



Secured Lending Appraisal Report



**6-8 Bridge Street
Wisbech
Cambridgeshire
PE13 1AF**

**Client: Santander UK plc
and its subsidiary companies**

Inspection by	Checked and Approved by	Version
P G Tew FRICS RICS No 0056632	J R Unna FRICS RICS No 0054161	Final

26 November 2013
T.TMR.17755.1698a



SURVEYORS • VALUERS • ESTATE AGENTS • PROPERTY MANAGEMENT
Regulated by RICS



26 November 2013

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3.0 Executive Summary

3.1	Property and Type:	6-8 Bridge Street, Wisbech, Cambridgeshire, PE13 1AF. Double frontage retail shop with two upper floors.
3.2	Instructions:	Santander UK plc and its subsidiary companies.
3.3	Lender Reference:	J70066892.
3.4	Compliant:	The report is compiled in accordance with the current RICS Red Book and the Santander Valuation Reporting Requirements.
3.5	Date of Inspection:	Wednesday 6 November 2013.
3.6	Valuation Date:	Date of inspection.
3.7	Tenure/Tenancies:	Freehold subject to occupational tenant.
3.8	Inspection Restrictions:	An inspection of all parts of the property was made.
3.9	Disclosure:	There is no conflict of interest, either personal or in relation to Peter Tew and Company.
3.10	Re-Addressing Report:	This Report has not been transcribed.
3.11	Market Value: (MV1) (Marketing Period 12 months)	£550,000 (Five Hundred and Fifty Thousand Pounds) subject to occupational tenant.
3.12	Market Value: Vacant Possession(MV2) (Marketing Period 12 months)	£550,000 (Three Hundred and Fifty Thousand Pounds).
3.13	Market Value: (MV3) (Marketing Period 6 months)	£490,000 (Four Hundred and Ninety Thousand Pounds).
3.14	Market Rent: (MV4) (Marketing Period 12 months)	£38,500 (Thirty Eight Thousand Five Hundred Pounds) pax assuming a lease for a term of 5 years on a full repairing and insuring basis subject to a Schedule of Condition and a 5 month rent free period.
3.15	Insurance Valuation:	£1,250,000 (One Million Two Hundred and Fifty Thousand Pounds).
3.16	Requiring Additional Confirmation:	Address lender action points see section 45.
3.17	Security for Loan:	The property is suitable security for loan purposes at the figures set out above.

This summary is provided for reference purposes only and must be read in conjunction with, and must not be relied upon out of context from, the full Secured Lending Appraisal Report attached.



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Our Ref: T.TMR.17755.1698a
Your Ref: J70066892
Date: 26 November 2013

FAO: W Rand Esq

Dear Sirs,

Instructions Received From: Santander UK plc and its subsidiary companies

Customers: Robert Goddard Ltd

Property: 6-8 Bridge Street, Wisbech, Cambridgeshire, PR13 1AF

Valuation Date: Market Value as at 6 November 2013

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4.0 Introduction

- 4.1 In accordance with your instructions dated 3 November 2013 we confirm that P G Tew F.R.I.C.S. inspected the above premises on Wednesday 6 November 2013 and collected together relevant information and data including planning records online and set out below our Secured Lending Appraisal Report thereon. We confirm that this valuer is a member of the Valuer Registration Scheme and has sufficient current regional knowledge of the particular market and the skills and understanding to undertake the valuation competently. We also consider ourselves to be independent for the purposes of the instruction, with no prior connection to the property or customer.
- 4.2 We have prepared our valuation in accordance with RICS Valuation - Professional Standards, March 2012 and Barclays Bank plc terms and conditions.
- 4.3 We confirm that we have Professional Indemnity Insurance cover in the sum of £3 Million.
- 4.4 In accordance with your instructions we have inspected and valued the freehold interest in the above property to determine:-
- Market Value of the property as a whole with the occupational tenant. 12 month marketing period is relevant for a property of this type. (MV1)
 - Market Value of the property as a whole with vacant possession. 12 month marketing period is relevant for a property of this type. (MV2)
 - Market Value of the property as a whole with vacant possession on the special assumption that the marketing period is restricted to 6 months. (MV3)
 - Market Rent as a whole or in part. 12 month marketing period is relevant for a property of this type. (MV4)

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4.5 The interpretive commentaries on Market Value and Market Rent are set out within this report. For the purposes of this valuation, we have examined and relied only on the following documents:-

- a) *Copy of the lease dated 9 March 2011.*
- b) *Copy of the Environment Agency Flood Map dated November 2013.*
- c) *Copy of the HM Land Registry Title No LT299435 addition dated 3 February 1998.*

Except for the documents set out above, we have not, for the purposes of this valuation, examined any contract or other documents entered into, relating to this property.

4.6 This Report has not been transcribed from an earlier report undertaken for your customer or any third party during the last 5 years.

4.7 It is not considered appropriate to use the principle of depreciated replacement cost. Nor has it been considered appropriate to consider an alternative use valuation in the case of this property.

In preparing this Report, we have placed reliance upon the information supplied by your customer and upon enquiries of the Local Planning and Highways Authorities. Attention is drawn to the following which may require confirmation in detail:-

- a. That the information provided by the Authorities is correct and complete and that a local search would not reveal any matters that would have an adverse effect upon the value of the property, nor liability to the Client.
- b. That the property and any alterations and extensions thereto complies in all respects with current legislation affecting the property and its use, or its intended use.
- c. That there is good and unencumbered title for the property, free from onerous covenants, easements, restrictions or other encumbrances or outgoing in the absence of having sight of the Title Deeds.
- d. A building survey of the property has not been undertaken nor have we inspected parts of the property which were covered, unexposed or inaccessible, nor arranged for nor carried out specialist tests on the ground conditions, of any part of the structure and sub-structure, nor of the electrical, heating, air conditioning or other services to the property or running under the site. 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 upon such parts. In view of these limitations, those relying upon this report should be aware that:-
 - I Although regard has been taken of the apparent state of the property, defects may exist that are latent or would be revealed in a more detailed survey.
 - II We are unable to confirm that the property is free from risk of High Alumina Cement, Calcium Chloride Additive, Asbestos or other potential deleterious or hazardous material or techniques having been used in the construction or alteration of the property.
 - III No measurement nor calculation has been made of the loadbearing capacity foundation, floors or other elements of the structure which it is assumed is suitable for the present or proposed uses.
 - IV We are not aware nor have we made any enquiry as to whether the property has any CFCs or other environmentally damaging or polluting materials in plant and machinery on site which may be required to be removed by law. Accordingly our valuation assumes no such liability. However, should there be a requirement now or in the future to carry out such work, this might reduce the values now reported.

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	10.0	Fixtures and Fittings
	11.0	Repair, Condition and Sustainability
	12.0	Accommodation

5.0 Location

- 5.1 The property comprises a double fronted end terraced building located in a prominent position at the junction of Bridge Street and Alexandra Road close to the centre of Wisbech. Wisbech lies approximately 23 miles from Peterborough, 39 miles from Cambridge and 55 miles from Norwich. This Georgian market town is located off the A47 trunk road between Norwich and Leicester and the central area of Wisbech has a good blend of local and national retailers.

6.0 Site

- 6.1 The area edged red on the Land Registry plan set out within the appendices is our understanding of the site boundary. The property abuts the pavement to both the front and the rear. The front boundary dimension is 18.1m with a maximum depth of 15.38m. To the rear of the property there are personal doors fronting Alexandra Road but there is no on site parking. There is no scope to extend the property within the existing site.

7.0 Building Description

- 7.1 The property relates to the basement, ground, first and second floor. The property was originally constructed in or around 1750 with subsequent extensions and the following summarises the construction of the building elements:-

Element	Description
Walls	Elevations are of solid 228mm brickwork.
Main Roofs	Pitched slated and a pitched tiled roof.
Rainwater Goods	Both cast iron and plastic guttering and downpipes.
External Doors	Solid timber doors.
Windows	Both timber and metal casement windows.
Floors	Timber and screeded floors with solid floors at ground floor level.
Internal Doors	Solid half hour fire doors.
Ceilings	Plastered with exposed beams.

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Element	Description
Sanitary Appliances	Modern low flush W.C.'s with separate WHB.
Fire Alarm Installation	Installed.
Telephone and Data	Standard cabling system.
Intruder Alarm System	Protected out of hours intruder alarm system.

8.0 Photos

- 8.1 Photographs are attached in Appendix C to this report and provide an overall impression of the property and area in which it is located.

9.0 Services

- 9.1 Mains gas, electricity, water and drainage are connected to the property. No tests of these installations has been undertaken.

9.2 Heating

- 9.3 The property has a Gloworm gas fired boiler located within the basement.

9.4 Electrics

- 9.5 There is a single phase electrical supply with power socket and light extensions. From our visual inspection of the electrical wiring it appears to be modern. Your customer needs to obtain a professional examination from a qualified and competent NICEIC or ECA electrical contractor for commercial properties. The report should cover the condition of the installation. Repairs and upgrades should be undertaken where necessary and a Mains Test Certificate provided on completion.

9.6 Lift

- 9.7 There is no lift within the property.

9.8 Alarms

- 9.9 There is an intruder burglar alarm system.

10.0 Fixtures and Fittings

- 10.1 The Valuation excludes all items of plant and machinery and fixtures and fittings and equipment other than those which may be described as to form part of the building services.

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11.0 Repair, Condition and Sustainability

- 11.1 The prime purpose of this Report is to advise as to the value of the property and the following comments do not form part of any building survey, but we consider that they are relevant to preserve the marketability and value of the property.
- 11.2 The property has been in continuous use as a retail shop for many years. There are signs of some wear and tear and need for an ongoing maintenance programme.
- 11.3 To assist in establishing essential repairs we set out below our repair rating:-

No.	Repair Rating 1 (<i>Serious defects to be repaired or replaced urgently</i>)
1.	Carry out a full electrical check and undertake any necessary repairs and provide a Mains Test Certificate on completion.
2.	Obtain a condition report by an engineer on the Gas Safe Register confirming that the boiler is safe for use.
3.	There is evidence of damp at the base of the rear elevations and within the basement.
4.	Repointing required to brickwork.
5.	Remove vegetation from side elevation and make good downpipe.

No.	Repair Rating 2 (<i>Repairs noted but not considered to be either serious or urgent</i>)
1.	Overhaul windows and doors.
2.	Make good flashings.
3.	Ensure drains are free flowing.
4.	Redecorate throughout both internally and externally.

- 11.4 As an estimate we are of the opinion that the likely cost is in the order of £20,000 (Twenty Thousand Pounds) to carry out the repairs. Your customer should obtain estimates from suitable contractors for the reported repairs. Peter Tew and Company cannot influence the nature or size of contractors which your customer wishes to use and the cost between a vat free sole operator and the full supported and structured contractor is substantial. We have factored into account the repairs above in this valuation.

12.0 Accommodation

- 12.1 The accommodation comprises:-

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 Peter Tew

6 Bridge Street Ground Floor	Retail Frontage	7.88m	
	Retail Sales	112.08m ²	(1,206sq.ft)
	ITZA	74.50m ²	(802 sq.ft)
	Changing Area	17.4m ²	(187 sq.ft)
	Private Office		
Approximately 129.48m² (1,393 sq.ft.)			

First Floor	Dress Hire Room		
	Storage Areas		
Approximately 95.59m² (1,028 sq.ft.)			

Second Floor	Storage Area		
Approximately 40m² (430 sq.ft.)			

NIA 265.07m² (2,851 sq.ft.) Approximately			
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8 Bridge Street Ground Floor	Retail Frontage	10.26m	
	Retail Sales	102.94m ²	(1,108 sq.ft)
	ITZA	80.82m ²	(870 sq.ft)
Approximately 102.94m² (1,108 sq.ft.)			

First Floor	Retail Sales	74.22m ²	(799 sq.ft)
	Storage Room	5.46m ²	(59 sq.ft)
Approximately 79.68m² (858 sq.ft.)			

Second Floor	Alterations Room	9.47m ²	(102 sq.ft)
	Staff Room	15.42m ²	(166 sq.ft)
Approximately 24.89m² (268 sq.ft.)			

NIA 207.51m² (2,234 sq.ft.) Approximately			
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Total Net Internal Area 472.58m² (5,085 sq.ft.) Approximately

- 12.2 Dimensions and floor areas have been measured on site as necessary. Areas are calculated in accordance with the Code of Measuring Practice of the Royal Institution of Chartered Surveyors.
- 12.3 The accommodation is suitable for the existing use. In addition there are no tenants improvements and any recent significant alterations or extensions to the property.

Section 3	13.0	Tenure/Tenancies
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13.0 Tenure/Tenancies

- 13.1 We understand that the property is held freehold. At the date of our inspection the property was occupied by Robert Goddard Limited. We have not had sight of any report on title and we are unaware of any onerous liabilities or restrictive covenants which will have an adverse affect on market value. This must be verified by the legal team advising in this matter. Please ensure that the extent of the boundary shown edged red on the Land Registry plan exactly represents the extent of the property.
- 13.2 The property is valued subject to the occupational tenant. The property is held on the following lease terms:-

Lease Dated:	9 March 2011.	
Landlords:	Robert Goddard LLP. Registered No 0C334257.	
Tenants:	Robert Goddard Limited. Registered No 6530796.	
Contractual Term:	6 years commencing 9 March 2011.	Definitions
Break Option:	No break options.	
Initial Rent:	£55,000 pax.	Definitions
Rent Deposit:	---	
Repairs:	Full repairing and insuring.	CI 3.1.5
Decoration:	Tenant decorates in the last year.	CI 3.1.9 CI 3.1.10
Rent Reviews:	No rent reviews.	
User:	Class A1.	Definitions
Alterations:	No additions or alterations without landlords consent.	CI 3.1.32
Alienation:	Assignment or underletting of the whole permitted with landlords consent not to be unreasonably withheld. AGA required.	CI 3.1.17

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Statute:	Tenant to comply with statute.	CI 3.1.37
Insurance Provisions:	Landlord insures and tenant to reimburse.	CI 4
Interest on Late Payment:	3% above bank base lending rate.	Definitions
Forfeiture Provisions	Standard forfeiture provisions.	CI 6

13.3 The valuation is based on the following:-

- a) The Freehold Interest in the property is vested in Robert Goddard LLP.
- b) That the property is not charged in any way, and our Valuation does not reflect the costs of redeeming the property from any charge or mortgage.
- c) That the property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoings, and that good Title can be shown.
- d) That the property and it's value are unaffected by any matters which would be revealed by a Local Search and Replies to the usual Enquiries, or by any Statutory Notice and that neither the property nor its condition nor its use nor its intended use is, or will be, unlawful.
- e) That there are no material restrictions on the use, enjoyment or disposal of the property.

Section 4	14.0	Statutory/Legal Matters
	15.0	Equality Act 2010
	16.0	Town Planning
	17.0	Fire
	18.0	Regulated Mortgages
	19.0	Registration/Licenses
	20.0	Business Rates/Council Tax
	21.0	Highways
	22.0	VAT
	23.0	Other Miscellaneous

14.0 Statutory/Legal Matters

- 14.1 This report has taken into account legislation and other controls which have an affect on the use, layout and construction of the property. Due to the nature of the property we have taken into account the Offices, Shops and Railway Premises Act. One of the major provisions within this Act relates to toilet accommodation within buildings.

15.0 Equality Act 2010

- 15.1 Equality Act 2010 supersedes and replaces the Disability Discrimination Act 2005. This places a duty of care upon employers to make reasonable changes within the workplace to enable disabled access to the property and to allow disabled persons to carry out their job. These changes may extend to carrying out physical changes to the property; therefore building owners and occupiers should be aware of the potential liabilities for work to comply with the legislation especially where the property is used for the provision of goods or services to the public. Whilst we are not experts within this field it was apparent upon inspection that the property would appear to comply with the Act. For the purposes of this valuation however we have assumed that DDA provisions will not have a material impact upon our valuation.

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16.0 Town Planning

- 16.1 Informal/internet enquiries with the local planning authority confirms that the property has a permitted use for a retail shop and premises.
- 16.2 The property is Grade II Listed and located within a conservation area.
- 16.3 However, we have not inspected the Statutory Register of Planning Applications, nor have we seen the detailed planning consent, which may relate to various parts of the property. Information provided to us by the Local Planning Authority is given without liability on their behalf and accordingly we cannot accept any responsibility for information so supplied although the information which has been given to us is relied upon in good faith.

17.0 Fire Regulations

- 17.1 Fire Safety Legislation is covered by the Regulatory Reform (Fire Safety) Order 2005 which came into effect in October 2006. This Order replaces the fire certificates under the Fire Precautions Act 1971 with a requirement for the "responsible person" to make a suitable and significant assessment of the risk and to identify the fire precautions required to comply with the Order. The Order applies to all non-domestic property. A fire risk assessment is required.

18.0 Regulated Mortgages

- 18.1 There is no residential accommodation within 6-8 Bridge Street.

19.0 Registration/Licenses

- 19.1 To the best of our knowledge there are no registrations or licences affecting the property.

20.0 Business Rates

- 20.1 We note from the Valuation Office Agency Summary that the property is assessed as follows:-

Rating List	Description	Rateable Value
2010	Shop and Premises	£27,250.00

- 20.2 The current rate in the pound or Uniform Business Rate is 47.1p (2013/2014). The rates currently may, however, be subject to partial relief or to phasing provisions.
- 20.3 Further information can be obtained from www.voa.gov.uk.

21.0 Highways

- 21.1 Bridge Street and Alexandra Road are made up, adopted and maintained at public expense.

22.0 VAT

- 22.1 An election to charge vat on the property will have no adverse affect on the marketability as well as both capital and rental values.

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23.0 Other Miscellaneous

- 23.1 Any alterations to the property require Listed Building Regulation consent. This has been factored into this report.
- 23.2 We do not consider the property at risk to Radon gas.

Section 5	24.0	Environmental Issues
	25.0	EPC's & Sustainability
	26.0	Contaminated Land
	27.0	Flooding
	28.0	Invasive Plants
	29.0	Asbestos

24.0 Environmental Issues

- 24.1 From our inspection of the property and enquiries made there is no indication that the property or its immediate locality:-
- is on or near landfills;
 - is located within a mining area;
 - is in an area that has been identified as having a risk of subsidence or landslip;
 - is affected by naturally occurring gases;
 - is subject to water or land pollution;
 - has been used for the manufacture, storage or sale of hazardous material such as chemicals, petroleum products, pesticides, fertilisers, acids, asbestos, explosives, paint or radioactive materials;
 - has below ground storage tanks;
 - is close to incinerators or chimneys given off heavy emissions;
 - is on or near a radon gas affected area

25.0 EPC's, Sustainability and Energy Act 2011

- 25.1 We have checked the Landmark Information Group and no Energy Performance Certificate has been undertaken to date.
- 25.2 The property fails to meet the concept of a sustainable building due to the construction materials, services and energy efficiency. These features may impact upon occupational demand and prove less attractive to purchasers. We have factored this into account.
- 25.3 The Energy Act 2011 has been brought into force as a vehicle for implementing the Government's "Green Deal" policy. The four key points are as follows:-
- (i) Landlords will be unable to let properties which fall below a prescribed level of energy efficiency unless they make certain improvements;
 - (ii) Landlords of certain properties will not be able to withhold consent unreasonably to a request by their tenants to carry out qualifying improvements to make premises more energy efficient;
 - (iii) Access to the register of Energy Performance Certificates may be widened; and,
 - (iv) The "Green Deal" will enable energy efficiency and improvements to be made to properties at no upfront cost to the energy consumer, with repayments via energy bills.

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25.4 The Energy Act 2011 applies to both residential and commercial property and it stipulates that properties with an energy efficiency in Bands F and G of the Energy Performance Certificate (EPC) will no longer be permitted to be let from April 2018, although this date may be brought forward, without improvement works being undertaken. Improvements can be undertaken through the "Green Deal" with no up-front cost. As this date approaches there may be an adverse effect on the value of these properties, together with their marketability.

25.5 Lending institutions, freeholders and leaseholders should be aware of the risks and timeline and start to review property portfolios and prepare. Where a property has an EPC, the provision only applies where an EPC exists, the energy performance rating should be examined. There is a requirement for new lettings and sales to be accompanied by an EPC and therefore this could result in buildings which will require improvements having reduced marketability if landlords are passing on these costs through energy bills.

26.0 Contaminated Land

26.1 A formal Environmental Assessment is not provided. Furthermore as a result of enquiries made we have received no land quality statement or similar report by a specialist adviser available for us to consider. Notwithstanding the foregoing we have taken into account the RICS Guidance Notes on Contamination, the environment and sustainability 3rd edition which includes the Property Observation Checklist for identifying apparent potential for contamination. Whilst we have not undertaken a detailed investigation into past and present uses of the property we have consulted with the occupiers and to the best of our knowledge and belief there is no significant environmental contamination.

27.0 Flooding

27.1 We have examined the Environment Agency website. The property adjoins a designated flood plain.

28.0 Invasive Plants

28.1 The three main non-native invasive plant species in the UK are Japanese Knotweed, Himalayan balsam or purple stinky and New Zealand pygmy weed. Other notifiable plants and weeds include giant hogweed, ragwort and azolia.

28.2 There is no evidence of any of the above on the site occupied by the property.

29.0 Asbestos

29.1 Owners of property constructed before 24 November 1999 (when the use of asbestos was stopped) now have to take action in respect of their building to identify and manage asbestos. The Control of Asbestos Regulations 2012 places a duty of care on the building owner/occupier or other parties who have a legal responsibility for the premises to:-

- Take reasonable steps to find materials in the premises which are likely to contain asbestos and to check their condition;
- Presume that materials contain asbestos unless there is strong evidence to suppose that they do not;
- Produce a written record of the location and condition of asbestos and presumed asbestos containing material (ACM) and to keep the record up to date;
- To produce an action plan as to how the asbestos containing materials (ACM) are to be managed.

29.2 We requested a copy of the asbestos survey report and management plan. No report was made available. An Asbestos Survey and Management Plan is required within 3 months. This has been factored into this report.

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Section 6	30.0	Economic Life
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30.0 Economic Life

- 30.1 The building retains a useful economic life of at least 25 Years assuming that your customer will put and maintain the property in a reasonable state of repair and improve the energy efficiency rating.

31.0 Void Running Costs

- 31.1 The approximate cost of holding the property on a vacant possession basis including business rates, insurance, security and maintenance is in the order of £25,000 per annum.

32.0 Estate Management

- 32.1 Due to the size of the offices if for any reason the property becomes vacant the property will let as a whole or in part at market rent on terms to be agreed within a period of 12 months. The repairs set out in section 10 will need to be addressed. The cost of managing the property will be in the order of £2,500 per annum.

33.0 Market Commentary

- 33.1 There is evidence of improved confidence as businesses are reporting higher profits in the six months to October 2013. However there is low transactional activity and the market has been driven by cost pressure. There are owners wishing to sell but there are still examples of unrealistic pricing particularly where remedial repairs are required, over rented property with break clauses, the cost of voids and empty business rates liabilities remains an issue. Each case is different and has to be looked on in its merits. Where there are properties properly presented there is demand albeit purchasers are selective, prudent and buyers who might once have "taken a view" on uncertainties want every detail checked. Correct pricing is therefore fundamental leaving values well below there 2007 peak. Concern remains that further secondary property coming onto the market will have a dampening effect on prices. The availability of new debt and the ability to refinance existing debt continues to dominate the market whilst the sustainability of a "real recovery" is still being questioned.

34.0 Marketability

- 34.1 Having regard to the nature of the property a period of 12 months will be required to find a suitable purchaser or tenant. To achieve a letting in the current market any landlord will need to grant a five month free period as an incentive for an occupational tenant for this type of property.

35.0 Alternative Use

- 35.1 The alternative use for the upper floors is for residential purposes.

36.0 Development Opportunities

- 36.1 Having regard to the nature of the building there is the opportunity to convert the upper floors.

Cont'd...

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37.0 SWOT Analysis

37.1 We have considered the market value and marketability of the property in comparison with other properties in the market sector and prepared our recommendations on the suitability of the property under a risk analysis to illustrate the valuation uncertainties and particularly the positive and negative factors and their effect on market value. Our summary is presented as follows:-

Strengths

- Established and central location.
- Large retail frontage.
- Many original features.

Weaknesses

- 100% building to site ratio.
- Poor energy efficiency.
- Listed building restrictions.

Opportunities

- Opportunity to upgrade.
- Property is suitable to let as a whole or in part.

Threats

- Building costs are increasing.
- The trend towards shorter occupational leases may limit the increase in value.
- If the property becomes vacant your customer will be liable to pay holding costs including empty business rates.

Section 7	38.0	Trading Related/Business Appraisals
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38.0 Trade Related/Business Appraisals

38.1 This Secured Lending Appraisal Report is not a trading related business appraisal.

Section 8	39.0	Special Assumptions
	40.0	Hope Value
	41.0	Portfolio Valuation
	42.0	Valuation Methodology & Comparable Evidence

39.0 Special Assumptions

39.1 Market value assuming a marketing period of 6 months is a special assumption as this will restrict demand.

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40.0 Hope Value

40.1 Although there is the potential for residential this does not include any Hope Value at present.

41.0 Portfolio Valuation

41.1 This property does not form part of a portfolio valuation.

42.0 Valuation Methodology & Comparable Evidence

42.1 There are a number of methods used in Valuation technique in order to arrive at the Market Value. These include the use of comparables, discounted cash flows and residual valuations. All these have a part to play in order to arrive at a considered opinion. We have based this Valuation on comparable evidence which we consider to be relevant and applied them to the property, making adjustments to reflect a number of variables. The comparable evidence that we have produced to form the basis of this Valuation is as follows:-

42.2 Former Natwest Building, Exchange Square, Wisbech, PE13 1RB

- Comparable date: 10 December 2012 – Ref: DTZ/Maxey.
- 4 storey building on the North Brink.
- NIA – 380m² (4,087 sq.ft.) approx.
- Sale price £185,000 equating to £486.84 psm (£45.26 psf).

Bespoke banking building. Inferior location.

42.3 4 Church Terrace, Wisbech, PE13 1BJ

- Comparable date: 4 October 2013 – Ref: Maxey.
- Retail shop with residential space above.
- NIA – 173m² (1,861 sq.ft.) approx.
- 20 yr lease on FRI terms with 3 yearly rent reviews.
- Rent £16,200 pax with 3 months rent free.
- Rent equates to ITZA £8.70 psf.

Inferior location with 3 yearly break clauses.

42.4 27 Southgate, Sleaford, NG34 7SY

- Comparable date: 20 June 2013 – Ref: Escritt B and G.
- 3 storey building. Retail sales at ground and first floors.
- NIA – 174m² (1,878 sq.ft.) approx.
- Sale price £220,000 equating to £1,264 psm (£117.14 psf) approx.

Similar building and market town.

42.5 17-19 Market Square, St Neots, PE19 2BQ

- Comparable date: 16 August 2013 – Ref: Edward Symmons.
- Commercial property located in central position.
- NIA – 262m² (2,815 sq.ft.) approx.
- Let to Lloyds TSB Bank 10 year lease from 24 June 2012.
- FRI with option to break on 24 June 2017.
- Rent £45,550 pax.
- Sale price £650,000 equating to £2,481 psm (£231 psf) approx.
- Initial yield 6.62%.

Similar building and market town with superior tenant covenant.

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- 42.5 17-19 Market Square, St Neots is in a superior location with a good tenant covenant strength producing a yield at 6.62%. This is a useful benchmark yield in capitalising income flow. The former Natwest building on the North Brink is an inferior location with a bespoke banking hall and having regard to the location produces an overall lower rate. The letting at 4 Church Terrace is useful evidence but an inferior location and 6-8 Bridge Street produces an ITZA in or around £20.00 psf producing a market rent in or around £38,500 pax less than the rental passing at £55,000 pax. There is little additional evidence within Wisbech although there is a useful sale within the last 6 months in Sleaford producing an overall rate at £1,264 psm (£117.14 psf). Taking into account the location and the local covenant strength of Robert Goddard coupled with the fact that in our view the property is over rented we have chosen an equivalent yield at 7.5% based on the investment evidence producing a freehold value equating to £1,164 psm (£108.16 psf) on the basis that 6-8 Bridge Street is capable of subdivision into two distinct units.

Recent Transactional History

- 42.6 We are advised that there has been no recent sale of the property.

Section 9	43.0	Valuations
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43.0 Valuations

Market Value

- 43.1 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 arms length transaction after proper marketing and where the parties had acted knowledgeably, prudently and without compulsion.

43.2 **Market Value – of the property as a whole with the occupational tenant. 12 month marketing period is relevant for a property of this type (MV1)**

Having regard to the facts and conclusions set out in this valuation report we are of the opinion that the Market Value of the freehold property known as 6-8 Bridge Street, Wisbech, Cambridgeshire, PE13 1AF shown edged red for identification purposes on the attached plan, subject to the occupational tenant and a marketing period of 12 months in its existing condition as at the inspection date exclusive of VAT liability, before the deduction of the cost of acquiring or selling the building to be the sum of **£550,000 (Five Hundred and Fifty Thousand Pounds)**. We have valued the property using the marketing and investment approach.

43.3 **Market Value – of the property as a whole with vacant possession and a marketing period of 12 months (MV2)**

Having regard to the facts and conclusions set out in this valuation report we are of the opinion that the Market Value of the freehold property known as 6-8 Bridge Street, Wisbech, Cambridgeshire, PE13 1AF shown edged red for identification purposes on the attached plan, assuming vacant possession and a marketing period of 12 months in its existing condition as at the inspection date exclusive of VAT liability, before the deduction of the cost of acquiring or selling the building to be the sum of **£550,000 (Five Hundred and Fifty Thousand Pounds)**. We have valued the property using the marketing approach.

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43.4 **Market Value – of the property as a whole with vacant possession and a marketing period of 6 months (MV3)**

Having regard to the facts and conclusions set out in this valuation report we are of the opinion that the Market Value of the freehold property known as 6-8 Bridge Street, Wisbech, Cambridgeshire, PE13 1AF shown edged red for identification purposes on the attached plan, assuming vacant possession and a marketing period of 6 months in its existing condition as at the inspection date exclusive of VAT liability, before the deduction of the cost of acquiring or selling the building to be the sum of **£490,000 (Four Hundred and Ninety Thousand Pounds)**. We have valued the property using the marketing approach.

Market Rent

43.5 The estimated amount for which a property or space should lease on the valuation date between a willing landlord and a willing tenant on appropriate lease terms in an arms length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without

43.6 **Market Rent – assuming a marketing period of 12 months (MV4)**

We are of the opinion that the estimated rental of the property assuming a lease for a term of 5 years on a full repairing and insuring basis subject to a Schedule of Condition is in the order of **£38,500 (Thirty Eight Thousand Five Hundred Pounds)** pax. Any ingoing tenant will require a five month rent free period.

43.7 **Reinstatement value for insurance purposes**

For Insurance Purposes we recommend a reinstatement figure of the existing structure as at the date of our inspection of not less than **£1,250,000 (One Million Two Hundred and Fifty Thousand Pounds)** exclusive of VAT, but to include demolition, debris removal and professional fees. This assumes the use of modern materials and construction techniques with all current statutory requirements adhered to. The figure excludes any consideration of partial loss and no allowance for inflation has been made. We advise that you liaise with the Insurers to ensure adequacy of cover under the precise terms of their Policy.

Section 10	44.0	Suitability for Loan
	45.0	Lenders Action Points
	46.0	Report Sign-off Procedure
	47.0	Valuation Print Out

44.0 Suitability for Loan

44.1 We confirm that the property is suitable as banking security subject to normal prudent lending policy. The value of the property is likely to remain static during the 12 month period from the date of this Secured Lending Appraisal Report.

45.0 Lenders Action Points

45.1

1.	Customer to obtain Asbestos Survey and Management Plan.	See Section 30.0
2.	Obtain an electrical report and undertake repairs and provide a Mains Test Certificate on completion.	See Section 10.5
3.	Gas fired boilers require condition reports.	See Section 10.3
4.	Repoint brickwork on side and rear elevation.	See Section 12

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46.0 Report Sign-off Procedure

- 46.1 This valuation is produced in accordance with our Terms of Engagement and the RICS Valuation - Professional Standards, March 2012. We confirm that this Report is prepared for the stated purpose and for your sole use. Responsibility is accepted to you alone in that the Report is prepared with the skill, care and diligence reasonably to be expected of a competent Chartered Surveyor, but no responsibility is accepted whatsoever to any person other than yourself. Any other such person relies upon the Report at their own risk.
- 46.2 Neither the whole nor any part of this Secured Lending Appraisal Report, nor any reference thereto may be included in any published document, circular or statement, nor published in any way without the Valuer's written approval of the form and context in which it may appear. Furthermore, this Report must be read as a whole as no part may be taken out of context.
- 46.3 The Valuation is based upon a visual inspection of the property and information supplied to us verbally. We have not inspected copies of any Title Deeds nor other relevant documents unless specified within the Report.
- 46.4 This Report has been prepared and signed by a Chartered Surveyor who is qualified to value properties of this type. We confirm that the surveyor has exercised independence and objectivity throughout this instruction in accordance with RICS Valuation – Professional Standards, March 2012.

Yours faithfully,

Peter G Tew FRICS
RICS No 0056632
Principal
Peter Tew & Company

T (0116) 2551527
M 07860 538360
pgt@peter Tew.co.uk

(The surveyor who has prepared the Valuation and Report)

Jonathan R Unna FRICS
RICS No 0054161
Consultant
Peter Tew & Company

T (0116) 2551527

(The consultant who has checked and approved the Valuation and Report)

26 November 2013

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47.0 Valuation Print Out – Marketing Approach

6-8 Bridge Street, Wisbech, PE13 1AF				
		£ pa	£	£
(i)	Term Rent	55,000		
	Y.P. 4 years at 7.5%	3.35		
			184,250	
(ii)	Reversion to ERV	38,500		
	Y.P. in perp def 4 years @ 7.5%	9.98		
			384,230	
				568,480
(iii)	Gross Valuation say			550,000

Analysis

Initial yield	=	$\frac{£55,000}{£550,000}$	=	10%
Reversionary yield	=	$\frac{£38,500}{£550,000}$	=	7%
Equivalent yield	=	7.5%		

Notes

The equivalent yield represents the IRR (internal rate of return) of the cash flow assuming a reversion to no more than current rental value. Future rental value growth is still excluded.

Appendix A XIT2 Executive Summary

Appendix B
Location Plan & Land Registry Plan

Location Plan Wisbech

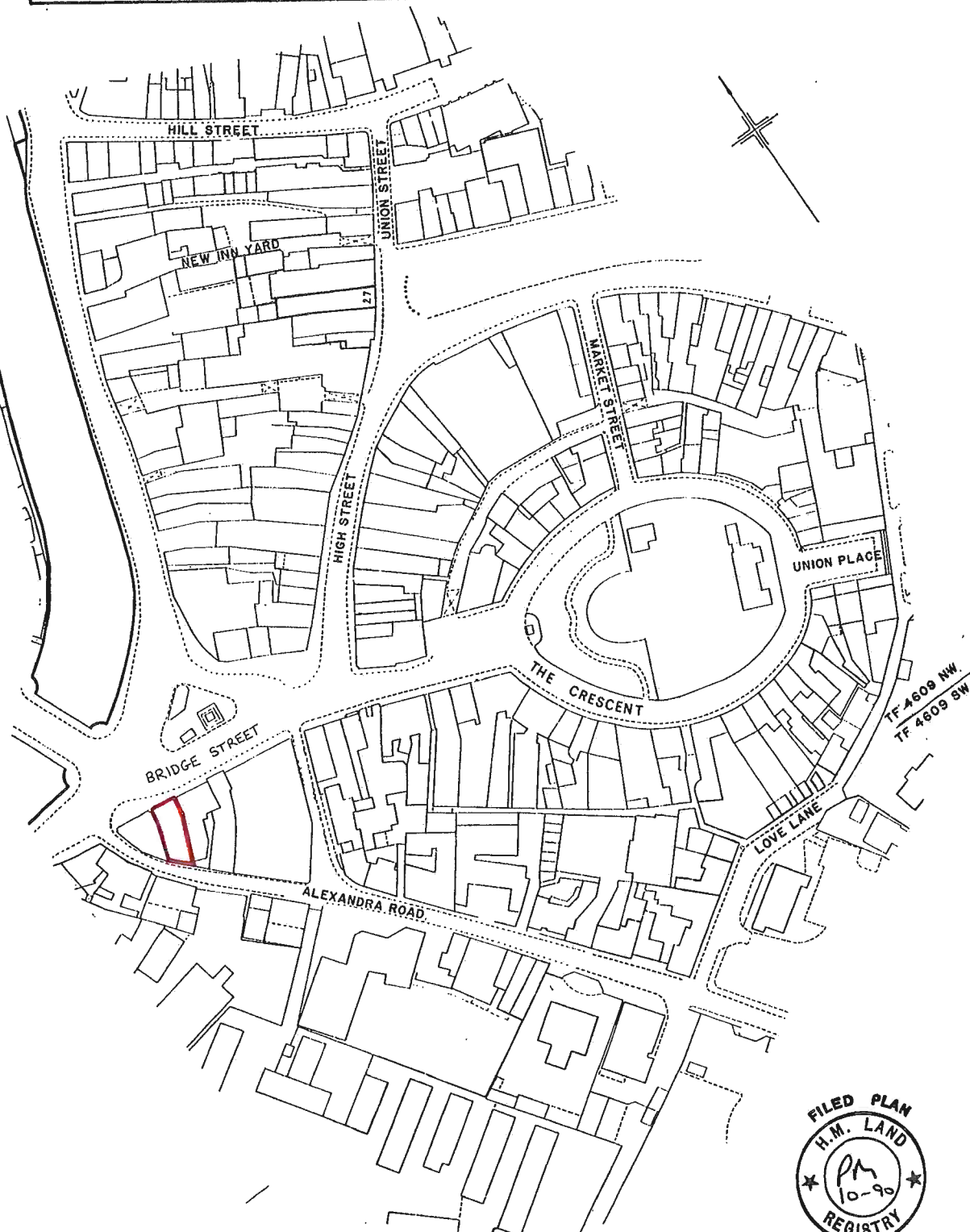
Peter Tew



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T.TMR.17755 26 November 2013

H.M. LAND REGISTRY		TITLE NUMBER
		CB118669
ORDNANCE SURVEY PLAN REFERENCE	TF 4609 J	Scale 1/1250
COUNTY, CAMBRIDGESHIRE	DISTRICT FENLAND	© Crown copyright



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Appendix C Photographs



1: Vegetation around downpipe on side elevation.



2: General street scene.



3: Rear elevations fronting Alexandra Road.



4: Second floor level on rear elevation.



5: Restricted retail frontage on side elevation.



6: Menswear retail sales at first floor level.

Appendix D
Environment Agency Flood Map



Enter a postcode or place name:

PE13 1AF

Other topics for this area...

Risk of Flooding from Rivers and Sea

Risk of Flooding from Rivers and Sea

Map legend

Click on the map to see what is the Risk of Flooding at a particular location.

☒ Flood Maps [?](#)

- Flooding from rivers or sea without defences
- Extent of extreme flood
- Flood defences (Not all may be shown*)
- Areas benefiting from flood defences (Not all may be shown*)
- Main rivers

Map of PE13 1AF at scale 1:20,000

[Data search](#)[Text only version](#)

Customers in Wales - From 1 April 2013 Natural Resources Wales (NRW) will take over the responsibilities of the Environment Agency in Wales.
 © Environment Agency copyright and database right 2013. © Ordnance Survey Crown copyright. All rights reserved. Environment Agency, 100026380.
 Contains Royal Mail data © Royal Mail copyright and database right 2013.
 This service is designed to inform members of the public, in line with our [terms and conditions](#). For business or commercial use, please [contact us](#).

More about flooding:

Information Warning: Newport, South Wales

We are aware of problems with the flood map for the Newport area.
 Please contact your local Natural Resources Wales office for accurate information.
 We are currently working to correct this information.
[Natural Resources Wales Website](#)

Understanding the flood map

A more detailed explanation to help you understand the flood map shown above.

Current flood warnings

We provide flood warnings online 24 hours a day. Find out the current flood warning status in your local area.

Flood map - your questions answered

Answers to commonly asked questions about the flood map.

* **Legend Information:** Flood defences and the areas benefiting from them are gradually being added through updates. Please contact your [local environment agency office](#) for further details.

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Author: The Environment Agency | enquiries@environment-agency.gov.uk
 Last updated: 17th October 2013

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Appendix E Instruction Documentation

Report Required	Santander Commercial Valuation	Instruction From	Santander Commercial
Report Expected	04/11/2013 14:39:07	Lender Ref	J70066892
Property	Robert Goddard Ltd 6-8 Bridge Street Wisbech Cams PE13 1AF	Source	Cambridge
Tenure	Freehold	Source Contact Tel	
Remaining Lease	.	Advance	£450000
Appt Date & Time:	,	Purchase Price	£700000
Other Information	We are looking for a competitive quote to have these two shops valuaed as a package deal	Fee	£1750
Client Address	Cambridge Victory House Vision Park Chivers Way Histon, Cambridge CB24 9ZR	Access Details	Access Name: Oliver Tookman Access Tel1: 07736 678888 Access Tel2: 01945 583943
Contact Name	Wayne Rand	Valuer Notes	
Contact email address	wayne.rand@santander.co.uk	Assigned To	
Client Contact Details	<i>Relationship Team Name : Regional Business Centre Seg A</i> <i>RM/RD Name: Wayne Rand</i> <i>Assistant/Other Name: Debbie Bent</i> <i>Relationship Team Contact Number: 01223 266200</i> <i>Relationship Alternative Tel Number:</i> <i>Return Address: Corporate Banking</i> <i>Number of hard copies to relationship team: 2</i>		
Property Type	Retail (Specialist) - Post office/retail Business		
Property Description			
Ownership	Property Owned but in Mortgage		
Proposed Occupancy	Owner Occupied		
Reason for Valuation	Remortgage / Refinance		
Is Property let?	No		
Access to be arranged with	Owner		
Access Details	Access Name: Oliver Tookman Access Tel1: 07736 678888 Access Tel2: 01945 583943		
Applicant/Third Party Details	<i>Primary Contact: Applicant 1</i> <i>Applicant/Customer Name 1: Oliver Tookman</i> <i>Applicant/Customer Name 2:</i> <i>Applicant/Customer Name 3:</i> <i>Applicant/Customer Name 4:</i> <i>Partenon Number 1:</i> <i>Partenon Number 2:</i> <i>Partenon Number 3:</i> <i>Partenon Number 4:</i>		

Full Telephone Number 1: 07736

678888

Full Telephone Number 2:

Company Name: Robert Goddard Ltd

Company Reg Number: 06530796

6-8

Bridge Street

Contact Address Wisbech

Cambs

PE13 1AF

Solicitor Details *Name:*

Address:

Phone Number:

Email:

Broker Details *Name:*

Address:

Phone Number:

Email:

**Accountant
Details**

Name:

Address:

Phone Number:

Email:

Fee Collected? No

Late Reason

Peter Tew & Co.

From: <vex@valuationexchange.com>
Date: 01 November 2013 16:22
To: <julie@petertew.co.uk>; <pgt@petertew.co.uk>
Subject: Santander UK Plc and its Subsidiary Companies - Commercial Valuation

Confirmation of Instruction

Reference Number: J70066892 Quote this reference in ALL correspondence

Date: 01/11/2013

To: Peter Tew & Company - CV

Address: Robert Goddard Ltd 6-8 Bridge Street, Wisbech, Cambs, PE13 1AF

Terms of Reference

You have been requested to provide a valuation report and appraisal for the Property detailed above.

This instruction has been allocated to you via the Xit2 Santander valuation portal and you should visit the site (<https://www.valuationexchange.com>) and allocate the instruction to a Santander approved Chartered Surveyor detailed above (Peter Tew & Company - CV) ASAP, in his/her absence allocate to another Santander approved Chartered Surveyor and inform us of their details. If this instruction has not been accepted and allocated to the relevant surveyor within 3 hours the instruction may be recalled.

In addition to the Santander Valuation Reporting Requirements please check the instruction to ascertain if there any additional requirements to address.

The valuation report must be addressed to ?Santander UK Plc and its subsidiary companies? unless there is a specific request to the contrary detailed in the on-line instruction.

Compliance

The Valuation Report must be in accordance with the ?General Conditions of Appointment to the Santander UK Plc Commercial Valuation Panel of Surveyors? and the associated Santander Valuation Reporting Requirements agreed with your firm and available to view on the Santander Valuation Portal. It is the duty of the appointed Chartered Surveyor to familiarise themselves with the latest version of the ?General Conditions of Appointment to the Santander UK Plc Commercial Valuation Panel of Surveyors?

No standard terms of engagement of the Panel Firm shall apply or form any part of this instruction and you should not include them as part of your valuation report.

It is a requirement of this instruction for an ?Executive Summary? of the valuation report to

04/11/2013

be completed on the Santander valuation website for this Borrower. The fee will not be paid until the standard on-line ?Executive Summary? for that report has been completed.

Service Standards

Valuers are reminded that under the terms and conditions of appointment to the panel the service level for completion of valuation reports is as follows:

5 working days for transcribing a property report,

10 working days for undertaking a commercial, business or trading related property report.

The valuation report/s and associated relevant documents are to be uploaded to the system as a PDF document and these will be subject to a basic compliance check before they are accepted and submitted to the instructing Relationship Manager/ Director to progress the transaction. The instruction system details how many hard copies of the valuation report/s should be provided to the instructing Relationship Manager/ Director and these should not be posted until confirmation that the submitted PDF report is compliant.

A copy of this letter of instruction and original quotation must be included within the Valuation Report.

The valuer must be prepared to discuss the contents of the Valuation Report with the Bank and if there is subsequently post valuation queries these must be addressed in a timely and professional manner.

Fees

Upon completion of the Executive Summary e.surv will, within approximately (2) two weeks, request an invoice for the appropriate fee and will make payment to the Panel Firm for each properly prepared valuation report.

Help

If you encounter any technical difficulties with the system or logging in, please contact Xit2 Helpline on: 08712211186

For all other issues please contact the Commercial Valuation Support Team on: 01536 535591 or commercialpanel@e.surv.co.uk

If you wish to decline this instruction either do not log in and accept or notify the Commercial Valuation Support Team

This email has been scanned for all viruses by the MessageLabs SkyScan service.
