

**Valuation of:**       **Albion Riverside**  
                             **Hester Road**  
                             **London**  
                             **SW11 4AN**

**On behalf of:**       **Cheung Kong Property Holdings Limited**

**Valuation Date:**   **28 February 2015**

**Prepared by:**   **Nigel Whitehurst MRICS, RICS Registered Valuer**  
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**The Directors**  
**Cheung Kong Property Holdings Limited**  
**7th Floor**  
**Cheung Kong Center**  
**2 Queen's Road Central**  
**Hong Kong**

**Gerald Eve LLP**

72 Welbeck Street, London, W1G 0AY  
[www.geraldeve.com](http://www.geraldeve.com)

31 March 2015

Our Reference: AL000730

Dear Sirs

Property: Albion Riverside, Hester Road, London SW11 4AN

### **Instructions**

In accordance with your instructions we have undertaken a valuation of the freehold and long leasehold subject Property, Albion Riverside, Hester Road, London, SW11 4AN (the "Property"). We have pleasure in providing this valuation report. We understand that this valuation report is to be used for the purpose of incorporation into the scheme document to be jointly issued by CK Hutchison Holdings Limited, CK Global Investments Limited and Hutchison Whampoa Limited.

In preparing this report, we confirm that Gerald Eve LLP are acting as independent valuers and we are not aware of any conflict of interest in this respect, albeit we note that Gerald Eve LLP has carried out accounts valuations on the property within the past 6 months.

### **Bases of Valuation and Valuation Assumptions**

Our report and valuation have been carried out in accordance with the Valuation Practice Statements and Practice Guidance contained in the Valuation – Professional Standards, incorporating the International Valuation Standards of the International Valuation Standards Council (IVSC), January 2014 (the "Standards"). We confirm that this valuation conforms with the requirements as set out in Chapter 5 of the Rules Governing the Listing of Securities issued by the Stock Exchange (the "Listing Rules").

In valuing the Property we have adopted a market rent which is defined as "the estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

We have also valued on the basis of market value which is "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."

As advised by Hutchison Whampoa Properties (Europe) Limited, the potential tax liability that would arise on the disposal of the Property at the amount valued by us should mainly comprise a corporate tax at 21% (20% from 1 April 2015) on any gain on the freehold interest in the Property and residential ground rents. There is no potential tax liability which should arise upon the disposal of the commercial parts of the Property and the rental income related thereto.

According to our standard practice and in the course of our valuation, we have neither verified nor taken into account such tax liability and we accept no liabilities in relation to the aforementioned tax liability statements.



### Method of valuation

We have valued the Property on the basis that it is held as an investment and we have therefore used the investment method of valuation which involves capitalising the rental income with consideration taken as to whether there is any reversionary potential or not in the property. With regard to both the market rent and market value we have referred to comparable market transactions to arrive at a rental rate and net initial yield to be adopted for the Property.

### **Limitation**

Our valuation is totally dependent on the accuracy of the information which has been supplied to us and upon the assumptions set out herein. If they prove to be incorrect or inadequate, the accuracy of the valuation may be affected. We have relied upon information provided by Hutchison Whampoa Properties (Europe) Limited with regard to title documents and leases and have relied upon these as being true copies of the originals.

### **Investigations**

A full inspection of the Property was undertaken by James King (MRICS and RICS Registered Valuer) on 16 February 2015. The valuation reported herein is subject to the assumption that no material changes to either the Property or its immediate locality have taken place between our inspection and the valuation date.

On the day of inspection the buildings of the Property appeared to be in a good condition commensurate with their age. We did not notice any signs of deleterious materials such as asbestos. We would comment that we have not carried out a building survey and our comments relate to a visual inspection of the buildings only. The Property appeared to be served by electricity, mains water and drainage services although we have not tested these services.

The valuation date for the valuation reported herein is 28 February 2015.

This report has been prepared by Nigel Whitehurst MRICS and checked by Michael Riordan MRICS, both of whom are RICS Registered Valuers. We also confirm that the individuals carrying out this valuation have the appropriate knowledge, skills and experience to undertake the valuation competently.

Yours faithfully

Handwritten signature of Nigel Whitehurst in black ink.

**Nigel Whitehurst** MRICS, RICS Registered Valuer  
Partner

For and on behalf of Gerald Eve LLP

0207 333 6272

07551 170 514

[nwhitehurst@geraldeve.com](mailto:nwhitehurst@geraldeve.com)

Handwritten signature of Michael Riordan in black ink.

**Michael Riordan** MRICS, RICS Registered Valuer  
Partner

For and on behalf of Gerald Eve LLP

0207 653 6828

07796 611 127

[mrordan@geraldeve.com](mailto:mrordan@geraldeve.com)

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## Contents

<b>Section</b>	<b>Page</b>
Executive Summary	4
1. Location	7
2. Situation	8
3. Description	9
4. Accommodation	9
5. Condition	10
6. Environmental Issues	10
7. Planning	11
8. Business Rates	14
9. Tenure	15
10. Tenancy	16
11. Market Commentary	18
12. Method of Valuation	20
13. Market Rent	20
14. Lettability	22
15. Market Value	22
16. Saleability	25
Appendix i – Location Map	
Appendix ii – Ordnance Survey Map	
Appendix iii – Enviroscreen survey	

Valuation Date: 28 February 2015

### Albion Riverside, Hester Road, London, SW11 4AN



#### Description

Albion Riverside comprises a riverside development of three blocks of commercial and residential property with development having taken place over the last 10 years. The Property to be valued comprises a detached four story office block and nine ground floor units occupied as offices, gymnasiums and showrooms, two of which are situated in two detached blocks.

There are also 197 self contained flats and 243 car parking spaces that go with the flats.

The buildings are of steel frame construction with concrete columns. The ground floor units benefit from fully glazed frontages and the office from floor to ceiling windows.

There are a further 24 car parking spaces available of which 20 are occupied.

Building 2 (offices) has a total net internal area of some 3,023.99 sq m (32,551 sq ft) whilst the ground floor units have a total net internal area of 3,354.72 sq m (36,111 sq ft). The total site area is 1.495 hectares (3.694 acres).

#### Tenure

Freehold held by Albion Properties Limited with three 999 year leases to Albion Riverside Commercial Limited at a peppercorn rent and one 999 year lease to Albion Residential Limited passing through the ground rents receivable from 989 year subleases of apartments.

#### Tenancy

##### Ground floor commercial

**Unit 1, Building 1** is let to the Royal College of Art on a 25 year Full Repairing and Insuring lease from 5 July 2014 and expiring on 4 July 2039 at a rent of £150,000 per annum subject to 9 months rent free and a further 3 months rent free if the break option is not exercised



and 5 yearly upwards only rent reviews. There is a tenant only break option in year 15.

**Unit 3, Main Building** is let to TIGI International Limited on a 10 year Full Repairing and Insuring lease from 25 December 2005 and expiring on 24 December 2015 at a rent of £42,000 per annum.

**Unit 4, Main Building** and one car parking space are let to Body Architecture Limited on a 15 year Full Repairing and Insuring lease from 25 December 2004 and expiring on 24 December 2019 at a rent of £32,000 per annum with an outstanding upwards only rent review from 25 December 2014 if the break is not exercised, which we understand has not been exercised.

**Unit 5a including a storage room, Main Building** is let to Stars Gym Limited on a 10 year Full Repairing and Insuring lease from 26 April 2010 and expiring on 25 April 2020 at a rent of £85,188 per annum subject to an upwards only rent review on 26 April 2015. The tenant has also leased 2 car parking spaces for a term of 10 years expiring on 25 April 2020 at an annual licence of £1 per annum.

**Unit 5b, Main Building** is let on an internal company lease to a Hutchison Whampoa (Europe) Limited (HWEL) and occupied by INQ on a 15 year Full Repairing and Insuring lease from 1 November 2010 and expiring on 31 October 2025 at a rent of £175,720 per annum subject to 5 yearly upwards only rent reviews. An additional rent of £30,539 per annum is payable as additional rent for the fit out payment of £377,955.

**Unit 6, Main Building** is let on an internal company lease to HWEL and occupied by INQ on a 15 year Full Repairing and Insuring lease from 29 September 2008 and expiring on 28 September 2023 at a rent of £78,800 per annum subject to 5 yearly upwards only rent reviews. An additional rent of £26,386 per annum is also payable as additional rent for the fit out payment of £340,000.

**Unit 7a, Main Building** is let to Knight Frank LLP on a 10 year Full Repairing and Insuring lease from 6 July 2011 and expiring on 5 July 2021 at a rent of £27,788 per annum subject to a fixed uplift to £55,575 per annum on 6 January 2016.

**Unit 7b, Main Building** is let to Hua Gallery Limited on a 7 year Full Repairing and Insuring lease from 13 December 2010 and expiring on 12 December 2017 at a rent of £27,000 per annum subject to an upwards only rent review on 13 December 2015.

**Unit 8, Main Building** is let to Northacre PLC on a 12 year Full Repairing and Insuring lease from 25 March 2009 and expiring on 24 March 2021 at a rent of £137,475 per annum subject to an upwards only rent review and tenant break option on 25 March 2016.

### Offices

The offices are all let on internal leases to Hutchison Whampoa Group companies. Part of the second floor previously occupied by Geo Networks (assigned to Udata PLC) is now let to Hutchison Global Enabling Services (HGES) at £35,975 per annum and Hutchison Whampoa Properties (Europe) Limited (HWPEL) at £23,145 per



annum.

Part of the third floor east is let on an internal company lease to AS Watson (Health and Beauty UK) Limited on a lease co-terminus with their second floor lease, expiring on 30 April 2019.

Further HWEL occupies part of the third floor east on a lease co-terminus with their third floor west lease, expiring on 30 April 2019.

All of the leases are subject to outstanding upwards only rent reviews from 1 May 2014.

#### **Car parking spaces**

There are a total of 24 car parking spaces.

Northacre PLC has leased five car parking spaces expiring on 24 March 2021 at a rent of £17,500 per annum.

There are also two motorbike parking spaces let to AS Watson (Health and Beauty UK) Limited (one) and HWEL (one) both held on an annual licences expiring on 31 March 2015. HWEL pays £350 per annum whilst AS Watson (Health and Beauty UK) Limited also pays £350 per annum.

All of the flats and car parking spaces have been sold off on 989 year leases and generate a total ground rent of £57,925 pa.

The Affordable Housing above Unit 1 has also been sold off on a 125 year lease at a peppercorn rent.

#### **Passing Rent**

£126,931.83 per month (£1,523,182 per annum)

#### **Market Rent**

£1,903,000 per annum rounded (net)

#### **Market Value as at 28 February 2015**

£28,340,000 (Twenty Eight Million Three Hundred and Forty Thousand Pounds)

This shows the following yield profile:

Net Initial Yield: 5.25%

Net Final Yield: 6.35%

Equivalent Yield: 6.32%

The Market Value can be split between the commercial and residential ground rents as follows:

Commercial:	£27,245,000
Residential ground rents:	£1,095,000
<b>Total:</b>	<b>£28,340,000</b>

This executive summary should be read in conjunction with the full valuation report enclosed.

## 1. Location



Location map (1:50000)

The Property is situated in Battersea in south west London. The Property is situated some 1.5 miles north of Clapham Junction, 4 miles south west of the West End and 1.5 miles east of Fulham. Further Kings Road is situated some 0.5 miles to the north.

Battersea is predominately a residential suburb with retail parades running along the main arterial roads.

The area benefits from excellent rail communications with Clapham Junction providing mainline rail services to London Victoria. There are also underground stations at Sloane Square (Circle and District lines) some 1.5 miles to the north east, South Kensington (Circle, District and Piccadilly lines) some 2 miles to the north, Fulham Broadway (District line) some 1.5 miles to the west as well as West Brompton (Overground) some 1.5 miles to the north west.

The nearest airport is London Heathrow which is situated approximately 15 miles to the west via the M4.

The area benefits from excellent road communications being situated close to the A3 which ultimately provides access out of south west London down towards Portsmouth as well as providing access to the City to the north east. There are also a number of distributor roads providing access to all areas of south and north London.

A larger copy of the map showing the location of Battersea is included at Appendix i.



## 2. Situation



Ordnance Survey map (1:1250)

The Property is situated on Hester Road which is accessed via the A3220 (Battersea Bridge Road). The bridge is situated approximately 100 metres to the north west. The immediate area is predominantly residential with a number of local retailers further down along Battersea Bridge Road to the south. The site is situated immediately to the south of the River Thames in between Battersea Bridge Road and Albert Bridge Road. The site is irregular in shape and is bounded to the north by the River Thames, to the south by residential and Ransome's Dock Business Centre and to the west by Battersea Bridge Road.

The nearest underground stations are South Kensington (Circle, District and Piccadilly lines) some 2 miles to the north, Sloane Square (Circle and District lines) some 1.5 miles to the north east and Fulham Broadway (District line) some 1.5 miles to the north west. Further Battersea Park mainline station providing a service to London Victoria and the south coast via Clapham Junction is some 1.3 miles to the south east.

The nearest riverside scheme is at Imperial Wharf on the north side of the River Thames and is situated some 0.5 miles to the south west. The scheme however does not directly compete with the Property as there are a number of restaurants and retailers within this scheme whereas the subject property is more office orientated.

A larger copy of the Ordnance Survey map showing the situation of the Property is included at Appendix ii.

### 3. Description

The Property forms part of a large development of commercial and residential which was constructed in 2004 and forms part of three buildings. All of the buildings are of steel framed construction with concrete columns. The ground floor units all benefit from fully glazed frontages and the offices benefit from full height glazing at the front.

We attach at Appendix ii a plan showing the outline of the buildings.

**Building 1: Unit 1** comprises a ground floor retail unit beneath the Peabody residential block.

**Main Building: Units 2-8** are all situated beneath the main residential block. Units 5, 6 and 8 are all irregular in shape. Unit 8 further suffers from intrusion into the office space from the core for the residential above.

**Building 2:** Finally the offices are situated on the south side of Hester Road and again are self-contained.

At the time of our inspection the Property appeared to be served by mains electricity, water and drainage services. A full inspection of the subject property was undertaken by James King (MRICS and an RICS Registered Valuer) on 16 February 2015.

None of these services were tested at the time of inspection, but, for the purpose of the valuation reported herein, we have assumed all services to be fully operational.

### 4. Accommodation

We have relied on floor areas provided by Hutchison Whampoa Properties (Europe) Limited, we understand these to have been measured on a net internal area basis in accordance with the RICS Code of Measuring Practice and we have no reason to doubt the veracity of the information. The floor areas, as provided to us, are as below. If these floor areas should prove to be inaccurate it may well affect the accuracy the valuation reported herein.

<u>Accommodation</u>	<u>Floor Area</u>	
<b><u>Building 1</u></b>		
1	457.90 sq m	4,929 sq ft
<b>TOTAL</b>	<b>457.90 sq m</b>	<b>4,929 sq ft</b>
<b><u>Main Building</u></b>		
3	185.99 sq m	2,002 sq ft
4	147.99 sq m	1,593 sq ft
5a	434.21 sq m	4,674 sq ft
5b	816.22 sq m	8,786 sq ft
6	366.03 sq m	3,940 sq ft
7a	206.52 sq m	2,223 sq ft
7b	172.24 sq m	1,854 sq ft
8	567.62 sq m	6,110 sq ft
<b>TOTAL</b>	<b>2,896.82 sq m</b>	<b>31,182 sq ft</b>
<b><u>Building 2</u></b>		
Ground	351.63 sq m	3,785 sq ft
1 <sup>st</sup> floor	630.51 sq m	6,787 sq ft
2 <sup>nd</sup> floor	626.70 sq m	6,746 sq ft
3 <sup>rd</sup> floor	664.05 sq m	7,148 sq ft
4 <sup>th</sup> floor	751.10 sq m	8,085 sq ft
<b>TOTAL</b>	<b>3,023.99 sq m</b>	<b>32,551 sq ft</b>
<b><u>GRAND TOTAL</u></b>	<b><u>6,378.71 sq m</u></b>	<b><u>68,662 sq ft</u></b>



We have scaled the Ordnance Survey map of the subject premises and calculate the total site area to be 1.495 hectares (3.694 acres).

## 5. Condition

The inspection we have carried out was for valuation purposes only and did not include a full building survey. However, from our observation, with regard to the general condition of the subject premises, we would comment as follows.

The subject premises were generally in a good condition. We did not notice any major structural defects or wants of repair and would expect the property to let and/or sell readily in its current condition.

Upon inspection we did not notice any obvious sign of deleterious and/or hazardous materials nor would we expect any as the buildings were only constructed within the last 10 years. Accordingly, for the purpose of the valuation reported herein we have assumed that the subject premises are free from such materials.

With regard to physical obsolescence, if a regular maintenance programme is adhered to we would expect the subject premises to have a useful life in excess of twenty five years as the buildings were constructed in 2004.

## 6. Environmental Issues

The inspection we have carried out was for valuation purposes only and did not include an environmental survey. However, we have commissioned and reviewed an Enviroscreen desktop environmental survey (the "Enviroscreen survey") which provides a very basic indication as to whether there is potentially contamination on the site from previous uses either on the site or nearby. As stated below historical maps are used to ascertain this information.

The findings of Enviroscreen survey are attached at Appendix iii. It concludes as follows.

"Further Action"

The report states that:

"From a review of historical map data the Enviroscreen data has identified that the site is located on or within 25 metres of metal casting/foundries, weapons & ammunition manufacture and storage, road haulage.

A review of selected 1:2,500 and 1:1,250 scale Ordnance Survey mapping covering a period from 1943 to 1996 has identified that the site is on or within 25 metres of potential tanks, tanks, electrical sub station facilities.

Larger scale mapping has also been considered in order to formulate this certificate. The 1874 edition 1:2,500 map indicates that a lead works, timber yard and saltpetre works was located on site".

We would comment however that the property was only developed in the last 10 years and any contamination should have been dealt with at that point.

We can accept no liability with regard to the accuracy of the Enviroscreen survey. However, for the purpose of the valuation reported herein, we have assumed that the subject premises do not suffer from any environmental issues which might adversely affect their value.

We have had reference to the Environment Agency's flood map. The flood map identifies sites that may be at risk from sea or river flooding. The assessment of flood risk for the site of the subject premises is as follows.

Low – "...unlikely to flood except in extreme conditions. The chance of flooding each year is 0.5% (1 in 200)". Whilst the Property is adjacent to the River Thames there are flood defenses in place (most notably the Thames Barrier).



We draw to your attention that The Energy Act 2011 includes provisions that will outlaw the letting of residential and commercial properties with 'F' and 'G' EPC ratings by no later than 1 April 2018. It is, therefore, likely that capital expenditure will be required on currently inefficient premises to maintain their lettable under the Act.

We have had sight of the following EPC Certificates.

Address	Current EPC rating	Potential EPC rating	Date
<b>Commercial</b>			
Unit 1 Hester Road, London, SW11 4AN	F		29 May 2014
Unit 5b Hester Road, London, SW11 4AN	C		27 August 2014
Unit 6 Hester Road, London, SW11 4AN	D		2 April 2013
Part 2 <sup>nd</sup> floor (former Geo Networks), Hutchison House, 5 Hester Road, London, SW11 4AN	E		14 December 2009
<b>Residential</b>			
Flat B73, Albion Riverside, 8 Hester Road, London, SW11 4AN	D	C	4 September 2009

With regard to Unit 1 which has an EPC rating of 'F' we have also had sight of the Recommendation Report dated 29 May 2014. In order to improve the rating the report state that changing the tungsten GLS lamps with Compact Fluorescent Lights (energy saving lights) would have the highest impact followed by considering solar control measures such as applying reflective coatings or shading devices to the windows. The cost of doing these recommendations is therefore not prohibitive.

## 7. Planning

We have had reference to the planning policies of the London Borough of Wandsworth whose planning policies are contained within the Wandsworth Local Plan of which the Core Strategy adopted in October 2010 is the most important document. Within the proposals map adopted in February 2012 the Property is situated in the Wandsworth Thames Policy Area and Focal Points of Activity. Both of these are covered by Policy 6, **Meeting the needs of the local economy:**

- a. The strategic reservoir for industry and waste will comprise the Queenstown Road, Battersea and Summerstown SILs supported by a number of Locally Significant Industrial Areas in the Wandle Valley (see Policy PL7).
- b. In Mixed Use Former Industrial Employment Areas (MUFIEAs) outside the strategic reserve, where it can be demonstrated that wider town centre, riverside or other regeneration benefits can result from proposals, mixed use redevelopment including a residential component, will be acceptable where:
  - i. Net employment floorspace equivalent to at least existing employment space is provided. In particular space catering for small and medium sized enterprises will be sought.
  - ii. New uses are compatible with neighbouring uses and will not harm the viability of the surrounding employment area.
  - iii. Existing surrounding uses will not have an adverse impact on the amenity of new residential space.
- c. The Nine Elms area will continue to be a significant employment area (see Policy PL11).
- d. The town centres, in particular Putney, will be the main focus for office development (see Policy PL8 and PL14).
- e. Employment floorspace will be sought as part of mixed use development on sites in the **Wandsworth**



**Thames Policy Area**, in particular those well served by public transport and at focal points (see Policy PL9).

- f. In areas lacking local jobs, like Roehampton, measures to promote additional employment through regeneration initiatives will be supported (see Policy PL1 and PL15).
- g. Employment floorspace specifically targeted at the needs of the local economy, in particular the provision of flexible business space, will be sought in units of up to 2000 sq m where appropriate.

Also as mentioned under point e. the Wandsworth Thames Policy Area is also covered by Policy 9, **River Thames and the riverside**

- a. Along the riverside mixed use redevelopment will be promoted in order to create safe attractive environments, provide new homes, jobs, leisure and social infrastructure facilities with public spaces at focal points, a riverside walk and cycle way and increased public access to the river. Development next to or opposite safeguarded wharves should be designed to minimise the potential for conflicts of use and disturbance.
- b. Greater use will be made of the river. The efficient operation of the wharves will be supported through the protection of routes to the main road network serving protected wharves. Five wharves will continue to be safeguarded for the transshipment of freight, including waste and aggregates, and for freight related activities. The redevelopment of safeguarded wharves should only be accepted if the wharf is no longer viable or capable of being made viable for cargo handling uses. Assessments as to whether a wharf is or can be viable will be made using the criteria set out in para 4.163 of the London Plan 2008.
- c. Existing river infrastructure that provides access to the river and the foreshore, such as piers, jetties, drawdocks, slipways, steps and stairs will be protected and new facilities, including piers for riverbuses, promoted. Enhanced riverbus services will be promoted and supported (see also Policies PL3 and IS1).
- d. Putney Embankment's special recreational character and function, particularly in connection with river sports, will continue, with facilities and activities which contribute to this character supported and protected.
- e. Development will not be permitted which encroaches onto the river foreshore or which harms the stability or continuity of flood defences. Opportunities will be taken, in consultation with partner agencies such as Natural England, the Port of London Authority and the Environment Agency, to create habitat and reduce flood risk.
- f. Measures to protect and enhance the river as a valuable resource for wildlife and biodiversity, including wildlife corridors and green chains, will be supported, in particular at the mouth of the River Wandle.

We have made enquiries of the London Borough of Wandsworth and can confirm that the Property has planning permission for the current B1 (office), D1 (Art Gallery and non residential), D2 (dance/sports hall/gym/leisure uses), A2 (financial and professional services), A3 and A1 (retail) uses.

We have had reference to the planning website of the London Borough of Wandsworth and note the planning history of the Property to be as follows.

<u>Application Ref.</u>	<u>Description</u>	<u>Decision</u>	<u>Decision Date</u>
2014/6647	Use of Unit 7B (with existing D1 consent – Art Gallery) to include additional use classes: A2 – financial and professional services and B1 – business/office	Registered	12 January 2015

2013/5147	Change of use to include financial and professional services (Class A2), business (Class B1) and non-residential institution (Class D1) while retaining retail (Class A1) use	Granted	15 April 2014
2009/1733	Use of Unit 5 as financial and professional services (Class A2), office (Class B1), museum/public hall/library (Class D1) or dance/sports hall/gym/leisure uses (Class D2)	Granted	16 July 2009
2009/0112	Units 2, 7 & 8 as an art gallery (Class D1) or dance/indoor sports hall/gym (Class D2)	Granted	13 March 2009
2008/3052	Use of Units 2 & 7 as Use Classes A1, A2 and B1. Use of Unit 8 as Use Classes A1, A2, A3 and B1	Granted	27 August 2008
2006/0351	Unit 8 – extension of opening hours of restaurant for 1 year	Granted	21 March 2006
2005/3508	Unit 3 – Use of vacant unit as a staff training facility	Granted	28 October 2005
2004/2523	Use of Unit 2 as an office (B1)	Granted	27 August 2004
2004/1996	5 Hester Road – change of use of ground floor office to café/bar	Granted	29 September 2004
2004/0014	Use of Unit 5 for Class A1 gallery purposes	Granted	18 February 2004
2004/0025	Use of Unit 4 for any of the following uses including retail (Class A1), office (Class A2 – financial & professional services), restaurant (Class A3) or for Assembly and leisure (Class D2)	Granted	18 February 2004
2004/0026	Use of Unit 3 for any of the following uses including retail (Class A1), Office (Class A2 – financial & professional services), restaurant (Class A3)	Granted	18 February 2004
2003/5066	Amalgamation of seventeen residential apartments into six units, including alterations to the layout of the apartments at cloister level and floors 2, 7, 9 and 10. The units to be amalgamated include two units on the third floor (B35/B36); two units on the fourth floor (A44/A45); three units on floor five (A51/A52/A56); three units on the sixth floor (A63/A64/A65); three units on the seventh floor (A73/A74/A75); four units on the eighth floor (A82/A83/A84/A85)	Granted	10 February 2004



2001/4579	Erection of a six storey building to provide 585 sq m of retail floorspace on the ground floor and 45 residential flats (affordable housing units) on the upper floors	Granted	13 November 2003
N/99/0561	Demolition of existing buildings and erection of an eleven storey building (plus basement) fronting river to provide 190 flats with an ancillary leisure/fitness centre, retail, café/restaurant and business floorspace, a six storey building to provide 45 affordable housing units and retail floorspace, a five storey building (south side of Hester Road) to provide business floorspace, alterations to Hester Road, a new vehicle and pedestrian route into Elcho Street, alterations to public riverside walkway, basement level car parking for 299 cars with access from Hester Road, provision of a public square	Granted	15 March 2001

The subject premises are not listed as a building of special architectural or historic interest nor are they situated within a conservation area.

We understand that the Property is accessed via a public highway and are not aware of any planning or highway proposals for the surrounding area which might adversely affect the Property.

## 8. Business Rates

We have had reference to the Valuation Office Agency's 2010 rating list and note the rateable value of the hereditaments which make up the subject premises to be as follows.

<u>Hereditament</u>	<u>Rateable Value</u>
Unit 1, 4 Hester Road, London, SW11 4AN	£132,000
Unit 3, 8 Hester Road, London, SW11 4AH	£38,250
Unit 4, 8 Hester Road, London, SW11 4AH	£29,500
Unit 5a, 8 Hester Road, London, SW11 4AN	£100,000
Unit 5b, 8 Hester Road, London, SW11 4AN	£159,000
Unit 6, 8 Hester Road, London, SW11 4AN	£54,500
Unit 7a, 8 Hester Road, London, SW11 4AN	£48,000
Unit 7b, 8 Hester Road, London, SW11 4AN	£40,000
Unit 8, 8 Hester Road, London, SW11 4AN	£223,000
Gnd flr east & pt gnd flr west, 5 Hester Road, London, SW11 4AN	£53,500
Pt gnd flr west & 1 <sup>st</sup> flr west, 5 Hester Road, London, SW11 4AN	£53,500
1 <sup>st</sup> flr east, 5 Hester Road, London, SW11 4AN	£108,000
2 <sup>nd</sup> flr centre, 5 Hester Road, London, SW11 4AN	£46,000
2 <sup>nd</sup> flr east, 5 Hester Road, London, SW11 4AN	£43,750
2 <sup>nd</sup> flr west (left), 5 Hester Road, London, SW11 4AN	£33,500
2 <sup>nd</sup> flr west (right), 5 Hester Road, London, SW11 4AN	£17,500
3 <sup>rd</sup> flr centre, 5 Hester Road, London, SW11 4AN	£45,500
3 <sup>rd</sup> flr east, 5 Hester Road, London, SW11 4AN	£25,500
3 <sup>rd</sup> flr west & 4 <sup>th</sup> flr, 5 Hester Road, London, SW11 4AN	£240,000





The uniform business rate for England for the year 2014/15 is fixed at 48.2 pence in the pound for larger business, for those businesses that qualify for small business rates relief the lower uniform business rate of 47.1 pence in the pound will apply. However, the rates liability may also be affected by a number of reliefs and supplements. It is, thus, not simply a product of the rateable value and the UBR multiplier. The multiplier indicates the percentage, or pence in the pound, of the rateable value that to be paid in business rates. It is set at each revaluation by Communities and Local Government in England and the Welsh Government. The multiplier usually changes each year in line with inflation).

If all or part of the subject premises should become vacant then the owner of the Property will be liable for the payment of business rates on the vacant commercial accommodation. The current allowance is for three months of empty rate relief with full rates payable thereafter.

## 9. Tenure

The Property is held freehold by Albion Properties Limited with three 999 year leases to Albion Riverside Commercial Limited at a peppercorn rent and one 999 year lease to Albion Residential Limited passing through the ground rents receivable from 989 year subleases of apartments. Our understanding of the extent of the long leasehold demise is outlined on the Ordnance Survey map included at Appendix ii. We have had sight of the following head leases and would comment that they are on standard institutional terms and readily saleable in the current market.

- Albion Properties Limited (freeholder) and Albion Residential Limited (leaseholder) for residential accommodation at part basement, ground, cloister and levels 2-10 (inclusive) (including rights over car parking spaces at basement level) of Main Building in a lease dated 27 October 2003;
- Albion Properties Limited (freeholder) and Albion Riverside Commercial Limited (leaseholder) for Building 2 (Hutchison House) (including rights over car parking spaces at basement level) in a lease dated 4 May 2005;
- Albion Properties Limited (freeholder) and Albion Riverside Commercial Limited (leaseholder) for commercial accommodation on basement, ground and cloister levels (including rights over car parking spaces at basement level) of Main Building in a lease dated 2 June 2004 and;
- Albion Properties Limited (freeholder) and Albion Riverside Commercial Limited (leaseholder) for commercial accommodation on ground level of Building 1 (including rights over car parking spaces at basement level) in a lease dated 18 March 2004.

### Title Investigation

We have been provided with copies of the following Land Registry documents by Hutchison Whampoa Properties (Europe) Limited and we have relied upon these documents as being true copies of the originals. We have relied upon these documents in the course of our valuation as well as any information provided by Hutchison Whampoa Properties (Europe) Limited relating to number of car parking spaces and ground rents payable from the residential property.

<b>Title Document</b>	<b>197201</b>
<b>Title Document</b>	<b>SGL105454</b>
<b>Title Document</b>	<b>TGL193839</b>
<b>Title Document</b>	<b>TGL228770</b>
<b>Title Document</b>	<b>TGL238236</b>
<b>Title Document</b>	<b>TGL239962</b>
<b>Title Document</b>	<b>TGL257829</b>
<b>Title Plan</b>	<b>197201</b>
<b>Title Plan</b>	<b>SGL105454</b>
<b>Title Plan</b>	<b>TGL193839</b>
<b>Title Plan</b>	<b>TGL228770</b>





<b>Title Plan</b>	<b>TGL238236</b>
<b>Title Plan</b>	<b>TGL239962</b>
<b>Title Plan</b>	<b>TGL257829</b>

Having reviewed the Land Registry documents we would comment that the long leasehold interests are free from any encumbrances, options, rights of pre-emption unduly onerous or unusual easements, rights of way, rights of light, restrictions, outgoing or conditions which would have an adverse effect upon the value of the Property. Within the title documents there are a number of charges relating to a variety of transfers and also agreements made pursuant to Section 106 of the Town and Country Planning Act 1990 when the site was developed in 2004. Further there is a charge to HSBC Bank plc against the following:

<b>Title Document</b>	<b>TGL238236</b>
<b>Title Document</b>	<b>TGL239962</b>
<b>Title Document</b>	<b>TGL257829</b>

This relates to a mortgage taken out over the commercial parts of the property.

If we are subsequently provided with a report on title we would be pleased to comment upon what impact its content would have upon the valuation reported herein. We would remind you that if information should come to light which contradicts the assumptions made herein this could have a material effect upon our valuation. We, therefore, reserve the right to amend our valuation accordingly should this prove necessary.

## 10. Tenancy

We have been provided with a copy of all of the leases by Hutchison Whampoa Properties (Europe) Limited and have relied upon these as being true copies of the originals. All the leases are on standard institutional terms with full repairing and insuring terms and are subject to 5 yearly upwards only rent reviews to open market rent.

The subject premises are let as follows:

### Ground floor commercial

**Unit 1, Building 1** is let to the Royal College of Art on a 25 year Full Repairing and Insuring lease from 5 July 2014 and expiring on 4 July 2039 at a rent of £12,500 per month (£150,000 per annum) subject to a 9 month rent free and a further 3 month rent free if the break option is not exercised and 5 yearly upwards only rent reviews. There is a tenant only break option in year 15.

**Unit 3, Main Building** is let to TIGI International Limited on a 10 year Full Repairing and Insuring lease from 25 December 2005 and expiring on 24 December 2015 at a rent of £3,500 per month (£42,000 per annum).

**Unit 4, Main Building** and one car parking space are let to Body Architecture Limited on a 15 year Full Repairing and Insuring lease from 25 December 2004 and expiring on 24 December 2019 at a rent of 2,666.66 per month (£32,000 per annum) with an outstanding upwards only rent review from 25 December 2014 if the break is not exercised, which we understand has not been exercised.

**Unit 5a including a storage room, Main Building** is let to Stars Gym Limited on a 10 year Full Repairing and Insuring lease from 26 April 2010 and expiring on 25 April 2020 at a rent of £7,099 per month (£85,188 per annum) subject to an upwards only rent review on 26 April 2015. The tenant has also leased 2 car parking spaces for a term of 10 years expiring on 25 April 2020 at an annual licence of £1.

**Unit 5b, Main Building** is let on an internal company lease to HWEL and occupied by INQ on a 15 year Full Repairing and Insuring lease from 1 November 2010 and expiring on 31 October 2025 at a rent of £14,643.33 per month (£175,720 per annum) subject to 5 yearly upwards only rent reviews. An additional rent of 2,544.92 per month (£30,539 per annum) is payable as additional rent for the fit out payment of £377,955.

**Unit 6, Main Building** is let on an internal company lease to HWEL and occupied by INQ on a 15 year Full Repairing and Insuring lease from 29 September 2008 and expiring on 28 September 2023 at a rent of



£6,566.66 per month (£78,800 per annum) subject to 5 yearly upwards only rent reviews. An additional rent of £2,198.83 per month (£26,386 per annum) is also payable as additional rent for the fit out payment of £340,000.

**Unit 7a, Main Building** is let to Knight Frank LLP on a 10 year Full Repairing and Insuring lease from 6 July 2011 and expiring on 5 July 2021 at a rent of £2,315.66 per month (£27,788 per annum) subject to a fixed uplift to £4,631.25 per month (£55,575 per annum) on 6 January 2016.

**Unit 7b, Main Building** is let to Hua Gallery Limited on a 7 year Full Repairing and Insuring lease from 13 December 2010 and expiring on 12 December 2017 at a rent of £2,250 per month (£27,000 per annum) subject to an upwards only rent review on 13 December 2015.

**Unit 8, Main Building** is let to Northacre PLC on a 12 year Full Repairing and Insuring lease from 25 March 2009 and expiring on 24 March 2021 at a rent of £11,456.25 per month (£137,475 per annum) subject to an upwards only rent review and tenant break option on 25 March 2016.

### Offices

The offices are all let on 10 internal leases to Hutchison Whampoa Group companies. Part of the second floor previously occupied by Geo Networks (assigned to Udata PLC) is now let to Hutchison Global Enabling Services (HGES) at £2,997.91 per month (£35,975 per annum) and Hutchison Whampoa Properties (Europe) Limited (HWPEL) at £1,928.75 per month (£23,145 per annum).

Part of the third floor east is let on an internal company lease to AS Watson (Health and Beauty UK) Limited on a lease co-terminus with their second floor lease, expiring on 30 April 2019.

Further Hutchison Whampoa (Europe) Limited (HWEL) occupies part of the third floor east on a lease co-terminus with their third floor west lease, expiring on 30 April 2019.

All of the offices are subject to outstanding upwards only rent reviews from 1 May 2014.

### Car parking spaces

There are a total of 24 car parking spaces.

Northacre PLC has leased five car parking spaces expiring on 24 March 2021 at a rent of £1,458.33 per month (£17,500 per annum).

There are also two motorbike parking spaces let to AS Watson (Health and Beauty UK) Limited (one) and HWEL (one) both held on an annual licences expiring on 31 March 2015. HWEL pays £29.16 per month (£350 per annum) whilst AS Watson (Health and Beauty UK) Limited also pays £29.16 per month (£350 per annum).

All of the flats and car parking spaces have been sold off on 999 year leases and generate a total ground rent of £4,827.08 per month (£57,925 per annum) which doubles at the end of the twenty fifth, fiftieth, seventy fifth, one hundredth and one hundred and twenty fifth years of the Term.

The Affordable Housing above Unit 1 has also been sold off at a peppercorn rent

The total monthly income is £126,931.83 per month (£1,523,182 per annum).

As all of the leases are on the same terms (bar lease length and tenant name) we have reviewed one lease and summarise the salient terms below.

Security of Tenure	The tenant benefits from the security of tenure provisions of the Landlord & Tenant Act, 1954.
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Alienation	Tenant can assign or sub let whole only with landlord's consent (not to be unreasonable withheld or delayed and contained in a formal licence)
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Rent Reviews	5 yearly upward only reviews to market rent.  Disregarding tenant occupation, goodwill and tenant improvements.  Assumptions are new letting of premises as a whole in open market on relevant review date, willing landlord to a willing tenant, without fine or premium, for the hypothetical term (ie residue of lease or 10 years whichever is longer) and subject to covenants and provisions in the lease except rent payable immediately before review date but including review provisions.
User	Offices within Class B1 of the Town and Country Planning (Use Classes) Order 1987.
Repairs/alterations	The tenant has a full repairing obligation (via a service charge). Tenant to put and keep premises in good and substantial repair and condition and replace with new items of no lesser quality than the original (when new) any landlord's fixtures and fittings with become missing, damaged, broken or destroyed.  Tenant to keep premises decorated to a high standard and redecorate interior every 5 years and in last 3 months of the term.  Non structural internal alterations to the premises permitted.
Privity of Contract	The lease does not benefit from privity of contract but does contain provisions for the completion of an AGA.
Service Charge	Sum equal to a just proportion from time to time fairly attributed to the premises.

## 11. Market Commentary

### The Economy

The ONS data for Q3 2014 showed the UK economy grew by 0.7%, a respectable figure, but a slow down on the 0.9% growth seen in Q2 2014. Nevertheless, GDP was 3.0% higher than the same quarter a year ago and with the economy still growing at a satisfactory pace the UK is expanding more rapidly than most other G7 economies.

Output increased in all four main industrial groupings with signs of some rebalancing. Production grew by 0.5%, construction by 0.8%, agriculture by 0.3% and the dominant service sector by 0.7%, albeit down from 1.1% growth in Q2 2014.

Chancellor George Osborne said in October 2014 that "the UK is leading the pack in an increasingly uncertain global economy", but warned that the UK economy is at a "critical juncture". Commentators have called the results disappointing, but not surprising as the UK falls victim to ailing Eurozone and Chinese economies and concerns amid how much further domestic demand levels can be pushed. Nevertheless, while commenting on the preliminary GDP figures for Q3 2014, Chief Economist at The British Chambers of Commerce, David Kern, warned that it is "important not to accept the defeatist view that a slower rate of growth is unavoidable. With the right measures in place, the British economy is able to deal with its problems and regain dynamism".

### The Commercial Property Market

The performance of the UK commercial property market can be considered with reference to IPD data. IPD quarterly figures for Q3 2014 showed returns as below, with the change on the previous quarter shown in brackets.



<u>Sector</u>	<u>Quarterly Income Return</u>	<u>Quarterly Capital Growth</u>	<u>Quarterly Total Return</u>
Office	1.2% (→)	3.9% (↓)	5.1% (↓)
All Property	1.3% (↓)	3.0% (↓)	4.4% (↓)

On an annualised basis the total returns for each sector are as below.

<u>Sector</u>	<u>1 Year Annualised Total Return</u>	<u>3 Year Annualised Total Return</u>	<u>5 Year Annualised Total Return</u>
Office	22.8% (↑)	11.7% (↑)	13.4% (↑)
All Property	18.3% (↑)	9.2% (↑)	11.9% (↑)

The UK commercial real estate market continued to perform strongly during Q3 2014, with values rising on average by 3.0% for all property. This rate of growth however was slightly down on the 3.3% for the second quarter, after five successive quarters of accelerating growth. The strong level of value growth contributed to a total return of 4.4% for the quarter, the second highest since Q1 2010. A total return of 4.4% exceeds the performance of both bonds and equities over the period, which returned 2.9% and -0.9% respectively (JP Morgan 7-10 year/MSCI UK).

Rental value growth improved marginally across all UK property, rising from on average 0.7% in Q2 to 0.8% in Q3. Nevertheless, the majority of capital value growth stemmed from continued improvements in investor sentiment as yield compression added 2.7% to values over the quarter.

Looking at the twelve months to September 2014, UK commercial property posted on average a total return of 18.3%, up on the return of 16.4% in the twelve months to end June. The return to the end of Q3 was also the highest level recorded since 2010, reflecting the continuing market upswing across the country.

Disaggregating returns by geography shows the continued strong performance of the London market, driven by the capital's retailing and its office occupier demand. However, many UK regions, even if looking slightly more subdued than in Q2, are still sharing in the overall picture of solid rental markets and rising values.

The office sector performed robustly with a total return of 5.1% on average for the quarter based on capital growth of 3.9%. West End office growth decelerated compared to Q2, but offices on the inner London fringes and in outer London picked up. Offices in the capital continued to see by far the strongest rental value growth in the UK, reflecting buoyant occupier conditions whilst the regional office market has been aided by strong investor demand.

#### The Local Office Market

The Property is not situated in an established office location but as evidenced by the recent sub letting to Victoria Beckham Limited the offices can attract well known occupiers to the area. This is in part due to the location close to Kings Road but also the more competitive office rents than those being achieved in the West End or areas immediately to the north of the river.

There are other offices in the Battersea area including Glassmill at 1 Battersea Bridge but these tend to be older buildings, above retail units or converted warehouses along the river and do not offer much competition for the subject Property which provides higher specified Grade A space.

The rental tone in the area ranges from £161.40 per sq m to £295.90 per sq m (£15 per sq ft to £27.50 per sq ft) with the subject property being able to achieve towards the top end.

## 12. Method of Valuation

In valuing the Property we have adopted a market rent which is defined as:

*“The estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”*

We have also valued on the basis of market value:

*“The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”*

We have further made various assumptions which are mentioned throughout the report and in our General Valuation Assumptions attached to our Engagement Letter.

We have valued the Property on the basis that it is held as an investment and we have therefore used the investment method of valuation which involves capitalising the rental income with consideration taken as to whether there is any reversionary potential or not in the Property. With regard to both the market rent and market value we have referred to comparable market transactions to arrive at a rental rate and net initial to be adopted for the Property.

## 13. Market Rent

In arriving at our opinion of market rent we have had reference to the comparable evidence summarised below.

<u>Ref</u>	<u>Property</u>	<u>Lease Event</u>	<u>Date</u>	<u>Rent</u>	<u>Incentives</u>
1.	Albion Riverside Building, 8 Hester Road, SW11 4AX	Letting	Sept 2014	£222,240 pa (£25 psf)	Tenant break in 2019.
2.	Albion Riverside Building, 8 Hester Road, SW11 4AX	Letting	Mar 2014	£104,410 pa (£26.50 psf)	Mutual break 3 <sup>rd</sup> year. 3 month rent free.
3.	Millbank Tower, 21-30 Millbank, SW1P 4QP	Letting	July 2014	£54,810pa (£29 psf)	4.5 month rent free.
4.	Millbank Tower, 21-30 Millbank, SW1P 4QP	Letting	June 2014	£165,630 pa (£30 psf)	Tenant option to break in 3 <sup>rd</sup> year. 7 month rent free.
5.	Harbour Yard, Chelsea Harbour, SW10 0XD	Letting	April 2014	£125,223pa (£32.50 psf)	NKN

Further comment on each piece of evidence is provided below.

**Ref.1:** Victoria Beckham Ltd has taken 816.22 sq m (8,786 sq ft) of ground floor office space within Unit 5b from a Hutchison company on a new, open market 10 year lease at £222,240 pa, equating to £269 per sq m (£25 per sq ft), subject to tenant only option to break in 2019. The property comprises a landmark building of curved metal and glass. The property is of mixed use offering retail and office accommodation over the ground and first floor and residential space on upper seven floors. Whilst this letting is within the property we

would comment that we understand this was an urgent requirement and a premium may have been paid because of this.

**Ref.2:** Park Vale Capital Ltd has taken 366.03 sq m (3,940 sq ft) of ground floor retail office space within Suite 6 from a Hutchison company on a five year lease at £104,410 pa, equating to £285.14 per sq m (£26.50 per sq ft) subject to a mutual option to break in year three. No rent reviews were agreed. A three month rent free period was agreed. The property comprises a landmark building of curved metal and glass. The property is of mixed use offering retail and office accommodation over the ground and first floor and residential space on upper seven floors. This is the building that we are valuing so this provides excellent evidence from within the last year of achieved rents.

**Ref.3:** Global Limited has taken 175.58 sq m (1,890 sq ft) of 25<sup>th</sup> floor office space from Motcomb Estates on a four six month lease at £54,810 pa, equating to £312.04 per sq m (£29 per sq ft). No rent review or break options were agreed. A four and a half rent free period was agreed. The property comprises an office tower arranged over 34 floors, including basement, lower ground and office storage space on 31<sup>st</sup> floor. The property was constructed in 1963 and Grade II listed in 1995. Benefits from air conditioning, car parking, raised floors and 9 passenger lifts. Although, this property is located on the north side of the Thames, unlike the subject, they are located within close proximity of one another. It is felt being north of the river does normally command higher rents and it is closer to Victoria although the subject property is more modern and they both have a similar specification.

**Ref.4:** DMG Events Limited has taken 512.90 sq m (5,521 sq ft) of part 25<sup>th</sup> floor office space from Motcomb Estates Limited on a new FRI lease expiring in March 2019 at £163,630 pa, equating to £322.80 per sq m (£30 per sq ft), with a tenant option to break after the third year. A seven month rent free period was agreed. The property comprises an office tower arranged over 34 floors, including basement, lower ground and office storage space on 31<sup>st</sup> floor. The property was constructed in 1963 and Grade II listed in 1995. Benefits from air conditioning, car parking, raised floors and 9 passenger lifts. Although, this property is located on the north side of the Thames, unlike the subject, they are located within close proximity of one another. It is felt being north of the river does normally command higher rents and it is closer to Victoria although the subject property is more modern and they both have a similar specification.

**Ref.5:** An undisclosed tenant has taken 357.94 sq m (3,853 sq ft) of second and third floor space in Units 2.18 and 3.18 for confidential term at £125,222.50, equating to £349.70 per sq m (£32.50 per sq ft). The property comprises a building of traditional masonry construction, arranged over four floors with rendering to the lower floors and exposed bricks on the upper floors. Benefits from air conditioning. This building is on the north side of the river close to Imperial Wharf railway and Overground station and therefore benefits from stronger public transport links although the subject property is more modern.

From our research it can be seen that rental levels in the area are in the region of £322.80 per sq m (£30 per sq ft). However we have adopted a discount on the evidence stated above to reflect the location of the Property being in a non office location some distance from the Underground and Overground network.

We have therefore adopted the following market rents:

Address	Market Rent £ per sq m (per sq ft)	Market Rent £ per month	Market Rent £ pa
Building 1 (ground only)	£328.18 (£30.50)	£12,500	£150,000
<b>Main Building (ground only)</b>			
Unit 3	£269 (£25)	£4,166.66	£50,000
Unit 4	£269 (£25)	£3,333.33	£40,000
Unit 5a	£247.48 (£23)	£7,666.66	£92,000
Unit 5a	£107.60 (£10)	£562.50	£6,750
Unit 5b	£269 (£25)	£18,333.33	£220,000
Unit 6	£285.14 (£26.50)	£8,708.33	£104,500
Unit 7a	£285.14 (£26.50)	£4,916.66	£59,000
Unit 7b	£269 (£25)	£3,875	£46,500
Unit 8	£252.86 (£23.50)	£11,958.33	£143,500
<b>Building 2 (offices)</b>			



Ground floor	£269 (£25)	£7,916.66	£95,000
1 <sup>st</sup> floor	£295.90 (£27.50)	£15,541.66	£186,500
2 <sup>nd</sup> floor	£295.90 (£27.50)	£15,479.16	£185,750
3 <sup>rd</sup> floor	£295.90 (£27.50)	£16,395.83	£196,750
4 <sup>th</sup> floor	£295.90 (£27.50)	£18,541.66	£222,500
<b>Total</b>		<b>£149,895.77</b>	<b>£1,798,750</b>

Further there are a number of car and motorbike parking spaces:

	Spaces	Market Rent £ per space	Market Rent (£ per month)	Market Rent (£ pa)
<b>Car spaces</b>				
	2	£0.50	£0.08	£1
	2	£2,500	£416.66	£5,000
	3	£2,500	£625	£7,500
	2	£2,500	£416.66	£5,000
	4	£2,625	£875	£10,500
	5	£3,500	£1,458.33	£17,500
<b>Total</b>	<b>18</b>		<b>£3,791.73</b>	<b>£45,501</b>
<b>Motorbike spaces</b>				
	1	£350	£29.16	£350
	1	£350	£29.16	£350
<b>Total</b>	<b>2</b>		<b>£58.32</b>	<b>£700</b>
<b>Grand total including offices above</b>			<b>£153,745.82</b>	<b>£1,844,951</b>

We have then added on the ground rent of **£4,827.08 per month (£57,925 per annum)** for the residential property.

Having had reference to the above evidence, we are of the opinion that, as at 28 February 2015, the subject premises could command a market rent of:

**£158,572.90 per month (£1,903,000 per annum rounded)**

#### 14. Lettability

Given the nature of the subject premises we would expect them let fairly readily should they become vacant in the near future.

With reference to current market conditions, if the property is vacant as at the valuation date we would expect a marketing period of 9 months and a rent free period of 6-9 months to be required to achieve lettings at the market rents reported above.

#### 15. Market Value

##### Offices

In arriving at our opinion of market value we have had reference to the comparable evidence summarised below.

Ref	Property	Sale Date	Sale Price	Net Initial Yield	Sale Price psf
1.	Aviation House, 125-129 Kingsway, WC2B 6NH	Dec 2014	£160,000,000	5.2%	£972 psf



2.	280 High Holborn, WC1V 7EE	Aug 2014	£86,000,000	4.3%	£1,226 psf
3.	The Point, 37 North Wharf Road, W2 1AF	Aug 2014	£210,000,000	5.5%	£888 psf
4.	101-105 New Cavendish Street, W1W 6XH	July 2014	£86,500,000	3.34%	£850 psf
5.	Kensley House, 27 Wrights Lane, W8 5SW	June 2014	£58,960,000	4.3%	£851 psf

Further comment on each piece of evidence is provided below.

**Ref.1:** Iris Fontbona and family, care of UBS Wealth Management, has purchased the freehold interest in Aviation House for £160,000,000. The property comprises a mixed use building arranged over 10 floors, with retail space on the ground floor and office space on the upper floors. The property is located in the heart of Midtown, within the Holborn area of London. We have discounted the net initial yield adopted on the subject property to reflect the much stronger office location of the comparable being in Midtown but then improved the yield to reflect the fact that the subject property is a much smaller lot size.

**Ref.2:** A private client of Citi Private Bank plc has purchased the freehold interest in 6,512.01 sq m (70,097 sq ft) of office space from Hines UK Limited, on behalf of its Hines European Development Fund II for £86m as an investment, reflecting a net initial yield of 4.3%. The property is multi-let to four office tenants and one retail tenant with an average weighted unexpired term of over 10 years to break options. The total passing rent is £3,787,615 pa. The property comprises a building arranged over nine floors including lower level, providing office space and additional residential accommodation. We have discounted the net initial yield adopted on the subject property to reflect the much stronger office location of the comparable being in Midtown and also the longer term certain to the tenant break options in 10 years of the comparable. We have also reflected the fact that the subject property is a much smaller lot size.

**Ref.3:** Tishman Speyer has purchased the long leasehold interest in 21,946.60 sq m (236,239 sq ft) of office space at The Point, from West End of London Property Unit Trust and Hermes Real Estate Investment Management for £210,000,000 as an investment, reflecting a net initial yield of 5.45%. The annual rent is £12,214,013.50 pa. The property comprises an eleven storey building completed under Terry Farrell and Partners' Masterplan. We have discounted the net initial yield adopted on the subject property to reflect the much stronger office location of the comparable being in Midtown but then improved the yield to reflect the fact that the subject property is a much smaller lot size.

**Ref.4:** West End Property Unit Trust, has purchase the freehold interest in 9,442.91 sq m (101,646 sq ft) of office and retail space from Greycoat Central London Office Development Fund for £86.5m as an investment, reflecting a net initial yield of 3.43%. The building was extended and refurbished by Greycoat in 2009 with ground floor retail; four floors of offices and residential above, sold off on long leases. The property comprises a nine storey mixed use building on an island site, consisting of office space and 49 individually owned flats. We have discounted the net initial yield adopted on the subject property to reflect the much stronger office location of the comparable being in the West End just north of Oxford Circus but then improved the yield to reflect the fact that the subject property is a much smaller lot size.

**Ref.5:** Warner Chappell Music Ltd has purchase the freehold interest in 6,429.14 sq m (69,205 sq ft) of office space from Irish Bank Resolution Corporation Ltd for £58.96m as an investment, reflecting a net initial yield of 4.3%. Warner Chappell Music Ltd currently let the property until 2020 and was being marketed with the potential for rental growth from a low passing rent of £38.76 psf. With Warner set for a rent review in December 2015 and a potential restructuring of the existing lease, it will be able to avoid rental increases by owning the building itself. The property comprises a five floor concrete framed office building. The property is located on Wrights Lane. We have discounted the net initial yield adopted on the subject property to reflect





the much stronger office location of the comparable being in Kensington but then improved the yield marginally to reflect the fact that the subject property is a smaller lot size and has a similar unexpired term.

Due to the location and size of the Property we have researched investment sales in the wider central London area with deals most notably being from around Holborn in an area known as mid town. We have valued the Property using net initial yields which reflect the initial immediate return of the Property at the stated valuation or price based on the present income the Property produces. This is calculated by reference to current passing rent divided by the gross value before deduction of purchasers costs taken as 5.8%. It can be seen that net initial yields range from 3.34% to 5.5% dependant on lot sizes, unexpired lease terms and covenant strengths of the tenants. Currently net initial yields for office buildings in central London are reflecting good demand from investors. The Property is outside of the West End in a non office location but is a modern building let to strong covenants. We have therefore adopted an overall net initial yield of 5.25% reflecting the above. This excludes the residential ground rents.

All of the comparables show net initial yields which we then refer to in order to arrive at a net initial yield for the Property reflecting the location, how long is left on the leases and how strong the tenants are financially.

### Residential ground rents

In arriving at our opinion of market value we have had reference to the comparable evidence summarised below. We would comment that there is a dearth of evidence of similar large lots being sold with investors buying portfolios.

Ref	Property	Sale Date	Sale Price	Net Initial Yield	Comemnts
1.	Portfolio of houses in Cheshire/Lancashire/Merseyside	January 2012	£540,000	6.60%	794 units, freehold
2.	Bishops Gate, Bishops Road, Whitchurch, Cardiff	August 2014	£43,000	6.27%	18 apartments
3.	Flats 1A and 1B and 2-6, 43-45 Great Cumberland Place, W1H	September 2014	£200,000	3.40%	7 flats

Further comment on each piece of evidence is provided below.

**Ref.1:** Freehold portfolio let at a total ground rent of £37,570 pa. We have improved the net initial yield to reflect the location of the subject property is an affluent part of south west London adjacent to the River Thames and fixed rental uplifts.

**Ref.2:** Modern residential development held freehold, the flats having been sold off on 125 year leases from 1 January 2005 or 1 January 2006 at a fixed ground rent of £150 pa. We have improved the net initial yield to reflect the location of the subject property is an affluent part of south west London adjacent to the River Thames and fixed rental uplifts.

**Ref 3:** Period property in central London, both flats sold off on 999 year leases from 1 January 2012 at a current ground rent of £1,000 pa (rising). We have discounted the net initial yield to reflect the location of the comparable being in the West End just north of Marble Arch underground station.

Further Regis Group (one of the main ground rent investors in the country) acquired a portfolio of 767 units across 42 different buildings with 305 in the north generating a ground rent of £90,000 pa and an average initial yield of 3.60%.

Further there is currently a strong demand from funds for ground rent investments with yields ranging from



sub 4% for investments with fixed rental increases to over 6% for those without. With regards to the ground rents we have adopted a net initial yield of 5% reflecting the location of the block above offices but on the River Thames and the rental increases.

### **Market Value**

In assessing the market value of the subject premises we have followed the investment method of valuation. We have valued the ground units, detached office block and car parking spaces individually to reflect the different lease lengths and covenant strengths of the tenants. We have therefore valued the ground units at a net initial yield of 4.54% (although there is a rent free on Unit 1 which means the net initial yield is artificially low), 6% on the offices and 7% on the car parking spaces. This shows an overall net initial yield of 5.25% and a reversionary yield of 6.35% for the entire Property.

Where there are outstanding rent reviews we have assumed that where market rents are higher than the passing rent the review is settled at a mid way point (as a rent review is subject to negotiation between the 2 parties).

We have valued the residential ground rent at a net initial yield of 5%.

We are of the opinion that the market value of the freehold and long leasehold interests in the subject premises, subject to the existing tenancies, as at 28 February 2015, is in the sum of:

**£28,340,000**

**(Twenty Eight Million Three Hundred and Forty Thousand Pounds)**

### **16. Saleability**

The market value stated above, makes the assumption that, prior to the valuation date, the Property is exposed to the market in the most appropriate manner and over a sufficient length of time so as to effect its disposal at the best price reasonably obtainable.

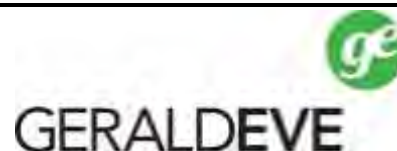
We are of the opinion that a sale of the subject premises would take in the order of six months from commencement of marketing to exchange of contracts.

We would expect potential purchasers to include Funds or wealthy private individuals.

Gerald Eve LLP is a national firm of chartered surveyors and property consultants with a network of nine offices and more than 300 employees.

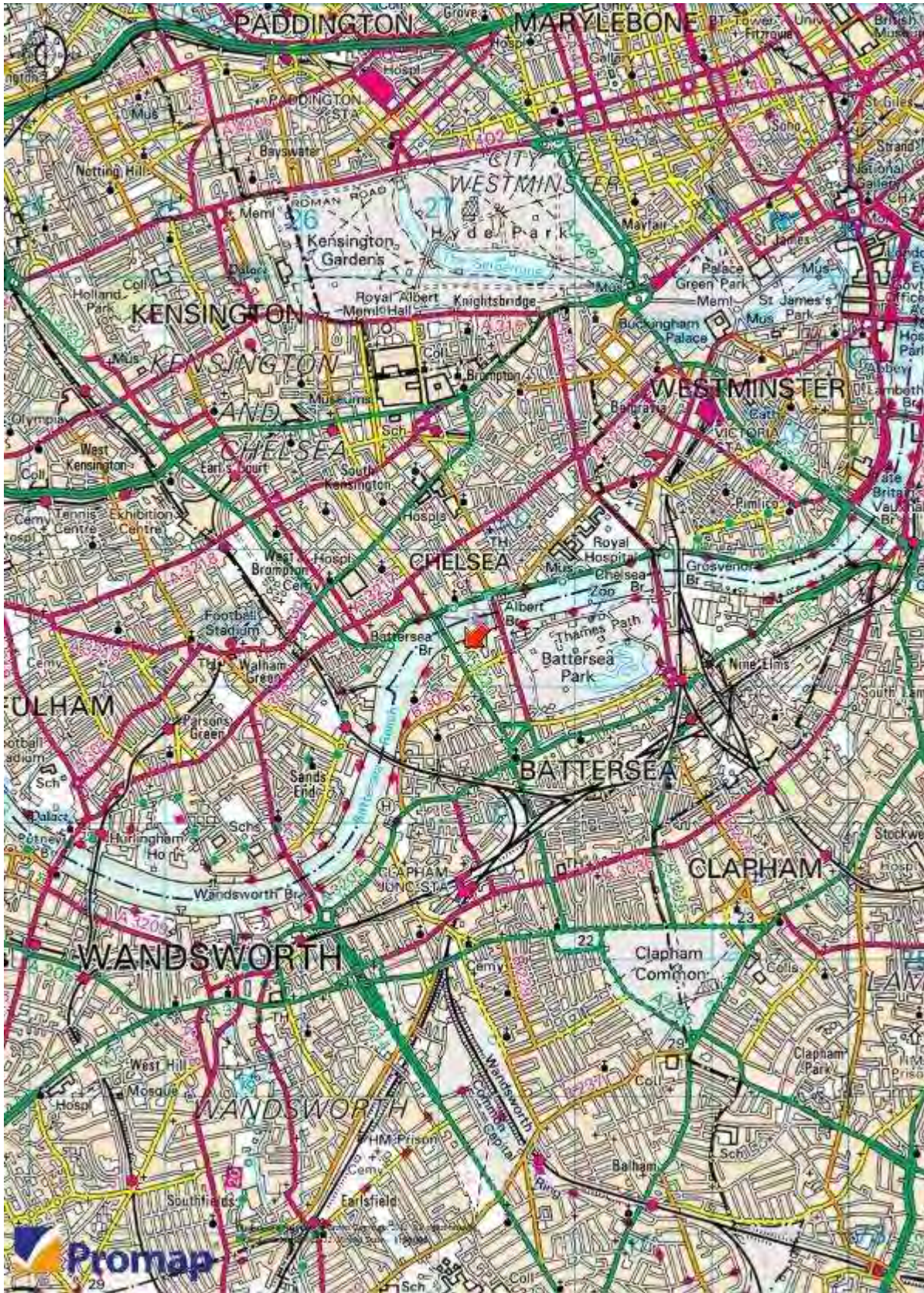
In addition to valuation our range of services includes occupational and investment agency, planning and development, every aspect of building consultancy, rent review and lease renewal instructions, compulsory purchase and compensation, business rates, property taxation and project services.

If we can assist you further with regard to the subject of this valuation or any other property related issue please do not hesitate to contact either of the signatories to this report.





Appendix i – Location Map









Appendix iii – Enviroscreen survey

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Report date:	<b>21 January 2015</b>
Customer ref:	<b>AL000581_EPO2</b>
Property address:	<b>8, b, Albion Riverside Building, Hester Road, LONDON, SW11 4AP</b>
Report Commissioned by:	<b>Gerald Eve LLP</b>
On behalf of:	<b>N/A</b>
Purpose of report:	<b>Providing an investment valuation of the property</b>
Freehold or Leasehold:	<b>Freehold</b>
Redevelopment Yes or No:	<b>No - It is understood that there are no redevelopment plans for the site</b>

Argyll Environmental's professional opinion describes the level of risk associated with the information disclosed in the associated Enviroscreen data, as the following:

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## Property Assessment

# FURTHER ACTION

From a review of historical map data the Enviroscreen data has identified that the site is located on or within 25 metres of metal casting/foundries, weapons & ammunition [manufacture and storage], road haulage.

A review of selected 1:2,500 and 1:1,250 scale Ordnance Survey mapping covering a period from 1943 to 1996 has identified that the site is on or within 25 metres of potential tanks, tanks, electrical sub station facilities.

The Enviroscreen data uses historical land use drawn from Ordnance Survey County Series maps together with the first and last editions of the National Grid maps at 1:10560 and 1:10000 scales (see Enviroscreen User Guide).

Larger scale mapping has also been considered in order to formulate this certificate. The 1874 edition 1:2,500 map indicates that a lead works, timber yard and saltpetre works was located on site.

### Property Value

In our opinion, from the information we have examined, there is a risk that the value of the property could be impaired.

### Contaminated Land

The property may also constitute "contaminated land" as defined by Part 2A of the Environmental Protection Act 1990.

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### Environmental Factors for consideration

In this case the following environmental factors have been identified (1) An area benefiting from flood defences (2) An area of floodplain (3) The presence of flood defences

## Recommended Next Steps

It is recommended that the Additional Factors are considered in the context of this report. These enquiries alone may satisfy the concerns raised.

If you require the Additional Factors to be investigated, you may wish to discuss this with Argyll Environmental Limited (Argyll).

Argyll can provide further advice regarding any issues disclosed by this report. If you require Argyll to assist, they can provide more detailed advice starting from £150 plus VAT. This will depend upon the size and complexity of the site and the level of assessment required (i.e desktop report, regulatory enquiries, site inspection). Please contact us on 0845 458 5250 or send an email to [orders@argyllenviro.com](mailto:orders@argyllenviro.com) clearly stating the reference number of the report.

If the issues outlined above are adequately addressed by the environmental surveyors, solicitors and/or other property professionals retained in this matter, there may be no impairment to the value of the property or any risk that the property would be designated as "contaminated land" within the meaning of Part IIA of the Environmental Protection Act 1990. The documentation should rest with the deeds and be made available for future transactions.

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Based on valuation guidance from the RICS Red Book this report complies with UK GN1.1 - Appendix 2.2(E) Contamination and hazardous substances and valuation guidance from the RICS Red Book - Appendix 2.2(F) Environmental Matters.

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**Approved by**

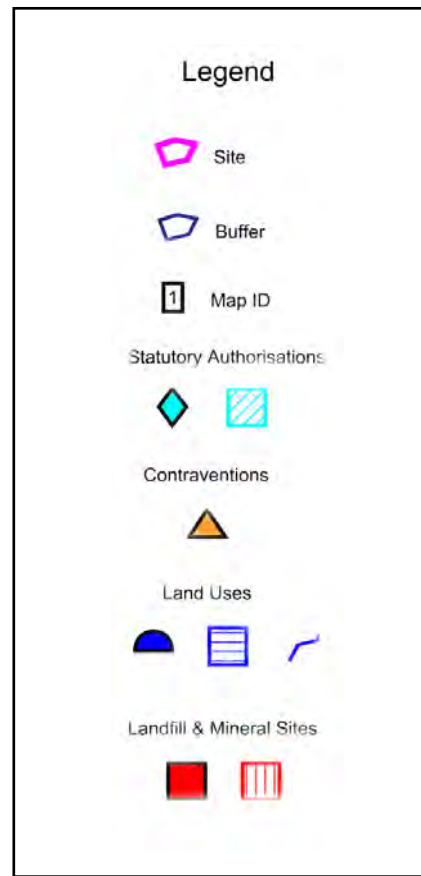
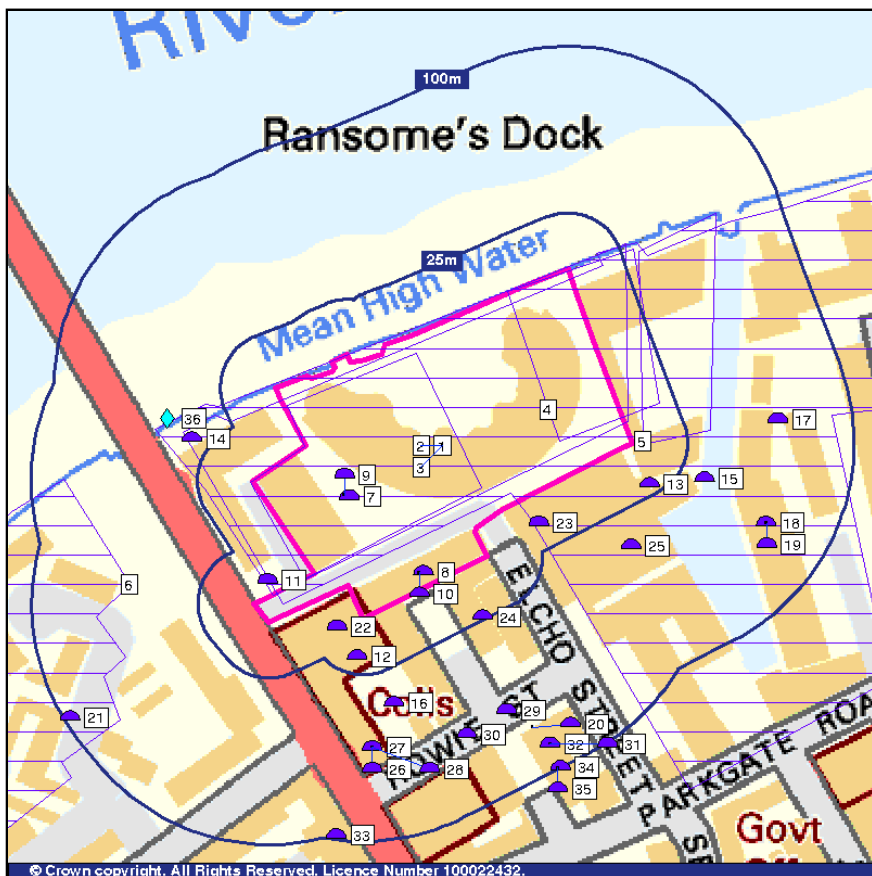
A handwritten signature in black ink, appearing to read "Chris Taylor".

**Christopher S. Taylor BSc (Hons), MSc, AIMEA**  
Chartered Water and Environmental Manager  
Technical Director, Argyll Environmental Ltd





Site Address: 8, b, Albion Riverside Building, Hester Road, LONDON, SW11 4AP



**Site Boundary: Total Area**  
1.49 Ha

**Prepared For**  
Gerald Eve LLP  
72 Welbeck Street  
London  
W1G 0AY

**Client Ref**  
AL000581\_EPO2

**Purchase Order No.**  
N/A

**Client Name**  
N/A



## Factors affecting the site

Map ID On Site 0 - 25m 25 - 100m

	Map ID	On Site	0 - 25m	25 - 100m
<b>Historical Land Uses</b>				
<b>Potentially Contaminative Industrial Uses (Past Land Use)</b>				
Transport support & cargo handling, Date of mapping: 1898-1987	1	✓		
Road haulage, Date of mapping: 1987	2	✓		
Weapons & ammunition [manufacture and storage], Date of mapping: 1874	3	✓		
Factory or works - use not specified, Date of mapping: 1898	4	✓		
Metal casting/foundries, Date of mapping: 1874	5		✓	
Transport support & cargo handling, Date of mapping: 1920-1949	6			✓
<b>Historical Tanks And Energy Facilities</b>				
Potential Tanks, Scale of Mapping: 1:1,250, Date of Mapping: 1950 - 1987	7	✓		
Potential Tanks, Scale of Mapping: 1:1,250, Date of Mapping: 1950 - 1970	8	✓		
Potential Tanks, Scale of Mapping: 1:2,500, Date of Mapping: 1951 - 1954	9	✓		
Potential Tanks, Scale of Mapping: 1:2,500, Date of Mapping: 1951 - 1954	10	✓		
Electrical Sub Station Facilities, Scale of Mapping: 1:1,250, Date of Mapping: 1987	11		✓	
Potential Tanks, Scale of Mapping: 1:1,250, Date of Mapping: 1987	12		✓	
Tanks, Scale of Mapping: 1:1,250, Date of Mapping: 1970 - 1987	13		✓	
Electrical Sub Station Facilities, Scale of Mapping: 1:1,250, Date of Mapping: 1970	14			✓
Electrical Sub Station Facilities, Scale of Mapping: 1:1,250, Date of Mapping: 1970 - 1987	15			✓
Potential Tanks, Scale of Mapping: 1:1,250, Date of Mapping: 1950 - 1987	16			✓
Tanks, Scale of Mapping: 1:1,250, Date of Mapping: 1987	17			✓
Tanks, Scale of Mapping: 1:1,250, Date of Mapping: 1950	18			✓
Tanks, Scale of Mapping: 1:2,500, Date of Mapping: 1951 - 1954	19			✓
Potential Tanks, Scale of Mapping: 1:1,250, Date of Mapping: 1970 - 1987	20			✓
Electrical Sub Station Facilities, Scale of Mapping: 1:1,250, Date of Mapping: 1970	21			✓
<b>Contemporary Trade Directory Entries</b>				
Arriva London South, ,Battersea Bus Garage,Battersea Bridge Road,London, Bus & Coach Operators & Stations, Status: Inactive, Positional Accuracy: Automatically positioned to the address	22		✓	
Rainbow Pools London Ltd, ,7,Hester Road,London, Swimming Pool Contractors, Repairers & Service, Status: Inactive, Positional Accuracy: Automatically positioned to the address	23		✓	
Wilson Electric Ltd, ,12-18,Radstock Street,London, Electric Motor Sales & Service, Status: Active, Positional Accuracy: Automatically positioned to the address	24		✓	
Arriva London, Elcho St,London, Bus & Coach Operators & Stations, Status: Active, Positional Accuracy: Manually positioned within the geographical locality	25			✓
Propress, ,33-35,Battersea Bridge Road,London, Machinery - Industrial & Commercial, Status: Inactive, Positional Accuracy: Automatically positioned to the address	26			✓
City & Provincial Cleaning Services, ,31,Battersea Bridge Road,London, Cleaning Services - Commercial, Status: Inactive, Positional Accuracy: Automatically positioned to the address	27			✓

## Factors affecting the site

Map ID    On Site    0 - 25m    25 - 100m

Broadreach Services, ,31,Battersea Bridge Road,London, Cleaning Services - Commercial, Status: Inactive, Positional Accuracy: Automatically positioned to the address	28			✓
Arriva London, Battersea Garage,Howie St,London, Bus & Coach Operators & Stations, Status: Inactive, Positional Accuracy: Manually positioned to the road within the address or location	29			✓
Leaside Bus Co Ltd, Howie St,London, Bus & Coach Operators & Stations, Status: Inactive, Positional Accuracy: Manually positioned to the road within the address or location	30			✓
M & G Autos Ltd, ,Unit 2,1-11,Howie Street,London, Mot Testing Centres, Status: Active, Positional Accuracy: Automatically positioned to the address	31			✓
Barbican Towel Service, ,Unit 1,1-11,Howie Street,London, Laundries & Launderettes, Status: Inactive, Positional Accuracy: Automatically positioned to the address	32			✓
Johnson'S Picture Framing & Gallery, ,58,Battersea Bridge Road,London, Picture & Picture Frame Renovating & Restoring, Status: Active, Positional Accuracy: Automatically positioned to the address	33			✓
Parkgate Service Station Ltd, ,1-4,Elcho Street,London, Mot Testing Centres, Status: Active, Positional Accuracy: Automatically positioned to the address	34			✓
Battersea Autogas, 1-4 Elcho St,London, Gas - Industrial & Medical Suppliers, Status: Inactive, Positional Accuracy: Manually positioned to the address or location	35			✓
<b>Landfill &amp; Mineral Sites</b>				
<b>Local Authority Landfill Coverage</b>				
Royal Borough of Kensington And Chelsea, - Has no landfill data to supply *	N/A			
London Borough of Wandsworth, - Has no landfill data to supply *	N/A			
<b>Statutory Authorisations</b>				
<b>Discharge Consents</b>				
Thames Water Utilities Limited., Lord Spencer Sewer, London, Sewage Discharge, Reference: CSAB.0558, Status: Post National Rivers Authority Legislation where issue date > 31/08/1989, Positional Accuracy: Located by supplier to within 100m	36			✓
<b>Contraventions</b>				
No features identified within this category	N/A			
<b>Natural Features</b>				
<b>Extreme Flooding from Rivers or Sea without Defences</b>				
Flood Plain Type: Tidal Models, Source: Environment Agency, Head Office, Boundary Accuracy: As Supplied	N/A	✓		
<b>Flooding from Rivers or Sea without Defences</b>				
Flood Plain Type: Tidal Models, Source: Environment Agency, Head Office, Boundary Accuracy: As Supplied	N/A	✓		
<b>Areas Benefiting from Flood Defences</b>				
Type: Area Benefiting from Flood Defences, Source: Environment Agency, Head Office, Boundary Accuracy: As Supplied	N/A	✓		

## Factors affecting the site

Map ID    On Site    0 - 25m    25 - 100m

	Map ID	On Site	0 - 25m	25 - 100m
<b>Flood Water Storage Areas</b>				
No	N/A			
<b>Flood Defences</b>				
Type: Flood Defences, Reference: Not Supplied, Source: Environment Agency, Head Office	N/A	✓		
<b>Groundwater Vulnerability</b>				
Geological Classification: Minor Aquifer (Variably permeable) - These can be fractured or potentially fractured rocks, which do not have a high primary permeability, or other formations of variable permeability including unconsolidated deposits. Although not producing large quantities of water for abstraction, they are important for local supplies and in supplying base flow to rivers, Soil Classification: Soils of High Leaching Potential (U) - Soil information for restored mineral workings and urban areas is based on fewer observations than elsewhere. A worst case vulnerability classification (H) assumed, until proved otherwise, Map Scale: 1:100,000	N/A	✓		
Geological Classification: Non Aquifer (Negligibly permeable) - Formations which are generally regarded as containing insignificant quantities of groundwater. However, groundwater flow through such rocks, although imperceptible, does take place and needs to be considered in assessing the risk associated with persistent pollutants, Soil Classification: Not classified, Map Scale: 1:100,000	N/A		✓	
Geological Classification: Inland water or sea, Soil Classification: Not classified, Map Scale: 1:100,000	N/A		✓	
<b>Drift Deposits</b>				
No	N/A			
<b>Radon Potential</b>				
The property is in a lower probability radon area, as less than 1% of homes are above the action level	N/A	✓		
<b>Radon Protection Measures</b>				
None	N/A	✓		
<b>Coal Mining Affected Areas</b>				
In an area which may not be affected by coal mining	N/A			
<b>Brine Compensation Area</b>				
No	N/A			

Local Authority Landfill Coverage \* if applicable. It has not been possible to obtain Landfill data from this authority therefore the fact that no local authority landfills are disclosed in this report does not necessarily confirm that no local authority landfills exist. We recommend that if you are concerned about landfill you should contact the relevant local authority. "-" denotes the nearest Local Authority Landfill Coverage.

## Additional Factors for Consideration

- (I) If the property is modern, are there warranties or similar guarantees? If so, it is important to ensure that those parties offering the warranties are of sufficient financial standing backed by appropriate insurance cover.
- (II) Did the developer of the property ensure that during the construction phase any potentially contaminative features were appropriately addressed? If so, are these supported by warranties and/or documentary evidence. Have the local authority 'signed off' the remedial works. For example, did the developer include gas membranes or passive venting where the property has been built on unknown filled ground.
- (III) Does any relevant planning permission contain requirements regarding the potential contamination feature? Did it require remedial works to be undertaken? If so, have these works been undertaken to the satisfaction of the local authority?
- (IV) Speak with the Building Control Department of the local authority. They are often able to help where there are known records of gas emissions, contamination issues and/or ground instability problems in the immediate area.
- (V) Speak with the Environmental Health Officer or relevant Contaminated Land Officer at the Local Authority. The Local Authority may be aware of any known pollution or contamination issues surrounding this feature and whether they are considering taking any further action under Part IIA of the Environmental Protection Act 1990 on a formal, or informal, basis.
- (VI) This report should be referred to any surveyor retained by the parties. Particularly those who have been engaged to produce a structural survey and/or valuation. There may also be issues arising from the current use of the premises which could give rise to matters of environmental management. In accordance with the RICS guidance note, 'Contamination, the environment and sustainability - Implications for chartered surveyors and their clients', published April 2010, the surveyor is required to use the RICS Property Observation Checklist for commercial property to record any visible contamination.
- (VII) Consideration should be given to the appointment of an appropriate environmental consultant, if it has not been possible to obtain satisfactory conclusions to the issues raised. They should be engaged to investigate the matters further given the nature of the property and the issues involved. Such a consultant must be appropriately qualified and insured for the level of instruction.
- (VIII) This report should be presented to the lender as appropriate. Any subsequent documentation should also be made available to the lender.

## Useful Contact Information

London Borough of Wandsworth Environmental Health Department  
Technical Services Department, Environmental Services Division, PO Box 47095, London, SW 18 9AQ  
Telephone 020 8871 7874, Fax 0181 871 6003  
[www.wandsworth.gov.uk](http://www.wandsworth.gov.uk)

Environment Agency National Customer Contact Centre (NCCC)  
PO Box 544, Templeborough, Rotherham, S60 1BY  
Telephone 08708 506 506  
[enquiries@environment-agency.gov.uk](mailto:enquiries@environment-agency.gov.uk)

British Geological Survey Enquiry Service  
British Geological Survey, Kingsley Dunham Centre, Keyworth, Nottingham, Nottinghamshire, NG12 5GG  
Telephone 0115 936 3143, Fax 0115 936 3276  
[enquiries@bgs.ac.uk](mailto:enquiries@bgs.ac.uk)  
[www.bgs.ac.uk](http://www.bgs.ac.uk)

Royal Borough of Kensington And Chelsea  
37 Pembroke Road, London, W8 6PW  
Telephone 020 7341 5284

Argyll Environmental Ltd  
Lees House, 21-33 Dyke Road, Brighton, BN1 3FE  
Telephone 0845 458 5250, Fax 0845 458 5260  
[info@argyllenviro.com](mailto:info@argyllenviro.com)  
[www.argyllenvironmental.com](http://www.argyllenvironmental.com)

Landmark Information Group Limited  
Imperium, Imperial Way, Reading, Berkshire, RG2 0TD  
Telephone 0844 844 9960, Fax 0844 844 9951  
[customerservice@promap.co.uk](mailto:customerservice@promap.co.uk)  
[www.landmarkinfo.co.uk](http://www.landmarkinfo.co.uk)



## Additional Information

In completing this report Argyll Environmental has undertaken a review of the Enviroscreen data made available to it. No site inspection, further enquiries or investigation of surface or ground conditions has been carried out by Argyll Environmental. No information as to the age, value and type of property has been made available.

Surveyors are reminded to refer to the RICS guidance note 'Contamination, the environment and sustainability - Implications for chartered surveyors and their clients', published April 2010, and consider using the property observation checklists developed by the RICS for identifying apparent potential for contamination and recording observations made during the normal course of inspection. The checklists are contained at Appendices A-C of the above guidance note. Completion of these checklists does not constitute an environmental assessment for the purposes of Professional Indemnity Insurance where many surveyors are unlikely to have appropriate indemnity cover.

The information in this Enviroscreen® Certificate is derived from a number of statutory and non-statutory sources (refer to the user guide). Whilst every effort is made to ensure accuracy, Landmark cannot guarantee the accuracy or completeness of such information or data, nor to identify all the factors that may be relevant. If you are a private individual using this Certificate Landmark recommend that you discuss its contents in full with your professional advisor. It is essential to read this Certificate in conjunction with the User Guide and your attention is drawn to the scope of the Certificate section within the User Guide.

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## Commercial Premises Environmental Insurance

Landmark information Group provides a link to Arlington Insurance Services Limited which is able to offer environmental insurance underwritten by ACE Insurance Group Limited for 8, b, Albion Riverside Building, Hester Road, LONDON, SW11 4AP. The insurance is subject to an Enviroscreen certificate report having been commissioned and a quote obtained from Arlington Insurance Services Limited.

### Key policy Benefits:

- n Coverage for sudden and gradual pollution
- n Coverage for on-site and off-site first party cleanup
- n Automatic coverage for biodiversity damage
- n Damage to third party property, including diminution in value
- n Policy periods up to 5 years coverage
- n Limit of indemnity up to £5m
- n Self Insured Retentions from £2,500 per loss
- n Proactive claims support to minimise losses and their financial and reputational impacts on the business
- n Legal Defence Expenses

This statement does not contain the full terms and conditions of the coverage provided, which can be found in the policy document. The Environmental Impairment Liability (EIL) Policy is a claims-made policy offering a range of cover for gradual, sudden and accidental pollution resulting from the ownership, control and/or operation of premises.

### Insurance Quotations

The Enviroscreen report has highlighted potential issues with the site at:  
[8, b, Albion Riverside Building, Hester Road, LONDON, SW11 4AP](#)

These potential issues would need to be assessed by an environmental specialist before an indicative insurance quote is given.

Please telephone 020 7734 3346 to receive advice on insurance from an environmental specialist.

For further information please go to [www.arlingtoninsuranceservices.com/environmental](http://www.arlingtoninsuranceservices.com/environmental).

### This insurance is offered by



ACE European Group Limited, ACE Building, 100 Leadenhall Street, London EC3A 3BP  
Arlington Insurance Services Ltd, Goldsmith House, 137 Regent Street, London W1B 4HZ

**Authorised and regulated by the Financial Services Authority**

## **LANDMARK STANDARD TERMS & CONDITIONS**

Full Terms and Conditions can be found on the following link:

<http://www.landmarkinfo.co.uk/Terms/Show/515>