

Valuation report

Professional Valuation Report

On

**209-211 Walsall Road
Perry Barr
Birmingham,
West Midlands,
B42 1TY**

On behalf of

Premier Waste (UK) PLC Retirement Benefit Scheme

**Prepared by:
Michael Sheppard MRICS
Centrick Commercial
The Exchange
19 Newhall Street
Birmingham B3 3PJ**

**Telephone: 0121 289 5009
Email: Michael.sheppard@centrick.co.uk
Date: 10 June 2022**



Contents

Executive Summary	1
1 Terms of Instruction, Confidentiality and Disclosure	2
1.1 Purpose of the report.....	2
1.2 Our Appointment	2
1.3 Inspection.....	2
1.4 Scope and Limitations of Inspection.....	3
1.5 Information	3
1.6 Compliance with Appraisal and Valuation Standards.....	3
1.7 Status of Valuer and Conflicts of Interest	3
1.8 Basis of Valuation	3
2 Property Address	5
2.1 Location and Situation.....	5
2.2 Description and Construction	5
2.3 Floor Areas	5
2.4 Site.....	6
2.5 Deleterious Materials	6
2.6 Environmental Matters	6
2.7 Energy Performance Certificate	7
2.8 Planning	8
2.9 Rateable Value.....	8
2.10 Tenure	8
2.11 Tenancies	8
2.12 Sources of Information	9
2.13 Market Commentary	9
2.14 Specific Comments and Valuation Approach.....	12
2.15 Valuation	12
2.16 Confidentiality and Disclosure.....	13

Appendices

1. Conditions of Engagement
2. Definition of the Basis of Valuation, Taxation and Costs
3. Assumptions and Caveats
4. Comparable Evidence
5. Location Plan
6. Photographs

Executive Summary	
Date of valuation	10 June 2022
Property address	209-211 Walsall Road Perry Barr Birmingham, West Midlands, B42 1TY
Description	Refurbished 2-storey offices fronting detached, industrial/ warehouse building in three sections with a 44-space car park between
Tenure/ tenancies	Freehold/ Informal lease only
Market Value	£2,260,000

MS/
10 June 2022

The Directors
Premier Waste (UK) PLC
Retirement Benefit Scheme
209–211 Walsall Road
Perry Barr
Birmingham,
B42 1TY

Dear Sirs

Applicant: The Directors of the Premier Waste (UK) PLC Retirement Benefit Scheme
Property: 209–211 Walsall Road, Perry Barr, Birmingham, B42 1TY

1 Terms of Instruction, Confidentiality and Disclosure

1.1 Purpose of the report

We understand that (“the Applicant”) wishes to understand the current Market Value of the property for Pension accounts purposes

1.2 Our Appointment

In accordance with your letter of instruction and our Conditions of Engagement (Appendix 1), we have valued the freehold interest in the above property as at the date of this Report in connection the proposed loan facility. The property is described in Section Two of this Report, which forms an integral part hereof.

1.3 Inspection

The property was inspected internally and externally by Michael Sheppard MRICS who is a member of the RICS Valuer Registration Scheme – membership number 1126000 on the morning of 10 June 2022.

1.4 Scope and Limitations of Inspection

We were able to inspect all of the property. At the time of inspection, the weather was dry.

1.5 Information

We have relied upon information provided by the owner/ occupier and other third parties as being materially correct in all aspects.

In the absence of any information provided, we have had to rely solely on our own enquiries.

1.6 Compliance with Appraisal and Valuation Standards

We confirm that the valuation has been prepared to RICS Red Book standard in accordance with the RICS Valuation Global Standards (incorporating the IVS) and the UK national supplement.

1.7 Status of Valuer and Conflicts of Interest

We confirm that we have undertaken the valuation acting as an External Valuer, qualified for the purpose of the valuation.

We further confirm that we have no previous involvement with the property or parties to the transaction. We do not therefore consider that any conflict arises in preparing the advice requested.

1.8 Basis of Valuation

Our opinion of the Market Value of the property has been primarily derived using comparable recent market transactions on arm's length terms.

In accordance with your instructions, we have undertaken our valuation on the following bases:

Market Value (MV)

We have set out the definitions of the above bases of valuation in Appendix 2.

In addition, we have also provided an Estimated Reinstatement Cost Assessment, plus similar for the completed development, the definition for which we have included in Appendix 2.

Our valuation is subject to our standard Valuation Terms, Conditions and Assumptions which are included in Appendix 2. Where appropriate, the applicant has confirmed that our assumptions are correct so far as they are aware. In the event that any of our assumptions prove to be incorrect then our valuation should be reviewed.

2 209–211 Walsall Road, Perry Barr, Birmingham, B42 1TY

2.1 Location and Situation

The property is located approximately 4 miles to the north of Birmingham city centre in Perry Barr. The immediate locality is predominantly residential though it does enjoy a strong mix of out-of-town retail, business, industrial and warehouse premises too.

Enjoying frontage to the dual-carriageway A34 that links Walsall town centre 4 miles to the north of the property and Birmingham city centre to the south, the property is also well located for the national motorway network with M6 junctions 7 and 8 (for M5) both being within 1 mile.

Photographs, plans and an Ordnance Survey extract are attached at the end of this report section.

2.2 Description and Construction

i). Office building

The two-storey brick-built building is under flat roof. Appearing to date from the 1970's the building has been fully refurbished in recent years and offers a mix of open plan and closed plan air-conditioned offices plus reception and usual WC facilities etc.

ii). Industrial/ warehouse building

The steel frame building over concrete floor is understood to have originally been constructed just over 10 years ago though rebuilt following a fire in 2014. It comprises three distinct areas with each being used for storage of waste materials and by-products (assumed to be non-hazardous). Two of the sections are fully enclosed while a third is fully open on one elevation.

2.3 Floor Areas

From measurements we took on site the (GIA) floor area is as follows:

Building	Area (Sq. m)	Area (Sq. ft)
Offices	629.0	6,771
Industrial/ warehouse	3,933.0	42,334
Total GIA	4,562.0	49,105

2.4 Site

1.71 Acres/ 0.69 hectares

An Ordnance Survey extract showing our understanding of the approximate boundaries of the property edged in red is attached at the rear of this report.

This site plan is for identification purposes only. If verification of the accuracy of the plan and statement above is required, the matter should be referred to your solicitors.

2.5 Deleterious Materials

The age and style of construction of the subject property are such that materials such as high alumina cement concrete, woodwool shuttering, calcium chloride or asbestos may have been used in its original construction or subsequent alteration. We would draw your attention to item 2 of Appendix 3.

2.6 Environmental Matters

We have made enquiries in order, so far as reasonably possible, to establish the potential existence of contamination arising out of previous or present uses of the site and any adjoining sites.

Our enquiries and inspection have provided no evidence that there is a significant risk of contamination in respect of the property. Accordingly, you have instructed us to assume that no contamination or other adverse environmental matters exist in relation to the property sufficient to affect value. Other than as referred to above, we have not made any investigations to establish whether there is any contamination, radon gas or potential for contamination to the subject property. A purchaser in the market might, in practice, undertake further investigations than those undertaken by us. If it is subsequently established that contamination or radon exists at the property or on any neighbouring land, or that the premises have been or are being put to any contaminative use then this might reduce the value now reported.

We have assumed that the information and opinions we have been given are complete and correct in respect of the property and that further investigations would not reveal more information sufficient to affect value. We consider that this assumption is reasonable in the circumstances. However, purchasers may cause such further investigations to be made and if these were to reveal additional contamination then this might reduce the value now being reported.

We have been instructed not to make any investigations in relation to the presence or potential presence of contamination in land or buildings, and to assume that if investigations were made to an appropriate extent, then nothing would be discovered sufficient to affect value. We have not carried out any investigation into past uses, either of the property or any adjacent land to establish whether there is any potential for contamination from such uses or sites and have therefore assumed that none exists.

Flooding

Rivers and sea – Very low risk
Surface water – Low risk

Radon

The property is not believed to be in an area affected by Radon.

Mining

From on-line research of the Coal Authority, we understand that the boundary of the property is located **on the coalfield**.

2.7 Energy Performance Certificate

An EPC was not found on-line. To dispose of a property an EPC IS REQUIRED.

The Minimum Energy Efficiency Standard (MEES)

MEES is currently set at an EPC rating of 'E'.

A landlord needs to have an EPC inspection carried out every 10 years. Under the law, landlords are not allowed to grant a new tenancy for any property rated F or G – they must take steps to improve its energy efficiency first.

From 1st April 2018, the regulations have been enforced to include the granting of a new lease and the renewal of existing leases. Landlords are required to ensure compliance before the lease is granted. In special circumstances, landlords will be given an extension of six months from the date of the grant of the lease to comply with the regulations.

From 1st April 2023, MEES will be extended to cover all leases, including where a lease is already in place. All non-domestic property types are in scope of the regulations,

except for those that do not require an EPC under current regulations, such as listed buildings.

MEES does not apply to lettings of 6 months or less, or to lettings of 99 years or more. The regulations apply to sub-lettings and assignments.

2.8 Planning

Our assumption is that the current use of the property is commensurate with the planning use.

We are not aware of the existence or otherwise of any planning proposals likely to affect the property or neighbouring properties within the immediate vicinity.

The valuation is provided on the basis that the property complies with all planning requirements for the use assumed in our valuation and is unaffected by any proposals. To confirm this, a written enquiry has to be made to the Local Authority Planning Department, which has NOT been undertaken.

2.9 General Rates

An assessment for the property was not found on-line.

2.10 Tenure

We have not been provided with a copy of the Certificate of Title/Report on Title. Save as disclosed in the Certificate/Report on Title we understand that the property is held freehold, free from rent charge, restriction as to use, title or occupation and free from any other restriction which may affect value. We have not had sight of the title deeds.

2.11 Tenancies

We have not been provided with copies of any leases nor have we seen any. We understand however, that there is an informal arrangement in place for a rental of £158,000 pa to be paid for all the subject property.

2.12 Sources of Information

In arriving at our opinion of Value we have relied upon the following sources:

- Information obtained from the following websites:

www.costar.com
www.landregistry.gov.uk
www.promap.co.uk

- Information provided by the client
- Information provided by other agents

2.13 Market Commentary

Our market commentary is based upon market knowledge from within Centrick Property, enquiries of other agents and property database searches.

a) *Market Overview*

The Q1 2022 RICS UK Commercial Property Survey results point to the market gaining momentum over the quarter, with demand growth accelerating in relation to both occupiers and investors at the headline level. Nevertheless, despite the general improvement in the survey results, contributors remain cautious on the outlook for the economy given pressures caused by rising living costs and higher interest rates.

Across the UK, a net balance of +32% of respondents reported an increase in occupier demand at the all-sector level. This is up noticeably from a reading of +16% in the previous quarter and marks the strongest return for this indicator since 2015. When disaggregated, the industrial sector continues to post the strongest pick-up in tenant demand, registering a net balance of +60% this time (virtually unchanged from +61% in Q4). Significantly, respondents cited a clear upward shift in demand across the office occupier market in Q1, with the net balance improving to +30% from -3% beforehand. For the retail sector, the occupier demand indicator moved into relatively neutral territory at -1%, compared to -23% in Q4.

With regards to supply, both the office and retail sectors continue to see an increase in the availability of leasable space, albeit the pace of this growth (in net balance terms) is significantly reduced compared to last year. For the industrial sector, vacancy rates declined further over the quarter, with the latest net balance coming

in at -47%. Interestingly, at the all-sector level, the Q1 net balance of -9% is the first outright negative reading for the overall availability measure since 2017.

As a result, headline rental expectations for the near term moved further into expansionary territory during Q1, posting a net balance of +19% compared to +7% last time. This was mainly driven by the office sector, where the outlook turned from negative in Q4 to positive in the latest results (net balance -11% vs +9%). With respect to the next twelve months, prime office rents are now envisaged rising by a net balance of +42% of respondents (up from +18% previously). That said, expectations are flat to marginally negative for secondary office rents. On the same basis, rents are anticipated to rise by a net balance of +81% and +66% of respondents for prime and secondary industrial space respectively in the year ahead. For prime retail, the negativity around the rental outlook seen for some time has largely diminished, with the latest net balance of -14% the least downbeat return 2017. Even so, expectations remain steeped in negative territory for secondary retail, evidence by a net balance of -29% of contributors envisaging a fall in rents.

From a regional perspective, rental growth across the prime office market in Central London is anticipated to outpace most other regions over the coming twelve months. Interestingly however, the secondary office market in the South East now displays slightly positive annual rental projections, making it the only region in which an upturn in the secondary office sector is expected.

On the investment side of the market, a net balance of +32% of contributors saw an increase in buyer enquiries at the all-property level during Q1. This is up from a reading of +19% in each of the past two quarters and is in fact the strongest figure posted since Q3 2015. Moreover, for the first time since 2017, the investment enquiries indicator is now in positive territory across each of the three traditional market sectors (office, industrial and retail), albeit only marginally so for retail.

In net balance terms, capital value expectations for the year ahead were revised higher (or became less negative) in both prime and secondary portions of the office and retail markets. For prime retail, the latest net balance of zero represents the first non-negative return in almost five years. For the prime office sector, the net balance of +37% of respondents expecting a rise in capital values over the next twelve months is the firmest figure since Q4 2019. Meanwhile, although sentiment regarding the twelve-month capital value outlook across the industrial sector remains robust, the latest net balances edged down slightly from recent highs.

Turning to the alternative sectors tracked in the survey results, respondents envisage a firmly positive trend in both rents and capital values for data centres, multifamily residential, and aged care facilities over the year ahead. Furthermore, the outlook is also positive, albeit to a slightly more moderate degree, for student

housing and hotels. With respect to the latter, respondents now envisage a more consistent recovery progressing over the next twelve months having been hit hard by the pandemic since early 2020.

Local Market data

In spite of the gloomy picture being painted for commercial property generally, our Commercial Agency colleagues report a surprisingly robust market, particularly in smaller industrial properties. Deals are being done though it is understood that landlords are having to price their property keenly if the desired early letting or sale is to be achieved.

b) Marketing History

The property is not thought to have been advertised for sale. There are no previous sales of the property recorded on-line with HMLR.

c) Comparable Evidence

In helping determine the market value of the aforementioned property we have had regard to recent open market transactions in the local vicinity, the details of which we set out below: -

Market Value – Vacant			
Address	Size Sq. ft	Price £psf	Date sold
Rigid Charta, Cheston Road, Aston, B7 5EA	60,799	32.90	31/08/2021
Vacant modern (1980) industrial and office building			
Unit 12b, Middlemore Lane West, Aldridge, WS9 8BH	50,493	43.57	07/05/2021
1970's/ 1980's-built industrial with well fitted out offices			
Bodycote Unit, Austin Way, Perry Bar, B42 1DU	48,380	42.37	25/01/2021
Older, 1970-s-built industrial/ warehouse unit with offices			
Market Value – Investment			
Address	Price £	Net yield %	Date sold
AMH 55, Queens Road, Aston, Birmingham, B6 7NH	3.75m	5.70	30/11/2021
1990's-built industrial/ warehousing totalling 54,682 sf. Close to Jct.6 M6 Motorway. 18.5 years remaining on the lease at sale. Rent psf equates to £4.16 and price is £68.58 psf capital value			
Old Hall Trading Est, Field Road, Bloxwich, WS3 3HJ	2.48m	6.89	01/11/2021
20-unit trading estate comprising mainly starter units. The sale price equates to £48.74 psf capital value			
107 York Road, Hall Green, B28 8LH	2.65m	7.20	Sold stc
Two adjoining modern warehouse units totalling 44,380 sf. both built in 2003 and let to Jewson with 20 years remaining on the leases. Rent psf equates to £4.30 and price is £59.71 psf capital value			

2.14 Specific Comments and Valuation Approach

The valuation approach adopted is by direct comparison of recent transactions of similar properties within the vicinity. We have then made adjustments to account for the size, condition, aspect and location of the property as well as other material factors to arrive at value.

Some very high prices have been paid for top quality industrial building in the Birmingham area. These buildings are of a far higher specification than the subject. For the subject we found a range of buildings sold vacant for between £32.00 and £44.00 psf though we would suggest that the quality of the subject is better than each. For property sold as an investment, that is with the benefit of immediate income from an occupying tenant, we saw values for property ranging £48.74 to £68.59 psf and net yields after purchaser's costs ranging 5.70% to 7.20%.

The subject industrial/ warehouse is good modern construction and the offices while older, have been refurbished well. However, the site is shared with other users, the use of the warehouse/ industrial buildings very messy and one flank of one of the three industrial sections is open.

On the matter of valuation, mindful that there is no formal lease in place between the Landlord and tenant we must choose a relatively high net yield to apply to the passing rent to reflect the lack of security of income.

According to costar.com net yields for the Birmingham industrial market over the past 12 months have ranged 2.3% to 10.0% suggesting an average of 6.10. Our own comparables confirmed the aforementioned though our yield evidence is largely from multi-unit sales rather than a single investment such as the subject. Ultimately, to arrive at value we applied 7.00% to the passing rental., The calculation produces a figure of £2,257,143 that we rounded to £2,260,000.

2.15 Valuation

Market Value	£2,260,000
---------------------	------------

We have assessed Market Value in accordance with Practice Statement 3.2 Under these provisions, the term "Market Value" means *"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."*

2.16 Confidentiality and Disclosure

The contents of this Report and Appendices are confidential to the party to whom they are addressed for the specific purpose to which they refer and are for their use only. Consequently, and in accordance with current practice, no responsibility is accepted to any other party in respect of the whole or any part of their contents. Before this Report, or any part thereof, is reproduced or referred to, in any document, circular or statement, and before its contents, or any part thereof, are disclosed orally or otherwise to a third party, the valuer's written approval as to the form and context of such publication or disclosure must first be obtained. For the avoidance of doubt such approval is required whether or not Centrick Commercial and associated companies are referred to by name and whether or not the contents of our Report are combined with others.

Yours faithfully



Michael Sheppard MRICS

Valuation Director

For and on behalf of Centrick Commercial

Michael.sheppard@centrick.co.uk



Katherine Nolan MSc MRICS

Valuation Director

For and on behalf of Centrick Commercial

Katherine.nolan@centrick.co.uk

Appendix 1
Conditions of Engagement



**TERMS OF ENGAGEMENT IN RESPECT OF A
PROFESSIONAL REPORT AND VALUATION OF
Premier Waste Management Services, 209-211 Walsall Road, Perry Barr, Birmingham, B42 1TY**

***BETWEEN Premier Waste UK Plc Retirement Benefit Scheme AND
Centrick Property***

1. We will advise the named client as to our opinion of the relevant interest in the property as specified by the client and in our Report.
2. The purpose of the valuation shall be as agreed between the client and ourselves and specified in the Report.
3. Unless specifically agreed and stated the Market Value will be the best price at which the sale of an interest in the property would have been completed unconditionally for cash consideration on the date of the valuation, assuming:

"The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".
4. The term "Market Value" implies the value of the property in its existing use unless otherwise specified.
5. Our opinion of value will be given using all reasonable professional skill and care.
6. Where appropriate our inspection will be carried out in accordance with the RICS Appraisal and Valuation Manual PS4.
7. We will rely upon the information provided to us by the client or the client's professional advisers relating to the tenure, tenancies and other relevant matters and will be under no obligation to confirm this information.
8. We will have regard to the state of repair and condition of the property but shall be under no duty to carry out a detailed building survey nor to inspect parts of the property which are covered, unexposed or inaccessible; neither shall we test service installations. Carpets will not be lifted nor furniture moved.
9. We will not make any enquiries with the Local and Statutory Authorities concerning environmental matters. A written enquiry should be made by the client's legal advisor to the relevant Authority to confirm the latest position on such matters.
10. Unless otherwise stated in writing we will assume that:
 - (a) Good title can be shown and that the property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoings.



- (b) The property and its value is unaffected by any matters which would be revealed by a local search and replies to usual enquiries, or by any statutory notice and that neither the property, nor its condition, nor its use, is or will be unlawful.
- (c) Inspection of concealed areas would not reveal material defects nor cause the Valuer to alter his opinions materially.
- (d) No high alumina cement or other deleterious material was used in the construction of the property or has since been incorporated.
- (e) No harmful or hazardous material has been used in the construction of the property or has since been incorporated, and that there is no contamination in or from the ground, and it is not land filled ground.
- (f) No radon gas is present at the property.

We will be under no obligation to verify these assumptions.

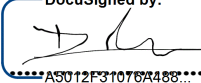
- 11. The report will be provided for the stated purpose(s) and for the sole use of the named client. It will be confidential to the client and the client's professional advisers. The Valuer accepts responsibility to the client alone, but accepts no responsibility whatsoever to any parties other than the client. Any such parties rely upon the Report at their own risk. Neither the whole or part of the Report nor any reference to it 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.
- 12. If you feel that there is a potential conflict of interest in Centrick Property Commercial carrying out this Report for you, either now or in the future, then we would ask you to notify us immediately in order that we might proceed in accordance with the RICS Rules of Conduct.
- 13. Any verbal comments given to the client prior to receipt of the report are given in good faith but, in order to avoid any possible misinterpretation or misunderstanding, the client should not act upon these verbal comments until the full written report has been received and studied.
- 14. The client will pay to Centrick Property Surveys & Valuations the agreed fee in respect of the said professional advice and reasonable out of pocket expenses, together with the relevant amount of any Value Added Tax on the fee of **£850.00** + VAT.
- 15. In the unlikely event that a mistake is made in servicing your customer requirements, we confirm that Centrick Property has insurance cover approved by the RICS and NAEA up to a limit of £2 million per claim. Centrick Property will not accept any liability for any claim that exceeds this amount. If you believe that our required services may involve a liability of more than £2 million then please confirm this in writing in order that we might provide you with a quote for a higher level of cover.
- 16. A copy of our Complaints Handling Procedure is available upon request.

I have read the above and agree that these conditions shall apply.



Signed

DocuSigned by:



AS012F31076A488...

Date

.....

On behalf of

.....

Appendix 2

Definition of the Bases of Valuation, Taxation and Costs

DEFINITIONS OF THE BASES OF VALUATION

The property has been valued in accordance with the relevant parts of the current RICS Appraisal and Valuation Standards (the "Red Book"). In particular, the bases of valuation are as follows:

Market Value

We have assessed Market Value in accordance with Practice Statement 3.2. Under these provisions, the term "Market Value" means *"The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."*

In undertaking our valuation on the basis of Market Value we have applied the conceptual framework which has been settled by the International Valuation Standards Committee (IVSC). The conceptual framework is included in PS 3.2 and is reproduced below: –

"3.2 The term *property* is used because the focus of these Standards is the valuation of property. Because these Standards encompass financial reporting, the term *Asset* may be substituted for general application of the definition. Each element of the definition has its own conceptual framework.

3.2.1 ***'The estimated amount ...'*** Refers to a price expressed in terms of money (normally in the local currency) payable for the property in an arm's-length market transaction. *Market Value* is measured as the most probable price reasonably obtainable in the market at the date of valuation in keeping with the *Market Value* definition. It is the best price reasonably obtainable by the seller and the most advantageous price reasonably obtainable by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of *Special Value*.

3.2.2 ***'... a property should exchange ...'*** Refers to the fact that the value of an asset is an estimated amount rather than a predetermined or actual sale price. It is the price at which the market expects a transaction that meets all other elements of the *Market Value* definition should be completed on the date of valuation.

3.2.3 ***'... on the date of valuation ...'*** Requires that the estimated *Market Value* is time specific as of a given date. As markets and market conditions

may change, the estimated value may be incorrect or inappropriate at another time. The valuation amount will reflect the actual market state and circumstances as of the effective valuation date, not as of either a past or future date. The definition also assumes simultaneous exchange and completion of the contract for sale without any variation in price that might otherwise be made.

- 3.2.4 '**... between a willing buyer ...**' Refers to one who is motivated, but not compelled to buy. This buyer is neither over-eager nor determined to buy at any price. This buyer is also one who purchases in accordance with the realities of the current market and with current market expectations, rather than on an imaginary or hypothetical market which cannot be demonstrated or anticipated to exist. The assumed buyer would not pay a higher price than the market requires. The present property owner is included among those who constitute 'the market'. A valuer must not make unrealistic assumptions about market conditions or assume a level of Market Value above that which is reasonably obtainable.
- 3.2.5 '**... a willing seller ...**' Is neither an over-eager nor a forced seller prepared to sell at any price, nor one prepared to hold out for a price not considered reasonable in the current market. The willing seller is motivated to sell the property at market terms for the best price attainable in the (open) market after proper marketing, whatever that price may be. The factual circumstances of the actual property owner are not a part of this consideration because the 'willing seller' is a hypothetical owner.
- 3.2.6 '**... in an arm's-length transaction ...**' Is one between parties who do not have a particular or special relationship (for example, parent and subsidiary companies or landlord and tenant) which may make the price level uncharacteristic of the market or inflated because of an element of *Special Value*, (defined in IVSC Standard 2, para. 3.11). The *Market Value* transaction is presumed to be between unrelated parties each acting independently.
- 3.2.7 '**... after proper marketing ...**' Means that the property would be exposed to the market in the most appropriate manner to affect its disposal at the best price reasonably obtainable in accordance with the Market Value definition. The length of exposure time may vary with market conditions but must be sufficient to allow the property to be brought to the attention of an adequate number of potential purchasers. The exposure period occurs prior to the valuation date.

- 3.2.8 **'... wherein the parties had each acted knowledgeably, prudently ...'**
Presumes that both the willing buyer and the willing seller are reasonably informed about the nature and characteristics of the property, its actual and potential uses and the state of the market as of the date of valuation. Each is further presumed to act for self-interest with that knowledge and prudently to seek the best price for their respective positions in the transaction. Prudence is assessed by referring to the state of the market at the date of valuation, not with benefit of hindsight at some later date. It is not necessarily imprudent for a seller to sell property in a market with falling prices at a price which is lower than previous market levels. In such cases, as is true for other purchase and sale situations in markets with changing prices, the prudent buyer or seller will act in accordance with the best market information available at the time.
- 3.2.9 **'... and without compulsion'** Establishes that each party is motivated to undertake the transaction, but neither is forced or unduly coerced to complete it.
- 3.3 **Market Value** is understood as the value of a property estimated without regard to costs of sale or purchase and without offset of any associated taxes."

Market Rent

We have assessed Market Rent in accordance with Practice Statement 3.4. Under these provisions the term "Market Rent" means *'The estimated amount for which a property, or space within a property, should lease (let) on the date of valuation between a willing lessor and a willing lessee on appropriate lease terms in an arm's-length transaction after proper marketing wherein the parties had acted knowledgeably, prudently and without compulsion.'*

The commentary is reproduced below.

- "1. The definition of Market Rent is the Market Value (MV) definition modified by the substitution of a willing lessor and willing lessee for a willing buyer and willing seller, and an additional Assumption that the letting will be on 'appropriate lease terms'. This definition must be applied in accordance with the conceptual framework of MV at PS3.2, together with the following supplementary commentary:

1.1 *'...willing lessor and willing lessee...'*

The change in the description of the parties simply reflects the nature of the transaction. The willing lessor is possessed with the same characteristics as the willing seller, and the willing lessee with the same characteristics as the willing buyer, save that the word 'price' in the conceptual framework to MV should be changed to 'rent', the word 'sell' changed to 'let' and the word 'buy' changed to 'lease'.

1.2 '*...appropriate lease terms...*'

MR will vary significantly according to the terms of the assumed lease contract. The appropriate lease terms will normally reflect current practice in the market in which the property is situated, although for certain purposes unusual terms may need to be stipulated. Matters such as the duration of the lease, the frequency of rent reviews, and the responsibilities of the parties for maintenance and outgoings, will all impact on MR. In certain States, statutory factors may either restrict the terms that may be agreed or influence the impact of terms in the contract. These need to be taken into account where appropriate. Valuers must therefore take care to set out clearly the principal lease terms that are assumed when providing MR.

If it is the market norm for lettings to include a payment or concession by one party to the other as an incentive to enter into a lease, and this is reflected in the general level of rents agreed, the MR should also be expressed on this basis. The nature of the incentive assumed must be stated by the valuer, along with the assumed lease terms.

MR will normally be used to indicate the amount for which a vacant property may be let, or for which a let property may re-let when the existing lease terminates. Market Rent is not a suitable basis for settling the amount of rent payable under a rent review provision in a lease, where the actual definitions and Assumptions have to be used."

Taxation and costs

In no case have we made any adjustment to reflect any liability to taxation that may arise on disposal, nor for any costs associated with disposal incurred by the owner.

No allowance has been made to reflect any liability to repay any government or other grants, taxation allowance or lottery funding that may arise on disposal.

We have made deductions to reflect purchaser's normal acquisition costs where appropriate.

Appendix 3

Assumptions and Caveats

VALUATION TERMS OF ENGAGEMENT

These are the terms, conditions and Assumptions upon which our valuations and reports are normally prepared. They apply to the valuation(s) that are the subject of this instruction unless we have specifically mentioned otherwise in this Valuation Report. We have made certain Assumptions in relation to facts, conditions or situations affecting the subject of, or approach to, our valuations that we have not verified as part of the valuation process. In the event that any of these Assumptions prove to be incorrect then our valuation(s) should be reviewed.

Title

We have not had access to the title deeds of the property. Where a Certificate of Title has been made available, we have reflected its contents in our valuation. Save as disclosed either in any such Certificate of Title or as referred to in our Report, we have made an Assumption that there is good and marketable title and that the property is free from rights of way or easements, restrictive covenants, disputes or onerous or unusual outgoings. We have also made an Assumption that the property is free from mortgages, charges or other encumbrances.

Condition of structure and services, deleterious materials, plant and machinery and goodwill

Due regard has been paid to the apparent state of repair and condition of the property, but a condition survey has not been undertaken, nor have woodwork or other parts of the structure which are covered, unexposed or inaccessible, been inspected. Therefore, we are unable to report that the property is structurally sound or is free from any defects. We have made an Assumption the property is free from any rot, infestation, adverse toxic chemical treatments, and structural or design defects other than such as may be mentioned in the body of our Report and the appendices.

We have not arranged for investigations to be made to determine whether high alumina cement concrete, calcium chloride additive or any other deleterious material have been used in the construction or any alterations, and therefore we cannot confirm that the property is free from risk in this regard. For the purposes of this valuation, we have made an Assumption that any such investigation would not reveal the presence of such materials in any adverse condition.

No mining, geological or other investigations have been undertaken to certify that the site is free from any defect as to foundations. Where relevant, we have made an Assumption that the load bearing qualities of the site of the property are sufficient to support the buildings constructed, or to be constructed thereon. We have also made an Assumption

that there are no abnormal ground conditions, nor archaeological remains present, which might adversely affect the present or future occupation, development or value of the property.

No tests have been carried out as to electrical, electronic, heating, plant and machinery equipment or any other services nor have the drains been tested. However, we have made an Assumption that all services are functioning satisfactorily.

No allowance has been made in this valuation for any items of plant or machinery not forming part of the service installations of the building. We have specifically excluded all items of plant, machinery and equipment installed wholly or primarily in connection with any of the occupants' businesses. We have also excluded furniture and furnishings, fixtures, fittings, vehicles, stock and loose tools. Further, no account has been taken in our valuation of any goodwill that may arise from the present occupation of the property.

It is a condition of Centrick Property or any related company, or any qualified employee, providing advice and opinions as to value, that the client and/or third parties (whether notified to us or not) accept that the valuation report will in no way relate to, or give warranties as to, the condition of the structure, foundations, soil and services.

Environmental matters

The Environment Act 1995 places a duty upon Local Authorities to identify contaminated land in their areas, gives them and the Environment Agency power to serve remediation notices and to maintain registers of remediation statements, declarations and appeals. The principle will be for the polluter to pay for remediation and only where liability is legally transferred, or the polluter cannot be found will the costs fall on an owner. An owner would not include a mortgagee not in possession, but liability will be of concern to a lender if possession is ever contemplated. Liability will extend to pre-existing pollution and an owner who has caused or knowingly permits an escape of pollution through his land will be liable even if the original source was on other land.

In preparing this Report our investigation has been limited to visual inspection of the property, consideration of its use, the uses of adjacent property so far as evident and only after superficial enquiry into past uses of this property. Our valuation is on the basis that the property is not affected. However, our investigation has not been by any means exhaustive and in view of the potential liabilities, we advise the bank and its customer to consider commissioning a Land Quantity Statement or Environmental Audit for which we can introduce the relevant consultants. If such further investigation establishes that contaminants, seepage or pollutions exist at the property or on neighbouring land or that the property has been or is being put to contaminative use, this might reduce the values not reported.

We have not undertaken or had sight of the site audit and can only comment from brief inspection of the site.

We have valued the property on the assumption that the no contamination is present, however if upon subsequent investigation it is found to be contaminated, we reserve the right to reassess our Valuation.

During our onsite inspection, no obvious signs of contamination were noted nor was there any evidence of hazardous substances. We cannot, however, comment on any materials or substances, which may have been stored on the premises.

Statutory requirements and planning

Verbal enquiries have been made of the relevant planning authority in whose area the property lies as to the possibility of highway proposals, comprehensive development schemes and other ancillary planning matters that could affect property values. The results of our enquiries have been included within our Report where relevant.

Save as disclosed in a Certificate of Title or unless otherwise advised, we have made an Assumption that the building has been constructed in full compliance with valid town planning and building regulations approvals, that where necessary it has the benefit of a current Fire Certificate and that the property is not subject to any outstanding statutory notices as to its construction, use or occupation. Unless our enquiries have revealed to the contrary, we have made a further Assumption that the existing use of the property is duly authorised or established and that no adverse planning conditions or restrictions apply.

No allowance has been made for rights, obligations or liabilities arising under the Defective Premises Act 1972 and we have made an Assumption that the property complies with all relevant statutory requirements.

We would draw your attention to the fact that employees of town planning departments now always give information on the basis that it should not be relied upon and that formal searches should be made if more certain information is required. We assume that, if you should need to rely upon the information given about town planning matters, your solicitors would be instructed to institute such formal searches.

Leasing

We have read all the leases and related documents provided to us. We have made an Assumption that copies of all relevant documents have been sent to us and that they are complete and up to date.

We have not undertaken investigations into the financial strength of the tenant(s). Unless we have become aware by general knowledge, or we have been specifically advised to the

contrary, we have made an Assumption that the tenant(s) is/are financially in a position to meet its/their obligations. Unless otherwise advised, we have also made an Assumption that there are no material arrears of rent or service charges or breaches of covenants, current or anticipated tenant disputes.

However, our valuation reflects the type of tenant(s) actually in occupation or responsible for meeting lease commitments, or likely to be in occupation, and the market's general perception of their creditworthiness.

We have also made an Assumption that wherever rent reviews or lease renewals are pending or impending, with anticipated reversionary increases, all notices have been served validly within the appropriate time limits.

Flooding

We understand from the Environment Agency website that the centre of the post code B42 1ty falls outside an area that might be subject to extreme flood and therefore the chance of flooding each year from a river or the sea is 0.1% or less.

The website uses indicative Flood Plain maps to provide a general overview of areas of land in natural flood plains and therefore potentially at risk of flooding from rivers or sea. The maps use the best information currently available, based on historical flood records and geographical models and indicate where flooding from rivers, streams, water courses or the sea is possible.

Fire, Health and Safety Legislation

For the purpose of this report, we have assumed that the property complies with current fire regulations, building regulation controls, employment regulations, defective premises and health and safety legislation.

We consider those fire precautions in place at the time of our inspection are not considered adequate, given the use to which the property is put to and the number of people employed there.

As from 1 October 2006 the Regulatory Reform (Fire Safety) Order 2006 came into force in England and Wales. Under this Order fire certificates are no longer issued and existing certificates have been superseded by Risk Assessments. A Risk Assessment is now to be carried out by a "Responsible Person" as defined within the Order. The findings of any risk assessment must be recorded in writing where more than five or more persons are employed, or the premises are licensed or there is an alterations notice.

We were unable to ascertain whether a Risk Assessment has been undertaken hence without evidence to the contrary we have assumed that it has.

We have assumed that this assessment will continue to be reviewed and updated if there are any alterations to the premises or changes to work practices or use of the premises. We recommend that your solicitors be instructed to verify the position.

Licences

We have assumed that all health and safety certificates, hygiene certificates and the premises license are held valid for the business. We have not had sight of the premises license.

Disability Discrimination Act

The Disability Discrimination Act 1995 (the "DDA") covers the provision of goods, services and facilities directly to the public. From October 2004 a service provider is required to take reasonable steps to remove or alter any feature of a property that makes it impossible, or unreasonably difficult, for a disabled person to make use of the services at the property. Failure to do so or non compliance could result in civil proceedings.

For the purpose of this report, we have assumed unless indicated to the contrary in this report the property complies with the Disability Discrimination Act.

Asbestos

For the purpose of this report, we have assumed that unless indicated to the contrary, an audit would not disclose any evidence of asbestos in the construction.

This material was regularly used during the 1960s and 1970s in particular since May 2004, new legislation required property owners, occupiers and managers to identify and control Asbestos Containing Material (ACM) in their property. If potential ACM is identified and is in good condition and undisturbed, the Health and Safety Executive recommends that a management plan is formulated whereby it is regularly inspect, steps taken to keep disturbance at a minimum and only removed if it is in a poor condition or at risk of damage.

Value Added Tax

Our valuation is exclusive of VAT unless otherwise stated.

Information

We have made an Assumption that the information that you and the applicant, and

your/their respective professional advisers have supplied to us in respect of the property is both full and correct.

It follows that we have made an assumption that details of all matters likely to affect value within your/their collective knowledge have been made available to us and that the information is up to date.

Estimated Reinstatement Cost Assessment

An estimated reinstatement cost assessment is our assessment of the cost of reinstating the property at the date of valuation.

The figures set out in our Report are our assessment of the cost of reconstructing the property. They include an allowance for demolition, removal of debris, temporary shoring, statutory and professional fees which are likely to be incurred on reconstruction, but exclude any allowance for VAT. If you are unable to recover VAT, or can recover part only, you should advise your insurers and increase the Base Sum Insured appropriately. The figures make no allowance for loss of rent during the rebuilding period, nor for inflation, nor the cost of dealing with any contamination which may be present and have to be dealt with prior to reconstruction. The assessment will not provide advice in respect of terrorist damage cover and you should consult with your insurers in respect of this.

We have assumed that the reinstated building and its use will be similar to that existing, and the replacement building will be to the original design, in modern materials, using modern techniques to modern standards.

We have considered the extent and nature of the building, but our assessment has been undertaken as part of our normal valuation exercise. We have not carried out a formal reinstatement cost assessment through our Building Consultancy Division. Our assessment should be treated as a guide only and should not be relied upon. It should be used for comparative purposes only against the borrower's proposed reinstatement cover. Should any discrepancies arise, a formal reinstatement cost assessment should be commissioned.

Landlord and Tenant Act 1987

The Landlord and Tenant Act 1987 (the "Act") gives certain rights to defined residential tenants to acquire the freehold/head leasehold interest in a building where more than 50% of the floor space is in residential use. Where this is applicable, we have made an Assumption that necessary notices have been given to the residential tenants under the provisions of the Act, and that such tenants have elected not to acquire the freehold/head leasehold interest, and therefore disposal into the open market is unrestricted.

Building Society Act 1986

We confirm that we are not disqualified under Section 13 of the Building Societies Act 1986 from reporting to you on this property.

Legal Issues

Legal issues, and in particular the interpretation of matters relating to title and leases, may have a significant bearing on the value of an interest in property. Where we have expressed an opinion upon legal issues affecting the valuation, then such opinion should be subject to verification by the client with a suitable qualified lawyer. In these circumstances, we accept no responsibility or liability for the true interpretation of the legal position of the client or other parties in respect of the valuation of the property.

Appendix 4

Comparable Evidence

1	Queens Rd - AMH55	SOLD
<p>Birmingham West Midlands, B6 7NH</p> <p>Sale Date 30 Nov 2021 Sale Price £3,750,000 Price/SF £68.58 NI Yield 5.70% Parcels MM120541, MM78748, MM79429 Comp ID 5718727 Comp Status Research Complete</p>	<p>West Midlands</p> <p>Type 3 Star Industrial Warehouse Year Built 1993 RBA 54,682 SF Land Acres 2.60 AC Land SF 113,256 SF</p>	
2	Cheston Rd - Rigid Charta	SOLD
<p>Birmingham West Midlands, B7 5EA</p> <p>Sale Date 31 Aug 2021 Sale Price £2,000,000 Price/SF £32.90 Parcels WM481503 Comp ID 5980558 Comp Status Research Complete</p>	<p>West Midlands</p> <p>Type 2 Star Industrial Warehouse Year Built 1980 RBA 60,799 SF Land Acres 1.55 AC Land SF 67,518 SF</p>	
3	107 York Rd	FOR SALE
<p>Birmingham West Midlands, B28 8LH</p> <p>Price £2,650,000 Price/SF £59.71 On Market 332 Days Status Under Offer</p>	<p>West Midlands</p> <p>Sale Type Investment Type 3 Star Industrial Warehouse Year Built 2003 RBA 44,380 SF</p>	
4	Middlemore Ln W	SOLD
<p>Walsall West Midlands, WS9 8BH</p> <p>Sale Date 7 May 2021 Sale Price £2,200,000 Price/SF £43.80 Parcels WM441834 Comp ID 5503562 Comp Status Research Complete</p>	<p>West Midlands</p> <p>Type 2 Star Industrial Distribution Year Built 1971 RBA 50,223 SF Land Acres 1.43 AC Land SF 62,086 SF</p>	
5	Austin Way	SOLD
<p>Birmingham West Midlands, B42 1DU</p> <p>Sale Date 25 Jan 2021 Sale Price £2,050,000 Price/SF £42.37 Parcels WM528395 Comp ID 5396944 Comp Status Research Complete</p>	<p>West Midlands</p> <p>Type 3 Star Industrial Warehouse Year Built 1970 RBA 48,380 SF Land Acres 1.60 AC Land SF 69,696 SF</p>	

AMH55

QUEENS ROAD, ADVANCED MANUFACTURING HUB, BIRMINGHAM, B6 7NH

LONG LET URBAN INDUSTRIAL OPPORTUNITY



AMH55

QUEENS ROAD, ADVANCED MANUFACTURING
HUB, BIRMINGHAM, B6 7NH

PROPOSAL

We are instructed to seek offers in excess of **£3,500,000 (Three Million Five Hundred Thousand Pounds)**, subject to contract and exclusive of VAT.

A purchase at this level reflects a **Net Initial Yield of 6.10%**, a **Reversionary Yield of 7.70%** and a **low capital value of £64 per sq ft** assuming standard purchaser's costs.

INVESTMENT SUMMARY

- Long income single-let industrial investment
- Prime urban logistics location on the edge of Birmingham city centre
- Total floor area of 54,682 sq ft, with eaves height of up to 10m
- Let in its entirety to Astra Engineering Products Limited and Frank Dudley Limited, who are both named parties on the lease
- Unexpired term of 18.5 years
- Extremely low passing rent of £227,500 per annum reflecting £4.16 per sq ft
- ERV of £5.25 per sq ft, reflecting a reversionary rent of £287,081 per annum
- Majority freehold with part of the yard held long leasehold (250 years)

LOCATION

As the UK's second-largest business hub, Greater Birmingham benefits from a strong, well balanced and fast growing local economy. Home to 64,280 businesses, Birmingham contributes £40.7 billion to the UK economy each year.

Located in the heart of the country, Birmingham enjoys unrivalled connectivity with excellent transport infrastructure. Birmingham's exceptional access to the national motorway network has proved highly attractive for both logistics and manufacturing occupiers. Occupiers are able to take advantage of Birmingham's direct links to the M5, M6, M6 Toll, M40 and M42 Motorways, which provide access to approximately 75% of commercial centres across the UK in less than two hours.

AMH 55 is situated in Aston, a well-established industrial hub within central Birmingham. Located 2 miles north of Birmingham city centre, Aston offers direct access to the A38 Aston Expressway, which links directly to Junction 6 of the M6 Motorway. Aston's location at the edge of Birmingham's central core means it is ideally located to serve central Birmingham and the wider conurbation.



CITY

	MILES	TIME
Birmingham	2	5 mins
Coventry	20	30 mins
Leicester	42	49 mins
Nottingham	47	52 mins
Manchester	84	1 hr 36 mins
Bristol	95	1 hr 33 mins
London (M25)	106	1 hr 39 mins



MOTORWAY

	MILES	TIME
M6 (Junction 6)	2	3 mins
M42 (Junction 7A)	8	9 mins
M6 Toll	9	10 mins
M5 (Junction 1)	10	11 mins
M40 (Junction 17)	20	21 mins
M1 (Junction 19)	33	32 mins
M4 (Junction 20)	88	1 hr 20 mins

SITUATION

AMH 55 occupies a highly prominent position within Birmingham's Advanced Manufacturing Hub (AMH), fronting on to Queens Road. It is immediately adjacent to the A38 Aston Expressway, the main arterial route between Birmingham city centre and the wider motorway network.

Aston Railway Station is situated approximately 0.4 miles south east of the property. The station provides access to Birmingham New Street in under 10 minutes with trains departing every 7 minutes. The journey time to London Euston from Birmingham New Street is 1 hr 13 minutes.



Nearby industrial occupiers in Aston and the Advanced Manufacturing Hub include:



MAYFLEX

GUHRING



salts
HEALTHCARE

HYDRAFORCE



BIRMINGHAM CITY CENTRE

MERCEDES BENZ

ROYAL MAIL

MAYFLEX

SALTS HEALTHCARE

GUHRING

VILLA PARK STADIUM

PTS

ATS

AMH55

HOWDENS

AMH BOUNDARY

ASTON RAILWAY STATION

QUEENS ROAD

IMI TRUFLO MARINE
(UNDER CONSTRUCTION)

ASTON GATEWAY
(UNDER CONSTRUCTION)

Y INTERNATIONAL

A38 M ASTON EXPRESSWAY

SERTEC

THERMOTEC

M6 JUNCTION 6

A5127 LICHFIELD ROAD

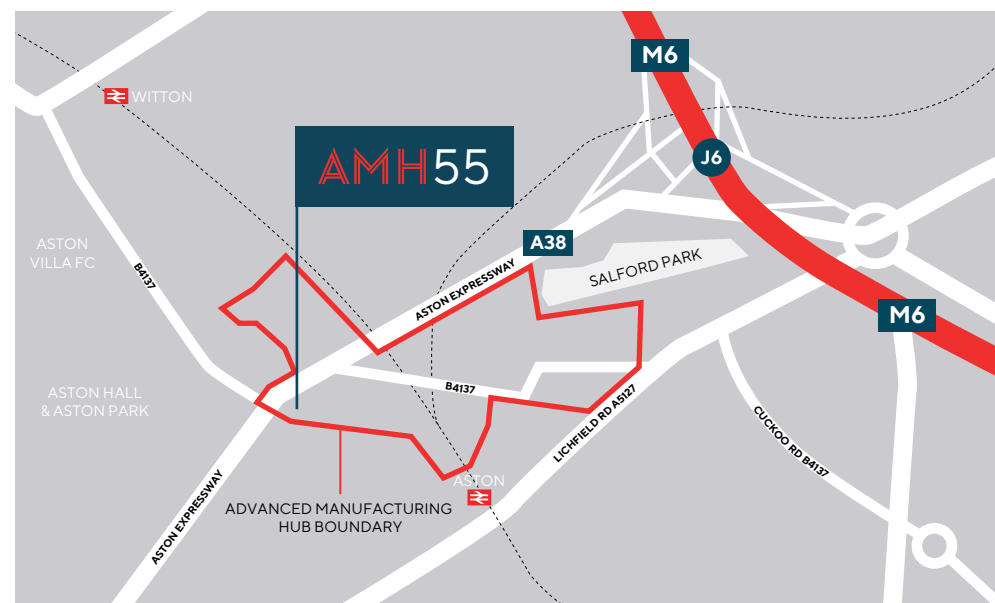
ADVANCED MANUFACTURING HUB

Birmingham City Council and Homes England spearhead the AMH, a joint initiative which aims to promote economic development across the city. The AMH is one of six regional investment areas to benefit from fast track planning, targeting new development and commerce.

The AMH lies directly south of the M6 Motorway and extends to a total area of 49 acres. The area can facilitate individual units ranging from 15,000 sq ft up to 155,000 sq ft. Over a period of 15 years, the AMH aims to deliver approximately 3,000 new jobs. Since the initiative was launched in 2014, AMH has experienced accelerated levels of development and has attracted large developers such as IM Properties, Trebor and Barberry, with several other sites earmarked for further development. Most recently, Chancerygate has started construction of Aston Gateway, an 18 unit multi-let industrial scheme due to complete in Q1 2022.

The strength of the location has attracted a number of high profile occupiers to the AMH, such as HydraForce, Mayflex, Salts Healthcare and IMI Truflo Marine.

Recent letting deals on new units within the AMH have achieved in excess of £7.50 per sq ft, the most recent being £9.50 per sq ft agreed as part of the IMI Truflo Marine letting at Barberry 57. Prime Headline rents on the AMH are some of the highest in Birmingham.



BARBERRY 57

- 56,800 sq ft
- £9.50 per sq ft
- 15 years



HUB 22

- 22,000 sq ft
- £7.75 per sq ft
- 10 years



HUB 30

- 30,000 sq ft
- £7.50 per sq ft
- 10 years



SALTS HEALTHCARE

- 124,000 sq ft
- £6.50 per sq ft
- 15 years

THE PROPERTY

AMH 55 comprises two steel portal frame industrial units, substantial secure yard areas, ancillary offices and gatehouse, extending to 54,682 sq ft (5,080 sq m), on a site of 2.6 acres (1.05 hectares). The property benefits from dual access off Queens Road and Aston Hall Road.

Both units offer flexible industrial accommodation with eaves ranging between 10m and 4.7m, and include 8 ground level access doors. The main building incorporates two storey offices with staff amenity and W.C. facilities. The A38 Expressway oversails a small portion of the site and provides a secure covered yard area.

The property has recently undergone an external refurbishment programme, including an upgrade or replacement of all cladding and new perimeter steel fencing (full details available on request). In addition, the tenant is currently undertaking their own improvement works to the offices in order to accommodate their growing workforce at the AMH.

ACCOMMODATION

The property has been measured in accordance with the RICS Code of Measuring Practice (6th Edition). The Gross Internal Areas are as follows:

DESCRIPTION	AREA (SQ FT)	AREA (SQ M)
Main Warehouse	39,231	3,645
Ancillary Warehouse	4,760	442
Offices	5,722	532
Rear Gatehouse	178	16
Mezzanine	4,048	376
Permanent Storage	743	69
TOTAL	54,682	5,080



AMH55

TENURE

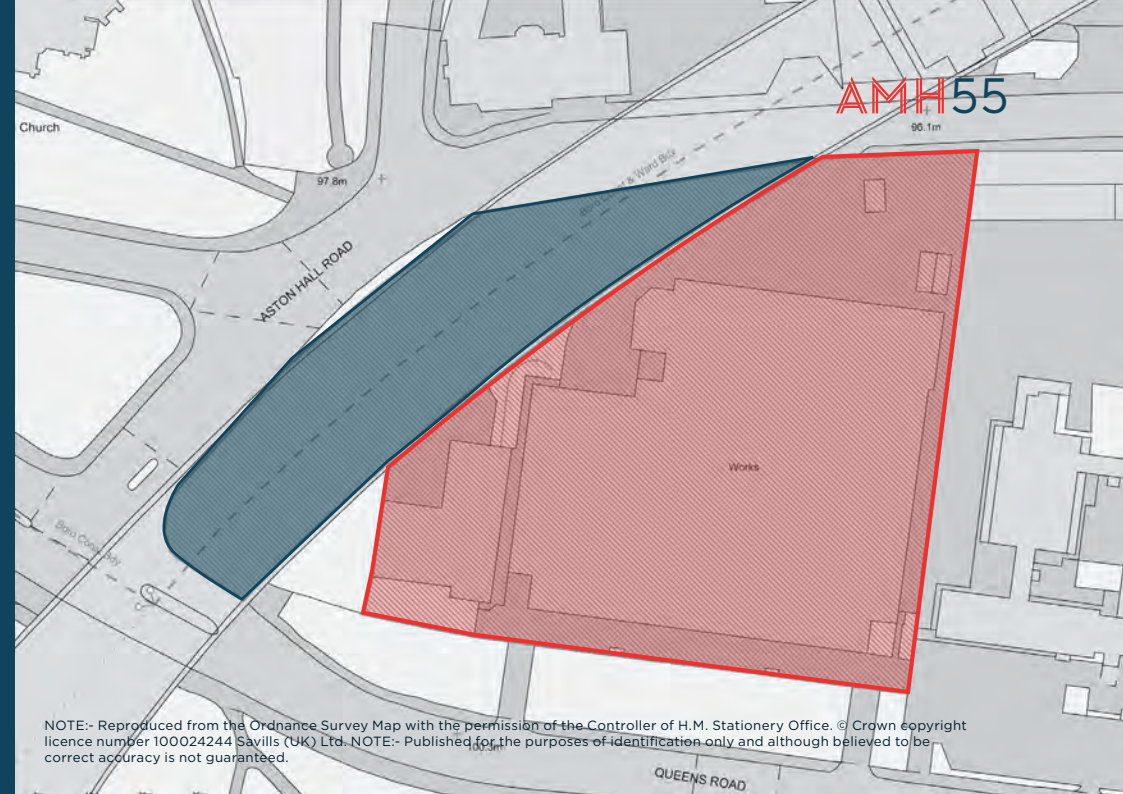
The industrial facility, office accommodation and primary yard space are wholly situated on the freehold element of the property (shaded red). A small proportion of the property is held long leasehold from Birmingham City Council (shaded blue), and is used for open storage and parking.

The long leasehold element has been retained by the council due to the presence of the A38(M) which runs at a high level over this portion of the site. The interest has been recently regeared to provide a term of 250 years at a peppercorn.

TENANCY

The property is let in its entirety to Astra Engineering Products Limited (02542704) and Frank Dudley Limited (01522007), who are jointly and severally liable to comply with all tenant obligations under the lease. The occupational lease has recently been extended to December 2039 and is subject to a low passing rent of £227,500 per annum (£4.16 per sq ft). The lease is drawn on full repairing and insuring terms and is subject to 5-yearly upward only open market reviews, with the next review due in September 2025.

Astra Engineering has been in occupation of the property for over 30 years and Frank Dudley is currently in the process of relocating its entire operation into the property, which will serve as a headquarters for both companies.



COMPANY BACKGROUND

Astra Engineering Products Limited was acquired by Knighton Holdings Limited, a specially formed company set up by the directors of Frank Dudley Limited. It is intended that Astra Engineering Products Limited will continue to operate and trade under its own name. The company reported year on year sales growth over the 5 years prior to its acquisition.

Frank Dudley's former headquarters is situated in the Port Loop residential regeneration scheme and is expected to be compulsorily purchased soon. Frank Dudley Limited acquired Astra Engineering Products Limited in order to diversify its tenant base and to benefit from economies of scale, particularly through shared fixed overheads. Frank Dudley is currently in the process of moving its operations to the property. The relocation will significantly increase the number of employees on site and includes a full upgrade of the offices and IT infrastructure, which is underway.

COVENANT

ASTRA ENGINEERING PRODUCTS LIMITED

Astra Engineering Products Limited has been in operation for over 30 years and is a well-established engineering firm specialising in presswork and welding products. The company has a strong market presence in the automotive sector. Key clients include Jaguar Land Rover, DURA, G-TEKT and UNIPRES. Astra Engineering Products Limited has a D&B rating of 1A3. A financial summary has been provided below:

	31 DEC 2020	31 SEP 2019	31 SEP 2018
Net Current Assets	£514,284	£663,311	£540,695
Tangible Net Worth	£829,068	£1,061,886	£1,011,643

FRANK DUDLEY LIMITED

Established in 1948, Frank Dudley Limited is a family-run business specialising in sheet metal pressing, welding and component assembly across DIY, white goods, commercial vehicles and automotive product lines. Frank Dudley's longevity has been due to its continued investment in new technologies and plant and machinery. Frank Dudley manufacture for the UK's leading flooring and shelving specialists and have been the leading supplier of shelving components to Tesco and Sainsbury's for many years. Frank Dudley Limited has a D&B rating of 1A3. A financial summary has been provided below:

	31 DEC 2019	31 DEC 2018	31 DEC 2017
Net Current Assets	£724,710	£620,256	£673,701
Tangible Net Worth	£364,190	£222,213	£259,187

Notable clients include:



Sainsbury's

OCCUPATIONAL MARKET



URBAN INDUSTRIAL LOCATION WITHIN UK'S SECOND CITY



MARKED UNDERSUPPLY OF AVAILABLE SPACE IN BIRMINGHAM



DEMAND FROM JLR MAKING LARGE COMMITMENTS TO THE MIDLANDS MARKET

In 2020, the West Midlands industrial occupational market has witnessed record-breaking take-up, with a 65% year-on-year increase. Demand came from a variety of sectors, however online retailers and 3PLs accounted for the highest proportion (58%), which demonstrates the region's appeal to a broad range of occupiers in addition to the traditionally dominant demand from the automotive and aerospace sectors.

The surge in demand, driven by a macro shift in e-commerce, coupled with an under-supply of stock, has led to rising rents across all grades of industrial property. With just 0.54 years' worth of Grade A supply in the region, it is expected that the market will experience further rental growth.

The presence of the automotive sector continues to fuel economic activity in the region, including Jaguar Land Rover's £1bn investment to convert both the Castle Bromwich and Solihull factories into specialist EV production centres. Other investment includes the construction of the new logistics operations centres and its new logistics hub under construction in Solihull.

ADDRESS	SIZE (SQ FT)	DATE	TENANT	RENT (PSF)	TERM
Holford 125, Birmingham	125,000	Apr-21	Topcloud Logistics Ltd	£5.50	5 years
Antar 3, Wolverhampton	60,212	Dec-20	Task Consumer Products	£5.50	5 years
H1 Pilgrims Walk, Coventry	55,000	Oct-20	UK Flooring	£6.50	10 years
BHX 60, Birmingham	59,479	Aug-20	Birmingham Innovation	£5.04	5 years
Vespa Point, Coventry	39,500	Jun-20	Network Rail	£6.95	10 years
Unit 5, Pegasus House, Birmingham	52,948	Feb-20	PSA Retail UK Ltd	£6.75	5 years

In line with the letting comparables above, we are of the opinion that the ERV of the subject property stands at £5.25 per sq ft.

INVESTMENT MARKET

Investment volumes for industrial warehousing reached £4.7bn in 2020, a 25% increase on 2019 and a 121% increase on the long term average. Adapting to consumer demands, the market performed strongly in H2 2020 with 76% of capital deployed occurring in the second half of the year.

The industrial sector has continued to outperform other investment markets, buoyed by a scarcity of good quality investment opportunities and demand-led upward pressure on rental levels – a trend which is expected to continue, especially for properties located in key urban and distribution locations. The following table highlights a number of relevant investment transactions:

DATE	ADDRESS	SIZE (SQ FT)	PURCHASER	TENANT	TERM CERTAIN (YRS)	PRICE	NIY	CAP VAL (PSF)
U/O	Chester Street, Aston	38,132	TBC	SIG Trading Ltd & Birmingham Specialties Ltd	2.9	c£4.95M	c4.80%	c£130
Mar-21	Barberry 57, Aston Hall Road	56,802	BMO Real Estate Partners	IMI Truflo Marine	10	£11.0M	4.60%	£194
Dec-20	46 Tilton Road, Birmingham	33,952	Penbury Ltd	LTS Distribution Ltd	3.5	£2.8M	5.45%	£82
Dec-20	W H Smith, Deykin Avenue, Birmingham	211,237	Blackstone	W H Smith Limited	3.75	£19.0M	5.35%	£90
Sep-20	18-21 Padgets Lane, Redditch	76,694	M7 Real Estate	Cassellie	8.3	£5.9M	6.15%	£77
May-20	Quayside Drive, Walsall	30,292	Private	Carrier Rental Systems	9.8	£2.35M	5.80%	£78
Feb-20	Yardley Wood Road, Birmingham	101,483	LondonMetric Property Plc	West Midlands Travel Ltd	23.8	£6.775M	4.24%	£67



**TOTAL INDUSTRIAL INVESTMENT VOLUMES
REACHED £4.7BN IN 2020**



**SHORTAGE OF INDUSTRIAL INVESTMENT
OPPORTUNITIES**

PROPOSAL

We are instructed to seek offers in excess of **£3,500,000 (Three Million Five Hundred Thousand Pounds)**, subject to contract and exclusive of VAT.

A purchase at this level reflects a **Net Initial Yield of 6.10%**, a **Reversionary Yield of 7.70%** and a **low capital value of £64 per sq ft** assuming standard purchaser's costs.

FURTHER INFORMATION

VAT

The property is elected VAT. It is intended that the sale will be treated as a Transfer of a Going Concern (TOGC).

ENERGY PERFORMANCE CERTIFICATES

E (114)

CONTACTS

For further information on viewings, please contact the selling agents:

NICK WOOD

+44 (0) 121 200 4574
+44 (0) 7866 177 811
nick.wood@savills.com

RICHARD FLETCHER BREWER

+44(0) 203 428 2945
+44(0) 782 534 3420
richard.fletcherbrewer@savills.com

MAX HULSE

+44 (0) 121 634 8492
+44 (0) 787 099 9287
max.hulse@savills.com

CHARLIE BURT

+44(0) 203 320 8227
+44(0) 7870 999 124
charlie.burt@savills.com



Important Notice

Savills, their clients and any joint agents give notice that:

1. They are not authorised to make or give any representations or warranties in relation to the property either here or elsewhere, either on their own behalf or on behalf of their client or otherwise. They assume no responsibility for any statement that may be made in these particulars. These particulars do not form part of any offer or contract and must not be relied upon as statements or representations of fact.
2. Any areas, measurements or distances are approximate. The text, photographs and plans are for guidance only and are not necessarily comprehensive. It should not be assumed that the property has all necessary planning, building regulation or other consents and Savills have not tested any services, equipment or facilities. Purchasers must satisfy themselves by inspection or otherwise.

FOR SALE / TO LET

FORMER JEWSON BUILDERS MERCHANTS PREMISES

UNIT 1 AND UNIT 2 YORK ROAD, HALL GREEN, BIRMINGHAM, B28 8LH



TWO WAREHOUSE UNITS WITH YARD & PARKING

44,156 sq ft (4,102 sq m) (Approx. Gross Internal Area)

- Former builders merchants premises with road frontage
- Flexible terms available
- **Price Reduced**

LOCATION

The subject properties are located fronting York Road in Hall Green, in turn linking to the main A34 Stratford Road connecting to Junction 4 of the M42 approximately 7 miles distant and the A4540 Ring Road some 2.5 miles. Birmingham City Centre is approximately 4 miles from the subject premises.

ACCOMMODATION

		SQ M	SQ FT
UNIT 1	Warehouse	1,784.8	19,211.6
	GF/ FF Offices	84.9	913.7
	Gross Internal Area	1,869.7	20,125.3
UNIT 2	Warehouse	2,232.6	24,031.2
	Gross Internal Area	2,232.6	24,031.2
TOTAL GIA		4,102.3	44,156.5

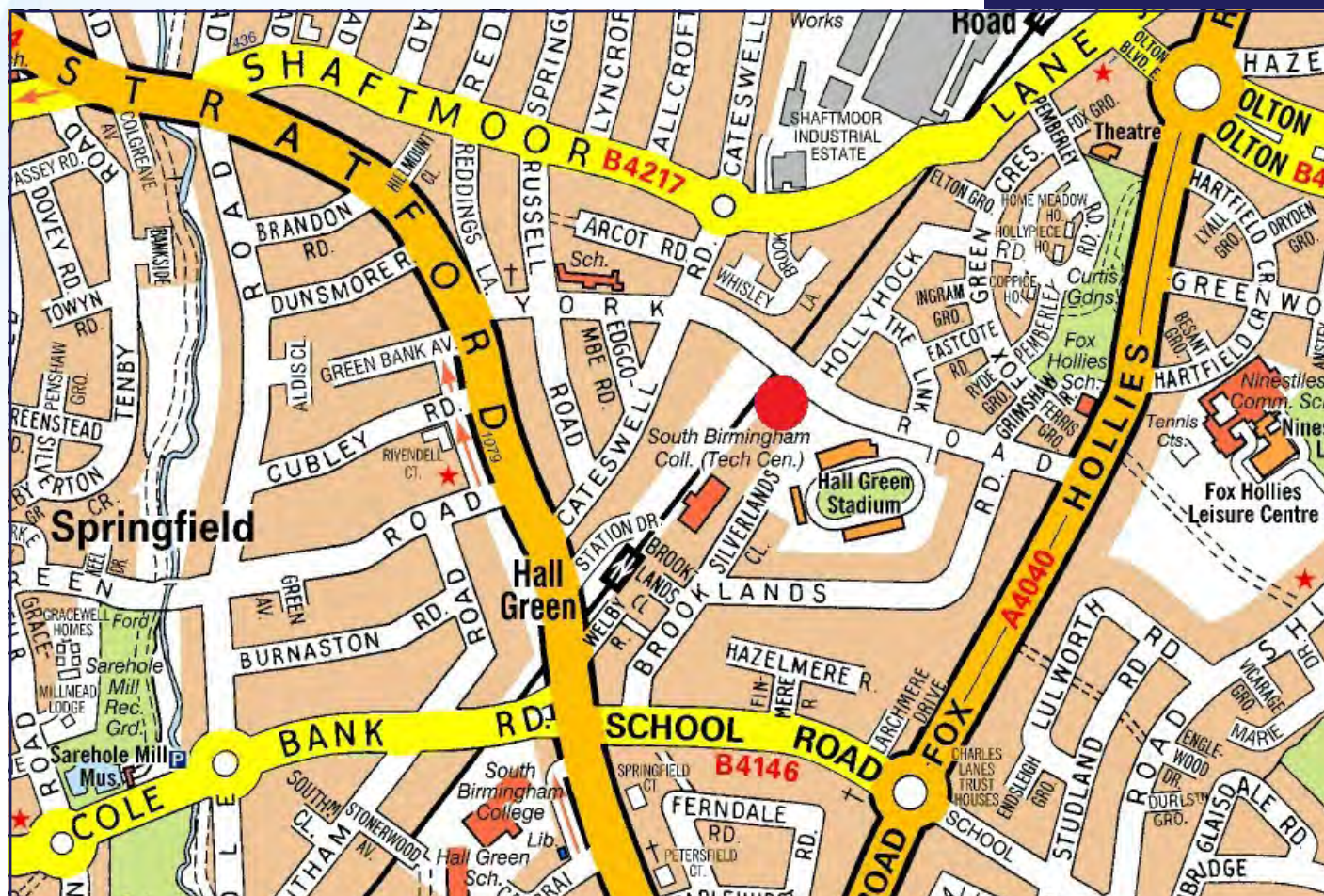
DESCRIPTION

Units 1 and 2 York Road are two separate industrial warehouse premises with yard and parking provision, available as a whole.

Unit 1 provides a two bay, steel portal frame building with brick/blockwork and clad elevations surmounted by a lined profile clad roof incorporating translucent roof lights. The unit provides a painted concrete floor, overhead Ambi-rad heating, lit by way of LED/sodium box and florescent tube lighting and 5.6m eaves height. Offices are built to the front elevation providing offices to first floor and showroom/office and welfare facilities to ground floor, providing carpeting, gas central heating and suspended ceilings with recessed lighting in part. Externally, the property provides for a car park/yard area to the frontage and shared rear yard, with two vehicular doors to each gable end elevation, being 3.6m x 4m.

Unit 2 provides a two bay, steel portal frame building with brick/blockwork and clad elevations surmounted by a lined profile clad roof incorporating translucent roof lights. The unit provides a concrete floor, lit by way of sodium box lighting and an eaves height from 5.5 – 5.7m. Externally, the property provides for a rear yard area and shared yard to the frontage, with two vehicular doors being 3.6m x 4m and a rear concertina door providing tailgate loading to the rear.

POSTCODE: B28 8LH



AVAILABILITY & RENTAL/PRICE

The units are held on a lease dated 25th April 2003 for a term of 20 years, to expire 25th April 2023. The units are available as a whole or in part on sub-lease, assignment or a new longer lease on terms to be agreed.

Passing rent is £190,900 per annum exclusive or alternatively, the freehold may be available at a purchase price based on £2,650,000 assuming vacant possession. All prices quoted are exclusive of VAT, which may be chargeable.

BUSINESS RATES

2017 Rateable Value (Warehouse & Premises) £156,000.

SERVICES

The agent has not tested any apparatus, equipment, fixture, fittings or services and so cannot verify they are in working order or fit for their purpose.

EPC

C (68)

MONEY LAUNDERING

The money laundering regulations require identification checks are undertaken for all parties purchasing/leasing property. Before a business relationship can be formed we will request proof of identification for the purchasing/ leasing entity.



VIEWING Strictly via sole agents

Neil Slade

neil.slade@harrislamb.com
07766 470 384

✉ info@harrislamb.com

Alex Eagleton

alex.eagleton@harrislamb.com
07970 212 182

harrislamb
PROPERTY CONSULTANCY

0121 455 9455

Grosvenor House 75-76 Francis Road Edgbaston Birmingham B16 8SP

www.harrislamb.com

SUBJECT TO CONTRACT Ref: G6539 Date: 03/21

Harris Lamb Limited Conditions under which particulars are issued.

Messrs. Harris Lamb Limited for themselves, for any joint agents and for the vendors or lessors of this property whose agents they are given notice that:

(i) The particulars are set out as a general outline only for the guidance of intending purchasers or lessees and do not constitute, nor constitute part of, an offer or contract.
(ii) All descriptions, dimensions, references to condition and necessary permissions for use and occupation, and other details are given in good faith and are believed to be correct but any intending purchasers or tenants should not rely on them as statements or representations of fact but satisfy themselves by inspection or otherwise as to the correctness of each of them.
(iii) No person in the employment of Messrs. Harris Lamb or any joint agents has any authority to make or give any representation or warranty whatever in relation to this property.
(iv) All rentals and prices are quoted exclusive of VAT. (v) Harris Lamb is the trading name of Harris Lamb Limited.





4,494.6 sq m (48,380 sq ft)

Property Highlights

- Large open warehouse space with ground and first floor offices
- Secure fenced yard
- Level access loading
- Up to 8.1m maximum height
- Situated 1.8 miles from J7 of the M6 Motorway and 3 miles to J1 of the M5 Motorway

For more information, please contact:

Will Arnold
Senior Surveyor
+44 (0)121 697 7347
will.arnold@cushwake.com

No.1 Colmore Square
Birmingham B4 6AJ
T: +44 (0)121 697 7333

Location

The property is located on Hamstead Industrial Estate approximately 4 miles North of Birmingham City Centre. The site is strategically located approx. 1.8 miles from J7 of the M6 motorway and approx. 3 miles from J1 of the M5 motorway. It is approx. 4.6 miles from J6 of the M6 via the A38(M).

Description

The property comprises a large warehouse unit with 2-storey office accommodation. The warehouse unit at the rear is of brick-built construction, with the elevation principally comprising of pressed metal composite cladding panels. The office accommodation is a brick-built 2 storey purpose built extension to the warehouse.

The warehouse includes multiple small partitioned offices throughout. It benefits from ventilation throughout and has a 15 tonne crane at the front of the unit. The warehouse is served by 2 level access loading doors. The loading door at the front of the unit benefits from a full-height canopied loading area.

The office building is situated at the front of the main warehouse space adjacent to the warehouse loading area. The offices are predominantly divided into smaller rooms on both levels, all served by a small reception area. Male and female WC facilities are provided at both ground and first floor level and comprise of a basic specification.

Externally, a car park is situated to the front and front right side elevation of the building. To the front left side elevation, a small yard provides access to the vehicle loading door sheltered by the canopy.

Accommodation

Description	Sq Ft	Sq M
Warehouse	43,266	4,019.5
Ground Floor Offices/ancillary	1,540	143.1
First Floor Offices/ancillary	3,574	332
Total GIA	48,380	4,494.6

Business Rates

Rateable Value £170,000 (2017)

Legal and Surveying Costs

Each party to bear its own legal and surveying costs.



Tenure

The property is held on a Freehold basis, terms of which can be obtained upon enquiry.

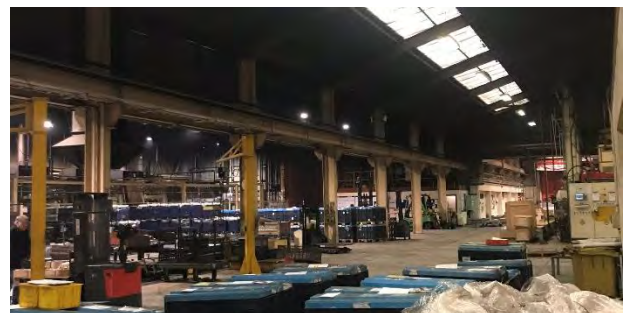
EPC

The premises has an EPC rating of C-56.

Planning

The premises is currently used within use classes B1, B2 and B8 under the Town and Country Planning Act (Use Classes) Order 1987.

All parties are advised to contact Birmingham City Council in relation to planning enquiries.



Viewings

Strictly by appointment with the sole agent, Cushman & Wakefield:

Will Arnold

+44 (0)121 697 7347

Will.Arnold@cushwake.com

Important Notice

Cushman & Wakefield Debenham Tie Leung Limited ("C&W") gives notice to anyone who may read these particulars as follows: 1. These particulars are prepared for the guidance only of prospective purchasers. They are intended to give a fair overall description of the property only and do not constitute any part of an offer or contract. 2. Any information contained in these particulars (whether in the text, plans or photographs) is given in good faith but should not be relied upon as being a statement or representation of fact or that the property is in good condition or otherwise nor that any services or facilities are in good working order. 3. The photographs appearing in these particulars show only certain parts and aspects of the property at the time when the photographs were taken. Certain aspects may have changed since the photographs were taken and it should not be assumed that the property remains precisely as displayed in the photographs. Furthermore no assumptions should be made in respect of parts of the property which are not shown in the photographs. Any areas, measurements or distances referred to herein are approximate only. 4. Where there is reference in these particulars to the fact that alterations have been carried out or that a particular use is made of any part of the property this is not intended to be a statement that any necessary planning, building regulations or other consents have been obtained and these matters must be verified by any intending purchaser. 5. No person in the employment of C&W has any authority to make or give any representation or warranty whatsoever in relation to this property. 6. This property is offered subject to contract and unless otherwise stated all rents are quoted exclusive of VAT. 7. Unless otherwise stated, no investigations have been made by or on behalf of C&W regarding pollution, or potential land, air or water contamination. Interested parties are advised to carry out their own investigations as required.


Promapv2
LANDMARK INFORMATION

Ordnance Survey © Crown Copyright 2020. All Rights Reserved.
Licence number: 100022432
Plotted Scale - 1:1250. Paper Size - A4

Promapv2
LANDMARK INFORMATION

Ordnance Survey © Crown Copyright 2020. All Rights Reserved.
Licence number: 100022432
Plotted Scale - 1:75000. Paper Size - A4

Particulars prepared February 2020

Important Notice

Cushman & Wakefield Debenham Tie Leung Limited ("C&W") gives notice to anyone who may read these particulars as follows: 1. These particulars are prepared for the guidance only of prospective purchasers. They are intended to give a fair overall description of the property only and do not constitute any part of an offer or contract. 2. Any information contained in these particulars (whether in the text, plans or photographs) is given in good faith but should not be relied upon as being a statement or representation of fact or that the property is in good condition or otherwise nor that any services or facilities are in good working order. 3. The photographs appearing in these particulars show only certain parts and aspects of the property at the time when the photographs were taken. Certain aspects may have changed since the photographs were taken and it should not be assumed that the property remains precisely as displayed in the photographs. Furthermore no assumptions should be made in respect of parts of the property which are not shown in the photographs. Any areas, measurements or distances referred to herein are approximate only. 4. Where there is reference in these particulars to the fact that alterations have been carried out or that a particular use is made of any part of the property this is not intended to be a statement that any necessary planning, building regulations or other consents have been obtained and these matters must be verified by any intending purchaser. 5. No person in the employment of C&W has any authority to make or give any representation or warranty whatsoever in relation to this property. 6. This property is offered subject to contract and unless otherwise stated all rents are quoted exclusive of VAT. 7. Unless otherwise stated, no investigations have been made by or on behalf of C&W regarding pollution, or potential land, air or water contamination. Interested parties are advised to carry out their own investigations as required.

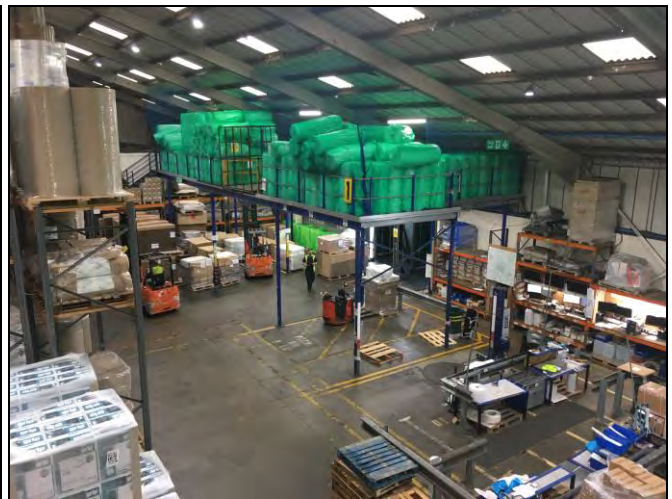
BURLEY BROWNE

www.burleybrowne.co.uk

FREEHOLD WAREHOUSE PREMISES

FOR SALE

**UNIT 12B MIDDLEMORE LANE WEST
ALDRIDGE
WALSALL
WEST MIDLANDS
WS9 8BH**



**Warehouse 3,624.83 sq m / 39,018 sq ft
Offices 737.30 sq m / 7,936 sq ft
Mezzanine 328.76 sq m / 3,539 sq ft
Total Floor Area 4,690.89 sq m / 50,493 sq ft**

Popular industrial location on the outskirts of Aldridge town centre

0121 321 3441

LOCATION

The property is conveniently located on the southern side of Middlemore Lane West in Aldridge. Middlemore Lane West links with Dumblederry Lane and Bosty Lane (B4154) and provides easy access to the nearby Walsall Road (A454) and Lichfield Road (A461).

Aldridge Town Centre is approximately 3 miles to the north east of Walsall town centre away and the property is excellently placed for access to the Midland motorway network.

DESCRIPTION

The subject property comprises a large three bay warehouse unit incorporating two storey offices together with three mezzanines.

The property benefits from three loading docks to the front elevation together with access from the side elevation via a shared drive leading to a large sliding door. There is also a car park providing approximately 10 car parking spaces to the front elevation.

The offices have been finished to a high level of specification and modern design, offering a mix of cellular and open plan accommodation together with board room, canteen, staff areas, store rooms, WC's and shower room.

Warehouse 3,624.83 sq m / 39,018 sq ft
Offices 737.30 sq m / 7,936 sq ft
Mezzanine 328.76 sq m / 3,539 sq ft

Total Floor Area 4,690.89 sq m / 50,493 sq ft

Approximate minimum internal working eaves height – 5.1m.

TENURE

The property is available for sale freehold.

PURCHASE PRICE

Guide price – offers around **£2,350,000 (Two Million Three Hundred and Fifty Thousand Pounds).**

BUSINESS RATES

Rateable Value £111,000 obtained from the Valuation Office Rating List.

Rates Payable 2020/2021 £56,832 prior to any transitional arrangements.

Interested parties are advised to make their own enquiries with the Local Authority (Walsall) for verification purposes.

ENERGY PERFORMANCE CERTIFICATE

Energy Performance Asset Rating Band D – 87.

MONEY LAUNDERING

In accordance with Anti Money Laundering Regulations, two forms of ID and confirmation of the source of funding will be required from the successful applicant.

LEGAL COSTS

Each party to be responsible for their own legal costs incurred in the transaction.

VAT

All figures quoted are exclusive of VAT, although we understand VAT will not be payable in this instance.

VIEWING

Strictly by prior appointment through the sole agent, please contact

Burley Browne on 0121 321 3441.

***Further information contact
Ben Nicholson***



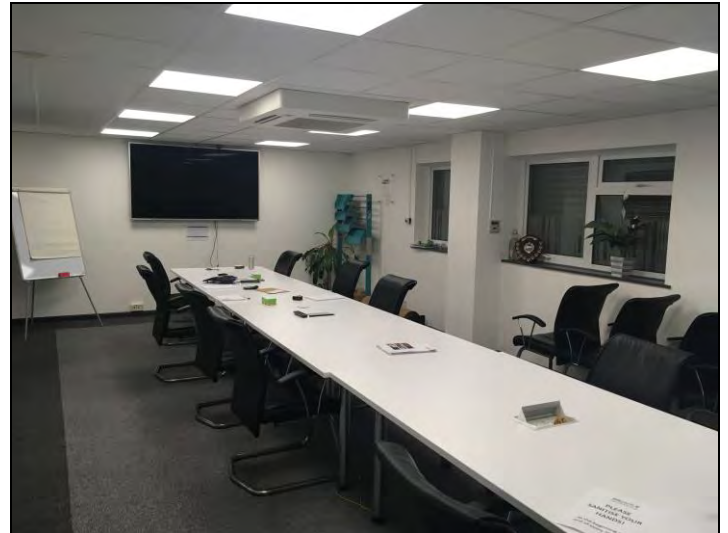
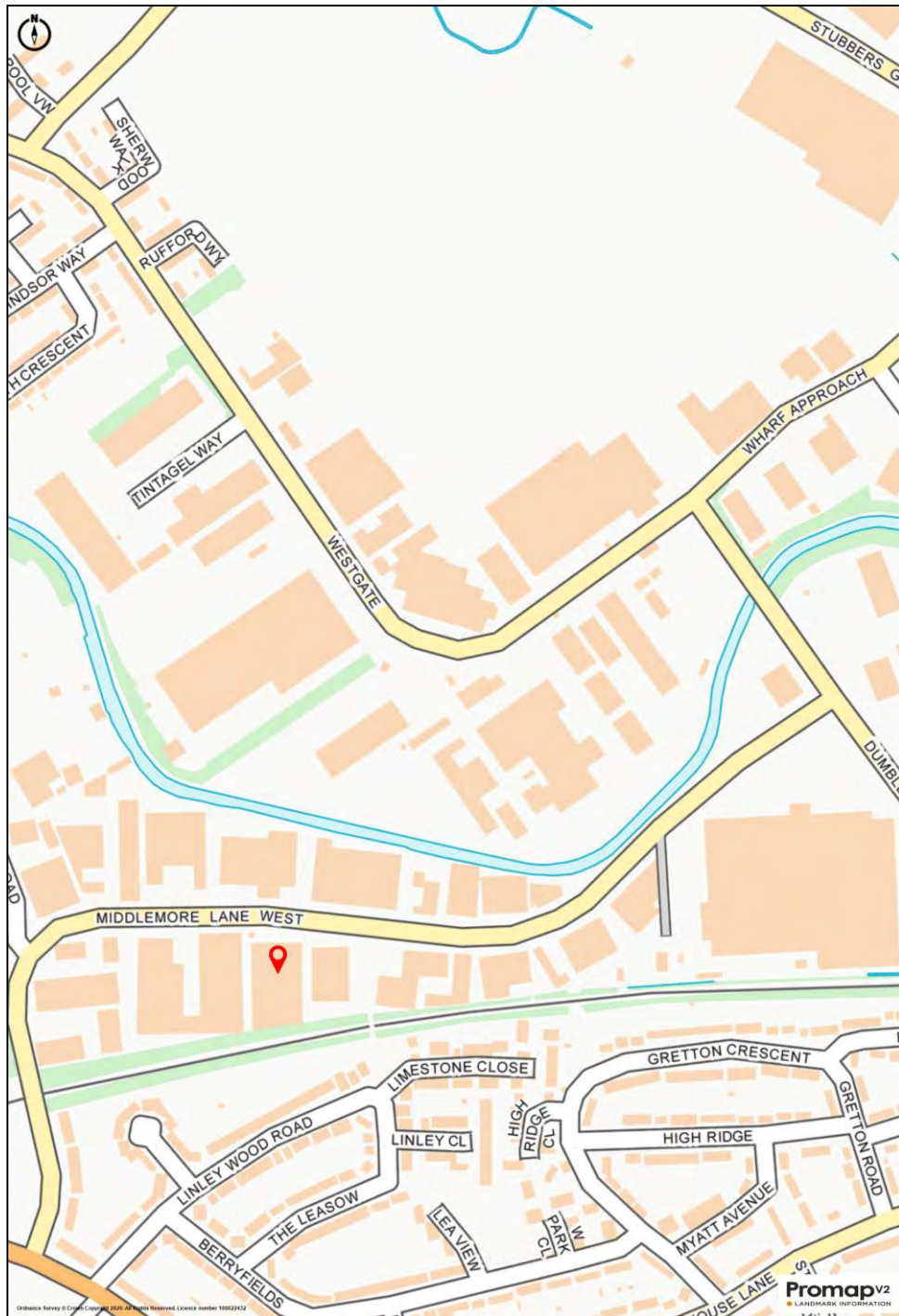
For the latest news, [follow us](#) on twitter

TERMS STATED ARE SUBJECT TO CONTRACT, AND ATTENTION IS DRAWN TO THE CONDITIONS PRINTED ON THE LAST PAGE.

8781

111018

You should be aware that the Code of Practice on Commercial Leases in England and Wales strongly recommends you seek professional advice from a qualified surveyor, solicitor or licensed conveyancer before agreeing or signing a business tenancy agreement. The Code is available through professional institutions and trade associations or through the website www.commercialleasecode.co.uk



CONDITIONS UNDER WHICH THESE PARTICULARS ARE ISSUED

Burley Browne Ltd for themselves and for the vendors or lessors of this property, whose agents they are, give notice that these particulars are for guidance only and do not constitute any part of an offer or contract.

All descriptions, dimensions, references to condition and any necessary permissions for use and occupation together with all other details are given in good faith and are believed to be correct. However, any intending purchasers or tenants should not rely upon them as statements or representations of fact and must satisfy themselves by inspection or otherwise as to the correctness of each of them.

No person in the employment of Burley Browne has any authority to make or give any representation or warranty whatsoever in relation to this property.

Fixtures, Fittings and Services

Reference to any gas, electrical or other fixtures, fittings, appliances or services have not been tested and no warranty is given or implied as to their availability, adequacy, condition or effectiveness.

VAT

Unless otherwise stated all prices and rentals quoted are exclusive of any Value Added Tax to which they may be subject.

Tenure

Burley Browne have not had the opportunity to inspect any title documentation and intending purchasers or tenants should verify information through their legal advisor.

Rates / Water Rates

Verbal enquiries only have been made and interested parties are advised to verify figures direct with the appropriate authority.

Environmental / Asbestos

No environmental audit or investigation has been carried out on the property and no Environmental Report has been inspected. We have not carried out an inspection for asbestos and no Asbestos Register has been viewed. Potential purchasers/tenants should satisfy themselves on the above matters through enquiries of their Surveyor/Solicitor.

Burley Browne Chartered Surveyors is the trading name of Burley Browne Ltd
Registered in England No. 5488324
Registered Office: 1A Mitre Court, 38 Lichfield Road, Sutton Coldfield, B74 2LZ

Appendix 5

Location plan



Appendix 6

Photographs







Commercial

2nd Floor, The Exchange, 19 Newhall Street, Birmingham B3 3PJ T: 0121 289 5009

Registered Office: 2nd Floor, The Exchange, 19 Newhall Street, Birmingham B3 3PJ England





