS Valuation – Professional Standards 2017 as published by the Royal Institution of Chartered Surveyors. In reporting we are acting as External Valuers. The Terms and Assumptions of Valuation attached at Appendix 1 form part of this report.

In accordance with your instructions, the following basis of valuation has been adopted:

- The Market Value (MV1) in current condition.
- The Market Value (MV2) 90 day value.

The definition of values is contained at Appendix 3.

The inspection of the Property was undertaken by Christopher J G Adams BSc (Hons) MRICS, who has the relevant experience and knowledge to value properties of this nature. The preparation of the report has been carried out by Christopher J G Adams.

Our valuation is based upon the information obtained at the date of inspection. Any subsequent alterations to the Properties of which we have not been made aware, may have an adverse effect on our opinion of value.

The day the inspection took place 18th June 2019 at 15.30 AM, we can confirm that it was a wet day. Present at the inspection was the current owner of the land. I can also confirm I gained access to all parts of the property that were relevant at the time of inspection.

We are aware that the valuation is required for lending purposes. We would report as follows:

1 EXECUTIVE SUMMARY

Property Address:	Land off Cotswold Dene, Lakeside Industrial Estate, Standlake, Witney, Oxfordshire, OX27 7PL
Purpose of Valuation:	Secured Lending
The Property:	The property comprises of industrial land, roughly rectangular in shape. The site measures approximately 3.2 hectares (7.9 acres).
Tenure:	Freehold We have not seen a Report on Title, nor been advised of any outstanding notices or disputes affecting the Property. We would recommend that your lawyer checks the boundaries of the site and compares this to the office copy entry.
Occupational Leases:	N/A
Current Income:	£0
Marketability:	Good
Marketing Timescale:	6/9 Months
Market Value:	Market Value (MV1) £5,500,000 (Five Million Five Hundred Thousand Pounds) Market Value (MV2) 90 day £5,000,000 (Five Million Pounds)
Security for Loan	We consider the freehold interest in the subject property to represent suitable security for the loan.
Purposes:	
Proviso:	The Executive Summary forms an integral part of our Report and Valuation dated 28 th July 2019 and should be read in conjunction therewith. The opinion of value are expressed subject to the comments and assumptions set out below.

2. LOCATION

- 2.1.1 The site is located off Cotswold Dene, off the established Standlake Industrial Park. The property is surrounded by a range of industrial occupiers and backs on to agricultural land. Standlake Industrial Park is located directly off the A415, which has direct links to the A40 and A42 and is approximately 25 miles from junction 8 of the M40.
- 2.1.2 Standlake is located approximately 2 miles from the industrial estate and features a number of small to medium sized businesses.
- 2.1.3 Standlake is a village and civil parish about 5 miles (8 km) southeast of Witney and 7 miles (11 km) west of Oxford, England in the district of West Oxfordshire. The parish includes the hamlet of Brighthampton. The 2011 Census recorded the parish's population as 1,497.
- 2.1.4 The River Windrush flows past the village and with its tributary Medley Brook it forms much of the eastern boundary of the parish. The western boundary has been subject to changes and disputes in past centuries. It now follows Brighthampton Cut, an artificial land drain dug in the 19th century. The Windrush joins the River Thames at Newbridge just over 1 mile (1.6 km) to the south.
- 2.1.5 Standlake has a Post Office and general store and a car repair garages and two camp sites. There are various small to medium sized businesses both within the village and on two light industrial parks in the parish.
- 2.1.6 Standlake is surround by and well connected to a number of sizeable towns including Witney, located approximately 5 miles to the north. Abingdon located 10 miles to the south east and the City of Oxford located 10 miles to the east.
- 2.1.7 Location plans and a plan showing the boundaries of the property edged red are attached at appendix 2.

3. DESCRIPTION

- 3.1.1 The property is roughly rectangular in shape, access to the site is from a main road that travels through the middle of Standlake Industrial Park Cotswold Dene.
- 3.1.2 The site is surrounded by industrial development to the north, east and south east. To the west of the site is agricultural land.

- 3.1.3 The property measures approximately 7.9 acres (3.2 Hectares), this has been measured off PROMAP software.
- 3.1.4 The land is predominantly registered under title number ON272509, we are also aware there is a section of land that is unregistered, however, there is a statutory declaration supporting the ownership of the land.

4. ACCOMMODATION

- 4.1.1 The site is roughly rectangular in shape and measures 7.9 acres (3.2 hectares), this has been measured by PROMAP software.
- 4.1.2 We understand all services are present on the site, there are also two access points on at the site.

5. CONDITION

- 5.1.1 This valuation is made on the assumption that the property is in a condition commensurate with its age, character, style of construction and mode of use at the date of this valuation and that it will remain so throughout the term of the loan.
- 5.1.2 We have made a visual external inspections of the premises on the date of inspection prior to preparing this valuation. The external inspection has been undertaken from ground level only. We have not inspected those parts of the property which are covered, unexposed or inaccessible including the roof space and such parts are assumed to be in good repair and condition.
- 5.1.3 The Disability Discrimination Act 1995 imposes statutory obligations on service providers and employers to make reasonable provisions for people who have disabilities. The Act particularly applies to where there are 15 or more people employed or where members of the public may require using the premises. From October 2004 reasonable adjustments must have been made to remove physical barriers, which prevent access to a service provided in the building. In some instances it may be possible for the service to be provided in an alternative way in order to comply with the Act. The applicant should consider to what extent does this requirement apply to their business and should be aware that alterations or adaptations to the current physical features, including parking and access provisions may be required and should seek advice from a suitably qualified company. We have not carried out an audit and have not speculated whether any adaptations are required by the service provider or employer.
- 5.1.4 We have not carried out a survey to determine whether asbestos is present in the property or completed a risk assessment.

6. ASBESTOS

- 6.1.1 Effective from 13 November 2006, the control of asbestos regulations 2006 consolidated and replaced the current laws on exposure to asbestos contained in the control of asbestos at work regulations 2002, the asbestos (licensing) regulations 1983 and the asbestos (prohibitions) regulations 1992.
- 6.1.2 Under regulation 4 of the control of asbestos regulations 2006 there is a legal responsibility for the dutyholder to manage asbestos in non-domestic premises (including common areas of flats). The dutyholder is the person or organisation that has clear responsibility for the maintenance or repair of the premises either as a freehold owner or an occupier through explicit agreement such as a tenancy agreement or contract.
- 6.1.3 The regulation requires the dutyholder to take reasonable steps to find asbestos containing materials (acms) in premises and check their condition, keeping an up to date written record or register of the location and condition of acms, assessing the risk of exposure to acms and preparing and putting into effect a plan to manage the risk. Where any works, which might disturb the acm are to be carried out, a risk assessment is also required. If a survey recommends the removal of damaged acms, this can have cost implications as all removal works have to be undertaken by a licensed contractor.

7. SERVICES

- 7.1.1 We are advised that the property is connected to mains services including water/electricity/drainage/gas. At the time of the inspection we did not test the services.

8. STATUTORY ENQUIRIES

Planning

- 8.1.1 We have made limited telephone enquiries with the local planning department and have been advised that the property is:
- 8.1.2 Not situated in a conservation area.
- 8.1.3 In March 2012, the government introduced the national planning policy framework with the objective of achieving sustainable development. It sets out the government's planning policies for England and how these are expected to be applied. It replaces all the previous planning policy guidance and planning policy statements.
- 8.1.4 It also provides a framework for local people and councils to produce local and neighbourhood plans. Planning law requires that applications for planning permission must be determined in accordance with the development plan unless material considerations indicate otherwise.

8.1.5 The development plan consists of:

1. Adopted development plans and documents
2. Saved policies
3. Old style plans that have not lapsed

8.1.6 The national planning policy framework must be taken into account in the preparation of local and neighbourhood plans and is a material consideration in planning decisions.

8.1.7 The whole 7.9 acres falls within a established employment area, being Standlake Industrial Park. Designated by West Oxfordshire County Council (WOCC) in the adopted local plan dated June 2005.

8.1.8 The local plan makes for specific use class of B2/B8 which is for the purpose of general industrial warehousing and suri genius use.

9. EQUALITY ACT 2010

9.1.1 The equality act 2010 (the “act”) came into force on 1 October 2010 and repeals and replaces existing discrimination laws including the disability discrimination act (DDA), but also harmonises and extends the law in certain areas providing protection for individuals from discrimination on the grounds of age, disability, sex, race, religion, gender reassignment, sexual orientation, marriage and civil partnership and pregnancy and maternity.

9.1.2 The act includes new provisions on direct discrimination by association, harmonises the definition of indirect discrimination, introduces the concept of discrimination arising from disability and extends the concept of employer liability for third party harassment.

9.1.3 The act applies to all service providers and those providing goods and facilities in Great Britain. Wherever disabled customers or potential customers would have otherwise be at a substantial disadvantage compared with non-disabled people service providers are required to think ahead and make reasonable changes to address barriers that impede disabled people.

9.1.4 There is also a legal requirement to make reasonable changes to the way things are done, to the built environment and to provide auxiliary aids and services. What is “reasonable” will depend on the circumstances.

9.1.5 If you lease your premises and the terms of your lease prohibits alterations then the act enables you to make the alteration with consent of the landlord whose consent is not to be unreasonably withheld, but reasonable conditions may be attached to the consent.

9.1.6 Failure to comply may result in legal proceedings. If disabled individuals are affected by a breach of these requirements, they will be entitled to financial compensation and other legal remedies.

- 9.1.7 Grindlay Taylor Real Estate have not carried out or commissioned any investigations to determine whether or not the property complies with the requirements of the act nor made any allowance for the cost of any works of compliance. For the purpose of this valuation we have assumed that the property complies
- 9.1.8 You may however, wish to review the findings of the audit in light of your customer's particular occupational requirements, in order to ensure compliance.

10. ENVIRONMENTAL ISSUES

- 10.1.1 We are not aware of the content of any Environmental Audit or other Environmental investigation or soil survey which may have been carried out on the property and which may draw attention to any contamination or the possibility of any such contamination. At the date of our inspection no contamination was noted affecting the property or neighbouring property which would affect our valuation. However, should it be established subsequently that contamination exists at the property, or any neighbouring land, or that the property has been, or is, being put to a contaminative or potentially contaminative use, this is likely to reduce the value reported below and we should be notified immediately and if possible prior to any loan advance. We reserve the right to review our calculation in the event that such matters come to light.
- 10.1.2 Our enquiries have been limited to noting the present use of the property and where possible, recording by visual external inspection the present use of the land and buildings immediately adjoining the boundaries of the property. However, our investigations and enquiries have not extended to establishing the previous use of the property or adjoining land and buildings. A Local Authority search may be able to confirm the history of the property and previous permitted uses.
- 10.1.3 We have not arranged for any investigation to be carried out to determine whether or not any deleterious or hazardous material has been used in the construction of this property, or has since been incorporated, we are therefore unable to report that the property is free from risk in the respect. For the purposes of this valuation we have assumed that such investigation would not disclose the presence of any such material to any significant effect.
- 10.1.4 The risks of flooding are increasing due to development on floodplains, flood and coastal defences nearing the end of their useful lives, and climate changes. Floods can happen anywhere at any time, caused by rising ground water levels, burst water drains and hillside run-off from sudden rain, as well as flooding from rivers and the sea.
- 10.1.5 We have not been provided with a Flood Risk Assessment or Flood Screening Report for the property. Our desktop investigations have led us to conclude that the property does have an above average risk of flooding from river flooding. For the purpose of this valuation we have also assumed that the property does not have an above average risk from any other identifiable potential flood sources. A concrete flood wall is already in situ, and the LDO planning documentation provides

comprehensive flood risk assessment and proposed mitigation measures.

10.1.6 We have not carried out any survey of the grounds for invasive plants.

10.1.7 We cannot comment upon the type of species of plant within the grounds of the property. If you are concerned about the presence of invasive or controlled plant types and species (such as Japanese Knotweed) which may be dormant, hidden, cut back or concealed you should commission a horticultural / specialist invasive plant survey.

10.1.8 If any treatment programme is / has been undertaken your legal adviser should confirm this is backed by an insurance backed warranty and what stage this treatment is at.

10.1.9 Under sale enquiries or contract the existing owner is required to reveal any knowledge of Japanese Knotweed and your legal advisers should specifically request this.

10.1.10 Radon Gas is a naturally-occurring substance, particularly, but not exclusively, prevalent in areas with granite sub-strata. Any risk to health requires long-term exposure and is therefore more usually associated with residential property, but it could also be a concern in commercial buildings. The indicative Atlas of Radon in England and Wales published by the Health Protection Agency is prepared at a regional scale and offers little guidance on individual properties. Should the lender require further investigation a site-specific search facility is available.

11. TENURE

11.1.1 We understand that the property title is freehold in respect of the subject property.

11.1.2 We have not had sight of any statutory enquiries or Land Registry entries and, therefore, assume that the interest is not subject to any onerous or unusual covenants or restrictions or leases, licences etc, or easements, wayleaves or rights of way in favour of other parties, which we have not drawn to your attention above. Accordingly, we would reserve the right to review our valuation in the event that such matters come to light and include a recommendation that the client has allowed us to rely on such information.

11.1.3 We have been provided with a report on title. Other than disclosed above, we are not advised of any other notices, disputes, leases, licences, rights of way, restrictive covenants or other encumbrances affecting the title to the property. All searches are attached at appendix 2 of the report.

12. OCCUPATIONAL LEASES & OTHER AGREEMENTS

12.1.1 We understand that property is currently vacant, however, the proposed purchaser for the 7.9 acres has spent a considerable amount of money on the re grading of the site and clearing up of the soil.

12.1.2 We also understand that he is in talks with various other owner occupiers on the Standlake

Industrial Estate in selling off parcels of land. We have included a number of offers that he has received at appendix II this report.

13. MARKET TRENDS & GENERAL COMMENTS

Macro

- 13.1.1 The Growth in the economy has been subdued over the first half of this year, and the limited news on activity more recently indicates this will continue in the short term.
- 13.1.2 Despite the weak economic growth, the labour market continues to run at full steam as the unemployment rate fell to 4.3%, the lowest rate since 1975. In the past, this record low unemployment rate would have translated to wage growth at about twice its current rate, but stagnant productivity means this has yet to materialise, so wage growth remains sluggish at 2.1%.
- 13.1.3 As the inflation rate reached 3.1% in November, workers have now seen their spending power slowly eroded for just over half a year. In all likelihood, this will continue into the early parts of next year, as inflation is now expected to rise above 3.3% in February, falling slowly after that. Current interest rate is marked at 2.7%
- 13.1.4 Given the pay squeeze, consumer confidence has taken a bit of a hit recently, but retail sales growth implies shoppers haven't cut back on spending just yet. Instead it seems households are saving a bit less each month, rather than borrowing more, as growth in personal deposits has slowed recently, alongside a slowdown in growth of consumer credit borrowing.
- 13.1.5 The Bank of England Monetary Policy Committee (MPC) moved the Base rate on hold at 0.75%, but did change its tone on future rate rises. It stated that the majority of MPC members would expect "some withdrawal of monetary stimulus" in the near term if the economy continues on its current path. This has shifted expectations of the next rate rise.
- 13.1.6 The cut in Bank Rate will lower borrowing costs for households and businesses. However, as interest rates are close to zero, it is likely to be difficult for some banks and building societies to reduce deposit rates much further, which in turn might limit their ability to cut their lending rates. In order to mitigate this, the MPC is launching a Term Funding Scheme (TFS) that will provide funding for banks at interest rates close to Bank Rate. This monetary policy action should help reinforce the transmission of the reduction in Bank Rate to the real economy to ensure that households and firms benefit from the MPC's actions. In addition, the TFS.
- 13.1.7 The country has seen a change in Government, which has also seen a change in SDLT which has had a knock-on effect in certain sectors of the market, the Government also introduced a new levee in April 2016 on buy to let properties, which in parts has had an effect on the market.

Valuation Method

13.1.8 In valuing the subject property, we are going to use the comparable method of valuation, where by comparing the asset to similar assets that have sold in the market. We have made enquiries with a number of national and local agents.

13.1.9 We have carried out our usual research and enquiries including discussions with local agents. We have analysed the existing market commentaries and data in determining our opinion as to the market value of the subject property. Information has also been obtained from internal records.

Comparable data

Elmsfield Industrial Estate, Chipping Norton, Oxfordshire, OX7 5XL

13.1.10 This industrial estate is located approximately 20 miles to the north of the subject site, the estate is well established, however, smaller in size to Standlake. The property recently expanded by 4.4 acres that was purchased by an investor at £2,795,000, which equates to £635,000 per acre.

Horspary Trading Estate, Oxford, OX4 5PV

13.1.11 This property is located 17 miles to the east of the subject property, the estate is mainly made up of smaller industrial/commercial units, there are also a number of lock up properties on the site. There was an acquisition in December 2018 for 2.7 acres of land with planning for B2/B8 use and it sold for £1,600,000, which equates to £595,000 per acre.

Curtis Industrial Estate, North Hinksley Lane, Botley, Oxfordshire, OX2

13.1.12 The property is located approximately 12 miles to the east of the subject property the property is a fairly new industrial estate, we are aware of 5 companies that currently are located on the estate. The estate is mainly made up of B2/B8 units. We understand that in February 2018 6 acres was purchased for the expansion of the park at approximately £580,000 per acre.

Osney Mead, Industrial Estate, Oxford, OX2 0ES

13.1.13 The property is located approximately 11 miles to the east of the subject property, the property is relatively new and contains a range of industrial and commercial properties, there is a large communal parking area to the front of the site with around 40 percent of the estate available for rent, we understand a section of the estate was purchased for £680,000 an acre in 2018.

13.1.14 We are also aware of 2 offers at Standlake Industrial Estate which we have included the offer letter at appendix II of this report.

13.1.15 Offer 1 – From Hutchins & Smith Metal Recycling – they have offered £1,000,000 for an acre of the site which abuts the subject property.

13.1.16 Offer 2 – From LFA Construction Equipment Ltd – They have offered £1,370,000 for 1.3 acres of the site which abuts the subject site.

13.1.17 From looking at the comparable evidence above and also looking at industrial land prices across the country we are of the opinion that due to the transport links, location and age of subject property, also taking in to consideration the offers that have been tabled on the subject site, we value the land at £700,000 per acre.

Valuations

Market Value (MV1)

13.1.18 We are of the opinion that the current market value of the freehold interest in Land off Cotswolds Dene, Lakeside Industrial Estate, Standlake, Witney, Oxfordshire, OX29 7PL as described in our report, free from encumbrance with full vacant possession as at the valuation date is:

£5,500,000

(Five Million Five Hundred Thousand Pounds)

Market Value (MV2) 90 day sale

13.1.19 We are of the opinion that the current market value of the freehold interest in in Land off Cotswolds Dene, Lakeside Industrial Estate, Standlake, Witney, Oxfordshire, OX29 7PL as described in our report, free from encumbrance with full vacant possession as at the valuation date, based on a 90 day sale is:

£5,000,000

(Five Million Pounds)

General Assumptions

13.1.20 The following assumptions have been adopted in arriving at our opinion of value:

13.1.21 There is clear title to the property and the boundaries indicated on the attached plan are in accordance with those held at the land registry and those over which your charge is to be taken.

13.1.22 Full planning consent exists for the proposed use with there being no outstanding liability for council tax.

13.1.23 Attached at appendix 2 is a schedule of the information and documents supplied to us and upon which we have formed our opinion of value. Unless otherwise stated, we have assumed that all of the above are valid for the purposes of our report. Should any of the information provided prove to be incorrect or inadequate, then the accuracy of the valuation may be affected.

14. SECURITY FOR LOAN PURPOSES

14.1.1 In assessing the suitability of the property for loan security purposes, we have initially had regard to the strengths and weaknesses of the property:

Strengths

14.1.2 Level site

14.1.3 Located on an established Industrial Estate

14.1.4 Good transport links

Weaknesses

14.1.5 Backing on to agricultural land

14.1.6 We consider the freehold interest the above portfolio to provide suitable security for loan purposes at the level reported subject to the bank's normal lending criteria.

14.1.7 We have assumed that the property is maintained and kept in full repair, that no encumbrances are created and that there are no breaches of use, occupation, planning, lease or other relevant matters during the term of the loan, which could affect both the value and its suitability for loan purposes.

Recommendations

14.1.8 That your solicitors confirm that there is clear title to the property and that the boundaries indicated on the attached site plan are in accordance with those held at the land registry and those over which your charge is to be taken.

14.1.9 That your lawyers checks the complete pack on the property including all reports and site plans

14.1.10 We have considered the property's suitability for loan security. The value of property is subject to fluctuation over time, resulting from the changes in local market forces, legislation and national economic conditions. Whilst it is for the lender to assess the risk attached to such fluctuations over the period of any loan, and to determine an appropriate level of security, we are unaware of any foreseeable events or circumstances, other than those detailed within this report, which would suggest that the subject property is unsuitable security for loan purposes, over the normal period of a commercial mortgage for this type of property. This assumes that the necessary maintenance and upgrades are made to the property to ensure that it continues to meet legislative and market requirements, and it is anticipated that the buildings will retain a useful economic life of at least 25 years.

14.1.11 We do not consider that there will be any undue difficulty in realising the sale of the property in the event of foreclosure and estimate a sale will be achieved within 6 to 9 months to a prospective owner occupier, investor or developer on a prudent lotting basis, and that the property could be let on the open market within 6 months assuming that all statutory requirements for letting have been

met and that market conditions remain stable

14.1.12 The following matters should be considered as being material in terms of your commercial mortgage lending process and your consideration of the property as commercial mortgage security:

14.1.13 In formulating our market valuations, we have placed reliance upon the following information provided by the borrower parties which lenders legal advisers are requested to verify;

14.1.14 Legal advisers to forward report on title and title plans to the valuer for confirmations.

14.1.15 Subject to the above comments, the property is considered to provide suitable security for an advance by the mortgage lender on its usual terms for an asset of this type and age.

14.1.16 Any matters arising which contradict this report and the assumptions stated herein or are otherwise likely to affect the valuation should be referred back for reconsideration.

If you require any further information on the subject property, please do not hesitate to contact me on the details below.

Yours faithfully



Christopher Adams MRICS BSc (Hons)

For and on behalf of:

Grindlay Taylor Real Estate (Weybridge)