

In respect of the "Report and Valuation" dated 17th June 2021 (the "Report") relating to the desktop opinion of Market Value of the 11 assets within the portfolio of strategic land sites, Colliers International Valuation UK LLP are providing this report for disclosure on the website of St Modwen and Blackstone in the condition that:

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Accelerating success.

Report and Desktop Valuation

St. Modwen's Strategic Land Portfolio

Date of Valuation: 31 May 2021

Date of Report: 17 June 2021

Prepared for: St. Modwen Properties PLC

Prepared by: Colliers International Valuation UK LLP

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17 June 2021

St. Modwen Properties PLC
Park Point
17 High Street
Longbridge
Birmingham
B31 2UQ

For attention of: Lee Nash

Dear Sirs

The Client: St. Modwen Properties PLC (The 'Company')

The Portfolio: 11 Assets Within The Portfolio Of Strategic Land Sites

Date Of Valuation: 31 May 2021

Introduction And Terms Of Engagement

In accordance with our terms of engagement dated 17 June 2021, we present our Report and Desk Top Valuation in respect of a portfolio of strategic land sites, together with salient comments and opinions for internal management purposes.

Our Desk Top opinion of value will be confidential to you as the addressee of this letter for your internal use only. It may not be disclosed to any third party (either in writing or verbally) under any circumstances, other than those detailed within the Terms of Engagement. It is not a substitute for a 'Red Book' valuation.

We have not conducted the same level of due diligence, research and verification that we would normally undertake for an RICS 'Red Book' valuation. The following limits of investigation apply:

- We have not measured the assets and have relied on information provided by you.
- We have not reviewed any legal or technical due diligence documentation and have relied upon information provided by you.

Our Desk Top opinion of value is totally dependent on the adequacy and accuracy of the information supplied and the assumptions made. Should these prove to be incorrect, the conclusions may be affected. We must therefore advise you that less certainty can be attached to a desktop opinion of value than would otherwise be the case. We strongly recommend that you do not take any financial decisions, or commit any funds, on the basis of the Desk Top opinion of value that we provide.

Property Assets Subject To The Valuation

The portfolio comprises 11 assets across England.

The portfolio incorporates logistics warehouses sites which are subject to Development Agreements / Option Agreements where a planning application for development is envisaged in the future.

A brief overview of the individual assets are set out within the Appendices to this report.

Purpose Of Valuation

The valuation has been prepared for purposes relating to the acquisition of The Client, as at 31 May 2021 and has been undertaken on a Desk Top basis.

Status Of Valuer And Conflicts Of Interest

The Assets have been valued by a suitably qualified and experienced team comprising experts in each location of the country including the following Harry Flood MRICS, Sara Duncan FRICS and Jack Sutton MRICS.

We confirm that Colliers International complies with the competency and objectivity guidelines under PS 2 of the RICS 'Red Book', and that we have undertaken the valuations acting as 'external valuers' and 'independent experts' qualified for the purposes of this valuation. The signatories are members of Royal Institution of Chartered Surveyors (the "RICS") and our valuers registered in accordance with the RICS Valuer Registration Scheme (VRS).

The Valuers have no pecuniary interest that would conflict with the proper valuation of the Assets.

As fully disclosed to you previously, and as set out in our terms of engagement, we confirm that our Industrial and Logistics department have historically acted on your behalf. In accordance with RICS requirements, we have taken measures to manage any potential conflicts which may be perceived to have arisen and have proceeded on the understanding that our measures are sufficient to meet your requirements.

The total fees, including the fee for this assignment, earned by Colliers International Valuation UK LLP (or other companies forming part of the same group of companies within the UK) from the Company (or other companies forming part of the same group of companies) is less than 5.0% of the total UK revenues.

We confirm that we do not have any material interest in the Company or the Assets.

For the avoidance of doubt, we are not a Financial Advisor in accordance with FSMA 2000.

For any Property Asset that is currently held in an entity to which the European Parliament and Council Directive 2011/61/EU ("the AIFMD") which relates to Alternative Investment Fund Managers ("AIFM") applies our instructions are solely limited to providing recommendations on the value of particular property assets (subject to the assumptions set out in Valuation Report) and we are therefore not determining the net asset value of either the Fund or the individual properties within the Fund. Accordingly, we are not acting as an 'external valuer' (as defined under the AIFMD).

Basis Of Value

The values stated in this report represent our objective Desk Top opinion of Market Value in accordance with the definition set out in the 'Red Book' as at the date of valuation. Each valuation assumes that the Property Asset has been properly marketed and an exchange of contracts took place on the valuation date.

Market Value is defined as follows:

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

No allowance has been made for either the cost of realisation or for taxation which might arise on a disposal. Our values are, however, net of standard purchaser's costs appropriate to each asset.

Date Of Valuation

31 May 2021.

Market Conditions Explanatory Note: Novel Coronavirus (Covid-19)

The outbreak of COVID-19, declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, has and continues to impact many aspects of daily life and the global economy – with some real estate markets having experienced lower levels of transactional activity and liquidity. Travel movement and operational restrictions have been implemented by many countries. In some cases, "lockdowns" have been applied to varying degrees and to reflect further "waves" of COVID-19; although these may imply a new stage of the crisis, they are not unprecedented in the same way as the initial impact.

The pandemic and the measures taken to tackle COVID-19 continue to affect economies and real estate markets globally. Nevertheless, as at the valuation date some property markets have started to function again, with transaction volumes and other relevant evidence at levels where an adequate quantum of market evidence exists upon which to base opinions of value.

Accordingly, and for the avoidance of doubt, our valuation is not reported as being subject to 'material valuation uncertainty' as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards.

For the avoidance of doubt this explanatory note has been included to ensure transparency and to provide further insight as to the market context under which the valuation opinion was prepared. In recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of COVID-19 we highlight the importance of the valuation date.

Assumptions, Extent Of Investigations And Sources Of Information

For the purposes of this Desk Top opinion, we have assumed that the information supplied to us by the Company in respect of the Assets, is complete, accurate and up to date. It follows that we have made an assumption that details of all matters likely to affect value has been provided to us. We have not independently verified the information provided.

We have relied upon this information in preparing this report and our valuations and do not accept responsibility or liability for any errors or omissions in that information or documentation provided to us, nor for any consequences arising. Colliers International also accepts no responsibility for subsequent changes in the information that we have not been made aware of.

Furthermore, we have assumed any information supplied can if necessary, be verified. Should any of the information provided be found to be inaccurate or incomplete there could be a variation in value.

The key assumptions made in our valuations are set out herein and within our general assumptions and definitions which are attached hereto in order to provide an overview of the standard approach.

Property Inspections And Measurements

In accordance with your instructions, we have not inspected any of the assets but valued them on a Desk Top basis. Due to the nature of the Assets (i.e. undeveloped sites) we understand that the sites generally comprise greenfield land.

As instructed we have not measured any land areas and relied upon site areas provided by the Client.

We have assumed that the measurements and areas are correct and have been assessed and calculated in accordance with RICS Measurement Standards.

Tenure

We understand that all the Assets are of freehold tenure but held by way of Development Agreements / Option Agreements on varying terms.

Valuation Approach

We have approached our valuation on the basis of assessing each Asset individually, having regard to what we believe each Asset would achieve should it be brought to the market in isolation at the date of valuation. Our valuation makes no allowance for the disposal of the portfolio in its entirety as a single transaction, or as a series of smaller portfolio lots. Our valuation additionally makes no allowance for any effect on values should all Assets be offered to market at the same time.

The portfolio principally comprises sites upon which are either in the process of being bought forward for a planning application for logistics warehouses, or viewed as long term development opportunities.

The sites are generally subject to Options to Purchase from the current land owner, with the option being exercisable at varying times following the grant of an acceptable planning consent. The sum to be paid to the land owner varies depending on the terms of the Agreements, but generally reflect the Market Value of the consented land.

None of the Assets produce any material amounts of income.

We note that assets held on Development Agreements are not frequently traded and therefore a greater degree of judgement has been applied.

Development Property Assets

Property Assets held for development have been mainly valued on the residual (development appraisal) method. This is the generally accepted method of valuing development property Assets, whereby the estimated total cost of realising the proposed development (including constructions costs, fees, contingency, cost of finance and the cost of the land acquisition) are deducted from the gross development value of the completed project, to determine the profit deliverable by the project.

It should be noted that the development profit derived from a residual development appraisal calculation are extremely sensitive to minor changes in any of the inputs. Whilst we have checked the information provided to us against the available sources of information, and reflected what we in our opinion believe to be reasonable inputs, unforeseen events such as delays in timing, minor market movements and cost overruns etc, can have a disproportionate impact on the resultant profit level.

As we have not been provided with the comprehensive residual development appraisal calculations for each asset, we have also had regard to the underlying land value for each asset when formulating our opinion. We consider this to be a robust approach.

The resultant figure has then been adjusted by a risk reduction percentage to reflect each assets;

- planning position
- anticipated deliverability
- scale of the development
- potential competition from other developments

- whether a third party is in control of the delivery of the project

The majority of the assets are of a long term nature and as such planning consent has not yet been granted and/or the property allocated in the local plan for development. We have endeavoured to reflect the risk associated by adopting a suitably cautious discounted timescale in which to deliver the project and also a risk reduction allowance.

It is widely acknowledged that a comparative approach is the preferred method of valuation, where appropriate comparable evidence is available. This is because the residual approach suffers from a number of deviations, which derive from the large number of assumptions that are necessary, many of which are subjective. Where appropriate this approach has been considered as with the residual approach outlined above.

Valuation Summary

We are of the opinion that the aggregate Market Value, as at the valuation date, of the 11 Property Assets is

£4,695,000 (Four Million Six Hundred and Ninety Five Thousand Pounds)

The aforementioned valuation figure represents the aggregate of the individual valuation of each Property Asset and should not be regarded as the value of the portfolio in the context of the sale of the single lot.

There are no negative values to report.

Special Assumption Valuation

In accordance with your instructions, we have also had regard to our opinion of Market Value assuming the portfolio is disposed of in its entirety as a single lot.

In the present market, there is a significant lack of availability of assets such as these, and high levels of demand for assets in warehouse / logistics sector. In addition, Development Agreements normally require a lengthy negotiation period, as well as costs to secure.

The subject portfolio of properties would be attractive to a number of purchasers as it enables a purchaser to invest in a diverse mix of potential development sites at varying position in the development cycle, with varying risk profiles. As such we consider that should the portfolio come to the market as a single lot, there would be reasonable interest from a range of developers, attracted to the ability to acquire a portfolio of assets that can be asset managed from day one, with potential to increase value and generate profit. While some of the assets may not evolve into development sites due to a number of factors such as planning constraints or infrastructure issues, the ability to acquire 11 sites at once, provides diversification for a purchaser and therefore reduces their risk.

In accordance with VPGA 9 of the RICS Red Book it states under 3.4 'if the whole portfolio, or a substantial number of properties within it, were to be placed on the market at the time, it could effectively flood the market, leading to reduction in values. Conversely the opportunity to purchase a particular group of properties might produce a premium'.

In other words, the value of the whole could exceed the some of the individual parts, and vice-versa.

Under the heading 3.9 of the RICS Red Book it further states 'where a portfolio of a group of properties or assets has been valued on the assumption that it would be sold as a single entity, the reported Market Value will relate to whole of the group. The breakdown of the Market Value of individual properties or assets should be clearly expressed as such, with a statement that this apportionment does not necessarily equate to the Market Value of the interest in any individual property or asset'.

In the current market, a portfolio of this nature would provide an attractive proposition to a range of purchasers, most notably rival developers. The opportunity to purchase a particular group of properties is likely to produce a premium particularly with the asset management potential of this portfolio. We consider that in combining the assets to sell as a single lot, the aggregate of the combined values would reflect a premium above the aggregate of the Market Value of the individual assets.

The 'portfolio premium' that we have adopted reflects an additional 7.5% of value spread over the portfolio, which is broadly in line with market sentiment for this type of portfolio in the current market.

We are of the opinion that the aggregate Market Value, of the 11 Property Assets, on the Special Assumption they are sold together as a single lot, as at the valuation date, of the is:

£5,050,000 (Five Million and Fifty Thousand Pounds)

Reliance And Liability

We agree that the addressees of this report shall have the benefit of and be able to rely upon our valuations and any reports prepared by us in accordance with our terms of engagement and shall be subject to the same terms and conditions as set out in this Report including but not limited to the limitation of our liability.

This Report and valuation is issued solely for use of the addressees of this report as agreed within the terms of our engagement, for the specific purpose to which it refers. Unless expressly agreed by us, we do not accept any responsibility or liability in respect of any third party for the whole or any part of its contents, even if a third party meets the whole or part, of our costs.

Subject to the extent permitted by law, our aggregate liability arising out of, or in connection with the portfolio of properties valued by us under the terms of engagement, whether arising from negligence, breach of contract or any other cause whatsoever, shall in no event exceed the amount set out in our terms of engagement.

For the avoidance of doubt this Report and valuation is provided by Colliers International Valuation UK LLP and no partner, or member or employee assumes any personal responsibility for it nor shall owe a duty of care in respect of it.


Disclosure And Publication

We consent to this Report being included on the Client's website and on Blackstone's website in accordance with the Takeover Code.

With the exception of the above, neither the whole nor any part of this valuation, nor any reference thereto, may be included in any published document, circular or statement or disclosed in any way without our previous written consent to the form and context in which it may appear. Such consent is required whether or not Colliers International Valuation UK LLP is referred to by name and whether or not the contents of our Report and Valuation are combined with others.

In order to comply with the Valuation Standards our files may be subject to monitoring by the RICS.

Yours faithfully,

A handwritten signature in black ink, appearing to read "H R B Flood".

H R B Flood MRICS
Director
RICS Registered Valuer
Colliers International Valuation UK LLP

A handwritten signature in blue ink, appearing to read "S Duncan".

S Duncan FRICS
Director
RICS Registered Valuer
Colliers International Valuation UK LLP

Appendix

General Assumptions and Definitions

General Assumptions And Definitions

Unless otherwise instructed, our valuations are carried out in accordance with the following assumptions, conditions and definitions. These form an integral part of our appointment.

Our Report and Valuation is provided in accordance with the current edition of the RICS Valuation – Global Standards (Incorporating the IVSC International Valuation Standards) prepared by the Royal Institution of Chartered Surveyors (the “Red Book”), and with any agreed instructions. Any opinions of value are valid only at the valuation date and may not be achievable in the event of a future disposal or default, when both market conditions and the sale circumstances may be different.

Within the Report and Valuation, we make assumptions in relation to facts, conditions or situations that form part of the valuation. We assume that all information provided by the addressee of the report, any borrower or third party (as appropriate) in respect of the property is complete and correct. We assume that details of all matters relevant to value, such as prospective lettings, rent reviews, legislation and planning decisions, have been made available to us, and that such information is up to date. In the event that any of these assumptions prove to be incorrect then we reserve the right to review our opinion(s) of value.

VALUATION DEFINITIONS:

Market Value is defined in IVS 104 paragraph 30.1 as:

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

The interpretative commentary on Market Value, within the International Valuation Standards (IVS), has been applied.

Valuations produced for capital gains tax, inheritance tax and Stamp Duty Land Tax / Land and Buildings Transaction Tax purposes will be based on the statutory definitions, which are written in similar terms and broadly define Market Value as:

‘The price which the property might reasonably be expected to fetch if sold in the open market at that time, but that price must not be assumed to be reduced on the grounds that the whole property is to be placed on the market at one and the same time.’

Market Rent is defined in IVS 104 paragraph 40.1 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.’

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. Unless stated otherwise within the report, our valuations have been based upon the assumption that the rent is to be assessed upon the premises as existing at the date of our inspection.

Investment Value or ‘Worth’, is defined in IVS 104 paragraph 60.1 as:

'the value of an asset to a particular owner or prospective owner for individual investment or operational objectives.'

This is an entity-specific basis of value and reflects the circumstances and financial objectives of the entity for which the valuation is being produced. Investment value reflects the benefits received by an entity from holding the asset and does not necessarily involve a hypothetical exchange.

Fair Value is defined according to one of the definitions below, as applicable to the instructions.

Fair Value - International Accounting Standards Board (IASB) in IFRS 13.

'The price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date.'

Fair Value - UK Generally Accepted Accounting Principles (UK GAAP) adopts the FRS 102 definition:

"The amount for which an asset could be exchanged, a liability settled, or an equity instrument granted could be exchanged, between knowledgeable, willing parties in an arm's length transaction."

Existing Use Value is defined in UKVS 1.3 of the Red Book:

'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 wherein the parties had acted knowledgeably, prudently and without compulsion, assuming that the buyer is granted vacant possession of all parts of the asset required by the business and disregarding potential alternative uses and any other characteristics of the asset that would cause its Market Value to differ from that needed to replace the remaining service potential at least cost.'

SPECIAL ASSUMPTIONS

Where we are instructed to undertake valuations subject to a Special Assumption, these usually require certain assumptions to be made about a potential alternative use or status of the property. This is a hypothetical scenario that we consider realistic, relevant and valid as at the valuation date, but which may not necessarily be deliverable at a future date.

REINSTATEMENT / REPLACEMENT COST ASSESSMENT AND INSURANCE

If we provide a reinstatement cost assessment, we do not undertake a detailed cost appraisal and the figure is provided for guidance purposes only. It is not a valuation in accordance with the Red Book and is provided without liability. It must not be relied upon as the basis from which to obtain building insurance.

In arriving at our valuation we assume that the building is capable of being insured by reputable insurers at reasonable market rates. If, for any reason, insurance would be difficult to obtain or would be subject to an abnormally high premium, it may have an effect on costs.

PURCHASE AND SALE COSTS, SDLT, LBT AND TAXATION

No allowance is made for legal fees or any other costs or expenses which would be incurred on the sale of the property. However, where appropriate, and in accordance with market practice for the asset type, we make deductions to reflect purchasers' acquisition costs. Trade-related properties are usually

valued without deducting the costs of purchase. Where appropriate, purchasers' costs are calculated based on professional fees inclusive of VAT, together with the appropriate level of Stamp Duty Land Tax (SDLT) / Land and Buildings Transaction Tax (LBTT) / Land Transaction Tax (LTT).

Whilst we have regard to the general effects of taxation on market value, we do not take into account any liability for tax that may arise on a disposal, whether actual or notional, neither do we make any deduction for Capital Gains Tax, VAT or any other tax. We make no allowance for receipt or repayment of any grants or other funding.

PLANS, FLOOR AREAS AND MEASUREMENTS

Where a site plan is provided, this is for indicative purposes only and should not be relied upon. Site areas are obtained from third party sources, including electronic databases, and we are unable to warrant their accuracy. Our assumptions as to site boundaries / demise should be verified by your legal advisers. If any questions of doubt arise the matter should be raised with us so that we may review our valuation.

We obtain floor areas in accordance with our instructions. This may comprise one or more of the following approaches (i) we measure the floor areas during the property inspection (ii) we calculate floor areas from plans provided to us, supported by check measurements on site where possible, (iii) we rely upon floor areas provided. Under approaches (ii) and (iii), we wholly rely upon the information provided, and assume that the areas have been calculated in accordance with market standards. We are unable to provide any warranties as to accuracy.

Measurement is in accordance with the current edition of RICS Property Measurement. If we are instructed not to adopt International Property Measurement Standards (IPMS), measurements are provided in accordance with the latest version of the Code of Measuring Practice. We adopt the appropriate floor area basis for our valuation analysis to reflect the analysis of floor areas in the comparable transactions. Where the basis of analysis of a comparable is uncertain, we adopt a default assumption for that asset type.

Although every reasonable care is taken to ensure the accuracy of the surveys there may be occasions when due to tenant's fittings, or due to restricted access, professional estimations are required. We recommend that where possible, we are provided with scaled floor plans in order to cross-reference the measurements. In the event that a specialist measuring exercise is undertaken for the property, we recommend that a copy is forwarded to us in order that we may comment on whether there may be an impact on the reported value.

Floor areas set out in our report are provided for the purpose described in the Report and Valuation and are not to be used or relied upon for any other purpose.

CONDITION, STRUCTURE AND SERVICES, HARMFUL / DELETERIOUS MATERIALS, HEALTH & SAFETY LEGISLATION AND EPCS

Our Report and Valuation takes account of the general condition of the property as observed from the valuation inspection, and is subject to access. Where we have noticed items of disrepair during the course of our inspections, they are reflected in our valuations, unless otherwise stated.

We do not undertake any form of technical, building or deleterious material survey and it is a condition of our appointment that we will in no way review, or give warranties as to, the condition of the structure, foundations, soil and services. Unless we are supplied with evidence to the contrary, we assume that the property is fully in compliance with building regulations and is fully insurable. We assume it is free from any rot, infestation, adverse toxic chemical treatments, and structural or design defects. We assume that none of the materials commonly considered deleterious or harmful are included within the property, such as, inter alia, asbestos, high alumina cement concrete, calcium chloride as a drying agent, wood wool slabs as permanent shuttering, aluminium composite cladding material, polystyrene and polyurethane cladding insulation.

In the event that asbestos is identified in a property, we do not carry out an asbestos inspection, nor are we able to pass comment on the adequacy of any asbestos registers or management plans. Where relevant, we assume that the property is being managed in full compliance with the Control of Asbestos Regulations 2012 and relevant HSE regulations, and that there is no requirement for immediate expenditure, nor any risk to health.

We do not test any services, drainage or service installations. We assume that all services, including gas, water, electricity and sewerage, are provided and are functioning satisfactorily.

We assume that the property has an economic life span similar to comparable properties in the market, subject to regular maintenance and repairs in accordance with appropriate asset management strategies.

We comment on the findings of Energy Performance Certificates (EPCs) and Display Energy Certificates (DECs) if they are made available to us, but may be unable to quantify any impact on value. If we are not provided with an EPC, we assume that if one was available, its rating would not have had a detrimental impact upon our opinion value or marketability.

Our valuations do not take account of any rights, obligations or liabilities, whether prospective or accrued, under the Defective Premises Act, 1972. Unless advised to the contrary, we assume that the properties comply with, and will continue to comply with, the current Health & Safety and Disability legislation.

We do not test any alarms or installations and assume that the property complies with, and will continue to comply with, fire regulations and the Smoke and Carbon Monoxide Alarm (England) Regulations 2015 legislation.

Where a specialist condition or structural survey is provided to us, we reflect the contents of the report in our valuation to the extent that we are able to as valuation surveyors, and our assumptions should be verified by the originating consultant. Should any issues subsequently be identified, we reserve the right to review our opinion of value.

[GROUND CONDITIONS, ENVIRONMENTAL MATTERS, CONSTRAINTS AND FLOODING](#)

We are not chartered environmental surveyors and we will not provide a formal environmental assessment. Our investigations are therefore limited to observations of fact, obtained from third party sources, such as local authorities, the Environment Agency and professional reports that may be commissioned for the valuation.

We do not carry out any soil, geological or other tests or surveys in order to ascertain the site conditions or other environmental conditions of the property. Unless stated to the contrary within the report, our

valuation assumes that there are no unusual features that may be harmful to people or property, or that would inhibit the actual or assumed use or development of the property. This includes, inter alia: ground conditions and load bearing qualities, subterranean structures or services, contamination, pollutants, mining activity, sink holes, archaeological remains, radon gas, electromagnetic fields and power lines, invasive plants and protected species.

We do not undertake any investigations into flooding, other than is available from public sources or professional reports provided to us. Our findings are outlined in the report for information only, without reliance or warranty. We assume in our valuation that appropriate insurance is in place and may be renewed to any owner of the property by reputable insurers at reasonable market rates. If, for any reason, insurance would be difficult to obtain or would be subject to an abnormally high premium, it may have an effect on value.

Should our enquiries or any reports indicate the existence of environmental issues or other matters as described above, we expect them to contain appropriate actions and costings to address the issue. We rely on this information and use it as an assumption in our valuation. If such information is not available, we may not be able to provide an opinion of value.

We assume that the information and opinions we are given in order to prepare our valuation are complete and correct and that further investigations would not reveal more information sufficient to affect value. However, a purchaser in the market may undertake further investigations, and if these were unexpectedly to reveal issues, then this might reduce the values reported. We recommend that appropriately qualified and experienced specialists are instructed to review our report and revert to us if our assumptions are incorrect.

PLANT AND MACHINERY, FIXTURES AND FITTINGS

We disregard the value of all process related plant, machinery, fixtures and fittings, and those items which are in the nature of occupiers' trade fittings and equipment. We have regard to landlords' fixtures such as lifts, escalators, central heating and air conditioning forming an integral part of the buildings.

Where properties are valued as an operational entity and includes the fixtures and fittings, it is assumed that these are not subject to any hire purchase or lease agreements or any other claim on title.

No equipment or fixtures and fittings are tested in respect of Electrical Equipment Regulations and Gas Safety Regulations and we assume that where appropriate all such equipment meets the necessary legislation. Unless otherwise specifically mentioned the valuation excludes any value attributable to plant and machinery.

OPERATIONAL ENTITIES

Where the properties are valued as an operational entity and reference is made to the trading history or trading potential of the property, we place reliance on information supplied to us. Should this information subsequently prove to be inaccurate or unreliable, the valuations reported could be adversely affected. Our valuations do not make any allowance for goodwill.

TITLE, TENURE, OCCUPATIONAL AGREEMENTS AND COVENANTS

Unless otherwise stated, we do not inspect the Land Registry records, title deeds, leases or related legal documents and, unless otherwise disclosed to us, we assume good and marketable title that is free from onerous or restrictive covenants, rights of way and easements, and any other encumbrances or outgoings that may affect value. We disregard any mortgages (including regulated mortgages), debentures or other charges to which the property may be subject.

We assume that any ground rents, service charges other contributions are fair and proportionate, and are not subject to onerous increases or reviews.

Where we have not been supplied with leases, unless we have been advised to the contrary, we assume that all the leases are on a full repairing and insuring basis and that all rents are reviewed in an upwards direction only, at the intervals notified to us, to market rent. We assume that no questions of doubt arise as to the interpretation of the provisions within the leases giving effect to the rent reviews. We assume that wherever rent reviews or lease renewals are pending, all notices have been served validly within the appropriate time limits, and they will be settled according to the assumptions we set out within the reports.

Unless informed otherwise, we assume that all rents and other payments payable by virtue of the leases have been paid to date and there are no arrears of rent, service charge or other breaches in the obligations of occupation.

In the case of property that is let, our opinion of value is based on our assessment of the investment market's perception of the covenant strength of the occupier(s). This is arrived at in our capacity as valuation surveyors on the basis of information that is publicly available. We are not accountants or credit experts and we do not undertake a detailed investigation into the financial status of the tenants. Our valuations reflect the type of tenants 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 provide no warranties as to covenant strength and recommend that you make your own detailed enquiries if your conclusions differ from our own.

Where we are provided with a report on title and/or occupational agreement, we form our opinion of value reflecting our interpretation of that title. Your legal advisers should review our understanding of the title and confirm that this is correct.

PLANNING, LICENSING, RATING AND STATUTORY ENQUIRIES

We undertake online planning enquiries to the extent that we consider reasonable and appropriate to the valuation. We do not make formal verbal or written enquiries to local authorities. If a professional planning report is provided to us, we will take the findings into account in our valuation but will not be accountable for the advice provided within it, nor any errors of interpretation or fact within the third party report.

We assume that the property is constructed, used and occupied in full compliance with the relevant planning and building regulation approvals and that there are no outstanding notices, conditions, breaches, contraventions, non-compliance, appeals, challenges or judicial review. We assume that all consents, licenses and permissions are in place, that there are no outstanding works or conditions required by lessors or statutory, local or other competent authorities, and that no adverse planning

conditions or restrictions apply. If we are instructed to value property on the Special Assumption of having the benefit of a defined planning permission or license, we assume that it will not be appealed or challenged at any point prior to, or following, implementation.

Our investigations are limited to identifying material planning applications on the property and observable constraints. We seek to identify any proposals in the immediate vicinity that may have an impact on the property, such as highway proposals, comprehensive development schemes and other planning matters.

We seek to obtain rateable values and council tax banding from the statutory databases, where available. The 2017 rating revaluation has resulted in some significant increases in rateable values. This may have an impact on the marketability and value of a property, and on vacancy rates or landlord non recoverable costs. However, unless there is evidence to the contrary, we will make the express assumption that any changes are affordable to occupiers, or will be subject to appropriate transitional relief. We do not reflect the impact of any rating appeals in our valuations unless they are formally concluded.

Given that statutory information is obtained from third party sources, we are unable to provide any warranty or reliance as to its accuracy. Your legal advisers should verify our assumptions and revert to us if required.

VALUATIONS ASSUMING DEVELOPMENT, REFURBISHMENT OR REPOSITIONING

Unless specifically instructed to the contrary, where we are provided with development costs and construction schedules by the addressee, a borrower or an independent quantity surveyor, we rely on this information as an assumption in arriving at our opinion of value. It forms an assumption within our valuation and we accept no liability if the actual costs or programme differ from those assumed at the valuation date.

We are not quantity surveyors and provide no reliance as to construction costs or timescale. Irrespective of the source of this information, a professional quantity surveyor should review our assumptions and revert to us if there are any issues of doubt, so that we may review our opinion of value.

We additionally assume that a hypothetical market purchaser will have the necessary resources, skills and experience to deliver the proposed development. It is not within our scope to assess the credentials of any actual purchaser, owner or developer of the property that is subject to our valuation. We accept no liability for any circumstances where a development or refurbishment does not achieve our concluded values.

If a property is in the course of development, our valuation assumes that the interest will be readily assignable to a market purchaser with all contractor and professional team warranties in place. Where an opinion of the completed development value is required, we assume that all works are completed in accordance with appropriate statutory and industry standards, and are institutionally acceptable.

ALTERNATIVE INVESTMENT FUNDS

In the event that our appointment is from an entity to which the European Parliament and Council Directive 2011/61/EU ('the AIFMD'), which relates to Alternative Investment Fund Managers ('AIFM'),

applies, our instructions are solely limited to providing recommendations on the value of particular property assets (subject to the assumptions set out in our valuation report) and we are therefore not determining the net asset value of either the Fund or the individual properties within the Fund. Accordingly, we are not acting as an 'external valuer' (as defined under the AIFMD) but are providing our service in the capacity of a 'valuation advisor' to the AIFM.

INTERPRETATION AND COMPREHENSION OF THE REPORT AND VALUATION

Real estate is a complex asset class that carries risk. Any addressee to whom we have permitted reliance on our Report and Valuation should have sufficient understanding to fully review and comprehend its contents and conclusions. We strongly recommend that any queries are raised with us within a reasonable period of receiving our Report and Valuation, so that we may satisfactorily address them.

Appendix

Schedule of Property Assets

Property	Location and Description	Site Area (Net Acres)
Basildon	Development land situated to the south of the A127 and to the east of the existing Burnt Mills Industrial Estate and to the east of Basildon town centre. The property has access to the M25 Motorway at Junction 29 to the west. The surrounding area comprises a mix of industrial, residential, farmland, traveller's site and car show room.	75.15
Birchwood	Development land situated to the east of the M6 Motorway to the north of Junction 21 and to the south of Birchwood town centre. The site has good access to the M6, M62 and M56 Motorways. The site is currently within the Green Belt and the neighbouring uses comprises, arable farmland, residential and industrial (on the southern side of the M6 Motorway).	105.00
Brentwood	Development land situated to the south eastern corner of Junction 29 of the M25 Motorway, to the south of the A127 and directly south of Brentwood. The A127 connects with the A12 to the west at Gallows Corner. The surrounding area comprises a mix of arable farmland, open storage sites, traveller's sites and other commercial uses.	64.00
Derby (One and Two)	Development land situated to the north of the A50 (Derby Southern Bypass) at Junction 4. The surrounding area comprises arable farmland, industrial (Toyota Manufacturing Plant) and residential.	58.00
Gatwick (L1)	Development land situated to the north eastern side of Junction 10 of the M23 Motorway. The M23 connects with the M25 to the north at Junction 7. Gatwick airport is situated within two miles to the north west of the property. The surrounding area comprises a mix of residential and industrial uses.	6.80
Gatwick (Middlefield)	Development land situated to the north eastern side of Junction 10 of the M23 Motorway. The M23 connects with the M25 to the north at Junction 7. Gatwick airport is situated within two miles to the north west of the property. The surrounding area comprises a mix of residential and industrial uses.	8.00

Property	Location and Description	Site Area (Net Acres)
Hemington	Development land situated on the western side of the M1 Motorway at Junction 24 and to the south of the A50 (Derby Southern Bypass) at Junction 1. East Midlands Airport and East Midlands Gateway Industrial Estate are situated to the south of the site.	42.00
Hopwood	Development land situated to the north of the M42 at Junction 2 and to the west of the A441, within close proximity to Hopwood Park Motorway Services. The M42 connects with the M40 in the east and the M5 in the west and is situated directly south of Birmingham. The surrounding area comprises a mix of arable farmland, residential and Motorway services.	40.00
Measham	Development land situated on the eastern side of the A42 to the north of Junction 11 and to the north west of Appley Magna. The A42 connects with the M42 in the south and the M1 Motorway to the north. The surrounding area comprises mixture of arable farmland and residential uses. IM Properties are currently developing the JLR and DSV plants to the west of the site.	189.00
Stoke North	Development land situated on the eastern side of the M6 Motorway at Junction 16 and to the south of the A500 which connects with Stoke on Trent to the east and Crewe to the west. The site is situated to the north west of Stoke on Trent City Centre. The site is currently within the Green Belt.	106.00
Uttoxeter	Development land situated within proximity to Uttoxeter and the A50 (Uttoxeter Bypass). We are awaiting further information regarding the micro location of the site.	21.00
Worcester Parkway	Development land situated on the eastern side of the M5 to the south side of Junction 7. To the south eastern corner of the site is a small industrial / logistics park, adjacent to Worcestershire Parkway train station. The surrounding area comprises mixture of arable farmland with some residential uses.	43.00



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