



'COMMERCIAL' VALUATION REPORT

Property Address: 4-5 Torriano Mews, London, NW5 2RZ

Date of inspection: 3rd December 2020

Inspecting Surveyor: Simon Jackson BSc(Hons)MRICS

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EXECUTIVE SUMMARY

4-5 TORRIANO MEWS, LONDON, NW5 2RZ

Market Value(s):	<p>£1,880,000 (One million, eight hundred and eighty thousand pounds) – subject to full vacant possession</p> <p>£1,785,000 (One million, seven hundred and eighty five thousand pounds) – subject to full vacant possession with the assumption of a 180 day marketing period</p> <p>£1,690,000 (One million, six hundred and ninety thousand pounds) – subject to full vacant possession with the assumption of a 90 day marketing period</p> <p>£2,930,000 (Two million, nine hundred and thirty thousand pounds) - Gross Development Value on the assumption that Planning Permission is granted as detailed within Section 13 of this report and the project is completed to a high standard of finish and specification in line with all necessary consents</p> <p>£1,600,000 (One million, six hundred thousand pounds) - with the benefit of Planning Permission as described within Section 13 of this report</p>
Current Rental Value:	£86,350 (Eight six, three hundred and fifty pounds) per annum
Projected Rental Value:	£118,800 (One hundred and eighteen thousand, eight hundred pounds) per annum
Insurance Reinstatement Cost:	£900,000 (Nine hundred thousand pounds)

SUITABILITY AS LOAN SECURITY

SUITABLE FOR SPECIALIST LENDING

Description:	<ul style="list-style-type: none">❖ A pair of adjoining two storey plus mezzanine terraced office buildings❖ Constructed in 1985 or thereabouts❖ Allocated car parking to the front (two spaces)
Internal Floor Area:	❖ 3,545 sq. ft. / 329 sq. m
Tenure:	❖ Freehold

Location:	❖ A good quality mixed commercial and residential area to the north west of Central London
	❖ Convenient for the amenities of Kentish Town including its transport links
Condition:	❖ Dated throughout
Tenancies:	❖ None
Valuation Date:	❖ 3 rd December 2020

‘SWOT’ ANALYSIS

Strengths:	❖ Good location
	❖ Allocated car parking
Weaknesses:	❖ Dated throughout
	❖ Unlikely to meet the specification requirements of many office occupiers
	❖ Set over three levels
Opportunities:	❖ Being part of this good quality area there is potential for long term capital appreciation
	❖ If Planning Permission is granted then there is potential to add value
Threats:	❖ The Coronavirus continues to cause caution and uncertainty throughout all markets

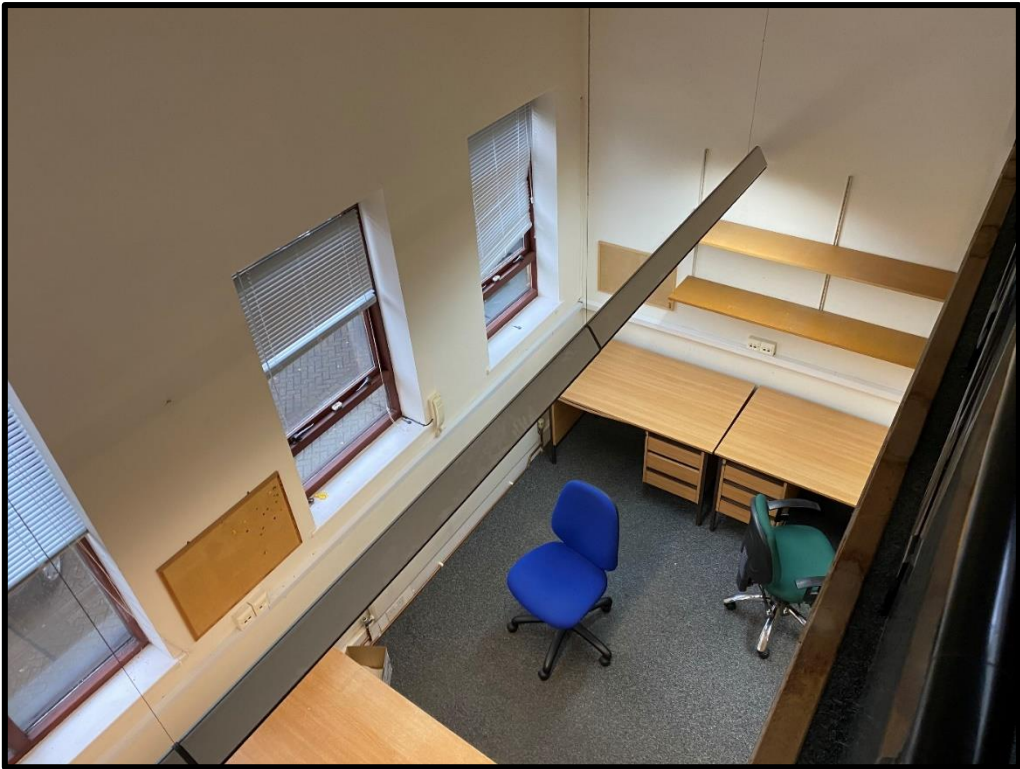
Further enquiries for your Legal Adviser:

	❖ Confirmation of tenure details
	❖ Clarification that all necessary Local Authority consents have been obtained and complied with in respect of the property’s current configuration
	❖ Confirm service charge details
	❖ Clarify that all necessary rights of way are in place in respect of access to the property
Sales Demand:	❖ Fair
Rental Demand	❖ Average
Period within which to complete a sale:	❖ Up to nine months (as offices)
Period within which to let the property:	❖ Up to 12 months (as offices)

This summary is strictly confidential to the addressee. It must be read in conjunction with the whole report and may not be copied, distributed or considered in isolation from the full report.

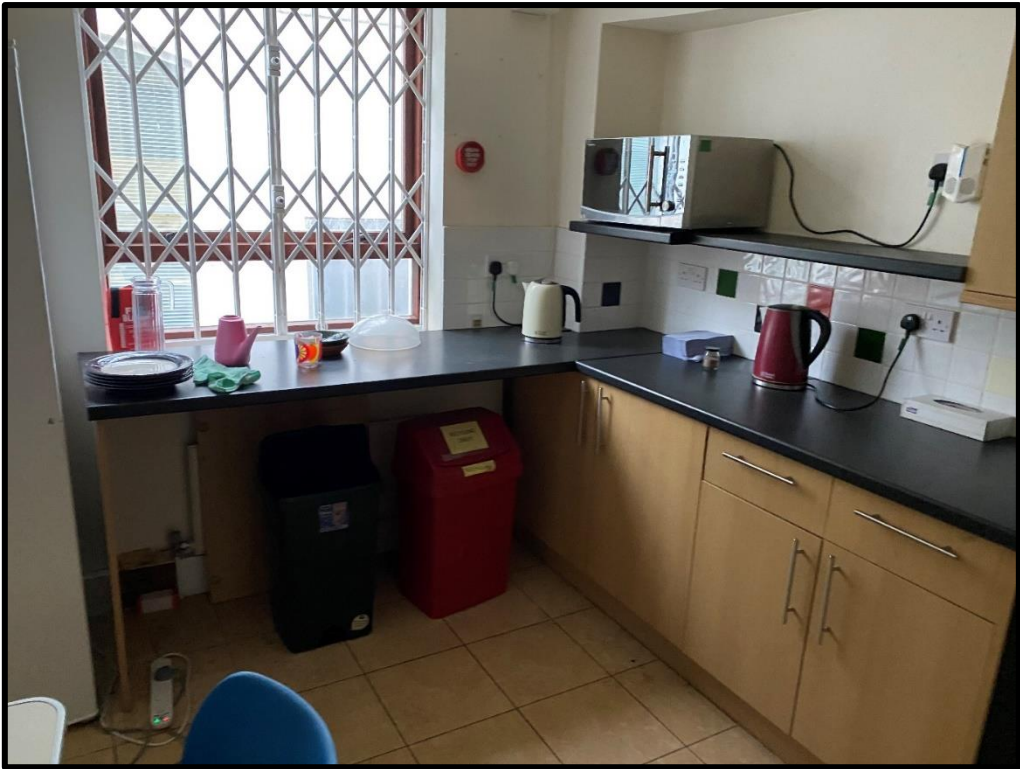
PHOTOGRAPHS



























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Your ref: None given

Our ref: SJ/NW5

4th December 2020



Tempus Capital Partners I Limited & Tempus Capital SB Limited
& Shawbrook Bank Limited
Unit 8
165 Granville Road
London
NW2 2AZ

Dear Sirs,

RE: 4-5 TORRIANO MEWS, LONDON, NW5 2RZ

APPLICANT: TORRIANO LTD

1. INSTRUCTIONS

In accordance with the instructions received from you dated 24th November 2020, we have inspected the above property and made all relevant enquiries in order to provide you with our opinion of the current Market Value as at the date of inspection of the Freehold interest, with the benefit of full vacant possession.

As requested, our opinion of Current and Projected Rental Value is provided in Section 18.

We understand that our valuation is required for secured lending purposes for your applicant Torriano Ltd, who is proposing to purchase the property.

We confirm that we are not aware of any conflict of interest preventing us from providing you with an independent valuation of the property.

2. BACKGROUND TO THE VALUATION

The property was offered for sale via Salter Rex Estate Agents with an asking price of £1,750,000. We understand that the applicant has agreed to purchase the building for £1,880,000.

The weather at the time of our inspection was wet and raining. This followed a period of generally changeable weather.

Present and on site during our visit was a representative of the selling agent.

We began our inspection at 11am and ended it at 11:35am.

3. BASIS OF THE VALUATION

Our valuation has been carried out in accordance with the latest edition of the Royal Institution of Chartered Surveyors Valuation – Professional Standards [‘The Red Book’] incorporating the Global Standards (effective 31st January 2020). It has been undertaken by independent Valuers, as defined by the RICS Valuation Practice Statements and IVSC. The property was inspected on 3rd December 2020 by Simon Jackson BSc(Hons)MRICS, who is accredited by the RICS Valuers Registration Scheme. The date of valuation is the date of inspection.

It is usual for a valuer to be asked to express an opinion as to the suitability of a property as security for a loan, debenture or mortgage. However, it is a matter for the lender to assess the risk involved and make their own assessment in fixing the terms of the loan, such as the percentage of value to be advanced, the provision for repayment of the capital, and the interest rate. We refer in our report to all matters which are within our knowledge and which may assist you in the assessment of the risk.

Our report and valuation in accordance with these requirements is set out below.

The valuation is subject to there being no unusual matters or factors not revealed to us and subject to the comments made in this report.

We confirm we have no financial interest in this transaction and that we have had no dealings with this property within the last 12 months.

We confirm that our insurance policy enables us to undertake residential valuations and our current sum insured is £10,000,000 (Ten million pounds) any one claim and in the aggregate. However, please note that the Limit of Indemnity is subject to unlimited reinstatements during the policy period in respect of a claim or loss or a series of claims or losses consequent upon or attributable to a different source or original cause. This is a standard definition of “any one claim” within the Professional Indemnity Market. Further, it complies with the RICS minimum recommended scope of cover. This is arranged by Howden UK Group UK, One Creechurch Place London EC3A 5AF.

We confirm that the valuer is experienced in valuing properties of this type and is qualified to carry out the instructions. We confirm valuations under our Red Book Valuation service are subject to RICS and external audit.

4. DESCRIPTION

(a)	Predominant use?	Offices (B1)
(b)	Approximate date of construction?	1985 or thereabouts
(c)	Overall quality?	Dated throughout

The subject property comprises a pair of adjacent terraced two storey plus mezzanine office buildings, which have the benefit of allocated car parking to the front.

5. LOCATION

(a)	General Location	
	This property is located in good quality mixed commercial and residential area to the north west of Central London known as Kentish Town. Extensive amenities are readily available including a wide variety of facilities located in the commercial centre of Kentish Town, including its railway station. Kentish Town is located to the north west of Islington and to the south of Tufnell Park. The A1 is a short drive away giving good vehicular access into and out of the Capital and slightly further afield is the vast open spaces of Hampstead Heath and to the south west The Regent's Park.	
(b)	Specific Location of the Subject Property	
	This property is located on Torriano Mews which is a small mews located off Torriano Avenue to the east of Kentish Town. The property forms part of a terrace of office buildings, some of which have been converted into residential accommodation.	
(c)	Overall quality?	Good
(d)	Prospects of the location (both macro and micro) over the next five years?	Good

6. ACCOMMODATION

(a)	Internal floor area (G.I.A.)	3,545 sq. ft.
		329 sq. m
(b)	Source of floor area?	Agents floor plan with check measurements taken

Briefly the accommodation comprises the following:

Floor level	Description	Sq.ft.	Sq.m
Ground	Office, kitchenette and WC	1,558	145
First	Office, kitchenette and WC	1,527	142
Mezzanine levels	Offices	460	43
	TOTAL	3,545	329

7. SERVICES

All mains services are connected to this property. Heating and a hot water supply are both provided by a gas fired boiler.

8. CONSTRUCTION

(a)	Walls	Fair faced brick walls (slips) concealing a frame construction (likely to be steel)
(b)	Roof	Pitched and flat with a tile and waterproof membrane covering (not visible)
(c)	Windows	Timber framed, single glazed casement units
(d)	Floors	Solid concrete and suspended timber
(e)	Is the construction of this property considered to be 'Traditional' from a mortgage finance perspective?	Yes

9. CONDITION AND REPAIR

(a)	Any parts of the property NOT inspected (aside from those areas excluded by the terms of this instruction)?	Yes
(b)	Overall state of repair	Dated throughout
(c)	Any items of disrepair or structural defects identified that are likely to have an adverse impact on value?	No
(d)	Evidence of damp and/or timber decay?	No
(e)	Any deleterious materials identified or suspected?	No
(f)	Any areas of concern where further investigations are recommended?	No

You will note that we have answered 'Yes' in respect of Section 9(a) above and in this regard we would comment that we were unable to inspect all roof surfaces and the rear elevation due to access restrictions.

As instructed, we have not carried out a building survey, nor have we tested any of the services.

Should you require a more detailed report upon the property's structural condition or state of repair, a further inspection and report would be necessary.

10. ESSENTIAL REPAIRS FOR LENDING PURPOSES

None.

11. SITE

(a)	Approximate site area	150 sq. m
(b)	Any parts of the site NOT inspected (save those already excluded by the terms of this instruction)?	No
(c)	What are the predominant surrounding land uses?	Commercial / residential
(d)	Does the site shape / topography have an adverse impact on value?	No
(e)	Any adverse ground conditions identified or suspected?	No
(f)	Are there any trees within influencing distance?	No
(g)	Any areas of concern where further investigations are recommended?	No

The site is clearly defined and is level from front to back and side to side. Almost certainly, this building will be constructed on London Clay and we would advise that there is no evidence of any significant movement or distortion to the structure that would justify further investigation.

12. ENVIRONMENTAL CONSIDERATIONS

(a)	Any potential sources of contamination identified or suspected?	No
(b)	Does the valuation assume the property does not suffer from contamination?	Yes
(c)	Any evidence of or risk of flooding from rivers or streams?	No
(d)	Any areas of concern where further investigations are recommended?	No

In respect of 12 (a) above, whilst we have answered 'No', it should be acknowledged that we are not professionally qualified to provide advice on environmental issues. The Royal Institution of Chartered Surveyors instructs its valuers not to take environmental liabilities into account when producing a valuation of a particular property. As a result, if there is any doubt about environmental liability, a specialist environmental survey should be carried out on the property.

(e) Contamination

We are not aware of the content of any 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. In undertaking our work we 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 contamination to the subject property from these uses or sites and have therefore assumed that none exist.

However should it be established subsequently that contamination, seepage or pollution exist at the property or on any neighbouring land or that the premises have been or are being put to a contaminative use then we reserve the right to review our valuation advice.

Assumptions

We are not aware that the property and/or its immediate environment is being nor has it been used for the manufacture, storage and/or sale of hazardous/toxic materials such as chemicals, petroleum products, pesticides, fertilisers, acids, asbestos, explosives, paint or radioactive materials.

We are not aware that hazardous materials or techniques have not been used in the construction of any of the buildings nor have they been subsequently incorporated into the structure.

We are not aware that there is land or water pollution on or close to the property.

We are not aware that the building is situated on or near to landfill sites.

We are not aware that there are storage tanks below ground or incinerators or chimneys giving off heavy emissions.

We are not aware that there are any adverse ground conditions in the adjoining properties and/or uses of adjoining properties which might give rise to soil contamination.

We are not aware that the property and/or its immediate locality is affected by naturally occurring gases.

We are not of the opinion that the property is likely to be included in the Register of Contaminated Land.

We are not of the opinion that the Bank, in light of the above, should commission a Land Quality Assessment in respect of the property.

From our inspection of the property and its surroundings, we have no reason to believe that contamination is present. There is no evidence to suggest that there has been a more hazardous use than the current use. Our views as to the value therefore assume that the property is unaffected. However, should it be established subsequently that contamination exists at the property, or on any neighbouring land, or that the premises have been put to any contaminative use, this might reduce the value(s) now reported.

(f) Environmental Matters

We are not aware of any environmental reports that have a detrimental effect on the property or its immediate surroundings, or that the area is affected by a flood risk. No sub-soil investigations have been undertaken and it is assumed that they are stable. We are not aware of any mining or mineral extraction in the immediate area.

(g) Sustainability

Commercial	Unit 4 Torriano Mews	Unit 5 Torriano Mews
Energy Performance Asset Rating	C58	C61
Date of Energy Performance Asset Rating	7 th December 2011	23 rd February 2019

13. TOWN PLANNING, HIGHWAYS AND STATUTORY CONSIDERATIONS

(a)	Local Planning Authority?	Camden
(b)	Current planning use?	Offices (B1)
(c)	Listing?	No
(d)	Conservation Area?	No
(e)	Are there any other statutory matters / regulatory requirements likely to have an adverse impact on value?	No

We have inspected the Camden Council Planning website and can confirm that Planning Permission was applied for under reference 2020/4633/P on 18th October 2020 for 'Change of use from Office (Class B1) to Residential to provide six flats (Class C3) including alterations to fenestration and additional rooflights, smoke vents and PV panels'. The application is yet to be decided by the Local Planning Authority.

We do not believe that the property is directly affected by any highway, town planning or other schemes or proposals.

We have valued the property on the basis that Torriano Mews is a private road maintained at the expense of its frontagers.

14. TAXATION

We have inspected the Valuation Office Agency website and confirm that the entry appearing in the 2017 non-domestic rating list is as follows:

Description	Rateable Value	Rates Payable
Unit 4 Torriano Mews – office and premises	£45,750	£22,829 per annum
Unit 5 Torriano Mews – office and premises	£34,602	£17,266 per annum

15. TENURE

We have valued on the assumption of the following details on tenure. These should be verified by your Legal Adviser as correct before you place any reliance on our valuation.

(a)	Tenure	Freehold
(b)	Any title characteristics likely to have an adverse impact on value, either now or in the foreseeable future?	No

We assume that full rights of access are enjoyed, and that no third parties enjoy any rights over the subject property. We confirm that no one was in occupation at the time of our inspection.

We have not been shown a copy of any Report on Title, nor have we made any enquiries of the Land Registry, and neither has our attention been drawn to the existence of any such restrictions. We are therefore unable to comment on any restrictive covenants, third party rights or easements, and have valued the property on the basis that none exist.

16. TENANCIES

There are no tenancies at present.

17. PROPERTY MARKET COMMENTARY

General and residential market

Our industry was able to stay 'open for business' during this recent second lockdown and the 'housing boom' has continued to a degree. Activity levels and prices look set to continue rising through to Spring of next year but as 2021 approaches, market analysts and commentators have focussed their minds on forecasts. The range of forecasted outcomes reflects the mass of uncertainties facing the economy and the housing market specifically, and most are possible. Meanwhile, the latest net housing supply data from the Ministry of Housing, Communities and Local Government tells us what was happening last year but little about the challenges that the housebuilding market is now facing.

In addition to providing added clarity on the issue of cladding and the often misunderstood EWS1 form, Robert Jenryck also announced that the English housing market would remain open during this lockdown and so, after a slight dip in interest and demand at the beginning of November (according to Google searches and Zoopla), buyer interest and sales agreed have continued. Whilst higher than previous years, these measures are now lower than seen over the Summer and Autumn, potentially reflecting the usual seasonal slowdown and a slight dissipation of the previous pent up demand, but also the concerns about completing before the end of the stamp duty holiday in the Spring. Meanwhile, many of the publicly available data sources are just starting to reflect the 'summer boom' in sales agreed as they reach completion. For instance, the ONS house price index reported a 4.7% annual rise in September while HMRC transactions in October 2020 were 8% higher than 2019.

This year has been difficult for housing market forecasters and next year could prove just as, if not more tricky. The range of possible outcomes for the housing market next year are possibly the broadest ever. Arguments for a boom driven by a vaccine, a bust caused by the economic fallout of the pandemic and Brexit, and everything in between can easily be made. Many 'experts' have reversed their predictions of a house price crash and now expect no change or rises for house prices in 2021. However, the Office for Budget Responsibility (OBR) have published their latest economic forecasts including those for house prices and transactions. While the actual trend in house prices continues to follow their March forecast, their latest forecast simply pushes the crash previously expected this year into 2021. Meanwhile, their latest forecast for transactions is more sensible around the end of the stamp duty holiday than their previous forecast but the rise to higher transaction levels than seen in recent years perhaps does not appear particularly credible when considered alongside the forecast for a house price crash.

This week, MHCLG published their latest data on net housing supply for England. This is both the most comprehensive measure of total housing supply and the best available measure of new build completions. Unfortunately, the data takes some time to be collated and this new release only tells us what happened during the 2019-20 financial year. As such, there were few surprises given the availability of other leading indicators (e.g. new build Energy Performance Certificates & council tax data). The 2019-20 data reported total net additional dwellings of 243,700 which was only 0.8% higher than the previous year. New build completions rose slightly faster with a 2.9% increase to 220,600 homes, but were counter-balanced by falls in conversions and changes of use.

The net supply data represents a 1% increase in England's housing stock in the year to March 2020 although there was widespread variation in performance across regions (and Local Authorities). The data shows London had the biggest percentage increase in stock with a 1.16% rise and the North East had a smallest rise with just 0.78%. However, even the rise in London was below the 1.23% that would be required across the whole of England to meet Government's target of 300,000 homes per year.

The data in the MHCLG release just covers the start of the pandemic but it is unlikely that it had any substantial impact on the numbers as there were signs that housing delivery had already slowed prior to March. A comparison of Energy Performance Certificates (EPCs) for new build during March 2020 compared to the year

before suggests that the pandemic may have lowered the total net supply by around 3,000 homes across the whole of England. Given the post-2011 Census revisions were 16,000 per year between 2001 and 2011, this is not a particularly significant impact and some developers may have rushed to complete as the lockdown loomed.

Unfortunately, the MHCLG release only just takes us to the start of the pandemic and does not tell us what has happened since. Fortunately, MHCLG have started publishing data on the weekly number of EPCs and we know from previous analysis, that this is a good proxy for gross new supply. We know that the impact of the first lockdown was substantial with 40,000 fewer EPCs over the period. Since the lockdown lifted, the numbers have closely matched last year with no sign of any uplift in activity. This suggests net supply during the 2020 calendar year will be around 200,000 homes. However, there could be a spike in completions during Q1 2020 due to the rush to beat the end of the SDLT (Stamp Duty Land Tax) holiday and changes to H2B (Help to Buy). This could result in next year's MHCLG data for the 2020-21 reporting net supply higher than 200,000.

London office market

London's ability to adapt to new challenges has served it well over its history and this strength is being tested again. Employment growth, which surprised on the upside in 2019 as London continued to outperform both the rest of the UK and competing European cities, will almost certainly turn negative in 2020 as the coronavirus outbreak hits business confidence and profitability. Leasing has slowed sharply since the pandemic began, with take-up down by about 70% compared to the same period in 2019.

Demand has held up best outside of the central areas. Falling demand and increasing availability (particularly of sublease space) have caused office net absorption to turn negative over the past few quarters for the first time since 2016. London's office vacancy rate has risen as a result, although it remains low in a historical context. While recent lettings to the likes of Netflix and Baker McKenzie have provided some confidence, any rebound in office demand rests on staff returning to offices in large numbers. That will not happen for at least a couple of months, given the November lockdown and renewed government guidance that all office workers should remain at home.

Weak demand comes at a time when new deliveries are spiking upwards. Vacancies will continue to rise accordingly over the next couple of years. Annual rent growth, which had returned to positive territory in the months prior to the coronavirus crisis, will soon turn negative again in line with rising vacancy and subdued demand. The City has fared better than the West End thus far, outside of the super-prime bracket (a record £277.50/SF rent was achieved on Berkeley Square in October). CoStar's Base Case forecast calls for London office rents to fall by about 4% over the next 18 months or so, with greater losses in 3 Star properties than in better-quality, 4 & 5 Star offices. In contrast to the leasing market, London's investment market has sprung to life over the past couple of months, following an initial post-pandemic lull. Increasing evidence of pre-pandemic pricing—and robust investor demand—is persuading more owners of prime property to market their buildings.

October was the busiest month for investment since March, momentum that continued in November. However, the re-imposition of lockdown restrictions is likely to keep the focus of investor attention squarely on prime, well-let offices, for which they will continue to pay well, with the spread between London office yields and the risk-free rate at a historic high.

18. MARKET VALUATION(S) AND COMMENTARY INCLUDING COMPARABLE MAP

Our opinion of value is based on an analysis of recent market transactions supported by market knowledge derived from our valuation experience.

In determining the market value of the property, subject to the tenancy described above and with the benefit of full vacant possession, we have adopted an investment method of valuation appraisal requiring:-

- i) The identification of the market rent for the component parts.
- ii) Comparative analysis of the rent passing under any leases.
- iii) Capitalisation of the adopted income streams with an applicable investment yield.

(a) Schedule of Comparable Sales Evidence

Office Sales Transactions

- 1) Unit 5 Cally Yard, 429-431 Caledonian Road, London, N7 9BG. This is a ground floor office property measuring 1,658 sq. ft. This newly developed property was sold in very good condition in May 2020 for £1,110,000, which equates to £669 per square foot. We would expect the subject units due to their poorer specification and location to achieve a lower rate per square foot than this.
- 2) 1a Highgate Road, London, NW5 1JY. This is a recently constructed ground and first floor office building measuring 1,392 sq. ft. It was sold in a good condition in February 2020 for £850,000/£611 per square foot. Again, this unit was sold in a superior condition and specification to the subject and therefore we would expect 4 and 5 Torriano Mews to achieve a lower rate per square foot than this.
- 3) Frognaal, London, NW3 6AL. This is a three storey 1990's built property comprising two interconnecting office buildings and measuring in total 3,354 sq. ft. The property, which benefits from four car parking spaces was sold in average condition in May 2020 for £1,822,000, which equates to £543 per square foot. We consider that due to their inferior location and condition, that the units at Torriano Mews would achieve a lower rate per square foot than this.

Office Lettings Transactions

- 1) 77 Fortress Road, London, NW5 1AG. This is a small office suite measuring 100 sq. ft. which was let in an average condition on the second floor of this four storey older style building in October 2019 for £3,300 per annum, which equates to £33.00 per square foot. We would expect the subject unit to achieve a lower rate per square foot than this due to its much larger size.
- 2) Ground Floor Offices, 53-79 Highgate, London, NW5 1TL. This is a ground floor office measuring 5,575 sq. ft. It was let in a good condition in July 2019 for £198,582 per annum, equating to £35.62 per square foot.
- 3) 78 Regis Road, London, NW5 3EW. This is a three storey end of terrace office building measuring 3,260 sq. ft. It was let in an above average condition on a new five year lease in June 2019 at an initial rent of £75,430 per annum. Three months rent free was granted as an incentive reflecting a net rent of £71,665 per annum (£21.98 per square foot). The subject is located in a better area than this and we consider would achieve a higher Rental Value despite its condition.

Having considered the above office sales transactions, we are of the opinion that in its current dated condition that this property is capable of achieving a Market Value of £1,880,000 which based on its internal floor area of 3,545 sq. ft. equates to £530 per square foot. The rate adopted reflects the property's dated condition, layout and the fact that much of the accommodation is located at mezzanine level.

We would expect that this property is likely to be purchased by an end user, however, if the property were to be let then we would expect it to achieve in its current condition a Market Rental Value of

£88,625 per annum, which equates to £25.00 per square foot. It is likely that an incoming tenant will offer a limited track record and therefore a weak covenant in the eyes of the investment market. We would expect a marketing period of up to 12 months and dependent on the lease terms agreed, the equivalent of up to six months rent free to be granted as an incentive.

You have also asked us to consider the value of this property on the special assumption that Planning Permission is granted as per the details contained within Section 13 above. We understand from the applicant that on the assumption Planning Permission is granted the completed project will comprise the following:

Floor Level	Flat number	Description	Floor Area (sq. m)	Floor Area (sq. ft)	Outside space	Parking
Ground Floor	1	Two bedrooms, kitchen/living area and two bathrooms with WCs	61	657	None	None
Ground Floor	2	Two bedrooms, kitchen/living area and two bathrooms with WCs	76	818	None	None
First Floor	3	Two bedrooms, kitchen/living area and two bathrooms with WCs	66	710	None	None
First Floor	4	Two bedrooms, kitchen/living area and two bathrooms with WCs	76	818	None	None
Mezzanine	5	One bedroom, kitchen/living area and bathroom with WC	54	581	None	None
Mezzanine	6	One bedroom, kitchen/living area and bathroom with WC	55	592	None	None
Total			388	4176		

We have considered the following comparable sales to arrive at our Gross Development Value:

- 1) Flat 1 Palmer House, 76-84 Fortess Road, London, NW5 2HH. This is a second floor two bed one bath converted flat which was sold in a good condition in February 2020 for £500,000, which based on its internal floor area of 626 sq. ft. equates to £799 per square foot. This property is located in a more attractive period building and also benefits from two balconies and we would therefore expect it to achieve a higher rate per square foot than the flats proposed.
- 2) 207 Camden Road, London, NW1 9AA. This is a two bed one bath first floor flat measuring 727 sq. ft. This period flat which benefits from high ceilings and a balcony was sold in good condition in March 2020 for £542,500 equating to £746 per square foot. For the same reasons as described above, we would expect this property to achieve a higher rate per square foot than those proposed.
- 3) 23 Northpoint Square, London, NW1 9AW. This is a first floor two bed two bath flat located within a purpose built development constructed around 2005. It measures 1,066 sq. ft. and was sold in a good condition in February 2020 for £680,000 (£638 per square foot). We would expect the units proposed to achieve similar rates per square foot to this.
- 4) Flat 2, 229a Camden Road, London, N7 0DN. This is a first floor purpose built modern flat comprising two bedrooms and one bathroom and no outside space. It measures 612 sq. ft. and was sold in good condition in September 2020 for £475,000, which equates to £776 per square foot. We would expect, due to their slightly inferior location, that the subject units would achieve a lower rate per square foot than this.
- 5) Flat 26 Southside, 32 Carleton Road, London, N7 0QH. This is a ground floor purpose built one bed flat located in an older style development. This unit measures 550 sq. ft. and was sold in a recently refurbished condition in August 2020 for £307,500 which equates to £559 per square foot. We would

expect the subject flats once finished to achieve higher rates per square foot than this, due to their superior location and modern style development.

- 6) Flat 17, 1 Willingham Terrace, London, NW5 2ER. This is a second floor one bed flat measuring 409 sq. t. It is located in a newly constructed development superior to that of the subject. It was sold in July 2020 for £370,000 which equates to £905 per square foot. We would expect the subject units to achieve lower rates per square foot than this.

Having considered the above sales transactions, we are of the opinion that on the assumption Planning Permission is granted and that each flat can be disposed of on a long lease with an unexpired term in excess of 90 years at a nominal ground rent and reasonable service charge, that each flat in its assumed good condition, will be capable of achieving the following Market Value.

Floor Level	Flat number	Description	Floor Area (sq. ft)	Market Value	Rate per sq.ft
Ground Floor	1	Two bedrooms, kitchen/living area and two bathrooms with WCs	657	£460,000	£701
Ground Floor	2	Two bedrooms, kitchen/living area and two bathrooms with WCs	818	£575,000	£703
First Floor	3	Two bedrooms, kitchen/living area and two bathrooms with WCs	710	£500,000	£704
First Floor	4	Two bedrooms, kitchen/living area and two bathrooms with WCs	818	£575,000	£703
Mezzanine	5	One bedroom, kitchen/living area and bathroom with WC	581	£405,000	£697
Mezzanine	6	One bedroom, kitchen/living area and bathroom with WC	592	£415,000	£701
		Total	4,176	£2,930,000	£702

Our valuation is on the assumption that each flat is sold individually, which will certainly be the best strategy in this case. If an investor were to purchase the whole building as one single lot then we would expect them to negotiate a discount to reflect the bulk purchase and in this scenario we would expect a discount of anywhere between 10% and 20%, which should be borne in mind when considering your loan terms.

Market Value with the benefit of Planning Permission

In arriving at our current day value with the benefit of Planning Permission as described, we have adopted a development appraisal, the variables of which are as follows:

1. That land is funded at 65% of value.
2. Funding is available at 2.00% per quarter.
3. Funding is required for the duration of the development, which we estimate at 12 months which allows for preliminaries, construction and marketing.
4. Contingencies have been allowed at 10% of build costs.
5. The customer has provided a construction cost total to finish the project in the sum of £450,000 (excluding contingency), which based on an internal floor area once finished of 4,176 sq. ft. equates to £108 per square foot. We do not consider that this is a suitable sum to complete the project to a high end of finish and specification, we would expect a figure nearer £545,000 which equates to

£131 per square foot. We have therefore adopted this figure assumes this to be accurate although we are not quantity surveyors, and we would caution that no assurance as to the equity of this figure can be given and if such assurances are required then the advice of a suitably qualified third party should be sought.

6. Our valuation takes into account stamp duty and VAT at the prevailing rate.
7. Estate agent fees have been allowed for at 1.25%.
8. Our valuation calculation accounts for a developer's profit of 15% of the gross development value, which reflects the type of property and its location.
9. We understand that the project is subject to a CIL payment which has been estimated at £45,000.

Based upon the above parameters, results in a calculation that delivers in a current day value of £1,600,000 (Including rounding), which is below the purchase price, however, is supported by the calculation detailed above. Obviously, as works are carried out to complete the project assuming Planning Permission is granted, then this figure will steadily increase.

Residential Market Rental Values

In arriving at our projected figures in respect of the proposed project, we have considered the following lettings transactions:

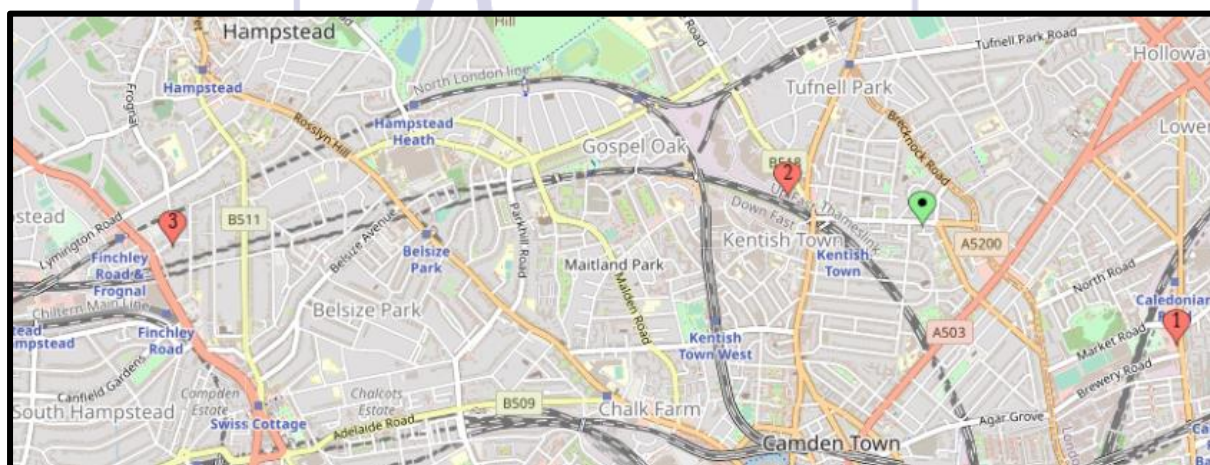
- 1) Ground Floor Flat, 6 Torriano Mews, London, NW5 2RZ. This is a ground floor two bed flat measuring 703 sq. ft. which was let in above average condition in September 2020 for £1,759 per calendar month.
- 2) Flat 3, Unit 3 Torriano Mews, London, NW5 2RZ. This is a second floor two bed two bath flat measuring 784 sq. ft. which was let in above average condition in July 2020 for £1,907 per calendar month.
- 3) Flat 1, 3 Torriano Mews, London, NW5 2RZ. This is a two bed two bath first floor flat (size not known) which was let in above average condition in September 2020 for £1,798 per calendar month.
- 4) Raised Ground Floor, 101 Leighton Road, London, NW5 2RB. This is a one bed raised ground floor flat measuring 391 sq. ft. which was let in average condition in July 2020 for £1,395 per calendar month.
- 5) 99 Brecknock Road, London, N7 0BX. This is a first floor one bed flat (size not known) which was let in average condition in October 2020 for £1,300 per calendar month.
- 6) 107f Torriano Avenue, London, NW5 2RX. This is a second floor one bed flat measuring 509 sq. ft. which was let in average condition in September 2020 for £1,400 per calendar month.

Based upon the above lettings transactions, we are of the opinion that once the project is completed that each flat will be capable of achieving the following Market Rental Values:

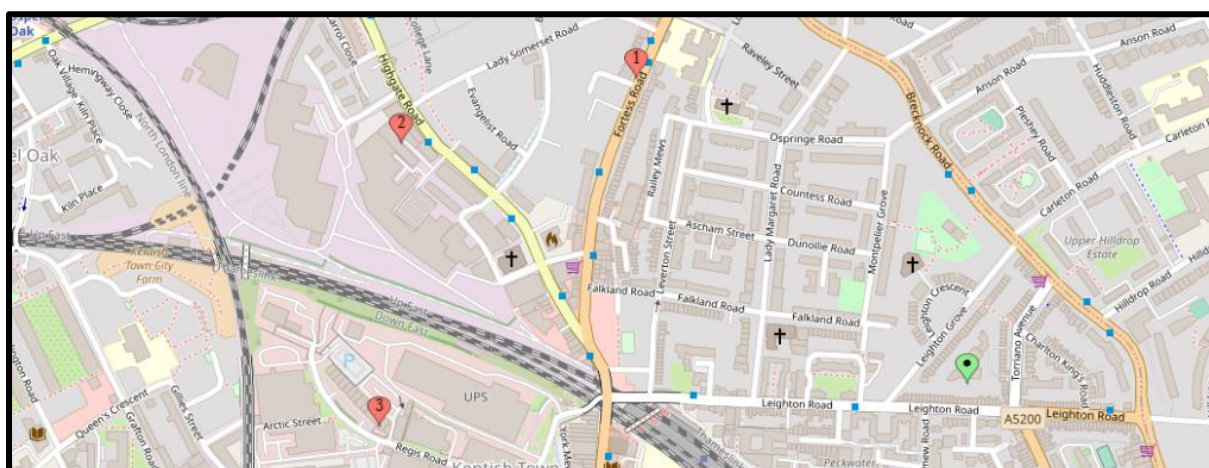
Floor Level	Flat number	Description	Floor Area (sq. ft)	Rental value pcm	Rental value p.a
Ground Floor	1	Two bedrooms, kitchen/living area and two bathrooms with WCs	657	£1,750	£21,000
Ground Floor	2	Two bedrooms, kitchen/living area and two bathrooms with WCs	818	£1,800	£21,600
First Floor	3	Two bedrooms, kitchen/living area and two bathrooms with WCs	710	£1,750	£21,000
First Floor	4	Two bedrooms, kitchen/living area and two bathrooms with WCs	818	£1,800	£21,600
Mezzanine	5	One bedroom, kitchen/living area and bathroom with WC	581	£1,400	£16,800
Mezzanine	6	One bedroom, kitchen/living area and bathroom with WC	592	£1,400	£16,800
Total			4,176	£9,900	£118,800

(b) Comparable Property Maps

Office Sales Transactions



Office Lettings Transactions



(c) Market Value(s)

- (1) Market Value subject to full vacant possession, in the order of:

£1,880,000

(ONE MILLION, EIGHT HUNDRED AND EIGHTY THOUSAND POUNDS)

- (2) Market Value subject to full vacant possession with the assumption of a 180 day marketing period, in the order of:

£1,785,000

(ONE MILLION, SEVEN HUNDRED AND EIGHTY FIVE THOUSAND POUNDS)

- (3) Market Value subject to full vacant possession with the assumption of a 90 day marketing period, in the order of:

£1,690,000

(ONE MILLION, SIX HUNDRED AND NINETY THOUSAND POUNDS)

- (4) Gross Development Value on the assumption that Planning Permission is granted as detailed within Section 13 of this report and the project is completed to a high standard of finish and specification in line with all necessary consents, in the order of:

£2,930,000

(TWO MILLION, NINE HUNDRED AND THIRTY THOUSAND POUNDS)

- (5) Market Value with the benefit of Planning Permission as described within Section 13 of this report, in the order of:

£1,600,000

(ONE MILLION, SIX HUNDRED THOUSAND POUNDS)

Market Value is defined as:

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.

In the context of the RICS definition of Market Value, we consider that a period of up to nine months is a reasonable period within which to negotiate completion of a sale by private treaty of the property at the level

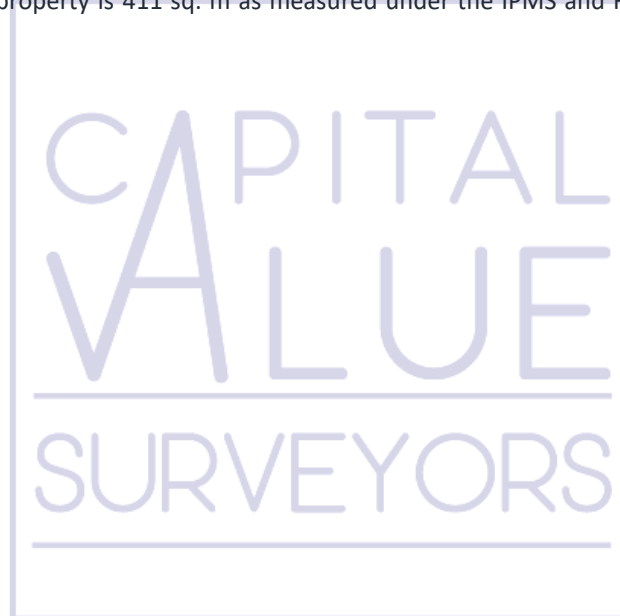
of our valuation, as indicated in Section 18(c)1 above taking into account the nature of the property and the state of the market.

19. INDICATION OF REINSTATEMENT VALUE

You have sought from us an indication for insurance purposes of the current reinstatement cost of the property in its present form. This we are pleased to provide below, but is given solely as a guide. A formal estimate for insurance purposes can only be given by a Quantity Surveyor or other person with sufficient current experience of replacement costs. We confirm that the property has not been inspected by such a person, and therefore the cost estimate below is provided without liability, and for guidance purposes only.

Having applied the latest BCIS data, we would recommend that the subject property be insured for a minimum sum of **£900,000 (Nine hundred thousand pounds)**. This sum allows for full reinstatement, professional fees and VAT, but excludes any allowance for inflation or loss of rent, and should accordingly be updated on an annual basis to keep pace with rising costs. We would emphasise that the figure detailed above is our estimate of the costs of rebuilding the property and bears no direct relationship to current market values.

The external area of the property is 411 sq. m as measured under the IPMS and RICS Property Measurement Standards.



20. SECURITY FOR LOAN

(a) Principal Property Risks

We are not qualified to assess the adequacy of capital and income cover for the loan but we comment below on the principal risks affecting the property and how they may impact on the property over the period of the loan.

Location	A good quality mixed residential and commercial area to the north west of Central London
Overall Condition	Dated at present
Capital Value Volatility	Medium to high risk
Liquidity	Reasonable – in line with its peers
Refinancing Prospects	Suitable for specialist and commercial lending only

(b) S.W.O.T. Analysis

Strengths:

- ❖ Good location
- ❖ Allocated car parking

Weaknesses:

- ❖ Dated throughout
- ❖ Unlikely to meet the specification requirements of many office occupiers
- ❖ Set over three levels

Opportunities:

- ❖ Being part of this good quality area there is potential for long term capital appreciation
- ❖ If Planning Permission is granted then there is potential to add value

Threats:

- ❖ The Coronavirus continues to cause caution and uncertainty throughout all markets

(c) Performance of the Property over the Course of the Loan

The value of this property may fluctuate in the short due to the threat from Coronavirus, we would therefore recommend that you review our figures on a regular basis.

(d) The Property as Security for the Loan

Having regard to all of the comparable evidence currently available and bearing in mind the contents of this report as a whole, we can confirm that in our opinion, this property forms a suitable security for the funds of Tempus Capital Partners I Limited & Tempus Capital SB Limited & Shawbrook Bank Limited.

21. GENERAL REMARKS

The property being valued currently comprises two adjoining terraced two storey plus mezzanine office buildings, which are currently in a dated condition. The applicant has submitted a planning application to convert the property into six self contained flats although the decision from the Local Planning Authority has yet to be decided.

We have considered all of the above and our transactions detailed and analysed and are pleased to support this property as a suitable proposition for your lending purposes, but only at our figures reported.

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a “Global Pandemic” on 11 March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries.

Market activity is being impacted in many sectors. As at the valuation date, Capital Value Surveyors Limited consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement.

Our valuation is therefore reported on the basis of ‘material valuation uncertainty’ as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of this security under frequent review.

22. ASSUMPTIONS AND CONDITIONS

(a) General Assumptions

Our valuation has been carried out on the basis of the following General Assumptions. If any of them are subsequently found not to be valid, we may wish to review our valuation, as there may be an impact on it.

- (1) That the Freehold interest is not subject to any unusual or especially onerous restrictions, encumbrances or outgoing contained in the Freehold Title. Should there be any mortgages or charges, we have assumed that the property would be sold free of them. We have not inspected the Title Deeds or Land Registry Certificate.
- (2) That we have been supplied with all information likely to have an effect on the value of the property, and that the information supplied to us and summarised in this report is both complete and correct.
- (3) That the building has been constructed and is used in accordance with all statutory and bye-law requirements, and that there are no breaches of planning control. Likewise, that any future construction or use will be lawful (other than those points referred to above).
- (4) That the property is not adversely affected, nor is likely to become adversely affected, by any highway, town planning or other schemes or proposals, and that there are no matters adversely affecting value that might be revealed by a local search, replies to usual enquiries, or by any statutory notice (other than those points referred to above).
- (5) We have not carried out a Building Survey and have not opened up the construction in order to make a detailed examination and no tests have been made of the drains, electrical or gas installations, hot or cold water systems or other services. No inspection has been made of the woodwork or other parts of the structure which are covered, unexposed, or inaccessible and we

are, therefore, unable to report that that such part of the property are free from rot, beetle and other defects.

- (6) That the property is connected or capable of being connected without undue expense, to the public services of gas, electricity, water, telephones and sewerage.
- (7) That in the construction or alteration of the building no use was made of any deleterious or hazardous materials or techniques, such as high alumina cement, calcium chloride additives, woodwool slabs used as permanent shuttering and the like (other than those points referred to above). We have not carried out any investigations into these matters.

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 investigations have been carried out to ascertain the presence of Radon gas or emissions from power cables.

- (8) That the property has not suffered any land contamination in the past, nor is it likely to become so contaminated in the foreseeable future. We have not carried out any soil tests or made any other investigations in this respect, and we cannot assess the likelihood of any such contamination.
- (9) We have not carried out, nor commissioned, a site investigation or geographical or geophysical survey and can therefore give no assurances, opinion or guarantee that the ground has sufficient load bearing strength to support the existing structure or structures which may be erected upon it. We can give no assurance, opinion or guarantee that there are no underground mineral or other workings within the site or its vicinity, nor that there is any fault or disability underground.

(b) General Conditions

Our valuation has been carried out on the basis of the following general conditions:

- (1) We have made no allowance for any Capital Gains Tax or other taxation liability that might arise upon a sale of the property.
- (2) Our valuation is exclusive of VAT.
- (3) No allowance has been made for any expenses of realisation.
- (4) Excluded from our valuation is any additional value attributable to goodwill, or to fixtures and fittings which are only of value in situ to the present occupier.
- (5) This property has been valued individually and no allowance has been made, either positive or negative, should it form part of a larger disposal.
- (6) No allowance has been made for rights, obligations or liabilities arising under the Defective Premises Act 1972, and it has been assumed that all fixed plant and machinery and the installation thereof complies with the relevant UK and EEC legislation.
- (7) The valuation has been carried out using comparable data of property transactions supplied to us and assumed to be correct.

23. VERIFICATION

This report contains many assumptions, some of a general and some of a specific nature. Our valuation is based upon certain information supplied to us by others. Some information we consider material may not have been provided to us. All of these matters are referred to in the relevant sections of this report.

We recommend that you satisfy yourself on all these points, either by verification of individual points or by judgement of the relevance of each particular point in the context of the purpose of our valuation. Our valuation should not be relied upon pending this verification process.

We confirm that we are not excluded under the Building Societies Act 1989 (Section 13) in carrying out this report. The surveyor who has completed this report has appropriate experience in valuations of this type.

24. CONFIDENTIALITY

Finally, in accordance with the recommendations of the RICS, we would state that this report is provided solely for the purpose stated above. It is confidential to and for the use only of the party to whom it is addressed and no responsibility is accepted to any third party for the whole or any part of its contents.

Any such parties rely upon this report at their own risk. Neither the whole nor any part of this report or any reference to it may be included now, or at any time in the future, in any published document, circular or statement, nor published, referred to or used in any way without our written approval of the form and context in which it may appear.

We trust that the above is satisfactory for your purposes, but if we can be of any further assistance then please do not hesitate to contact us.

Yours faithfully,



SIMON JACKSON BSC(HONS) MRICS
RICS Diploma Number: 0097467



SEAN MANSFIELD BSC(HONS) MRICS
RICS Diploma Number: 1165186



CAPITAL VALUE SURVEYORS LIMITED

The Stanley Building, 7 Pancras Square, King's Cross, London N1C 4AG
Tel: 020 3011 3114

www.capitalvalue.co.uk

APPENDIX 1

LOCATION MAPS



All Technology © Copyright: Streetmap.co.uk/Streetmap EU Ltd 2016

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APPENDIX 2

PROFESSIONAL INDEMNITY INSURANCE CERTIFICATE



Our Ref / NDC /21431291

TO WHOM IT MAY CONCERN

VERIFICATION OF PROFESSIONAL INDEMNITY INSURANCE

We, the undersigned Insurance Broker, hereby certify that the following described insurance is in force at this date:

Name and address of Insured:	Capital Value Surveyors Limited The Stanley Building 7 Pancras Square Kings Cross London N1C 4AG
Business:	Chartered Surveyors
Period of Insurance:	From: 14 th May 2020 To: 13 th May 2021 (both days inclusive at the address stated above)
Limit of Indemnity:	GBP10,000,000 any one claim and in the aggregate. However, please note that the Limit of Indemnity is subject to unlimited around the clock reinstatements during the policy period in respect of a claim or loss or a series of claims or losses consequent upon or attributable to a different source or original cause. This is a standard definition of "any one claim" within the Professional Indemnity Market. Further, it has been accepted by the Royal Institution of Chartered Surveyors.
Insurers:	Lead - CNA Insurance Company Ltd , along with various Lloyds Syndicates and London Company Markets
Primary Policy No :	P20A263333P

We also confirm that, subject to its terms and conditions, this insurance has been accepted by the Royal Institution of Chartered Surveyors.

The policy is subject to the insuring agreements, exclusions, conditions and declarations contained therein. The above is accurate at the date of signature.

This document is furnished to you as a matter of information only and is valid at today's date. The issuance of this document does not make the person or organisation to whom it is issued an additional Insured, nor does it modify in any manner the contracts of insurance between the Insured and Insurers. Any amendment, change or extension of such contracts can only be effected by specific endorsement thereto.

Should the above-mentioned contract of insurance be cancelled, assigned or changed during the above policy period in such manner as to affect this document, no obligation to inform the holder of this document is accepted by the undersigned or by Insurers.

Signed: 

Signed on behalf of Howden UK Group Limited

Dated: 13th May 2020

Broker at  One Creechurh Place, London EC3A 5AF • t: 44(0)20 7133 1200 • www.howdengroup.com

Howden is a trading name of Howden UK Group Limited, part of the Hyperion Insurance Group. Howden UK Group Limited is authorised and regulated by the Financial Conduct Authority in respect of general insurance business. Registered in England and Wales under company registration number 725573. Registered Office: One Creechurh Place, London EC3A 5AF. Calls may be monitored and recorded for quality assurance purposes.



APPENDIX 3

ESTATE AGENTS DETAILS

FREEHOLD/RENT

Offers in excess of £1,750,000 Unconditional basis only with vacant possession or let at £30 Sq Ft. Exclusive.

VIEWING:

Only by appointment through the Sole Agent as below:

Meth Yoldirim
 Salter Rex LLP
 Chartered Surveyors & Estate Agents, Crown House
 265/267 Kentish Town Road
 London NW5 2TP
 Tel: 020 7267 2071 (main switchboard)
 Fax: 020 7485 8488
 E-mail: mr@salterrex.co.uk

AML:

Under the Anti Money Laundering Regulations Act (AMLA), we are obliged to verify the identity of proposed Seller/s Purchaser/s prior to instructing solicitors in order to assist in preventing fraud and money laundering. This information is required by law.

MISREPRESENTATION ACT 1967

Salter Rex for themselves and for the Vendors or Lessors of this property, who's Agents they are, give notice that:

1. These particulars do not constitute, nor constitute any part of an offer or contract. Solicitors involved in these particulars as to this property are made without responsibility on the part of Salter Rex, the Vendors or Lessors. None of the statements contained in these particulars as to this property are to be relied upon as statements or representation of fact. All dimensions given are approximate only.
2. Any intending purchasers must satisfy themselves by inspection or otherwise as to the correctness of each of the statements contained in these particulars.
3. The statements contained in these particulars are made or given and signed by Salter Rex for any person in their employment has any authority to make or give any representation or warranty whatsoever in relation to this property.



**FREEHOLD/TO LET SELF
 CONTAINED OFFICE BUILDING
 FOR SALE
 TORRIANO MEWS, NW5
 APPROX. 329.17 M²
 (3545 SQ. FT.)**

LOCATION: The property is located in a gated mews off Torriono Avenue close to its junction with Leighton Road. The Property is located within the suburb of Kentish Town, which in turn is within the London Borough of Camden and the NW5 postal Region of North-West London.

THE PREMISES: The subject property comprises two mid-terrace two storey B1 office buildings in a gated mews known as Torriono Mews, two units have been merged to create one large office space. The building has been extended on first floor level to create a further mezzanine level. The freehold includes two allocated car parking spaces.

The area is mostly mix-use predominately surrounded by Victorian period houses some which of have been converted to flats along with residential blocks. Torriono Mews itself provides a number of (B1) office buildings.

TRANSPORT/SHOPS Local shopping facilities and amenities can be found along Kentish Town Road. Main retailers include Sainsbury's, Pret-A-Manger, Starbucks, Franco Manca, Caffè Nero along with Barclays and Lloyds bank within walking proximity. Public Transport includes Kentish Town station and numerous bus routes.

ACCOMMODATION: Secure entrance which leads to a small reception area with a waiting room. In addition to a number of partitioned consultation rooms and offices (Six Rooms to this level), a disabled access WC, kitchen, stairs upto.

First Floor: Open plan office mainly (two large offices) along with two small rooms at rear with a Kitchenette, WC, and access to mezzanine.

Measurements	144.58 m ²	1,558 sq. ft.
Ground Floor	141.9 m ²	1,527 sq. ft.
First Floor	42.69 m ²	460 sq.
Mezzanine		
Total Area	329.17 m ²	3,545 sq. ft.

EPC: C 58 and 61

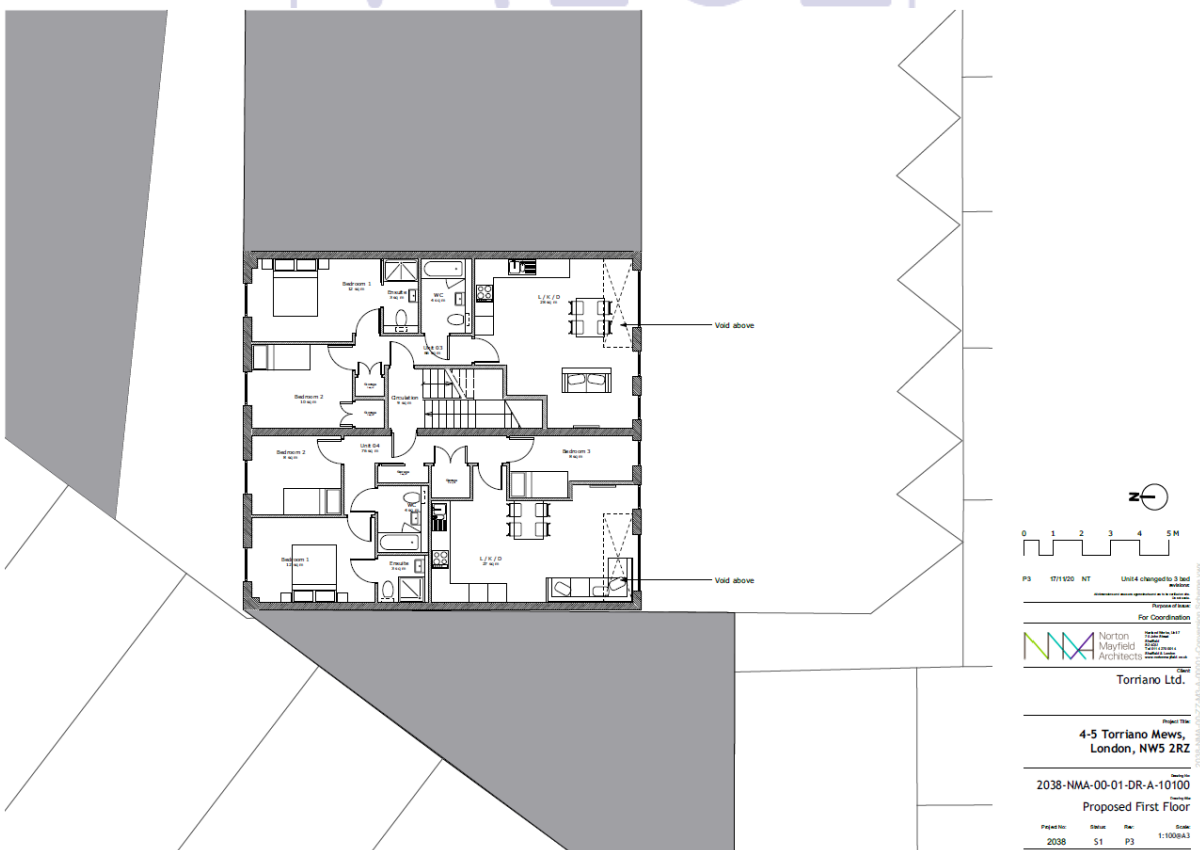
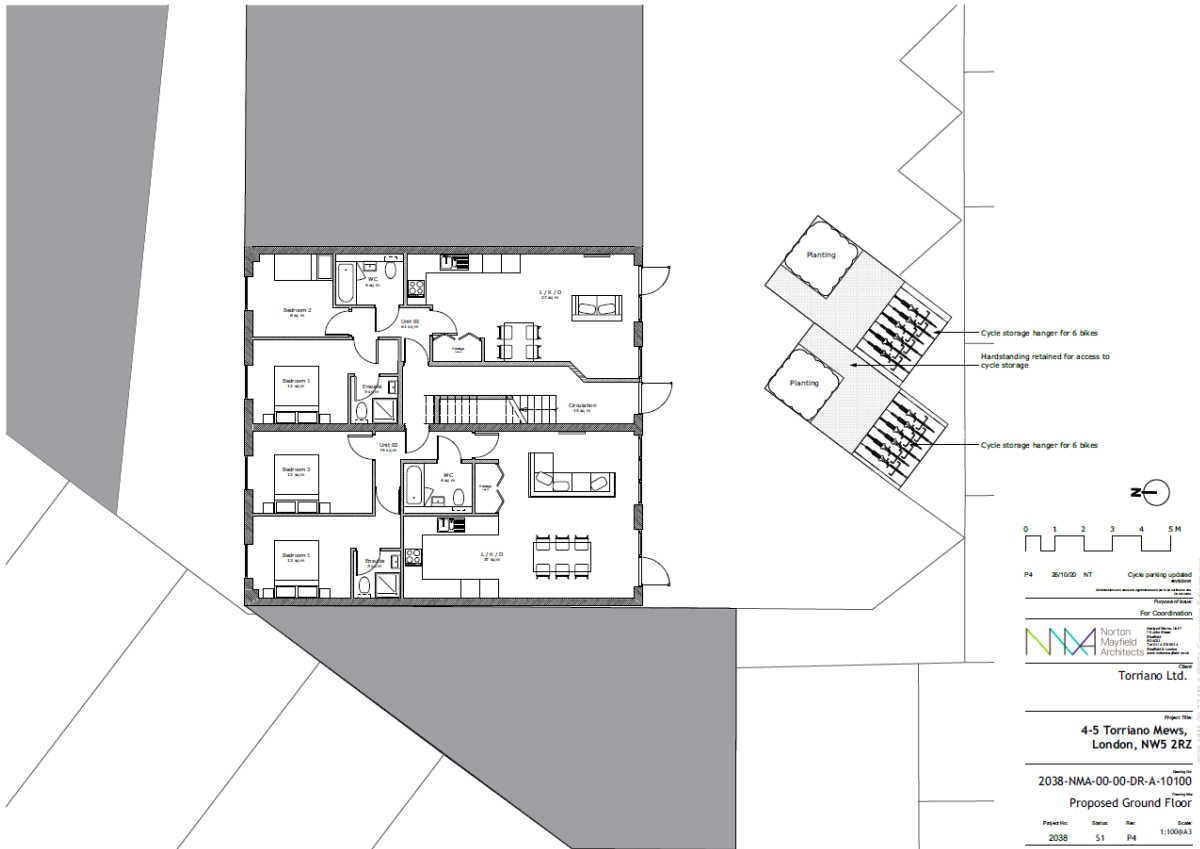
- AMENITIES:**
- Emergency Lighting
 - Smoke Alarm
 - High Ceiling with Spotlights
 - Air-Conditioning System
 - Category 5 Wiring
 - Gas Central Heating
 - Two Kitchen Areas
 - Single Glazing
 - Off Street Parking
 - Male and Female Toilets

Location of the subject property.



APPENDIX 4

PROPOSED FLOOR PLANS



APPENDIX 5

DEVELOPMENT APPRAISAL

03/12/2020

Aprao

4&5 TORRIANO MEWS, NW5 2RZ - CONVERT TO SIX FLATS



Development Appraisal

4&5 TORRIANO MEWS, NW5 2RZ - CONVERT TO SIX FLATS

3 December 2020



Summary

4&5 TORRIANO MEWS, NW5 2RZ - CONVERT TO SIX FLATS

Summary Financial Appraisal

Revenue	Units	ft ² (NIA)	£/ft ²	Ave Value	Total (£)
Gross Development Value	1	0.00	0.00	2,930,000.00	2,930,000.00
Costs					51,275.00
Net Development Value					2,878,725.00

Site Purchase	Total (£)
Site Purchase Price	1,581,423.89
Stamp Duty Land Tax	4.34% 68,571.19
Other Purchase Costs	1.75% 27,674.92
Total Purchase Costs	1,677,670.00

Build Costs	ft ² (GIA)	£/ft ²	Total (£)
Preliminary Costs			0.00
Main Build Costs	0.00	0.00	545,000.00
Contingency			54,500.00
Total Build Costs			599,500.00

Other Costs	% Build	% GDV	Total (£)
Total Other Costs	15.76%	2.93%	85,875.00

Total Costs Excl Finance	2,363,045.00
---------------------------------	---------------------

Finance	% Cost (inc. finan...	% Cost	% GDV	Total (£)
Total Finance	81.20%	83.82%	67.60%	1,980,680.00
Total Finance Costs				76,180.00

Total Costs Inc Finance	2,439,225.00
--------------------------------	---------------------

	Project IRR	Equity IRR	RoE	RoC	RoGDV	
Profit	N/A	N/A	95.85%	18.02%	15.00%	439,500.00

4&5 TORRIANO MEWS, NWS 2RZ - CONVERT TO SIX FLATS

Revenue Breakdown

Summary	Units	ft ² (N/A)	£/ft ²	Ave Value	Total (£)
Unit type 1	1	0.00	N/A	2,930,000.00	2,930,000.00
Gross Development Value	1	0.00			2,930,000.00
Costs					51,275.00
Net Development Value					2,878,725.00

Unit type 1	ft ² (N/A)	£/ft ²	Total (£)
6 FLATS			2,930,000.00
Gross Value	0.00	N/A	2,930,000.00
Costs	1.75%		51,275.00
Net Value			2,878,725.00

4&5 TORRIANO MEWS, NW5 2RZ - CONVERT TO SIX FLATS

Site Purchase

Site 1

Existing Use Class: non-residential and mixed use

		Total (£)
Site Purchase Price		1,581,423.89
Stamp Duty Land Tax	4.34%	68,571.19
Agents Fees	1.25%	19,767.80
Legal Fees	0.50%	7,907.12
Total		1,677,670.00

4&5 TORRIANO MEWS, NW5 2RZ - CONVERT TO SIX FLATS

Build Cost

Preliminary Costs		Total (£)	
Preliminary cost 1			0.00
Preliminary cost 2			0.00
Total			0.00

Main build phase	ft ² (GIA)	£/ft ²	Total (£)
Build cost		0.00	545,000.00
Total (Excl Contingency)	0.00	0.00	545,000.00
Contingency	10.00%		54,500.00
Total (Inc Contingency)			599,500.00

Total Build Cost	0.00	0.00	599,500.00
-------------------------	-------------	-------------	-------------------

4&5 TORRIANO MEWS, NW5 2RZ - CONVERT TO SIX FLATS

Other Costs

Costs group 1	% Build	% GDV	Total (£)
PROFESSIONAL FEES	7.50%	1.40%	40,875.00
CIL	8.26%	1.54%	45,000.00
Total	15.76%	2.93%	85,875.00
Total Other Costs	15.76%	2.93%	85,875.00

4&5 TORRIJANO MEWS, NW5 2RZ - CONVERT TO SIX FLATS

Finance

Finance Summary Breakdown	% Cost (inc. finan...	% Cost	% GDV	Total (£)
Lender 1	81.20%	83.82%	67.60%	1,980,680.00
Developer's Equity	18.80%	19.40%	15.65%	458,545.00
		% Cost	% GDV	Total (£)
Net loan		80.60%	65.00%	1,904,500.00
Retained interest at 8.00% annual				76,180.00
Gross Loan		83.82%	67.60%	1,980,680.00
Fees		% Gross Loan	% GDV	Total (£)
Total Fees				0.00
Developer's Equity		RoE	Equity IRR	Total (£)
Total Equity		95.85%	N/A	458,545.00

4&5 TORRIANO MEWS, NW5 2RZ - CONVERT TO SIX FLATS

Sensitivity Analysis

			GDV								
			-20%	-15%	-10%	-5%	0%	5%	10%	15%	20%
			£2.34m	£2.49m	£2.64m	£2.78m	£2.93m	£3.08m	£3.22m	£3.37m	£3.52m
Build costs	20%	£719.4k	-10%	-4%	1%	7%	12%	18%	23%	28%	34%
	15%	£689.43k	-9%	-3%	2%	8%	14%	19%	25%	30%	35%
	10%	£659.45k	-7%	-2%	4%	9%	15%	21%	26%	32%	37%
	5%	£629.48k	-6%	-1%	5%	11%	16%	22%	28%	33%	39%
	0%	£599.5k	-5%	1%	7%	12%	18%	24%	29%	35%	41%
	-5%	£569.53k	-4%	2%	8%	14%	20%	25%	31%	37%	43%
	-10%	£539.55k	-2%	4%	9%	15%	21%	27%	33%	39%	45%
	-15%	£509.58k	-1%	5%	11%	17%	23%	29%	35%	41%	46%
	-20%	£479.6k	0%	6%	12%	19%	25%	31%	37%	43%	48%

Sensitivity analysis, percentages are showing development return on cost.

APPENDIX 6

LETTER OF INSTRUCTION

Valuation Instruction | 24/11/2020



Tempus Capital Partners
Unit 8, 165 Granville Road
London, NW2 2AZ
T: +44 203 857 8444
E: management@tempcap.co.uk

We request you provide us a valuation and appraisal of the above property for loan security purposes. Your report should be addressed to Tempus Capital Partners I Limited & Tempus Capital SB Limited & Shawbrook Bank Limited and be made available as soon as possible.

Your report is to be carried out in accordance with the RICS Valuation - Professional Standards Global and UK, effective from 30/03/12.

Please confirm that so far you are aware no conflicts of interest, either personal or in relation to your firm exist and the professional indemnity insurance on a per claim basis is available in respect of the service to be provided.

Property and Details of Purchaser:

1. Property: 4-5 Torriano Mews, Kentish Town, London, NW5 2RZ
2. Purchased by: TORRIANO LTD
3. Contact for Access: Mr Shloime Craimer, craimersol@gmail.com, tzviuk@gmail.com

The following variations are required: We want the long form report.

1. Present Market Value, subject to vacant possession.
2. Present Market Value without the benefit of PD rights.
3. Present Market Value with the special assumption of a 180 day + 90 day marketing period - vacant possession
4. Present Market rental value.
5. Investment Value.
6. Value of property subject to being let.
7. Value of the property subject to the current tenancy being in place.
8. A re-instatement value for insurance purposes.

The borrower intends to convert the property into 6 residential units. Please seek advice on the relevant planning permissions and the outlook of the development.

1. Give your opinion regarding the likely cost of the works and how that compares with our applicant's estimate.
2. Provide an end value for the property once completed. We need a confirmed figure written on the report by the valuer (Please ensure that your valuer confirms this).

We seek comments on:

1. If material disrepair has been noted, any assumptions made about future repairs.
2. Past, current and future trends in the market in the locality and/or demand for the category of property.
3. Details of significant comparable transactions relied upon.
4. Any other matters revealed during normal valuation enquiries, which could have a material effect on the value.
5. Any environmental issues relation to the current use of the property.
6. Estimated cost of refurbishing the property to make is suitable for mortgage purposes.

Please provide as appendices:

1. Colour photographs of the property.
2. A general location map.
3. Any other relevant information.
4. Title plan and land registry.

In addition, can you please confirm, if in your opinion, the subject property is considered to be suitable for loan security purposes. If subsequent to your inspection, it appears that contamination is or may be present, this must be covered in your report.