

REPORT

AND

VALUATION

**ON THE PROPERTY KNOWN AS:
UNIT 24 GLENMORE BUSINESS
PARK COLEBROOK WAY
ANDOVER
SP10 3GZ**



1/3 London Street · Andover · SP10 2NU

01264 351622

www.stratfords-commercial.co.uk



Prepared for:

**The Trustees of PCM
Unit 25 Glenmore Business Park
Colebrook Way
Andover
SP10 3GZ**

FOR PRIVATE PENSION FUND PURPOSES

AS AT 11 January 2016

Regulated by RICS

Directors: Phillip A Hadfield BSc MRICS IRRV & Nicholas D Hopson-Hill BSc MRICS IRRV

Stratfords Commercial is the trading name of Stratfords Commercial (Andover) Ltd. Registered Office: 114 High Street, Southampton SO14 2AA. Registered Number: 2168376

NDHH/SKK/6790C26

26 January 2016

PRIVATE AND CONFIDENTIAL

The Trustees of PCM
Unit 25 Glenmore Business Park
Colebrook Way
ANDOVER
SP10 3GZ

FAO Mr M Arrigoni

Dear Sirs

UNIT 24 GLENMORE BUSINESS PARK, COLEBROOK WAY, ANDOVER SP10 3GZ

We refer to your instructions for us to provide you with our opinion as to the Market Value and Market Rent of the above property for Private Pension Fund purposes.

A copy of our Conditions of Engagement is attached hereto and we have valued the property as at the date of inspection 11 January 2016. The Valuation has been undertaken by Mr. N.D. Hopson-Hill BSc MRICS IRRV as an external valuer with the knowledge, skills and understanding to undertake the valuation competently.

There has been no previous material involvement in the property since the firm acted as joint agent for the vendor of the property when it was sold in January 2004.

SITUATION:

The property is one of 25 modern business units forming Glenmore Business Park, a mixed commercial development about eight years in age approached through a small industrial estate just off Weyhill road about a mile to the west of Andover town centre.

The Andover area currently has a population in the region of 52,000 people and is scheduled to grow further over the next few years. The town has recently become the home of the new administrative headquarters of the British Army's Land Forces and the Co-operative Group's new 43,484 m² [467,891 ft²] distribution depot. Many well known Companies are located in the Andover area including Agricultural Mortgage Corporation, Britax-Excelsior, Simplyhealth, Lloyds TSB Life Pensions & Investments, Londis, Office Depot, Petty Wood, Stannah Lifts and Twinings to name but a few.

Andover is well placed for road communications being on the A303 dual carriageway linking the M3 to the West Country. The A34 intersection some seven miles to the east leads to both the South Coast and the Midlands.

See location plan marked Appendix I.

DESCRIPTION:

The property comprises a terraced factory/warehouse unit built in approximately 2003. It is basically of steel frame construction having brickwork elevations mainly to approximately one third height with profiled metal cladding above and a profiled metal clad roof incorporating natural lighting panels. Internally the party wall with Unit 25 is of full height blockwork with the inner leaf of the external walls having blockwork to one third height and composite panels above and to the underside of the roof. The main floor is of screeded concrete.

Minimum eaves height is approximately 7.0 m [23 ft] and there is a sectional up-and-over loading door in the front (south) wall. There is two-storey office/ancillary accommodation built into the south-east corner formed by blockwork walls, having high brickwork and double glazed fenestration to the front, and a panel of similar glazing at first floor level on the flank.

The factory area has substantial steel framed and chipboard decked mezzanines providing storage at first floor levels.

See copy of the estate plan marked Appendix II.

ACCOMMODATION: (Gross Internal Areas)

GROUND FLOOR:

Workshop Area: 379.6 m² [4,086 ft²] the vast majority having the headroom restricted to 2.7 m [8'10"] being below either the mezzanine or the undercroft to the offices.

Office/Ancillary area: 60.9 m² [655 ft²] comprising an entrance hall with stairs to first floor, passages, understairs cupboard, front office, kitchenette, gents toilet, ladies/disabled toilet, works' toilet approached off the workshop.

FIRST FLOOR:

Office/Ancillary area: 107.2 m² [1,154 ft²] comprising a stairway and landing, plus one open plan office.

Gross Internal area of main accommodation approximately 547.7 m² [5,895 ft²]

MEZZANINE:

First Floor level: 248.3 m² [2,673 ft²] including one small partitioned store in the north-west corner. Access by stairs from workshop floor plus emergency escape ladder. Removable section of handrail for ease of loading.

Total Gross Internal area of Mezzanines approximately 796 m² [8,568 ft²]

OUTSIDE: There are no outside areas belonging to the property, but you have informed us that there is a right to use 12 car parking spaces in designated areas nearby.

SERVICES:

Mains water, drainage, gas and electricity appear to be connected.

Heating is provided by electric radiant heating in the workshop and by electric storage/convector heaters to part of the office accommodation. Lighting is provided by halogen lights and strip lights in the workshop and by strip lights recessed into the suspended ceiling in the office/ancillary accommodation.

CONDITION:

We have not carried out a Building Survey 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 this Report should not be taken as making any implied representation or statement about such parts. We have not tested any of the services.

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 and we are therefore unable to report that the property is free from risk in this respect. For the purpose of this Valuation we have assumed that such investigation would not disclose the presence of any such material in any adverse conditions. No allowance has been made for rights, obligations, or liabilities arising from the Defective Premises Act 1972.

It was observed that the property is generally well presented and for the purpose of this valuation we have assumed that there are no significant repairs required.

CONTAMINATION:

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 contamination. In undertaking our work, we have been instructed to assume that no contaminative or potentially contaminative uses have ever been carried out in the property. We have not carried out any investigation into past or present uses, either of the property or of any neighbouring land, to establish whether there is any contamination or potential for contamination to the subject property from these uses or sites, and have therefore assumed that none exists.

However, should it be established subsequently that contamination, seepage or pollution exists at the property or on any neighbouring land, or that the premises have been or are being put to a contaminative use, this might reduce the value now reported.

RATING:

As a result of an Internet enquiry of the Valuation Office Agency Website it appears that the Entry appearing in the 2010 Rating List of the Local Authority, Test Valley Borough Council, on the relevant date was:-

Description: Workshop and Premises

Rateable Value: £36,500

It is evident that the assessment does not include the mezzanine areas.

PLANNING:

An informal enquiry of the website of the local Planning Authority, Test Valley Borough Council, has not indicated any recent applications on the unit.

For the purpose of the valuation we have assumed that there are no breaches of any Town Planning, Building, or other regulations. In particular, we have assumed that all necessary building regulation consents have been obtained for the mezzanines.

If it should prove that there are no such consents in place then our valuation could be affected.

TENURE:

The property is understood to be Freehold. We have assumed that there are no onerous covenants or conditions that would have an adverse effect on value or saleability, and also that all necessary rights of access over the shared estate roads and easements for services are in place, but no enquires have been made.

We understand that there is a service charge to cover the maintenance and management of all outside and shared areas including the estate road. We assume this to be calculated and apportioned in an equitable manner.

In respect of the proposed lease to Longar Industries Ltd, we have been instructed to assume a five year FRI lease at a fixed rent and with no particularly onerous covenants or conditions.

SUMMARY:

To summarise, the property comprises a modern terraced workshop with two-storey office/ancillary accommodation located in an estate of 25 broadly similar style units on the western side of Andover.

The unit provides some 547.7 m² [5,895 ft²] of main accommodation plus first floor mezzanine for light storage amounting to a further 248.3 m² [2,673 ft²].

However, the fact that the unit is Freehold should be seen as an attraction to investors as much of the industrial space elsewhere in the town is held on a long leasehold basis.

We understand that there are connected party interests between the beneficiaries of the scheme and the tenant company.

VALUATION:

On this basis we are of the opinion that the Market Rent on the terms outlined above as at 11 January 2016 was **£39,000.00 (thirty nine thousand pounds) per annum exclusive**. We are further of the opinion that the market Value of the Freehold Interest as an Investment subject to the proposed lease at this level of rent as at 11 January 2016 for Private Pension Fund purposes was **£490,000.00 (four hundred and ninety thousand pounds)**.

No allowance has been made for liability for taxation which may arise on disposal, whether actual or notional. Our valuation reflects costs of acquisition, but not realisation.

Market Rent and Market Value are defined in the RICS Valuation - Professional Standards incorporating the International Valuation Standards, Global and UK Edition as follows:-

MARKET RENT:

The estimated amount for which a property would 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.

MARKET VALUE:

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.

PUBLICATION:

The Report is provided for the stated purposes and for the sole use of the named Client. It is confidential to the Client and the Client's professional advisers. The Valuer accepts responsibility to the Client alone that the Report will be prepared with the skill, care and diligence reasonably to be expected of a competent Chartered Surveyor, but accepts no responsibility whatsoever to any parties other than the Client. Any such parties rely upon the Report at their own risk. Neither the whole nor any part of the Report nor any reference to it may be included in any published document, Company Accounts, Directors Reports, Review, circular or statement nor published in any way without the Valuer's prior written approval of the form and context in which it may appear on each and every occasion.

Yours faithfully
STRATFORDS COMMERCIAL



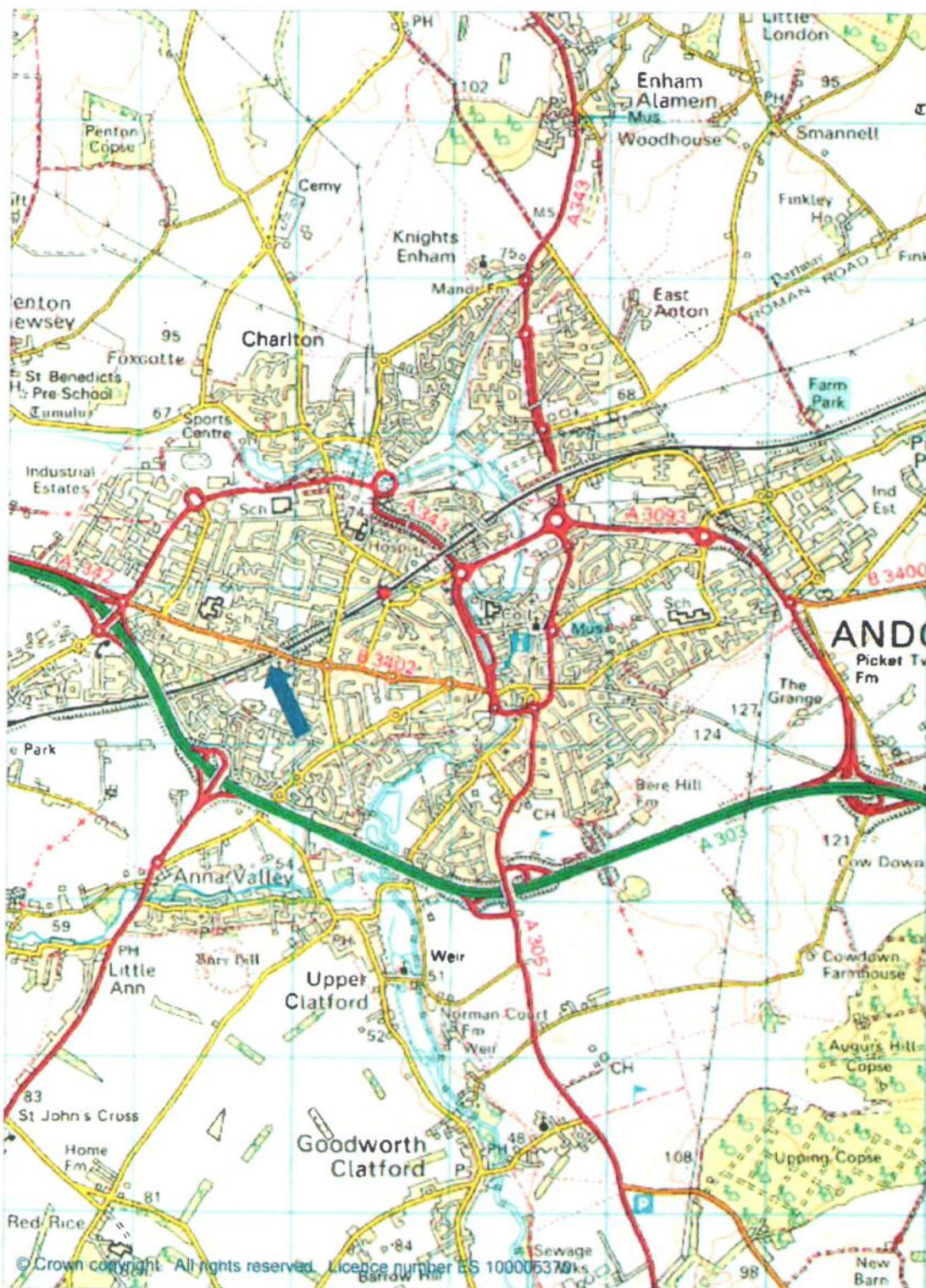
NICHOLAS D HOPSON-HILL BSc MRICS IRRV

ndhh@stratfords-commercial.co.uk

RICS Registered Valuer

APPENDIX I

LOCATION PLAN



PROPERTY Unit 24
Glenmore Business Park
Colebrook Way
ANDOVER SP10 3GZ

REFERENCE 6790C26

SCALE 1:38660

DATE January 2016



**Stratfords
Commercial**

Chartered Surveyors

1/3 London Street · Andover · SP10 2NU

01264 351622

www.stratfords-commercial.co.uk