



CHARTERED SURVEYORS

# Valuation Report For Secured Lending

32 Wood Street  
Earl Shilton  
Leicester  
West Midlands  
LE9 7ND



*On Behalf Of;*

**KHK LIMITED**  
**7 Stratford Place**  
**London**  
**W1C 1AY**



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Levene Chartered Surveyors t/a Levene Property Consultants Ltd  
Reg. No. 08954112



# Valuation Report Details

<b>Addressee:</b>	KHK Capital Ltd
<b>Applicant:</b>	PFA Alsai Leisure Ltd
<b>Date of Inspection &amp; Valuation:</b>	9 <sup>th</sup> November 2024
<b>Date of Report:</b>	23 <sup>rd</sup> November 2024
<b>Purpose of Report:</b>	Secured Lending

## **IMPORTANT NOTICE TO MORTGAGE APPLICANTS**

This report has been prepared to allow the mortgage lender to assess the suitability of the property as security: it has not been prepared for the benefit of the Mortgage Applicant who is not entitled to rely on the report. The services have not been tested and a detailed survey has not been carried out and thus defects could exist which are not mentioned in the report. The Valuer is entitled to make certain assumptions which during subsequent legal or other investigations may prove to be inaccurate. Applicants acquiring property interests are strongly advised to obtain their own detailed advice from suitably qualified professionals before exchanging contracts.

**Report Prepared by:** Simon Levene MRICS  
RICS Registered Valuer  
Levene Chartered Surveyors  
Jubilee House  
Jubilee Close  
Hampton Wick  
Kingston upon Thames  
KT1 4DG

Telephone: 020 8977 6886  
Email: [valuations@levene-surveyors.com](mailto:valuations@levene-surveyors.com)

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## **1.0 SUMMARY AND VALUATION**

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<b>1.1 PROPERTY:</b>	32 Wood Street, Earl Shilton, Leicester, West Midlands, LE9 7ND
<b>1.2 BRIEF SUMMARY:</b>	
<b>1.2.1 Type of Security:</b>	Freehold subject to 2 x commercial under leases and a hotel management agreement
<b>1.2.2 Location:</b>	The property is located on Wood Street, within an established commercial street in Earl Shilton, Leicestershire.
<b>1.2.3 Description:</b>	The subject property comprises a detached two storey main building with a rear extension over two/three floors. The rear most extension comprising three storeys has accommodation arranged on first and second floor and an open space on the ground floor.
<b>1.2.4 Construction Type:</b>	The main two storey building is of solid brickwork construction, beneath a pitched tiled roof, while the rear three storey extension is of cavity brick construction, beneath a pitched tiled roof
<b>1.2.5 Current/Planning Use:</b>	Commercial (Use Class C1 Hotel; Class E for the restaurant and banqueting/conference hall; and Sui Generis Public House)
<b>1.2.6 Floor Area (GIA0:</b>	1,054.3 sq.m (11,349 sq.ft)
<b>1.2.7 Tenure:</b>	Freehold
<b>1.2.8 Overall Condition:</b>	Very Good
<b>1.2.9 Specialist Reports:</b>	No specialist reports required
<b>1.2.10 Lenders' Action Points/Important issues &amp; matters for further legal advice:</b>	<ul style="list-style-type: none"><li>- A fire risk assessment and asbestos survey should be obtained. Solicitors to verify lease details.</li><li>- Solicitors should verify tenure, individual lease terms and demised premises</li></ul>
<b>1.2.11 Valuation date:</b>	9 <sup>th</sup> November 2024

### 1.3 Valuation Figures:

Definitions of bases of valuation are set out in 2.3 and 2.4 below.

#### 1.3.1 Market Value of the property is:

**£1,917,000**

*(One Million Nine Hundred and Seventeen Thousand Pounds)*

#### 1.3.2 Market Value subject to the special assumption that a 180-day marketing period is available prior to exchange of contracts:

**£1,821,000**

*(One Million Eight Hundred and Twenty-One Thousand Pounds)*

#### 1.3.3 Market Value subject to the special assumption that a 90-day marketing period is available prior to exchange of contracts:

**£1,534,000**

*(One Million Five Hundred and Thirty-Four Thousand Pounds)*

#### 1.3.4 Market Value subject to the special assumption the building is vacant:

**£1,820,000**

*(One Million Eight Hundred and Twenty Thousand Pounds)*

#### 1.3.5 Market Value subject to the special assumption the building is vacant and that a 180-day marketing period is available prior to exchange of contracts:

**£1,729,000**

*(One Million Seven Hundred and Twenty-Nine Thousand Pounds)*

#### 1.3.6 Market Value subject to the special assumption the building is vacant and that a 90-day marketing period is available prior to exchange of contracts:

**£1,456,000**

*(One Million Four Hundred and Fifty-Six Thousand Pounds)*

#### 1.3.7 Market Rental Value of the property is:

**£119,500 p.a.**

*(One Hundred and Nineteen Thousand Five Hundred Pounds Per Annum)*

*In arriving at the rental value unless otherwise indicated we have assumed a standard FR&I commercial lease for a minimum of ten years with a rent review after five years and on a fully repairing and insuring basis. The level of rent will differ if responsibilities vary between the parties.*



### **1.3.7 Reinstatement Cost for Insurance Purposes**

We recommend the property be insured on a reinstatement basis for a minimum of:

**£3,445,000**

*(Three Million Four Hundred and Forty-Five Thousand Pounds)*

### **1.4 The Property as Security**

Subject to the comments contained within this report, the property is considered to provide suitable security for an advance by the mortgage lender on its usual terms for an asset of this type and age.

### **1.5 Entire report**

This summary is provided as a quick reference and must not be relied upon out of context from the full valuation report.

## 2.0 INSTRUCTIONS

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2.1 Levene Chartered Surveyors received instructions to inspect and report to you on the value of the subject property.

**A.) Market Value**

**B.) Market Value subject to the special assumption that a 180-day marketing period is available in which to achieve a sale.**

**C.) Market Value subject to the special assumption that a 90-day marketing period is available in which to achieve a sale.**

**D.) Market Rental Value**

2.2 Our valuation has been carried out in accordance with the Valuation Standards of the latest Edition of the RICS Valuation - Global Standards 2022 (the “Red Book”), effective from 31st January 2022. Furthermore, International Valuation Standards 104 set out the definitions of Market Value, Market Rental Value and Gross Development Value as follows;

**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’.

**Market Rental Value:** ‘The estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and 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’.

2.3 We understand our advice is required for the purpose of assisting you in considering the suitability of this property for commercial secured lending. This valuation is intended solely for this and for no other purpose and should not be relied upon by any third party to whom it is not addressed.

In preparing this valuation we have relied upon the leases provided and have therefore assumed that you are satisfied that we are able to place reliance on the information.

2.4 In accordance with Practice Standard S. 2.3 of the RICS Valuation – Global Standards, it is confirmed that this firm does not have any anticipated or has not had any current or recent fee earning involvement with the property to be valued, with the borrower or prospective borrower, or with any other person connected with the



transaction for which the lending is required other than the fee that has been disclosed for undertaking this valuation herein.

We confirm we have no financial interest in this transaction and that we have had no dealings with this property within the last twelve months. However, our firm albeit a different valuer undertook a valuation of the subject property for another mortgage provider in February 2022.

2.5 Levene Chartered Surveyors operates a Complaints Handling Procedure in accordance with the RICS Rules of Conduct and a copy is available on request.

### **3.0 CONDITIONS OF ENGAGEMENT**

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3.1 Our Terms of Engagement have been agreed in accordance by terms and conditions of engagement forwarded via email.

3.2 We have discussed and agreed with you any special assumptions (if any) prior to commencing the valuation process.

3.3 We are external valuers as defined in the Red Book.

### **4.0 DETAILS OF INSPECTION**

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4.1 The property was inspected on 9<sup>th</sup> November 2024 and the report prepared by Simon Levene MRICS, RICS Registered Valuer, acting as an independent valuer, with the relevant knowledge, skills and understanding to undertake the valuation competently.

4.2 At the time of our inspection, the bar and public house was trading, the restaurant appeared closed, the banqueting hall was undergoing some fitting out works and was not trading and the hotel was ready for occupation following some recent refurbishment works to be traded via a management agreement under the brand OYO Hotels.

4.3 The weather conditions at the time of my inspection were wet and overcast.

### **5.0 LOCATION**

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5.1 The property is located on the corner of Wood Street and Kings Walk, within an established commercial street in Earl Shilton a market town 5 miles east of the Hickley and 10 miles southwest of Leicester City Centre and west of the M69.

The subject property is situated on the north side of Wood Street on the northwest corner with Kings Walk and enjoys access to good road network and public transport facilities including bus routes with Hinckley and Narborough train stations being within

approximately 3.5 miles and 5 miles away respectively. Junction two of the M65 is within approximately 2.5 miles of the subject property and provides easy connexion to the national motorway network while Leicester coach stations are approximately 9 miles away with East Midlands Airport around 17 miles away.

The property is a short distance from the A47, which links to the A5, which provides nearby access to the M69 Motorway.

The property is located close to places of a historical interest including Bosworth Battlefield- the scene of the final War of Roses, the Warwick Castle and Stratford upon Avon's birthplace of William Shakespeare. The Donington Park, Mallory Park, Twycross Zoo within short distance.

5.2 There is free public car parking to the rear.

5.3 For identification purposes, we have included title, street and location plans in Appendix B.

## **6.0 DESCRIPTION, AGE, CONSTRUCTION & CONDITION**

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6.1 The premises comprises a detached two storey main building facing Wood Street with a rear extension over two/three floors and fronting Kings Walk and adjoining public car park at the rear. Both the main building and rear extension form a single property which is used as a hotel, restaurant bar/public house and banqueting hall under three separate agreements.

The main building is solid brickwork construction, beneath a pitched tiled roof, while the rear extension of a cavity brick construction, beneath a pitched tiled roof.

The rear extension comprises three storeys, accommodation arranged on first and second floor and an open space on the ground floor, which will be opening shortly as the OYO Shilton Inn, Leicester, branded and comprising a 37 bedroom 3\* managed Hotel, the rooms also extending at first floor level over the front part of the building.

The ground floor level comprises a restaurant/bar to the rear which benefits from access to the commercial kitchen and WC's shared with the public house/bar at the front of the building.

At lower/ground floor level there is an open plan banqueting/conference hall currently being fitted with large floor to ceiling glazed windows, two separate doorways facing the rear car park which also have internal access to the ground floor from the restaurant and hotel rear staircase.



The main entrance to the hotel and fire exit are located on Kings Walk on the eastern elevation of the building while the front access serves the bar/ public house.

The rear restaurant may also be accessed either from the front bar or the hotel entrance. The conference facility at lower/ground floor level is located on the buildings western elevation and is accessible via Kings Walk over a public car park at the rear or via a shared vehicular entrance off Wood Street which provides access to a rear free car parking area for the use of the adjoining business on Wood Street.

All three elements of the buildings use can be accessed internally through one another. We have assumed for the purpose of our valuation that visitors to the banqueting hall would be able to park in this area albeit it is not specifically demised to the subject property.

6.2 The subject property comprises approximately 1,054.3 sqm (11,349 sqft). We noted during our inspection, the main hotel accommodation comprises a mix of double and single interconnecting suites all with ensuite showers or bathrooms.

We noted the hotel accommodation and ancillary facilities & services including the restaurant, and public bar have all been refurbished and modernised with the rooms benefiting from double glazed UPVC windows, gas central heating, modern bathroom fittings and carpeted floors.

Internally, all the rooms were noted to be in good condition while the restaurant and the public bar is well decorated and fitted to a very good standard.

6.3 OYO is an Indian owned international business and operates 200 mostly budget type hotels in the UK and across more than 65 cities, including London, Birmingham, Manchester, Torquay and Great Yarmouth, which are its highest performing Markets with many more planned to open over the next few years.

6.4 The bar/restaurant trades as Fernleighs as an independent operator and the banqueting/conference hall does not appear to be branded as yet.

6.5 We estimate the building was constructed in 2003 of solid brickwork construction, beneath a pitched tiled roof, while the rear extension is of cavity brick construction with the double glazed UPVC windows.

6.6 External, internal, and street scene photographs are attached in Appendix C.

6.7 We have not undertaken a structural or building survey of the property.

6.8 We have made a visual internal and external inspection only. The external inspection has been undertaken from ground level only. We have not inspected those parts of the property which are covered, unexposed or inaccessible including the roof space and such parts are assumed to be in good repair and condition.



6.9 At the time of our inspection, the premises appeared to be in very good condition and state of repair having regard to the age and construction with the ground/lower ground floor banqueting/conference hall undergoing some fitting out which appears to be largely internal partitioning for and decoration.

6.10 We have not tested the services or arranged for investigations to be carried out to determine whether any deleterious materials have been used in the construction of the subject premises or subsequent additions. In the event that a subsequent survey reveals defects in the subject property we reserve the right to revise our valuation advice.

## 7.0 ACCOMMODATION & MEASUREMENT RECORD

7.1 We have measured the premises in accordance with the latest RICS property measurement (incorporating the International Property Measurement Standards) and calculated that it provides the following accommodation and approximate gross internal floor areas: -

FLOOR	ACCOMMODATION	AREA (sqm)
Lower Ground	<b><u>Banqueting/Conference Hall</u></b>	165
	<b><u>Bar/Public House and Restaurant</u></b>	
Ground	Front bar/pub	73.3
	Kitchen	34
	WC's x 2	11
	Rear Restaurant/Bar/Stores	137
	<b><u>Hotel</u></b>	
Ground	Reception and Office	16.7
First	Room 1 – Deluxe- Suite	33.9
	Room 2	13.9
	Room 3	10.6
	Room 4	13.3
	Room 5	11.7
	Room 6	13.9
	Room 7	11.8
	Room 8	14.2
	Room 9	11.0
	Room 10	11.9
	Room 11	11.7
	Room 12	12.4
	Room 13	11.0
	Room 14	13.9

	Room 15	11.0
	Room 16	15.7
	Room 17 – Deluxe- Suite	21.9
	Room 18	13.3
	Room 19	15.7
	Room 20 (interconnecting with Room 22)	13.3
	Room 21	12.0
	Room 22	15.7
	Room 23	12.8
	Room 24	20.1
	Room 25	12.9
	Room 26	20.0
	Circulation Space/Hallway	86
	Electric/Store Cupboard	2.4
<b>Second</b>	Room 27	14.8
	Room 28	14.1
	Room 29	11.6
	Room 30	11.9
	Room 31	11.6
	Room 32	11.8
	Room 33	11.7
	Room 34	11.4
	Room 35	11.6
	Room 36	11.8
	Room 37	20.4
	Hot Water Cylinder Cupboard & Boiler Room	6.6
	Circulation Space/Hallway	33.6
	<b>Gross Internal Area of Banqueting Hall:</b>	<b>165 sqm (1,776 sqft)</b>
	<b>Gross Internal Area of Public House and Restaurant:</b>	<b>255.3 sqm (2,748 sqft)</b>
	<b>Gross Internal Area of Hotel:</b>	<b>634 sqm (7,208 sqft)</b>
	<b>BUILDING TOTAL GROSS INTERNAL FLOOR AREA:</b>	<b>1,054.3 sqm (11,349 sqft)</b>

## 8.0 MORTGAGE REGULATION

8.1 The property is not, as far as we are aware, intended to be occupied by the borrower.

8.2 The property is wholly commercial.

## 9.0 SERVICES

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9.1 We have not been able to make specific enquiries with the statutory undertakers in the time available regarding the availability, capacity, or location of services. However, our observations indicate that mains water, gas, electricity, and drainage are connected to the property

9.2 No plant or machinery has been included in this valuation other than that normally considered in forming a service installation for the benefit of the property in general.

9.3 It is assumed for the purposes of this valuation that all services are regularly inspected by appropriately qualified persons and any requirements complied with in full.

## 10.0 BUILDING & PLANNING

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10.1 The local authority is Hinckley & Bosworth Borough Council.

10.2 The current occupation of the building is Commercial (Use Class C1 Hotel; Class E for the restaurant and banqueting/conference hall; and Sui Generis Public House) as defined in the Use Classes Order 1987 – as amended.

10.3 We have researched online the recent recorded planning history of the subject property and report as follows:

Reference	23/00642/FUL
Alternative Reference	PP-11531980
Application Received	Thu 29 Jun 2023
Application Validated	Mon 17 Jul 2023
Address	32 Wood Street Earl Shilton Leicester Leicestershire LE9 7ND
Proposal	Proposed change of use from hotel to residential care home, extension and alterations
Status	Awaiting decision
Appeal Status	Unknown
Appeal Decision	Not Available

We are advised that the applicant no longer intends to pursue the above planning application.



- **ALTERATIONS TO ELEVATIONS OF BUILDING**  
Ref. No: 02/00227/FUL | Status: Withdrawn
- **CHANGE OF USE OF COVERED PARKING AREA TO CONFERENCE FACILITIES AND ELEVATIONAL ALTERATIONS**  
Ref. No: 94/00563/COU | Status: Planning Permission
- **PROPOSED ERECTION OF SIGN.**  
Ref. No: 08/00336/ADV | Status: Advertisement Consent
- **CHANGE OF USE TO RESIDENTIAL CARE HOME INCLUDING EXTENSION AND ALTERATIONS**  
Ref. No: 08/00340/FUL | Status: Withdrawn
- **CHANGE OF USE TO RESIDENTIAL CARE HOME INCLUDING EXTENSION AND ALTERATIONS (REVISED SCHEME)**  
Ref. No: 08/00573/FUL | Status: Planning Permission
- **Proposed change of use from hotel to residential care home, extension and alterations**  
Ref. No: 23/00642/FUL | Status: Pending Decision
- **CHANGE OF USE OF PART OF HOTEL TO OFFICES**  
Ref. No: 93/00646/4 | Status: Planning Permission
- **EXTENSION TO PROVIDE A TOTAL OF 13 ADDITIONAL BEDROOMS AND FUNCTION ROOM AND MANAGERS FLAT**  
Ref. No: 88/00743/4 | Status: Planning Permission
- **PROPOSED EXTENSION TO PROVIDE 10 NO ADDITIONAL BEDROOMS AND ENLARGED ENTRANCE FOYER**  
Ref. No: 87/00139/4 | Status: Planning Permission
- **ERECTION OF HOTEL RESTAURANT AND CONFERENCE HALL**  
Ref. No: 79/00401/4M | Status: Planning Permission
- **NON ILLUMINATED PROJECTING SIGN AND ONE ILLUMINATED FASCIA SIGN**  
Ref. No: 80/01225/4A | Status: Advertisement Consent

10.4 We have assumed that all statutory consents were obtained with regard to the use, occupation and any alterations at the premises in the past.

10.5 The National Heritage List for England confirms the building is not Listed.

10.6 The local authority website confirms the property is not located in a conservation area.

10.7 The local authority will not respond to verbal enquiries other than on a general basis. The local authority search will in due course confirm or otherwise the current use is lawful and whether or not the property is the subject of enforcement action.

10.8 We are not aware of any development proposals for the immediate area that may have an adverse effect upon the property.

10.9 The property is accessed over Wood Street; we believe that this is made up and adopted roadway. Solicitors should confirm this during their pre contract enquiries.

10.10 The Disability Discrimination Act 1995 now incorporated with the Equality Act 2010 imposes statutory duties to prevent unfair discrimination against disabled people.

From our inspection of the property there do not appear to be valuation issues resulting from the Disability Discrimination Act, but we are not qualified or registered

Access Consultants. The purchase should, perhaps, undertake an access audit. If such an access audit were to identify necessary works, then this might reduce the value now reported.

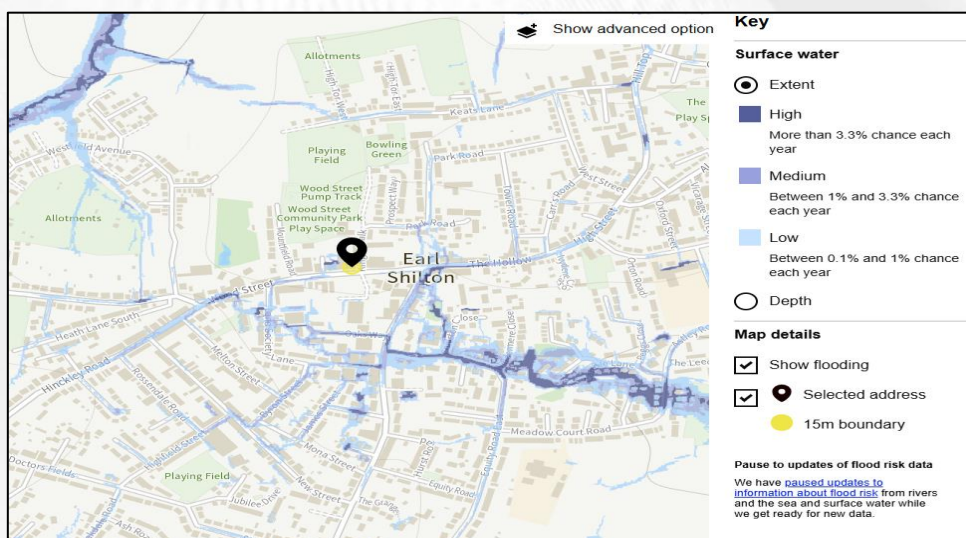
10.11 The responsible person is required to obtain a Fire Risk Safety Assessment which should be kept under review. We have assumed full legislative compliance and that the appropriate risk assessment is in place.

We have no evidence of a fire risk safety assessment having been carried out and we have not seen nor tested an operating fire alarm system. We have not checked that means of escape will meet the recommended standards.

## 11.0 ENVIRONMENTAL ISSUES

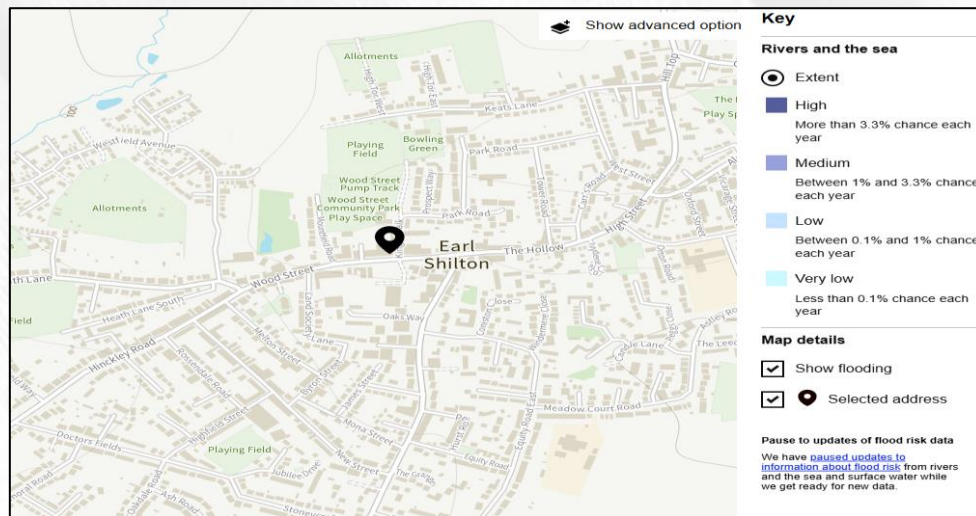
11.1 We have not been provided with an Environmental Audit. Based upon our visual inspection of the site including immediately adjoining land, there are no obvious contaminative or potentially contaminative use which might reduce the values now reported. We reserve the right to review our valuation in the event that contamination issues come to light.

11.2 The Environment Agency flood map confirms that the property is not located in flood risk area.



Surface Water





*Rivers and the Sea*

We have checked the Environment Agency flood risks map for the locality and note the property is not in a defined risk area.

It should be noted that The Environment Agency's Flood Map only identifies flood risks from rivers or the sea and not risks from dams, rainwater run-off, etc. This aside Flood Risk Assessments should identify flood risks from all identifiable sources and have consideration of the specific local topography which may make a property likely to flood.

We have not been provided with a Flood Risk Assessment or Flood Screening Report for the property.

11.3 Energy Performance Certificates (CEPC) are required by law when a dwelling is constructed or marketed for sale or to let. The latest CEPC rating recorded for the subject property was **Level C** – valid until 15 November 2030.

We suspect that the EPC did not cover the whole area of the building as it was measured by the assessor as only 449sqm.

We are not aware of the content of any environmental audit or other environmental investigation or soil survey which may have been carried out on the property and which may draw attention to any contamination. In undertaking this valuation, we have assumed that no contaminative or potentially contaminative uses have been carried out on the property.

11.4 Based on our inspection of the property for valuation purposes, no evidence was noted to suggest that the property may have been affected in the past by any significantly adverse ground conditions. We did not identify any Japanese Knotweed or other invasive species at the property. Japanese knotweed is sometimes hidden or removed from surfaces but may be under cover or unexposed and it dies back in the winter months such that it is difficult, sometimes impossible, to identify but we do not



consider any detailed investigation need be made a condition of the loan advance in this case.

11.5 We have been unable to identify or inspect an Asbestos Register or Asbestos Management Plan. Any asbestos disclosures in the Asbestos Register requiring work or management may have an adverse effect on the reported valuation.

The relevant legislation is contained in the Control of Asbestos Regulations 1987 and the control of Asbestos at Work Regulations 2002. The control of Asbestos at Work Regulations imposes a duty to protect workers from exposure to Asbestos Containing Materials (ACM's). If it is reported that asbestos is known to exist in the premises, a written management plan for the property should be in place.

We have not been asked to comment on fire safety and for the purpose of our valuation we have assumed the building, and its occupation is in full compliance with any fire safety requirements.

#### 11.6 Mineral Workings (Coal Mining & Brine Extraction)

The property is not located in an area identified in the Department of Energy & Climate Change Gazetteer of England and Wales as requiring a Mining Search (Coal and Brine).

In undertaking this valuation, we have assumed there is no mining activity present which would have an effect on the property.

Should it be established subsequently that mining activity does exist in the locality we should be notified so that we may assess whether it is likely to have a material impact on the values herein-under reported.

#### 11.7 Other Mineral Workings & Quarrying Activities

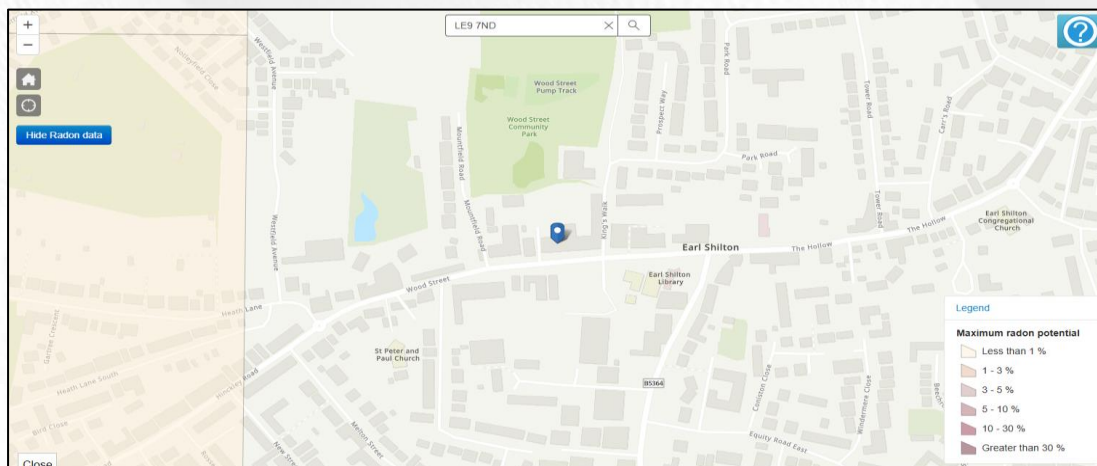
We have not carried out any investigations in respect of the presence or otherwise of non-coal mineral workings or quarries and recommend that should the Client require confirmation of the presence of any such workings or activities they should obtain a copy of a Shallow Mining Hazards Report from the BGS. Our valuation assumes that no such workings or quarries exist.

#### 11.8 Ground Movement Risk

There are no trees within a notifiable distance, and none appear to have been recently removed. The property [is/ is not] built on a significant slope. We have assumed that there is minimal risk of natural subsidence which we believe to be a reasonable assumption.

### 11.9 Radon Gas

While prevailing levels of Radon Gas tend to be reflected in the tone of local values, it can present a real health hazard.



*Map of UK Radon*

The property is located in an area with a maximum radon potential of less than 1%. The situation should be periodically monitored.

Should the Client require further investigation, a site-specific search facility is available.

### 11.10 Other Adverse Ground Conditions or Environmental Risks

We are not aware of the contents of any site investigation reports identifying any other adverse ground conditions that exist.

### 11.11 General

In undertaking this valuation, we have assumed that no adverse environmental issues, including but not limited to those described above, exist or may affect the property, whether within its boundaries or on adjacent land.

Should it subsequently be established that this assumption is incorrect we should be notified in order that we may consider whether this affects the values reported, and we reserve the right to reissue the valuation if necessary.

## 12.0 TENURE & OCCUPATIONAL LEASES

12.1 We are informed that your customers hold the freehold interest in the subject property.

12.2 The property is being valued having regards to the subject leases.

12.3 At the time of our inspection, we noted that the premises were in occupation by the landlord operating the hotel under a management contract with OYO Hotels (OYO Technology and Hospitality UK Limited) and Rhea Dawson who has two separate leases with one relating to the public house bar and restaurant and the other for the banqueting/conference hall.

We have been provided with a copy of the two leases and the management contract relating to the hotel which we have considered and summarise the principal terms as follows:

<b>Demise</b>	<b>Lower/Ground Floor Banqueting/Conference Hall Rear of 32 Wood Street Earl Shilton, Leicester, LE9 7ND</b>
<b>Landlord/Lessor</b>	Alsai Leisure Limited
<b>Tenant/Lessee</b>	Rhea Dawson of 3 The Square, Earl Shilton, Leicester, LE9 7GU, UK
<b>Start Date</b>	1 <sup>st</sup> day of November 2024
<b>Term</b>	1 <sup>st</sup> November 2024 – 1 <sup>st</sup> November 2027 – Inside the 1954 L&T Act
<b>Current Rent</b>	£300.00, payable per week – 1 <sup>st</sup> month rent free
<b>Break Clause</b>	Either the Landlord or the Tenant may give to the other not less than 6 months written notice to end the Term on or after 31 October 2026. Ending the Term will not release the Parties to this Lease from their liabilities accumulated up to that date.

<b>Demise</b>	<b>Public House/Bar and Rear Restaurant, 32 Wood Street Earl Shilton, Leicester, LE9 7ND</b>
<b>Landlord/Lessor</b>	Alsai Leisure Limited
<b>Tenant/Lessee</b>	Rhea Dawson of 3 The Square, Earl Shilton, Leicester, LE9 7GU, UK
<b>Start Date</b>	1 <sup>st</sup> day of October 2024
<b>Term</b>	1 <sup>st</sup> October 2024 – 1 <sup>st</sup> October 2027 – Inside the 1954 L&T Act
<b>Rent</b>	£725 payable per week – 1 <sup>st</sup> month rent free
<b>Rent Review</b>	None within the fixed term
<b>Break Clause</b>	Either the Landlord or the Tenant may give to the other not less than 6 months written notice to end the Term on or after 31 October 2026.



<b>Demise</b>	<b>32 Wood Street Earl Shilton, Leicester, LE9 7ND</b>
<b>Landlord</b>	Alsai Leisure Limited, 925 Finchley Road, London, NW11 7PE
<b>Service Provider</b>	OYO Technology and Hospitality UK Limited, 124 City Road, London EC1V 2NX
<b>Start Date</b>	1 <sup>st</sup> day of November 2024(TBC)
<b>Management Fee</b>	6% plus vat of Gross Revenue
<b>Performance Fee</b>	8% plus vat of Net Profits
<b>Fixed Fee</b>	£24,000 per annum
<b>Term</b>	2 years from November 2024 (TBC) plus option to extend for a further 2 years
<b>Current Rent</b>	£300.00, payable per week.
<b>Break Clause</b>	OYO may terminate the contract not before 90 days of the expiry of the initial or extended term.

12.4 We have been provided with a copy of the Land Registry Certificate for the property and confirm that we have valued the highlighted area on Title Plan reference LT84743. Copy attached at Appendix B.

12.5 It is important that your legal advisors verify the above details in their Report on Title and should confirm the above information and assumptions during the course of their pre-contract enquiries. Should any documentation become evident to the contrary, we reserve the right to amend our valuation advice accordingly.

### **13.0 BUSINESS RATES**

13.1 We have examined the Non-Domestic Business Rates Database on the Valuation Office website [www.voa.gov.uk](http://www.voa.gov.uk) where it states the current Ratable Value of the premises is £25,750.

## 14.0 INSURANCE RE-INSTATEMENT COST

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14.1 We have been requested to provide a Reinstatement Cost Estimate and have carefully considered the style and construction of the property, whether or not it is listed or in a conservation area and after reference to the most recent edition of the Building Cost Information Service (BCIS) of RICS it is our advice that the property should be insured for a minimum sum of;

**£3,445,000**

*(Three Million Four Hundred and Forty-Five Thousand Pounds)*

Our sum is on a day one basis and allows for demolition, site clearance, full reinstatement and professional fees but excludes loss of rent provision and any allowance for inflation.

14.2 Partial rebuild may attract VAT.

14.3 This insurance reinstatement appraisal is provided for guidance only. It does not take into account any additional Local Authority requirements, which may be involved in the rebuilding and assumes that there are no foundation problems or need for abnormal foundations or rebuilding. It should therefore be verified by a specialist commercial buildings insurance assessor.

14.4 The cost of rebuilding bears no relationship to Market Value.

## 15.0 MARKET COMMENTARY & VALUATION METHODOLOGY

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15.1 A copy of that latest RICS Commercial Market Survey is attached at Appendix D.

15.2 The Leicestershire and Northamptonshire hotel market comprises of 238 hotels with c.12,000 rooms with an average size of 50 rooms marginally above the national average. Occupancy rates are c.73.4% 2.5% up on the previous 12 months and the ADR is £77/room 1.1% above previous 12 months and RevPar is £56 an increase of 5.5% on the previous year.

Revenue has grown 4.3% in the past 12 months, higher than the 2.5% growth nationwide. Rates of occupancy have increased, and the current level is higher than its trailing three-year average of 71.3%. Approximately 60 rooms are under construction, and the market is 460 units larger than it was three years ago. During this time, 4 hotels were added, and nothing was lost to demolition.

As of October, there have been 2 sales in the past 12 months, and 7 sales over the past three years with average room sales equating to £92,200 per room in the midscale to economy market and £114,870 in the upscale market. The total volume of the sales in the past 12 months amounted to roughly £6.9 million.

Rooms trade for around £51,000, although the small number of recent sales may skew this figure. The market yield, or the estimated yield for the market as a whole, stands at 6.15% in the midscale to economy market, moderately higher than its trailing three-year average of 5.55% and 5.65% in December 2019 i.e. pre the Covid pandemic.

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

The outbreak of coronavirus (COVID-19) had a marked impact on the retail, leisure, and hospitality sectors and at a local level, many traders were struggling with stock and staff infections. The closure of leisure and retail premises bar essential stores such as supermarkets clubs and restricted travelling imposed by the Government placing the UK in effect in “lockdown” was unprecedented.

The Bank of England reduced the bank base rate to 0.1% the lowest in UK history and the Government offered guaranteed business loans, wages support, deferment of HMRC tax obligations, put a halt to tenant evictions due to bad debt and most mortgage providers were offered -month payment holidays.

These measures may have helped to avoid some job losses and a very damaging economic crash however inevitably the impact of COVID-19 and the lock downs will have some long-lasting detrimental effects on many lives and businesses which in the turn the economy and potentially property values, the latter mostly felt in the retail, leisure, and hospitality sectors.



Market activity was impacted in many sectors however the residential sales market was the only market where we saw values rising through the pandemic partly at least fuelled in our opinion by the zero SDLT on the first £500,000 of purchases completing before 30th June 2021.

Increasing capital values and reducing yields have been seen across all main sectors in recent years however there is wide variation between various locations and sectors and reliance on regional or national statistics is inappropriate.

Yield compression is coming to an end due to the recent effects on the economy of the Covid19 pandemic with inflation having reached 11.1% in Q4 2022 and bank lending costs on the rise with the Bank of England having increased the base rate on the 3rd August 2023 to 5.25% being the fourteenth consecutive base rate increase since December 2021 although rates have been slowing falling to 4.75% as at 9<sup>th</sup> November 2024 and are expected to gradually fall over the next 12 months now that inflation is largely under control, having steadily fallen since Q4 2022 to a current level of 1.7%.

There remains some economic uncertainty with regards to the effects of Brexit continuing as well as rising fuel costs deriving from Russia's recent invasion of Ukraine and more recent war in Gaza and Lebanon along with mortgage interest rates have risen steeply over the past 12 months albeit they have begun to fall in recent months albeit they are not expected to fall to the low levels seen in recent years.

15.4 We have carried out our usual research and enquiries and have analysed the existing commentaries and data in determining our opinion as to the market value of the subject property. Information has also been obtained from internal records.

15.5 Arriving at our opinion of value we have had regard, inter alia, to the following comparable evidence:-

#### **HOTEL - SALES**

<b>Address</b>	<b>Description</b>	<b>Transaction Details</b>
<b>OYO Scaffold County House Hotel Melton Mowbray LE14 4UB</b>	Edwardian mansion 2 storey hotel operated until closed by OYO franchise, renovated in 2019 with 81 bedrooms being a mix of singles doubles and suites, public areas including a 150-cover restaurant/bar and conference rooms plus a large marquee in the grounds with capacity for 600. 120 surface parking spaces. 35,000sqft set in	<b>For Sale: £3,250,000</b>  <i>£40,123/room</i>  <i>£93/sqft</i>

	8.2 acres. 20 miles equidistant from Leicester and Nottingham and 5-minute drive from Melton Mowbray. Hotel is closed and would benefit from some modernisation.	
<b>Spindle Lodge Hotel 2 West Walk Leicester LE1 7NA</b>	Freehold 17 room 3 storey Victorian period hotel. Located just south of Leicester town centre. Double, single and family 5,532sqft	<b>Sold: £1,000,000</b> 31 <sup>st</sup> January 2023  £58,824/room  £181/sqft
<b>16 Hotel Street Leicester LE1 5AW</b>	Grade 1 Listed 1792 built and 2006 renovated 3 storey city centre wedding venue and banqueting hall including a grand ballroom seating for 200 guests plus 4 bedrooms. Long leasehold (council are the freeholders) – 15,933sqft.	<b>Sold: £1,000,000</b> 11 <sup>th</sup> January 2023  £63/sqft
<b>Travelodge Leicestershire Portfolio</b>	Freehold/Long Leasehold REIT portfolio of 66 Travelodge hotels total sale price of £210 million	<b>Sold: £63,656/per room</b> 8 <sup>th</sup> January 2024

### **PUBLIC HOUSE/RESTAURANT/BAR – SALES/RENTALS**

<b>Address</b>	<b>Description</b>	<b>Transaction Details</b>
<b>The White Swan High Street Stoke Golding Leicestershire CV13 6HE</b>	Semidetached 2 storey 1950's built public house in high street of village. Ground floor bar, snug, lounge and kitchen plus basement cellar with first floor 3-bedroom staff accommodation. Externally there is a garage, car park, stores and a small beer garden. 2,373sqft (2,921sqft including external stores garage and cellar)	<b>Sold: £350,000</b> 15 <sup>th</sup> July 2024  £148/sqft
<b>Chapel Street Barwell LE9</b>	Public house with a 1 <sup>st</sup> floor function room (808sqft) and 2 <sup>nd</sup> floor 1-bedroom managers flat (618sqft) and beer garden. Village location. For sale with vacant possession. Recently refurbished. 2,594sqft	<b>For Sale (OIEO): £300,000</b>  £115.6/sqft

<b>The Grapes Leicester Street Melton Mowbray LE13</b>	Freehold 16th Century 3 storey public house located in the town centre adjacent to the marketplace. Bar, cellar, first floor kitchen and second floor 2-bedroom flat. 949sqft	<b>For Sale: £185,000</b>  <b>£195/sqft</b>  <b>To rent; £18,000 pa</b>  <b>£18.97/sqft</b>  <b>9.7% Gross Yield</b>
<b>Chutneys Aylestone Road LE2</b>	Freehold mid terraced ground floor restaurant/take away with 1 bedroom flat above. Located on A426 1.3 miles south of Leicester city centre and rail station. Currently let with ground floor producing £9,0000 p.a (£19/sqft) and the first floor flat £7,200 pa.	<b>Investment For Sale: £249,950</b>  <b>Gross Yield: 6.48%</b>
<b>16 King Street Leicester LE1</b>	Freehold three storey plus basement mid terraced building with restaurant/bar on the ground, basement and part first floor. 3 further flats on 1 <sup>st</sup> 2nd floor sold off on long leases. Located in Leicester City Centre 0.3 miles south of Leicester Rail Station. 2551 sqft	<b>Offers Over: £500,000</b>  <b>£196/sqft</b>  <b>Also available to rent £30,000 pa (£11.76)</b>  <b>Gross Yield: 6%</b>



## **15.9 METHOD, CALCULATIONS & RATIONALE AND SWOT ANALYSIS**

15.9.1 The valuation has been prepared in accordance with normal practice taking into account comparable evidence and current market conditions. In determining our opinion of market value, we have had regard to both the comparison method of valuation and the identification of a projected market rent and the capitalisation of the adopted income stream with an applicable investment yield.

15.9.2 The Property is listed for sale in Acuitus auction 12/12/2024 with a Guide Price of £1,300,000 - £1,400,000 stated as having 34 room hotel and let restaurant and wine bar with a total rental income of £153,305 pa which we assume is broadly made of £53,300 per annum from the public house/bar, restaurant and banqueting/conference hall plus £117,000 per annum assumed net income from the hotel.

15.9.3 In arriving at our opinion of value of the hotel element of the property we have had regards for comparable values based on per room/per key as well as the existing 2–4-year management agreement with OYO hotels analysing potential profits which we then capitalise at what we consider to be a fair market yield.

There are very few nearby comparable hotel transactions however of those considered values per room/key from £40,113 for a OYO hotel in a less densely populated more out of town rural location in an older buildings with higher maintenance costs to £63,656 being the average value of a 66 hotel Travelodge portfolio sale, which applied to the 37 rooms in the subject property gives rise to a potential range of Market Values from **£1,484,551 to £2,355,272**.

We have considered the pricing of a number of nearby comparable 3\* hotels and opine the average daily room rate (ADR) from the subject premises based on a typical daily room rental of £50 per night and an annual occupancy of 72.5% is in the region of £36.50 (RevPAR £36.25) which applying a commonly yet crudely adopted 1000 x multiplier to the room number and ADR would give rise to a **Market Value** of the in the region of **£1,350,000**.

Furthermore, we would opine adopting a 10 year discounted cash flow approach assuming 2.5% revenue growth and occupancy rate in year 1 of 67.5% rising to an average of 72.5% and a year 1 EBITDA of £52,416 (11.5% of room sales revenue £455,794) and Year 10 £70,693 equating to 11.5% of room sales revenue £614,724) and adopting a capitalisation rate of 8% gives rise to a **Market Value** of **£1,500,000**. We note the applicant is anticipating a minimum net income from the hotel of £117,000 per annum however we have not been provided with their accounts to support this however excluding the owner/managers wage this estimate is broadly in line with our estimated net profit.

Having regards for the above, the management agreement with OYO its convenience with a restaurant/bar and conference facility free parking and urban location as well

as its fully fitted trading nature we opine this element of the property has a **Market Value of £1,590,000** equating to £42,972 per room.

Our opinion of the **Market Rental Value** of the hotel is **£73,000 per annum** equating to an industry standard c.15% of the RevPAR.

Furthermore, we opine its Market Value subject to the special assumption there is no management agreement in place, the rooms are unfurnished and the hotel is therefore not trading is vacant is **£1,325,000**.

15.9.4 The bar/public house and restaurant has a gross internal floor area of 2,748sqft which having regards for the comparable lettings considered and given the scarcity of the rental evidence we have also referred to the valuation office records which apply a tone of c. £13/sqft to the zone A rental values as at April 2021 and gives rise to our opinion of the **Market Rental Value** of this element of the property ranging of **£33,000 per annum** equating to £12.55/sqft overall. We note that the current passing rental income derived from this element of the property is £37,700 per annum and as such in our opinion is over rented. The passing rent is secure for a maximum term of 2 years due to mutual break clauses. In arriving at our opinion of the Market Value of this element of the property we opine an appropriate yield to apply to the passing over rented element is 10% and the yield on the Market Rent on reversion is 8.5% as well as allowing for a 9 month rental void and the costs of reletting giving rise to a **Market Value** of this element of the property being **£370,000** equating to £134.6/sqft and an initial gross yield of 10.19% before purchase costs.

Furthermore, our opinion of the Market Value of this element of the building subject to the special assumption it is vacant is **£355,000**.

15.9.5 In valuing the market rental value of the banqueting/conference hall in the absence of comparable evidence we have adopted approximately half rate of the ground floor Zone A value adopted i.e. £7.50 per sq.ft to this area which gives rise to our opinion of the **Market Rental Value** of this element of the property as **£13,500 per annum**. We note that the current rental income derived from this element of the property is £15,600 per annum and as such in our opinion is over rented. The passing rent is secure for a maximum term of 2 years due to mutual break clauses. In arriving at our opinion of the Market Value of this element of the property we opine an appropriate yield to apply to the passing over rented element is 10% and the yield on the Market Rent on reversion is 8.5% as well as allowing for a 12 month rental void and the costs of reletting giving rise to a **Market Value** of this element of the property being **£148,000** equating to £83/sqft and an initial gross yield of 10.5%.

Furthermore, our opinion of the Market Value of this element of the building subject to the special assumption it is vacant is **£140,000**.

15.9.6 Our opinion of the Market Value of the subject property we make up from the aggregate Market Values of the three elements of the property i.e the hotel at



£1,500,000, the public house/bar and restaurant at £370,000 and the banqueting /conference hall at £148,000 less purchase costs at 5% resulting in a **Market Value of £1,917,000.**

Our opinion of values equates to £169/sqft overall and a net initial yield of 5.5% based on our opinion of the first-year net income from the hotel of c. £52,416 and the passing rent from the two other elements totalling £105,716 per annum or 6.23% if one applies our opinion of the Market Rental of the building which we assess at £119,500 per annum. We further note that Knight Franks October 2024 investment yield guide revealed that average investment yields for regional budget hotels with 20-year leases and 5 yearly rent reviews is 5.25% with a positive outlook.

Furthermore, our opinion of the Market Value of the building subject to the special assumption it is vacant is **£1,820,000** (£160/sqft).



15.9.7 We have set out below our analysis of the property in the form of a **SWOT** analysis identifying the key strengths, weaknesses, opportunities, and threats:

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>Fully let freehold investment including a management contract with an international hotel franchise</li> <li>Town centre prominent location</li> <li>Recently refurbished</li> <li>Ample free adjacent car parking</li> <li>Building flexible layout enables multiple or single lettings</li> <li>Little supply of budget hotels or banqueting/conference halls in the local vicinity and demand good</li> </ul>	<ul style="list-style-type: none"> <li>Location secondary to nearby Leicester City and Hinckley town</li> <li>No rail station nearby</li> <li>Older style relatively low specification hotel rooms even though recently refurbished the suites could be of a higher specification</li> <li>The restaurant has no high street presence</li> <li>No lift or disable access to the hotel rooms</li> <li>Leases have short mutual break clauses and hotel management agreement initially short term</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>The hotel may be suited to alternative uses subject to planning including HMO/ Care or self-contained residential</li> <li>The rear elements of the building may be suited to alternative uses including offices or other leisure uses or residential subject to planning</li> <li>Longer term tenancies at market rents with no break clauses to good covenants would enhance its investment appeal</li> </ul>	<ul style="list-style-type: none"> <li>Economic down turn – Brexit uncertainties still loom; Covid-19 full impact; uncertainty over its possible return; the impact on the cost of living resulting from the wars in Ukraine/Russia; and in Israel/Gaza/Lebanon;</li> <li>New government recently imposed employers NI cost and increased taxes will impact businesses</li> </ul>

15.8 Overall, it is our view that given the size, age and nature of the premises, it would be attractive to the investor sector of the market. Therefore, if the property were offered on the open market, we believe there would be reasonable demand for the premises. The value of the property is likely to increase or fall in line with the surrounding area. Should the property be placed on the market we would expect that a sale or letting could be secured within six to twelve months.

## 16.0 VALUATION

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16.1 Having regard to the comments set out above, we have considered the matter of value in accordance with the appropriate RICS guidelines and have pleasure in setting out our valuation assessments below:

**(A) Market Value of the property is:**

**£1,917,000**

*(One Million Nine Hundred and Seventeen Thousand Pounds)*

**(B) Market Value subject to the special assumption that a 180-day marketing period is available prior to exchange of contracts:**

**£1,821,000**

*(One Million Eight Hundred and Twenty-One Thousand Pounds)*

**(C) Market Value subject to the special assumption that a 90-day marketing period is available prior to exchange of contracts:**

**£1,534,000**

*(One Million Five Hundred and Thirty-Four Thousand Pounds)*

**(D) Market Value subject to the special assumption the building is vacant:**

**£1,820,000**

*(One Million Eight Hundred and Twenty Thousand Pounds)*

**(E) Market Value subject to the special assumption the building is vacant and that a 180-day marketing period is available prior to exchange of contracts:**

**£1,729,000**

*(One Million Seven Hundred and Twenty-Nine Thousand Pounds)*

**(F) Market Value subject to the special assumption the building is vacant and that a 90-day marketing period is available prior to exchange of contracts:**

**£1,456,000**

*(One Million Four Hundred and Fifty-Six Thousand Pounds)*

**(G) Market Rental Value of the property is:**

**£119,500 p.a.**

*(One Hundred and Nineteen Thousand Five Hundred Pounds Per Annum)*

*In arriving at the rental value unless otherwise indicated we have assumed a standard FR&I commercial lease for a minimum of ten years with a rent review after five years and on a fully repairing and insuring basis. The level of rent will differ if responsibilities vary between the parties.*

## **17.0 SECURITY & RECOMMENDATIONS**

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17.1 Allowing for regular maintenance including decoration and repairs as appropriate it is anticipated that the building will retain a useful economic life of at least 25 years.

17.2 Subject to the above comments, the property is considered to provide suitable security for an advance by the mortgage lender on its usual terms for an asset of this type and age.

17.3 Any matters arising which contradict this report, and the assumptions stated herein or are otherwise likely to affect the valuation should be referred back for reconsideration.

17.4 It should be ensured that adequate and appropriate building insurance is put in place. It should be ensured that the use of the building is accepted and compliant under the insurance policy held or to be provided. Some insurances could be rendered void, although some only require notifications, if there is sub-letting or is left empty or there is change of use or there is a licenced HMO.

## **18.0 LIMITATION & PUBLICATION**

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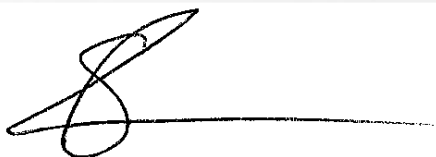
18.1 This valuation is prepared solely for the use of the addressee and no responsibility is accepted to any other party for the whole or any part of its contents. It may be disclosed to other professional advisors assisting in respect of the purpose for which the valuation is prepared.

18.2 Neither the whole nor any part of this valuation certificate nor any reference thereto may be included in any published document, circular or statement nor published in any way without our approval of the form and context in which it may appear.

18.3 We deem there to be no conflict of interest in relation to providing this valuation.

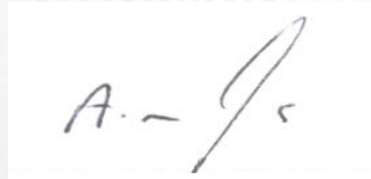
## **19.0 SIGNATURE OF VALUER**

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**Simon Levene MRICS**  
**RICS Registered Valuer**  
**For and on behalf of**  
**Levene Chartered Surveyors**

**Date: 22<sup>nd</sup> November 2024**



**Azher Shareef MRICS**  
**RICS Registered Valuer**  
**For and on behalf of**  
**Levene Chartered Surveyors**



## Appendix A – Instructions

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Instruction received via email from Amit Jajodia of Daj Capital Ltd on the 6<sup>th</sup> November 2024 to provide an RICS Red Book valuation for loan security purposes addressed to the proposed lenders KHK Capital Ltd. The valuation to include values having regards for the existing tenancies and subject to vacant possession including the 180 day and 90 day values.

PFA Alsai Leisure Ltd  
Security address : 32 Wood Street Earl Shilton Leicester LE9 7ND

Now the property got  
Ground floor

Pub at the front, restaurant at the back and banqueting hall total paying a rental of £53k/yr

Upstairs we have 38 room hotel which client had signed the contract with OYO and at 55% occupancy will give client at least £117k net /yr

Value should be at least £2.1m and looking for £1.3m net or like of like lending with current lender.

### DAJ Capital Ltd

Amit Jajodia | Director

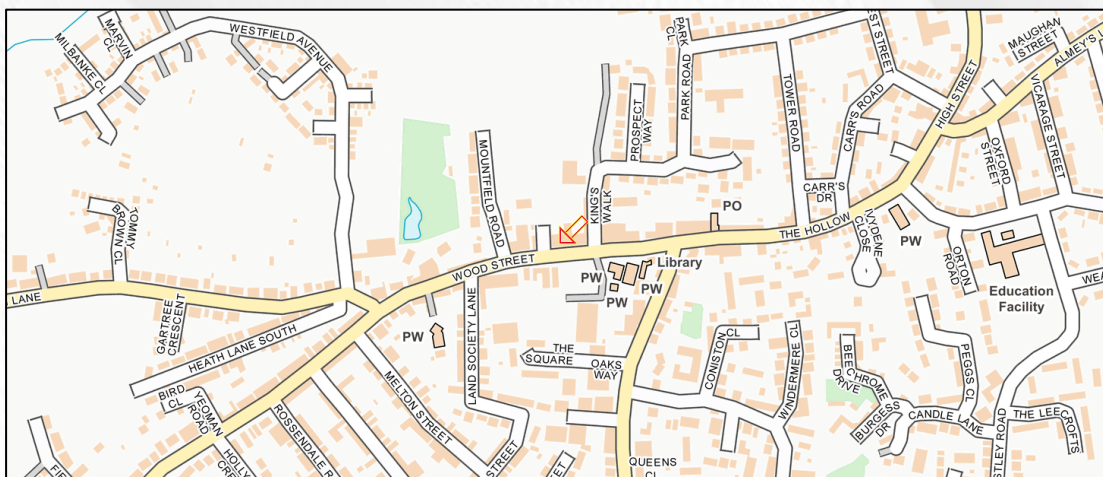
175 Norwood road, Southall Middlesex UB2 4JD

Mob: 07939662428

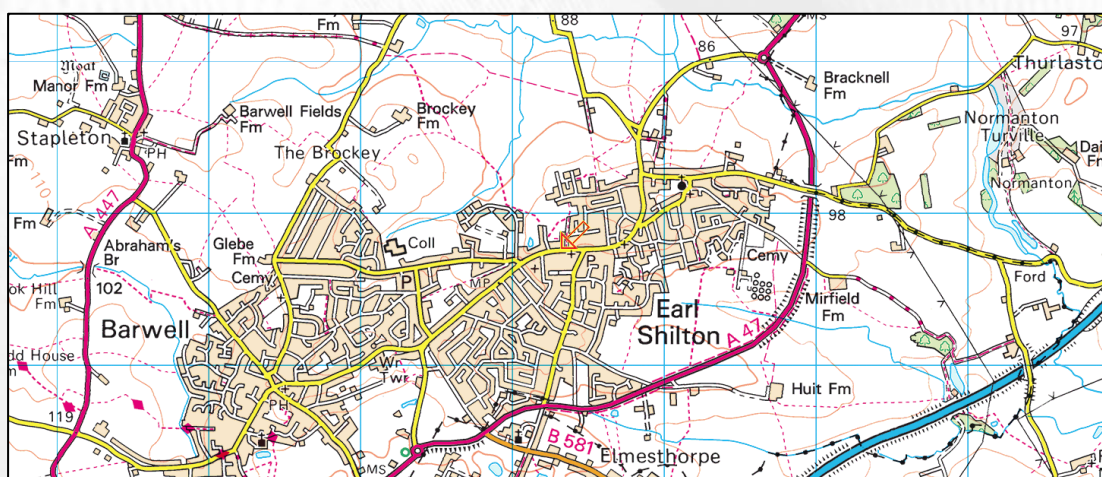
E: [amit@dajcapital.co.uk](mailto:amit@dajcapital.co.uk)

W: [www.dajcapital.co.uk](http://www.dajcapital.co.uk)

## Appendix B – Title, Street & Location Plans



*Map of Immediate Area*



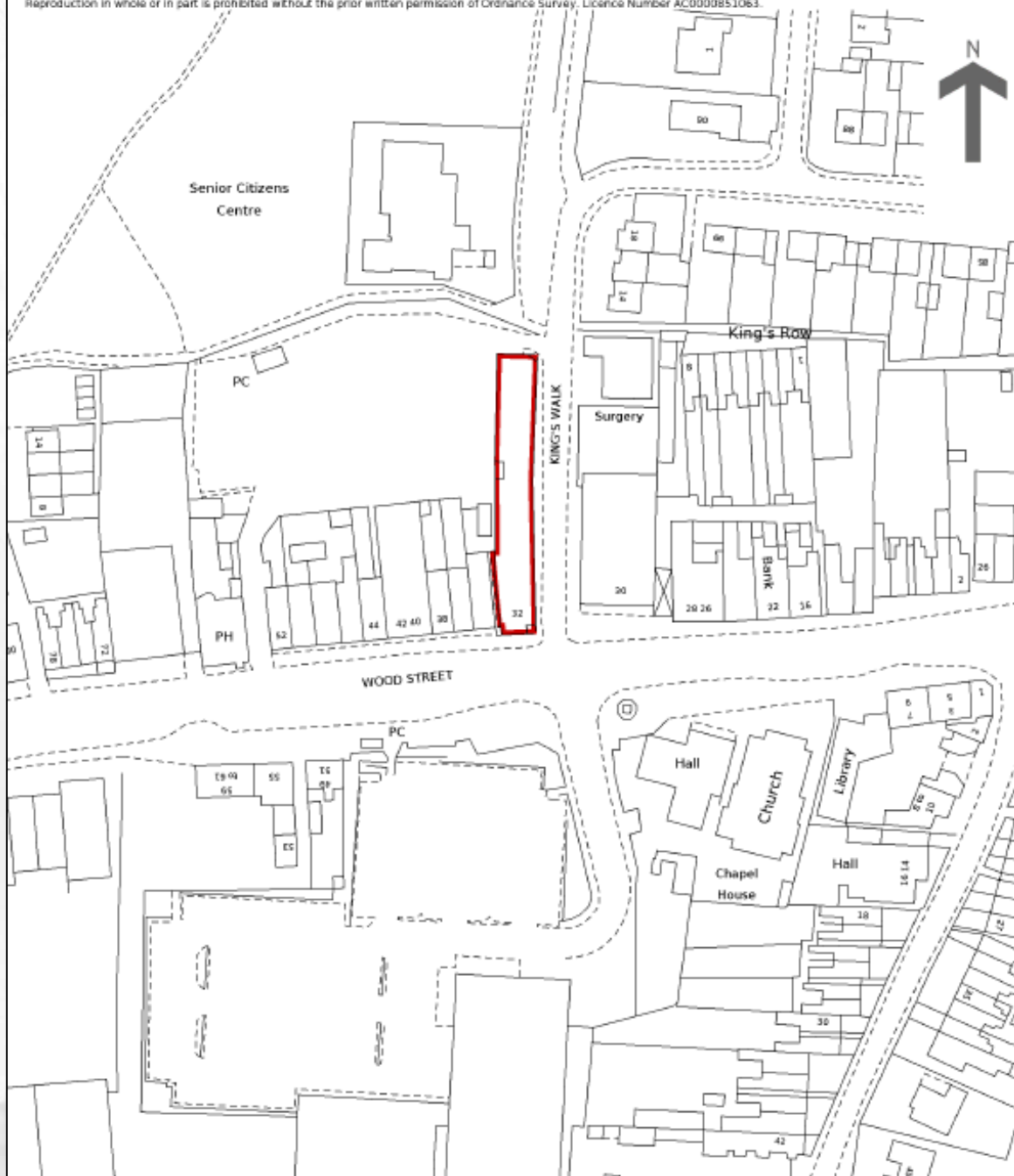
*Map of Surrounding Area*

# HM Land Registry Current title plan

Title number **LT84743**  
Ordnance Survey map reference **SP4697NW**  
Scale **1:1250 enlarged from 1:2500**  
Administrative area **Leicestershire :**  
**Hinckley and Bosworth**



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# HM Land Registry



## Register View - HTML

### Register view information

THIS IS A PRINT OF THE VIEW OF THE REGISTER OBTAINED FROM HM LAND REGISTRY SHOWING THE ENTRIES SUBSISTING IN THE REGISTER ON 13 NOV 2024 AT 12:27:08 . BUT PLEASE NOTE THAT THIS REGISTER VIEW IS NOT ADMISSIBLE IN A COURT IN THE SAME WAY AS AN OFFICIAL COPY WITHIN THE MEANING OF S.67 LAND REGISTRATION ACT 2002. UNLIKE AN OFFICIAL COPY, IT MAY NOT ENTITLE A PERSON TO BE INDEMNIFIED BY THE REGISTRAR IF HE OR SHE SUFFERS LOSS BY REASON OF A MISTAKE CONTAINED WITHIN IT. THE ENTRIES SHOWN DO NOT TAKE ACCOUNT OF ANY APPLICATIONS PENDING IN THE REGISTRY.

FOR SEARCH PURPOSES, THE ABOVE DATE SHOULD BE USED AS THE SEARCH FROM DATE.

THIS TITLE IS DEALT WITH BY HM LAND REGISTRY, LEICESTER OFFICE

TITLE NO: LT84743

REGISTER LAST UPDATED ON : 17 OCT 2023 AT 16:46:30

### Register View

A: Property Register

This register describes the land and estate comprised in the title.

LEICESTERSHIRE : HINCKLEY AND BOSWORTH

1. (29.08.1978) The Freehold land shown edged with red on the plan of the above Title filed at the Registry and being 32 Wood Street, Earl Shilton, Leicester (LE9 7ND).

2. The land was formerly copyhold of the Manor of Earl Shilton and the rights saved to the lord by the 12th Schedule of the Law of Property Act 1922 are excepted from the registration.

3. The land has the benefit of the rights granted by the Conveyance dated 27 September 1974 referred to in the Charges Register.

4. (28.12.2001) A new title plan based on the latest revision of the Ordnance Survey Map has been prepared.

**B: Proprietorship Register**

This register specifies the class of title and identifies the owner. It contains any entries that affect the right of disposal.

Title Absolute

1. (15.05.2003) PROPRIETOR: #ALSAI LEISURE LIMITED# (Co. Regn. No. 04290263) of 32 Wood Street, Earl Shilton, Leicester, Leicestershire LE9 7ND.

2. (15.05.2003) The price stated to have been paid on 14 April 2003 was £280,000.

3. (17.10.2023) RESTRICTION: No disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction, is to be registered without a written consent signed by the proprietor for the time being of the Charge dated 11 September 2023 in favour of A Shade Greener Finance Limited referred to in the Charges Register.

4. (17.10.2023) RESTRICTION: No disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction, is to be registered without a written consent signed by the proprietor for the time being of the Charge dated 11 September 2023 in favour of A Shade Greener Finance Limited referred to in the Charges Register.

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**C: Charges Register**

This register contains any charges and other matters that affect the land.

1. A Conveyance of the land in this title dated 27 September 1974 made between (1) Gordon Ball and Marjorie Moore and (2) National Westminster Bank Limited contains an agreement for the future dedication as a public highway of the parts of the land hatched green on the plan annexed to the Conveyance.

NOTE 1: The Agreements dated 18 June 1946 and 19 March 1968 contain no matters for entry on the register

~NOTE 2: Copy filed.

2. (17.10.2023) REGISTERED CHARGE dated 11 September 2023.

3. (17.10.2023) REGISTERED SUB-CHARGE dated 11 September 2023 of the Charge dated 11 September 2023 referred to above.

4. (17.10.2023) Proprietor: #A SHADE GREENER FINANCE LIMITED# (Co. Regn. No. 10668465) of 32 Wood Street, Earl Shilton, Leicester LE9 7ND.

5. (17.10.2023) REGISTERED CHARGE contained in a Debenture dated 11 September 2023.

6. (17.10.2023) Proprietor: #A SHADE GREENER FINANCE LIMITED# (Co. Regn. No. 10668465) of 32 Wood Street, Earl Shilton, Leicester LE9 7ND.

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End of register

NOTE 1: The date at the beginning of an entry is the date on which the entry was made in the Register.

NOTE 2: Symbols included in register entries do not form part of the register and are used by HM Land Registry for internal purposes only.



## Appendix C – Photographs



Front Elevation



Kings Walk



Street View





Wood Street - Street View



West elevation/side access from Wood Street





Kings Walk Elevation and entrance to the Hotel





East Elevation – the boarded-up area of the windows is the proposed banqueting/conference Hall



Rear/North Elevation

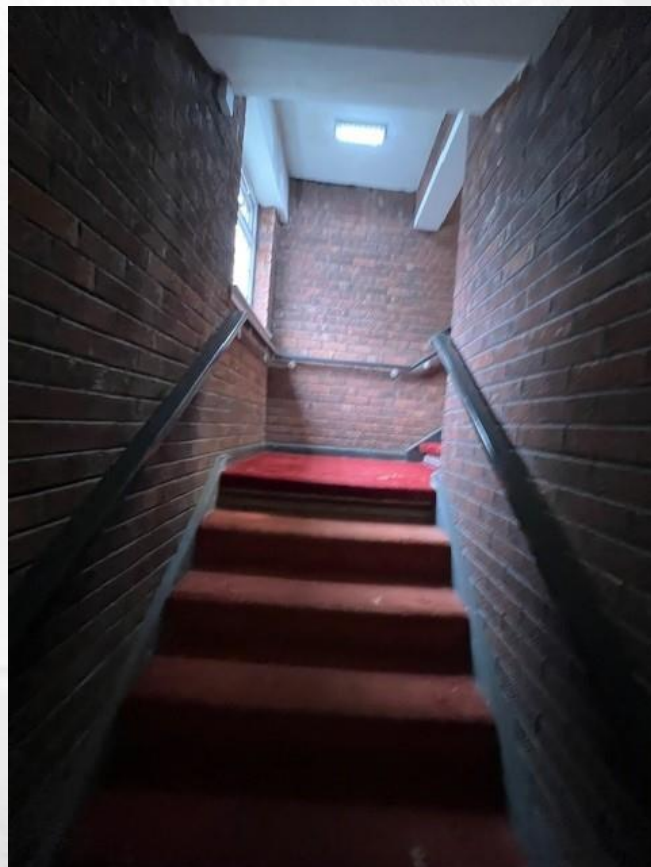


Car Park for use of business on Wood Street





Rear Access – Cellar for Bar



Stairs to/from Hotel to Banqueting/Conference Hall

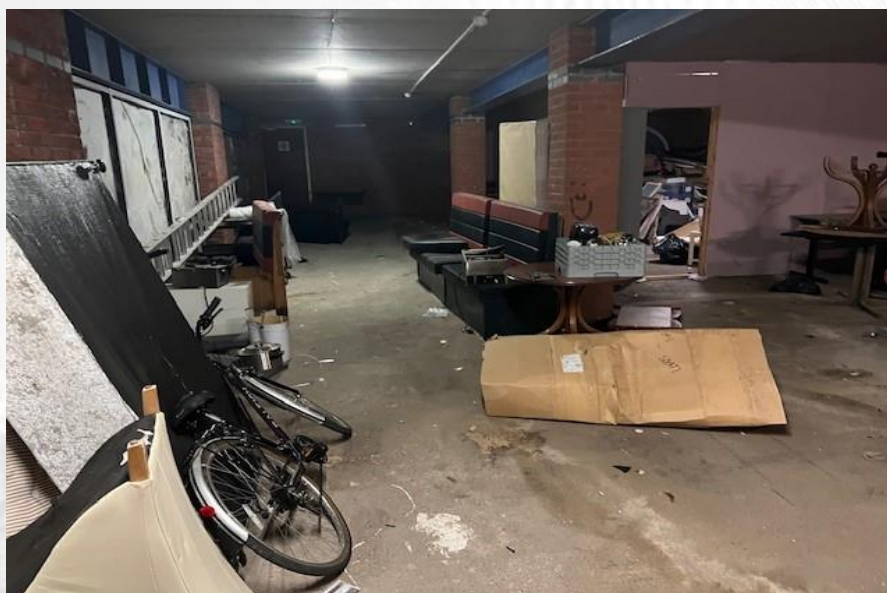
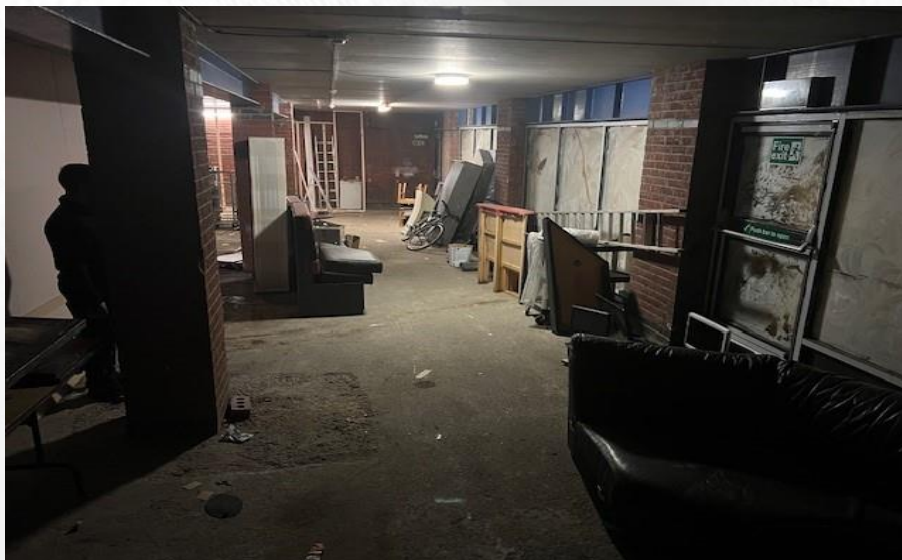
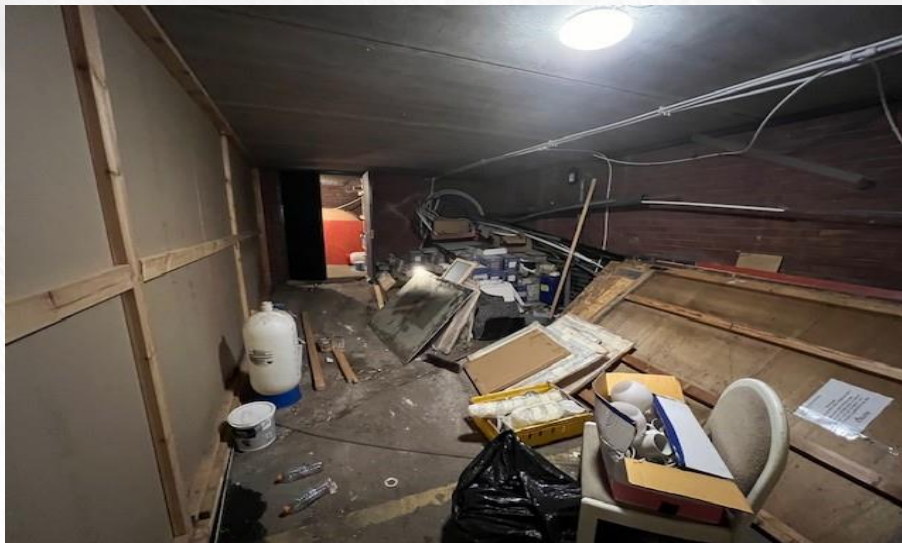


Fire Escape



Store





Banqueting/Conference Hall being fitted out by tenants





Twin Room & En-Suite

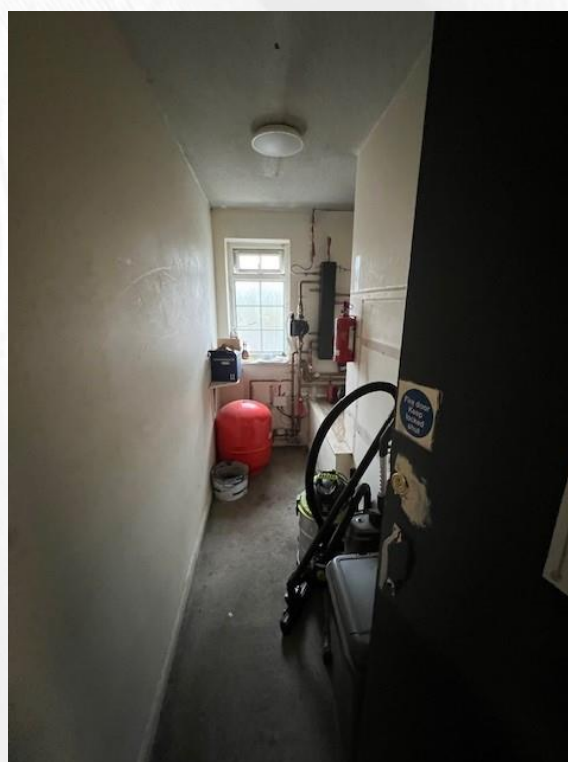


En-suite WC





Double Room



Boiler Cupboard





Hot Water Cylinder Cupboard



Double Room



Double Interconnecting/Family Room



Double Interconnecting/Family Room



Family Suite En-suite Bathroom





En-suite Bathroom



Twin Interconnecting/Family Room with Shower



Twin Room with Bath





UPVc Double Glazed Windows



Family Room



Single Room



Single Room En-Suite





Double Room & En-Suite



Double Room & En-Suite



Large Suite with En-Suite & Sitting Area

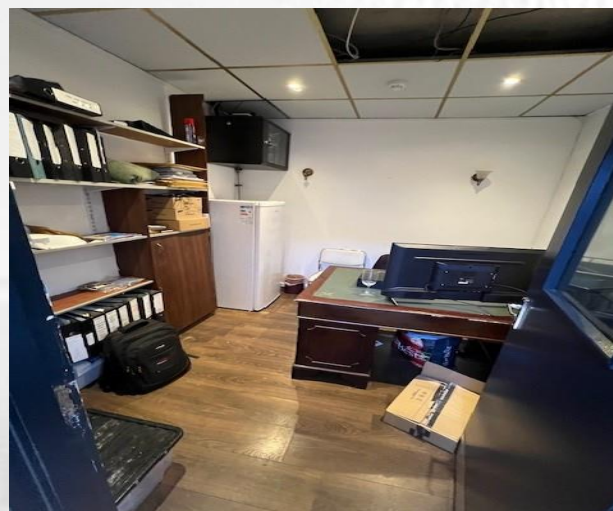




Hotel Entrance Lobby

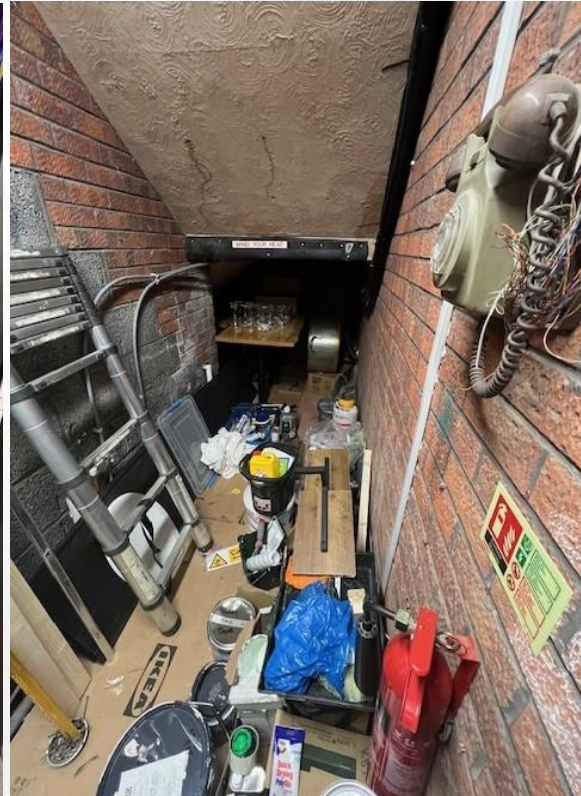


Hotel Entrance Lobby



Hotel Reception/Offices





Cellar and Store to Restaurant





Restaurant and Bar





Kitchen



WC's

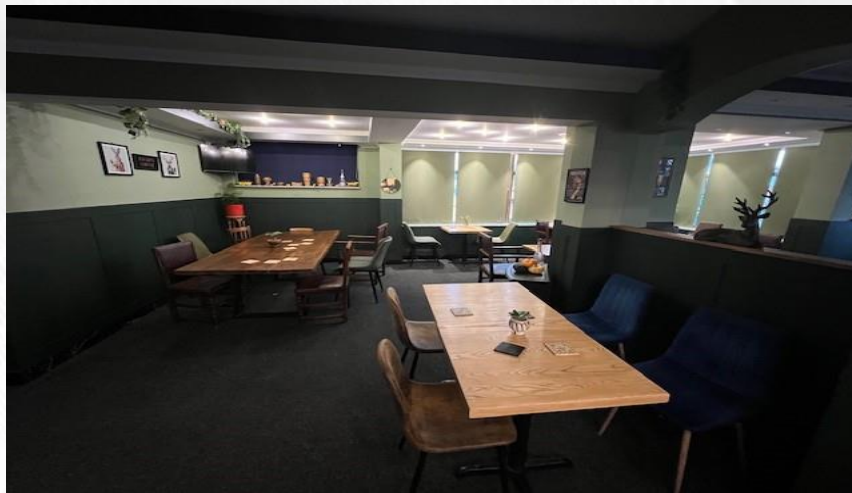


Electrics Cupboard

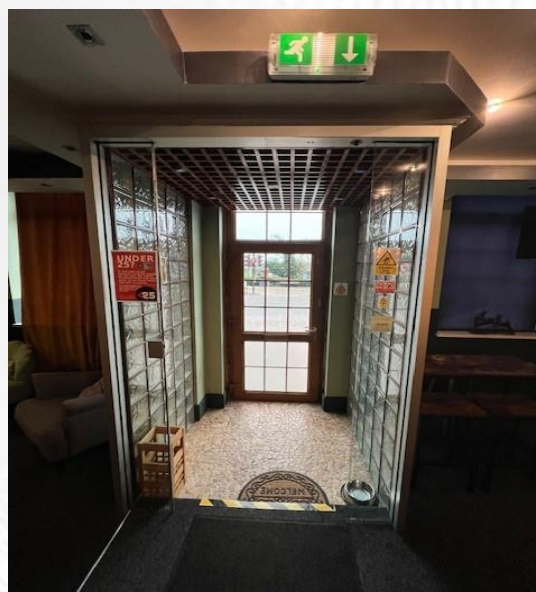
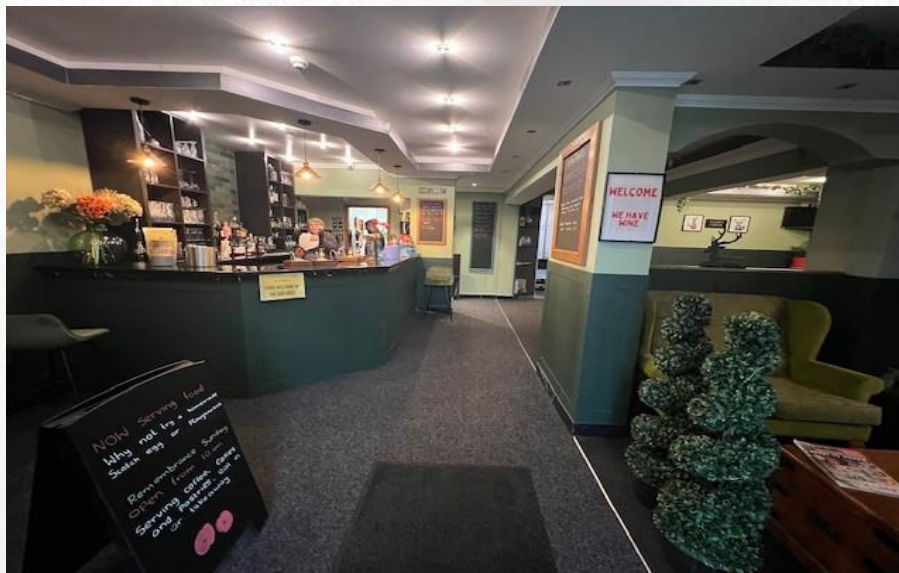


WC





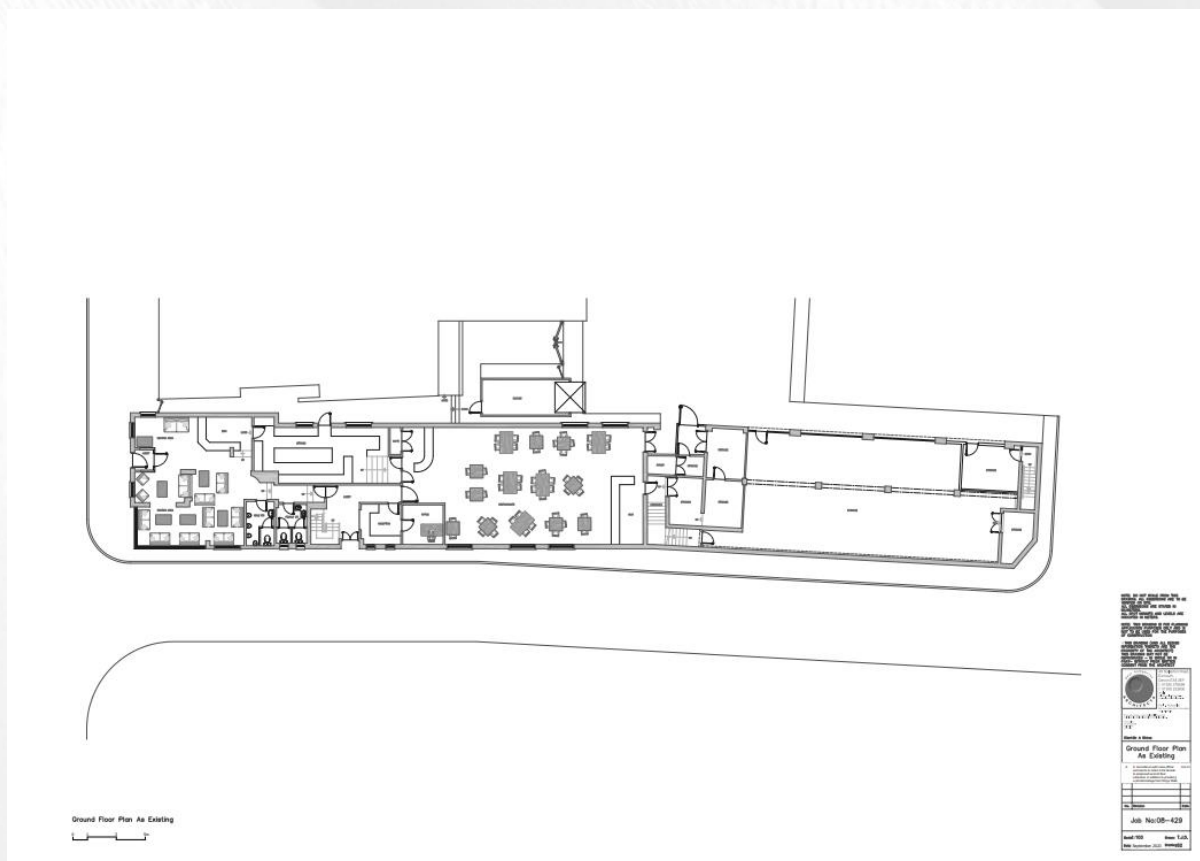
Public House/Bar

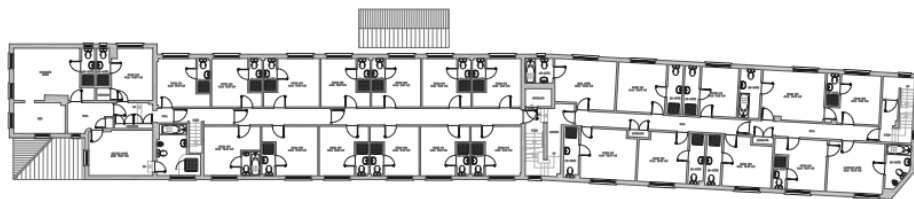


Public House/Bar

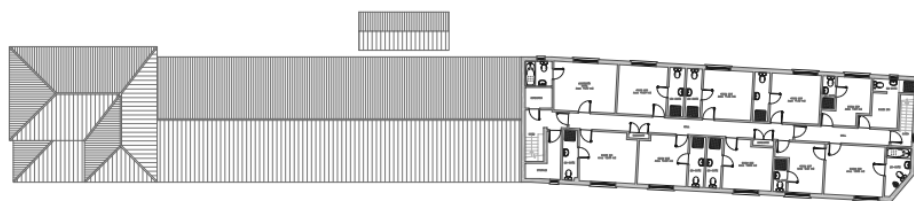


## Appendix D – Floor Plans





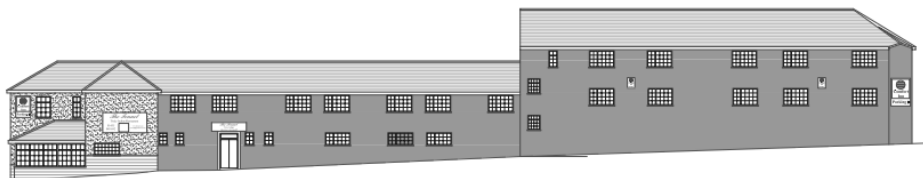
First Floor Plan As Existing



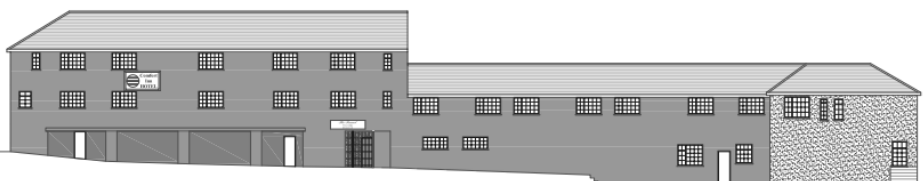
Second Floor Plan As Existing



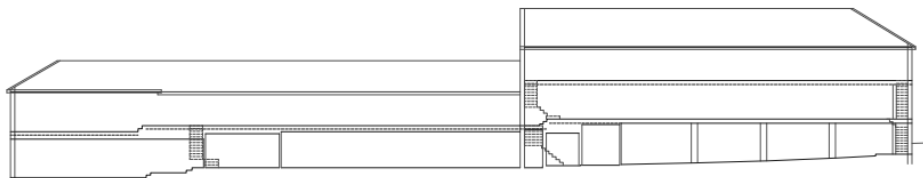
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<p>NO PART OF THIS DRAWING IS TO BE USED FOR ANY OTHER PROJECT WITHOUT THE WRITTEN PERMISSION OF CEDR.</p>	
<p>THESE DRAWINGS ARE THE PROPERTY OF CEDR AND ARE NOT TO BE REPRODUCED OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, INCLUDING PHOTOCOPYING, RECORDING, OR BY ANY INFORMATION STORAGE AND RETRIEVAL SYSTEM, WITHOUT THE WRITTEN PERMISSION OF CEDR.</p>	
<p>NO PART OF THESE DRAWINGS IS TO BE USED FOR ANY OTHER PROJECT WITHOUT THE WRITTEN PERMISSION OF CEDR.</p>	
<p>DATE: 10/10/2018 DRAWN BY: [Name] CHECKED BY: [Name] JOB NO: 08-429</p>	



Front Elevation As Existing



Rear Elevation As Existing



Section A-A As Existing



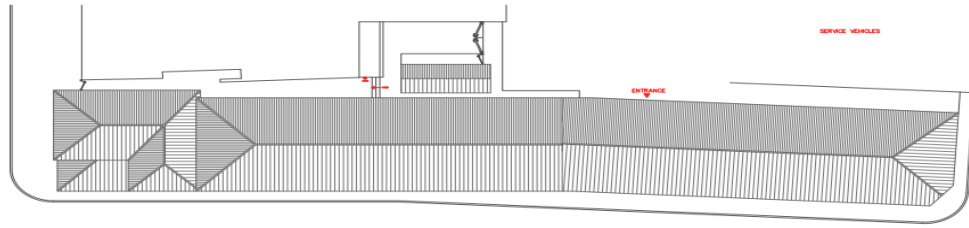
Side Elevation As Existing



Side Elevation As Existing

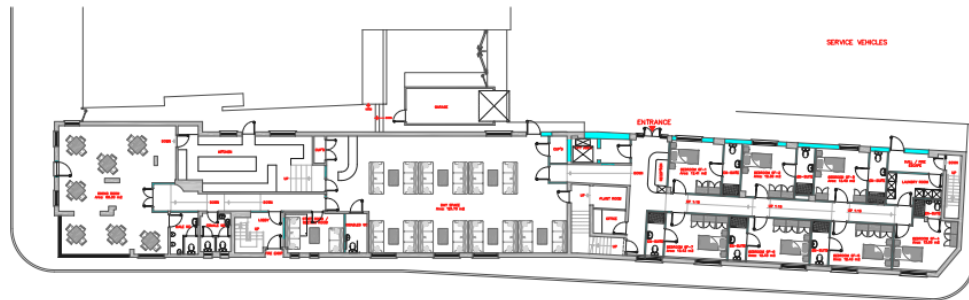
<p>THIS DRAWING IS THE PROPERTY OF CEDR AND IS NOT TO BE REPRODUCED OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, INCLUDING PHOTOCOPYING, RECORDING, OR BY ANY INFORMATION STORAGE AND RETRIEVAL SYSTEM, WITHOUT THE WRITTEN PERMISSION OF CEDR.</p>	
<p>NO PART OF THIS DRAWING IS TO BE USED FOR ANY OTHER PROJECT WITHOUT THE WRITTEN PERMISSION OF CEDR.</p>	
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<p>NO PART OF THESE DRAWINGS IS TO BE USED FOR ANY OTHER PROJECT WITHOUT THE WRITTEN PERMISSION OF CEDR.</p>	
<p>DATE: 10/10/2018 DRAWN BY: [Name] CHECKED BY: [Name] JOB NO: 08-429</p>	





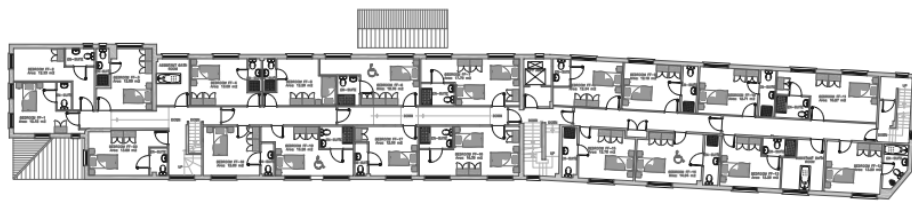
Site Plan As Proposed

<p>Job No: 08-429</p> <p>Rev: 1.0</p> <p>Date: 10/10/2008</p> <p>Author: JLB</p> <p>Checker: JLB</p> <p>Drawn: JLB</p> <p>Scale: 1:100</p> <p>Sheet: 1 of 1</p>
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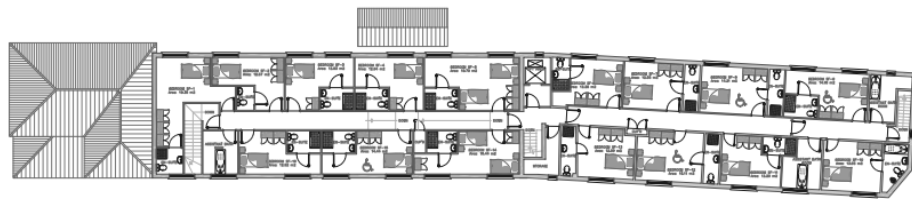


Ground Floor Plan As Proposed - (7 Rooms)

<p>Job No: 08-429</p> <p>Rev: 1.0</p> <p>Date: 10/10/2008</p> <p>Author: JLB</p> <p>Checker: JLB</p> <p>Drawn: JLB</p> <p>Scale: 1:100</p> <p>Sheet: 1 of 1</p>
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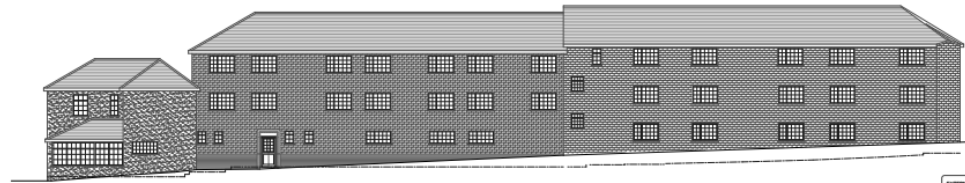
First Floor Plan As Proposed -  
(20 Rooms)



Second Floor Plan As Proposed -  
(16 Rooms)

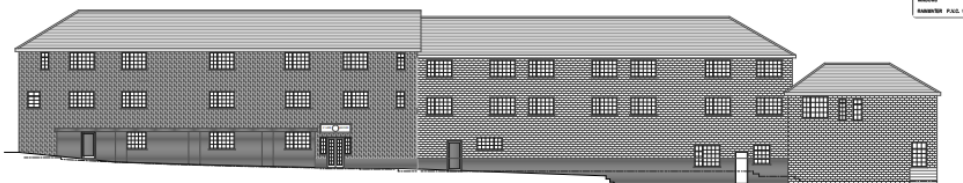


<p>THIS DRAWING IS THE PROPERTY OF THE ARCHITECT AND IS NOT TO BE REPRODUCED OR USED IN ANY MANNER WITHOUT THE WRITTEN PERMISSION OF THE ARCHITECT.</p> <p>DATE: 10/10/18</p> <p>BY: [Signature]</p> <p>FOR: [Signature]</p> <p>Job No: 08-429</p> <p>Scale: 1/50</p> <p>Notes: [List of notes]</p>	
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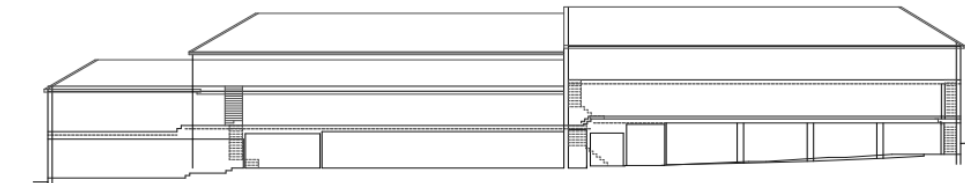


Front Elevation As Proposed

<p>EXTERNAL MATERIALS / FINISHES FOR PROJECT</p> <p>ROOF: Concrete tiles to match existing</p> <p>WALLS: Facing brickwork to match existing</p> <p>GLAZING: PVC-U to match existing</p> <p>ROOFING: PVC-U to match existing</p>	
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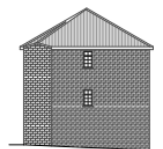
Rear Elevation As Proposed



Section A-A As Proposed



Side Elevation As Proposed

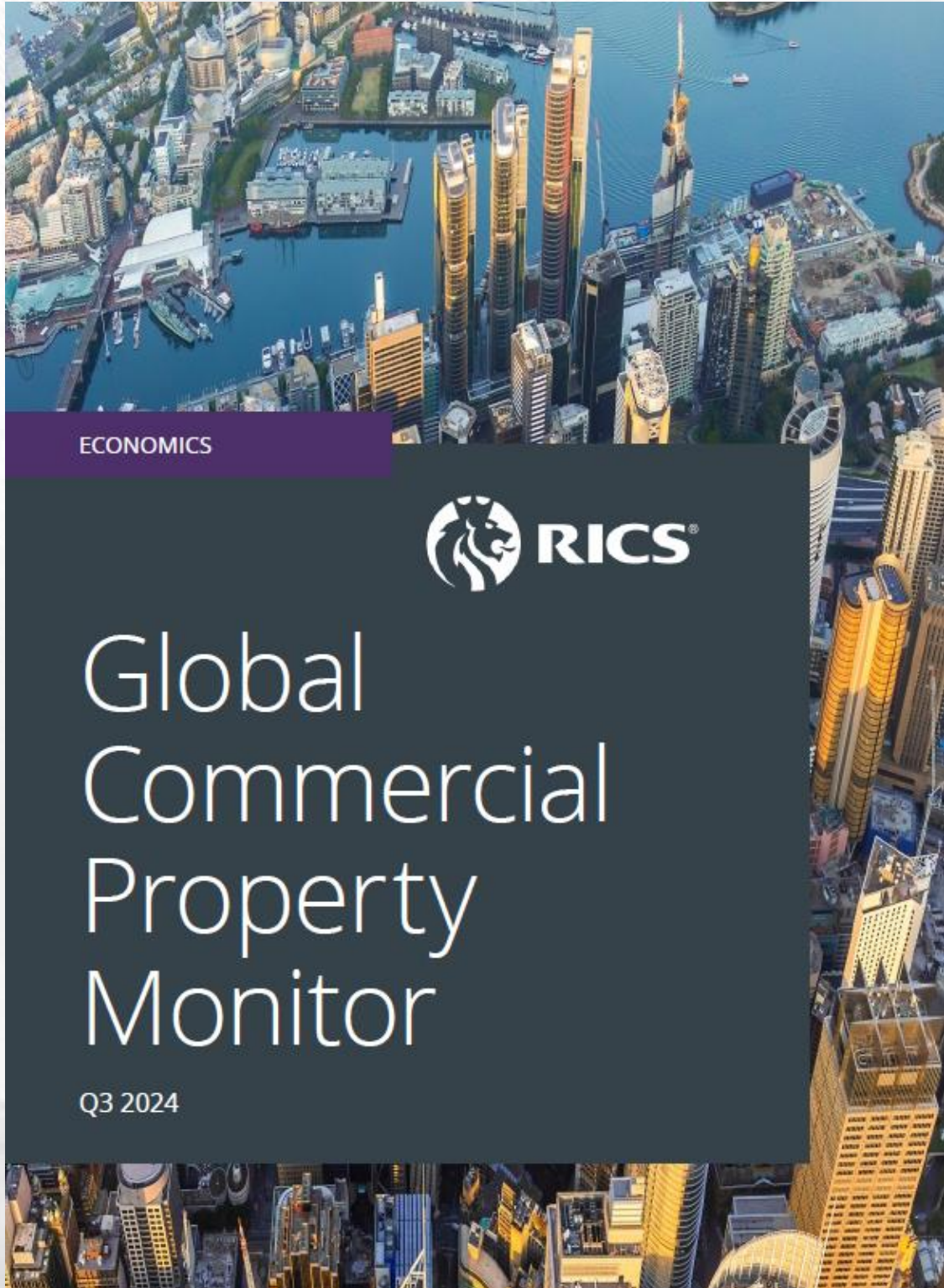


Side Elevation As Proposed

<p>THIS DRAWING IS THE PROPERTY OF THE ARCHITECT AND IS NOT TO BE REPRODUCED OR USED IN ANY MANNER WITHOUT THE WRITTEN PERMISSION OF THE ARCHITECT.</p> <p>DATE: 10/10/18</p> <p>BY: [Signature]</p> <p>FOR: [Signature]</p> <p>Job No: 08-429</p> <p>Scale: 1/50</p> <p>Notes: [List of notes]</p>	
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## Appendix E – RICS Commercial Market Survey



## ECONOMICS

### Further evidence that the global real estate market is in the early stages of recovery

- The headline RICS Commercial Property Sentiment Index (CPSI) posts the least negative reading in two years, albeit this remains relatively weak on a longer term comparison
- Improving credit conditions are paving the way for a tentative uplift in investment activity
- Polarisation between 'best in class' and the rest remains stark in many markets
- Forced asset sales still likely to be a feature of the market over the next year, particularly offices

The Q3 2024 RICS Global Commercial Property Monitor (GCPM) provides further tentative signs that the real estate market, at an aggregate level, is beginning to move onto a slightly more positive trajectory. Interest rate cuts in most major economies are helping to improve the narrative for commercial property but, as the recently released IMF World Economic Outlook highlights, there remain significant macro and geopolitical challenges that could potentially derail global business activity.

For the record, the headline RICS Global Commercial Property Sentiment Index (CPSI) came in at -7 in Q3 which compares with -11 in the second quarter and represents the least negative reading in more than two years (as demonstrated in Chart 1). This improvement was reflected in similar moves in both the Occupier and Investment Sentiment Indices.

Disaggregating to the broad blocs that we employ to summarise the regional trends, all areas recorded either less negative or slightly more positive readings when set against the results from the previous iteration of the survey. This was particularly marked in the Americas, where the CPSI climbed from from -6 to +1, helped by the better tone from the US (zero compared with -8). APAC remains the laggard when taken as an aggregate (-18 as against -20) but, as has been the case for a while now, this masks profoundly divergent patterns at a country level. For Europe (including the UK), the CPSI is still stuck modestly in negative territory, with a -7 reading in the latest three month period. That said, this is the best result since Q2 2022. Meanwhile, feedback from

respondents to the survey continues to show an upbeat trend in the Middle East and Africa (MEA).

#### Investor enquiries edge up as credit conditions loosen

Major central banks around the world, as well as many in emerging economies, have begun to cut interest rates as inflation concerns, while not completely gone, have lessened. Bond yields, reflecting this, have fallen back from last year's highs. However, it is significant that since the 50 basis point cut from the US Federal Reserve in the middle of September, most markets have followed the lead of Treasuries and given up at least some portion of the gains.

Despite this, respondents to the GCPM are telling us that the credit environment, in relation to its impact on the real estate sector, has improved over the past quarter. A net balance of +34% suggests this is the case at a global level, although the majority are pointing to a 'slight' rather than a 'significant' improvement. Perhaps unsurprisingly, the region with the highest reading for this metric is the Americas, where the net balance came in at +45% compared with +3% in Q2; for the USA specifically, the comparable results are +49% and zero. Europe is the region where, according to the survey, credit conditions are next most improved with the net balance standing at +32% as against +14% previously. For APAC, a net balance of +27% suggests some level of easing in the credit environment, although this jumps to +47% in China following the recent stimulus package. Meanwhile for MEA, there is less sense that conditions have changed (net balance of +16%) albeit that interest rate policy has followed the Fed lead.

Chart 1 - Commercial Property Sentiment by Region

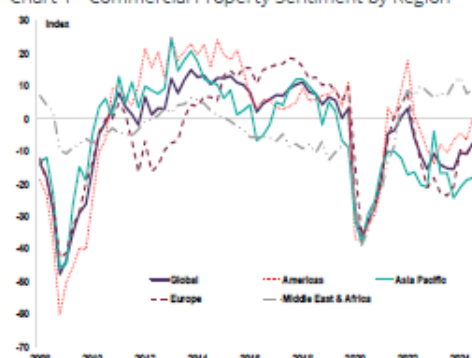


Chart 2 - Improving Global Credit Conditions Pave the Way for Uplift in Investment Enquiries



[rics.org/economics](https://rics.org/economics)



Chart 2 on the previous page highlights (at a global level) the relationship between the RICS credit conditions metric and the headline investment enquiries series. The former does appear to provide a good guide as to the likely trend in the latter and suggests that the uplift in investor activity could continue to gain ground over the coming quarters. Consistent with the credit conditions numbers, it is the Americas where the investor enquiries metric is showing the firmest improvement rising from +9% in net balance terms to +18%. That said, the MEA region continues to record the strongest reading for this series at +20% unchanged from Q2).

#### Polarisation within real estate remains stark

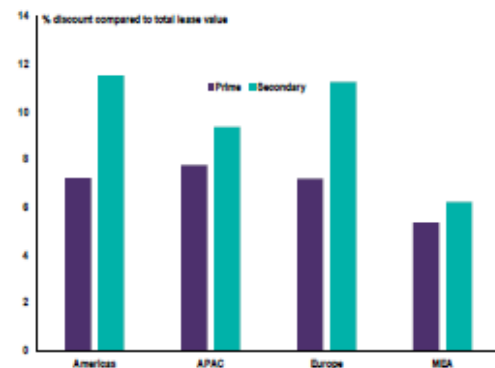
One of the themes that the survey findings have been highlighting for some time now is the divergence in performance between 'best in class' and the rest. We capture this most clearly in the results for twelve-month expectations for capital values and rents. This is very visibly demonstrated using the global numbers in Chart 3, albeit that the divergence is even more pronounced in some of the more mature real estate markets. Meanwhile, from a sector perspective, it is in offices where the gap is most evident reflecting the ongoing structural challenges around hybrid working and the pressure in some markets to meet specific targets/codes for sustainable buildings. Alongside this, the continuing appeal of alternative assets is striking in the results, with projections for data centres pretty much at the top of the pile.

In one of the additional questions included in the latest survey, respondents are asked which sector they see as being most susceptible to an increase in forced sellers over the next twelve months. The unweighted average results show offices continue to be viewed as most vulnerable (identified by around 50% of respondents), followed by retail. Somewhat behind those two sectors are hotels. Alongside this, we also asked at a country level whether forced selling had risen over the past twelve months and whether it was likely to increase over the next twelve months. The results for this are shown in Chart 7. In net balance terms, the US is seen as having been particularly exposed to distressed sales although the pressure is viewed as likely to lessen somewhat over the course of the next year. However, it is clear from looking at the results that participants in the real estate industry are far from convinced that the incidence of distress is going to materially diminish. Contributors from the Middle East are generally least concerned by this prospect according to the feedback to the survey.

Chart 3 - Global Twelve-month Capital Value and Rent Expectations by Sector



Chart 4 - Discount Compared to Total Lease Value in the Office Sector



#### Inducements for occupiers only easing slightly

We noted earlier that there has been a modest improvement in the occupier market accompanying the uplift in investor sentiment, but it needs to be put in the context of feedback suggesting that available supply to occupy is continuing to grow (net balance +25% against +27% in Q2) and that inducements to potential tenants remain relatively high (net balance +24% vs +27% previously). Given the previous discussion around polarisation, it is predictable that the global results show offices to be most exposed in this regard, with the sectors' availability net balance at +36% and inducements net balance at +35%. In two further additional questions, we probed the extent of the discount typically being offered through rent free periods (compared to the total lease value) for prime and secondary offices. Chart 4 captures the results at a regional level for both asset classes while Chart 8 focuses on secondary office discounts specifically, and at a country level. In roughly half the countries included in the GCPM, the secondary discounts exceed 10%, but, once again, it is the MEA region where they are lowest.

#### MEA country expectations remain most positive

Chart 5 graphs the feedback around aggregate twelve month expectations for rents and capital values at a country level. The top right quadrant reflects those markets with positive readings for both metrics, while the bottom left quadrant shows markets where, in net balance terms, the projections are negative. The broad picture is not dissimilar from the results of the Q2 survey, with Saudi Arabia, India and UAE recording the most positive results, while respondents from Sri Lanka see the recovery in the market continuing to come through relatively strongly. At the other end of the spectrum, the outlook for China and Hong Kong remains downbeat according to contributors, despite the latest package of measures. In terms of the more mature markets, the US has edged further into positive territory, while most European markets are little changed, with Spain generating the strongest expectations on the back of a relatively firm macro picture.

Reflecting the slightly improved tone to the latest results, there are tentative signs that professionals feeding into the survey are now sensing that the real estate market in general is closer to fair value. At a global level, 45% of contributors took this view in Q3 which is the highest share since the back end of 2020. And, just as significantly, the share believing the real estate market to either be expensive or very expensive has slipped to 38%, its lowest level since 2015. The most pronounced improvement in this indicator (at a regional level) has been in the Americas, where the share of respondents perceiving the market to be expensive has dropped from over 50% to 40%.

[rics.org/economics](https://rics.org/economics)

## **Appendix F- Caveats & Assumptions**

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### **INSPECTION**

We have undertaken a visual inspection of the exterior and interior of the property to the extent which is accessible with safety and without undue difficulty. We have not carried out a building survey or inspected those parts of the property which are covered, unexposed or inaccessible and such parts are assumed to be in good repair and condition.

We have not tested the electrical, heating or other services and we have assumed that the services are connected to the main supplies and that they conform to necessary regulations.

In preparing the report, unless otherwise stated, the following assumptions have been made and which we have no duty to verify:

- (a) that no deleterious or hazardous materials or techniques were used in the construction of the property or have since been incorporated;
- (b) that inspection of those parts which have not been inspected would neither reveal material defects nor cause us to alter the valuation materially;
- (c) that no exceptional problems would be encountered in construction with regard to the nature of the subsoil, underground services and site conditions etc; and
- (d) that the property complies in all respects with all legislation, statutory provisions and regulations relating to its construction, use and occupation, that any necessary consents are in place and that no notices are outstanding against the property.

### **MEASUREMENTS**

All measurements are carried out in accordance with the Code of Measuring Practice issued by the Royal Institution of Chartered Surveyors.

### **GENERAL ASSUMPTIONS**

Unless otherwise stated, all items normally associated with the valuation of land, business and buildings are included in the valuation and reinstatement costs to the extent that they existed at the date of inspection.

### **ENVIRONMENTAL CONSIDERATIONS**

We do not undertake any environmental testing as part of a normal valuation inspection and will therefore usually report that our enquiries have not revealed any contamination affecting the property or neighbouring property, which would affect the valuation. However, should it be established subsequently that contamination exists at the property or on any neighbouring land or that the premises have been or are being put to any



contaminative use, this might reduce the values reported. When valuing a property where we suspect contamination may exist this has been reported.

### **VERIFICATION OF TITLE**

Unless otherwise expressly agreed we have relied upon information provided by the client and other professional advisers relating to tenure, leases and all other relevant matters. We have assumed that good Title can be shown and that the property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoings. It is understood that if a Report on Title is subsequently obtained which is in conflict with our report, it will be referred to us for further consideration. No responsibility or liability is accepted for the true interpretation of the legal position of the lender and other parties. Any interpretation of legal documents and legal assumptions should be checked by the client or suitably qualified person, if it is to be relied upon.

### **TOWN PLANNING, HIGHWAYS & OTHER STATUTORY REGULATIONS**

We have made such informal, verbal planning and highways enquiries which are appropriate and possible in the circumstances. It is an assumption that the property and its value are unaffected by any matters which would be revealed by a local search and replies to the usual enquiries and that neither the property nor its condition, nor its use, nor its intended use is, or will be, unlawful. It is recommended that verification is obtained from your solicitors that:

- (a) our findings in respect of planning and highways matters are correctly stated in the report;
- (b) the property is not adversely affected by any other decisions made or conditions prescribed by Local Authorities; and
- (c) the property complies with all other statutory regulations.

### **REINSTATEMENT COST**

We have not carried out a formal assessment of the current cost of reinstatement of the buildings and our opinion is given solely as a guide and is indicative only.

Our opinion is based on our measured areas and average rebuilding cost data, assuming the buildings are in their present form or that buildings under construction will be completed as proposed.

Our figure is on a day one basis and includes an allowance for the costs of demolition, clearance and professional and statutory fees. No allowance has been made for cost inflation, loss of rent, cost of alternative accommodation, cost of treatment or removal of contamination or Value Added Tax except on fees.

Our indicative figure should not be relied upon and is for informal guidance only.

### **COSTS AND TAX**

Where appropriate allowance has been made in our valuation for a purchaser's costs of acquisition but no allowance has been made for expenses of realisation or for any taxation that may arise on disposal or acquisition.

The valuation excludes any Value Added Tax that may be payable either on disposal or acquisition or any Value Added Tax that may be payable on any passing rental.

### **CONFIDENTIALITY**

This report is provided for the stated purpose and for the sole use of the client. We accept responsibility to the client alone that the report has been prepared with the skill, care and diligence to be expected of a competent valuer. It is confidential to the client and his professional advisers, and we accept no responsibility whatsoever to any parties other than the client. Any third parties rely upon the report at their own risk.

Neither the whole nor any part of this valuation report or any reference to it may be included in any published document, circular or statement or published in any way without our written approval of the form and context in which it may appear.

### **CONFIRMATION**

That the valuer has the knowledge, skills and understanding to undertake the valuation competently.





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