



**In respect of:**

Portfolio of 84 properties held by Tritax Big Box REIT plc

**On behalf of:**

the Addressees as set out below

**Date of valuation:**

31 December 2023

# Contents

01	1	
02	Valuation Report	1
	Introduction	1
	Source of Information and Scope of Works	9
	Valuation Assumptions	11
03	Appendices	15
	Appendix A: Schedule of Properties as at 31 December 2023	16
	Appendix B: Market Value of the Properties as at 31 December 2023 split by property type (100%)	19
	Appendix C: Market Value of the Properties as at 31 December 2023 split by property location (100%)	20
	Appendix D: Review of the Assets in the Course of Development (100%)	22



CBRE Limited  
Henrietta House  
Henrietta Place  
London W1G 0NB

# Valuation Report

## Introduction

---

**Report Date** 21 March 2024

---

**Valuation Date** 31 December 2023

---

**Addressees** Tritax Big Box REIT plc  
72 Broadwick Street  
London  
W1F 9QZ  
(hereinafter referred to as “Tritax” or the “Company”)

and

Jefferies International Limited  
100 Bishopsgate  
London  
EC2N 4JL  
(in their capacity as sponsor and lead financial adviser to the Company)

and

Akur Limited  
66 St James’s Street  
London  
SW1A 1NE  
(in their capacity as joint financial adviser to the Company)

and

J.P. Morgan Securities plc  
25 Bank Street  
Canary Wharf  
London  
E14 5JP  
(in their capacity as joint financial adviser to the Company)

---

and

UK Commercial Property REIT Limited  
 PO Box 255  
 Trafalgar Court Les Banques  
 St Peter Port  
 Channel Islands  
 GY1 3QL  
 Guernsey (hereinafter referred to as "UK Commercial Property")

and

N.M. Rothschild & Sons Limited  
 New Court, St Swithin's Lane  
 London  
 EC4N 8AL  
 (in their capacity as lead financial adviser to UK Commercial Property)

and

Numis Securities Limited (trading as Deutsche Numis)  
 45 Gresham Street  
 London  
 EC2V 7BF  
 (in their capacity as joint financial adviser to UK Commercial Property)

(and all the above collectively referred to as "the Addressees")

<b>The Properties</b>	84 properties held by Tritax and its group, as set out in the Schedule of Properties below in Appendix A (each a "Property" and together the "Properties").
<b>Instruction</b>	To value without re-inspecting the unencumbered freehold and leasehold interests (as applicable) of the Properties on the basis of Market Value as at the Valuation Date in accordance with Terms of Engagement entered into between CBRE Ltd ("CBRE") and the Addressees dated 20 March 2024 (the "Valuation").
<b>Status of Valuer</b>	<p>You have instructed us to act as an "external valuer" as defined in the current version of the RICS Valuation – Global Standards (2022).</p> <p>Please note that the Valuation may be investigated by the RICS for the purposes of the administration of the Institution's conduct and disciplinary regulations in order to ensure compliance with the RICS Valuation – Global Standards (2022).</p>
<b>Purpose and Basis of Valuation</b>	<p>The Valuation has been prepared for a Regulated Purpose as defined in the RICS Valuation – Global Standards (2022) (incorporating the International Valuation Standards) and the UK national supplement current as at the Valuation Date (the "Red Book").</p> <p>We understand that our valuation report and the Appendices to it (together the "Valuation Report") are required for inclusion in an announcement to be issued by the</p>

Company in connection with the proposed recommended all-share offer by the Company for the entire issued and to be issued ordinary share capital of UK Commercial Property (the "Transaction") pursuant to Rule 2.7 of the City Code on Takeovers and Mergers (the "Code") (the "Announcement").

This Valuation has been prepared on the basis of Market Value as defined in the current edition of the RICS Valuation – Global Standards (2022) and in accordance with the Valuation Assumptions set out below.

The effective date of our Valuation is 31 December 2023 (the "Valuation Date").

In accordance with the Red Book, we have made certain disclosures in connection with this valuation instruction and our relationship with the Addressees.

### Market Value of the Properties as at 31 December 2023 (100%)

**£4,839,625,000 (FOUR BILLION, EIGHT HUNDRED AND THIRTY-NINE MILLION, SIX HUNDRED AND TWENTY-FIVE THOUSAND POUNDS)** exclusive of VAT, as shown in the Schedule of Capital Values set out below.

For the avoidance of doubt, we have valued the Properties as real estate and the values reported above represent 100% of the market values of the assets. There are no negative values to report.

Our opinion of Market Value is based upon the Scope of Work and Valuation Assumptions attached, and has been primarily derived using comparable recent market transactions on arm's length terms.

The Properties are split by property type and tenure as follows.

Property Type	Freehold	Long Leasehold	Total
Market Value of Properties held for Investment	£4,179,445,000 (71 Properties)	£531,740,000 (6 Properties)	£4,711,185,000 (77 Properties)
Market Value of Properties in the Course of Development	£128,440,000 ( 7 Properties)	£0 (Nil Properties)	£128,440,000 (7 Properties)
<b>Total</b>	<b>£4,307,885,000</b>	<b>£531,740,000</b>	<b>£4,839,625,000</b>

### Market Value of the Properties as at 31 December 2023 (at share)

The Company has advised us that three properties are held on minority (4%) interests; DHL Skelmersdale, Matalan Knowsley, and Cerealto Worksop.

The total arithmetical apportionment of the value taking into account the relevant ownership share (as advised to us by the Company) on a pro-rata basis is as follows:

**£4,718,617,000 (FOUR BILLION, SEVEN HUNDRED AND EIGHTEEN MILLION, SIX HUNDRED AND SEVENTEEN THOUSAND POUNDS)** exclusive of VAT.

Where a Property is owned through an indirect investment structure or a joint tenancy in a trust for sale, our Valuation represents the relevant apportioned percentage of ownership of the value of the whole Property, assuming full management control. Our Valuation therefore is unlikely to represent the value of the interests in the indirect investment structure through which the property is held.

### Report Format

Appendix A of this Valuation Report contains the Schedule of Properties. Appendix B provides a split of the value of the Properties by use type. Appendix C provides a split of the value of the Properties by location.

---

Appendix D provides a review of the assets in the course of development.

The Company has expressly instructed us not to disclose certain information which is considered commercially sensitive, namely the individual values of the Properties.

---

### **Market Conditions**

We draw your attention to a combination of global inflationary pressures (leading to higher interest rates) and recent failures/stress in banking systems which have increased the potential for constrained credit markets, negative capital value movements and enhanced volatility in property markets over the short-to-medium term. While there is still liquidity in the market, ongoing geopolitical uncertainties, economic challenges and the cost and accessibility of debt finance could further impact pricing.

Experience has shown that consumer and investor behaviour can quickly change during periods of such heightened volatility. Lending or investment decisions should reflect this heightened level of volatility and the potential for deteriorating market conditions.

It is important to note that the conclusions set out in this Valuation Report are valid as at the Valuation Date only. Where appropriate, we recommend that the valuation is closely monitored, as we continue to track how markets respond to evolving events.

---

### **Portfolios and Aggregation**

We have valued the Properties individually and no account has been taken of any discount or premium that may be negotiated in the market if all or part of the portfolio was to be marketed simultaneously, either in lots or as a whole.

---

### **Valuation Approach for Properties in Course of Development**

In the case of development valuations, we would draw your attention to the fact that, even in normal market conditions, the residual method of valuation is very sensitive to changes in key inputs, with small changes in variables (such as the timing of the development, finance/construction costs and sales rates) having a disproportionate effect on land value.

Consequently, in reference to the Market Conditions section above it is inevitable that there is even greater uncertainty in respect of development valuations, with site values being susceptible to much more variance than normal.

---

### **Building Contracts**

Current supply issues associated with some building material shortages are impacting on construction costs and timing.

Unexecuted construction / building contracts may be subject to price increases and executed contracts may contain conditions which allow the builder to pass on any increases to the instructing party.

We recommend you obtain appropriate advice to confirm there are no adverse conditions within the final construction/building contract and/or ensure there are additional funds available to cover potential cost escalations.

Rising building costs and shortages of labour and materials may also affect the builder's viability and/or ability to meet construction timeframes. In this climate, we strongly recommend you verify the experience and financial capability of the builder to complete the project on time and on budget. Caution is advised in this regard.

In the absence of any information to the contrary, we have assumed that the construction contract and any warranties will be assignable.

---

### **Construction Cost Volatility**

Material costs, labour costs and supply chains are unusually volatile with the market experiencing price increases in some, or all of these areas during 2022 and continuing into 2023. This has created significant uncertainty in cost estimates, which is likely to

---

---

continue. In addition, there are significant risks that delays may be encountered in sourcing materials and labour, and as such, delivery risks are also heightened in this climate.

Furthermore, the likelihood of ongoing cost escalations and sourcing delays is high. This may place additional pressure on both the developer's and builder's profit margins and development viability.

These inherent risks should therefore be given careful consideration in lending and investment decisions. Caution is advised in this regard.

---

### **Compliance with Valuation Standards**

The Valuation has been prepared in accordance with the latest version of the RICS Valuation – Global Standards (2022), incorporating the International Valuation Standards, and the UK national supplement (the “Red Book”) current as the Valuation Date.

We confirm that the valuations have been prepared in accordance with the requirements of Rule 29 of the Code.

---

The Properties have been valued by valuers who are appropriately and professionally qualified, suitably experienced and independent of the Company and UK Commercial Property and have the appropriate competences for the purpose of the Valuation in accordance with the Red Book and Rule 29.3 (a) (ii) and (iii) of the Code. We confirm that we have sufficient and current local and national knowledge of the particular property market involved and have the necessary skills and understanding to undertake the Valuation competently.

---

Where the knowledge and skill requirements of the Red Book have been met in aggregate by more than one valuer within CBRE, we confirm that a list of those valuers has been retained within the working papers, together with confirmation that each named valuer complies with the requirements of the Red Book.

---

This Valuation is a professional opinion and is expressly not intended to serve as a warranty, assurance or guarantee of any particular value of the subject Properties. Other valuers may reach different conclusions as to the value of the subject Properties. This Valuation is for the sole purpose of providing the intended user with the valuer's independent professional opinion of the value of the subject Properties as at the Valuation Date.

---

### **Sustainability Considerations**

Wherever appropriate, sustainability and environmental matters are an integral part of the valuation approach. ‘Sustainability’ is taken to mean the consideration of such matters as environment and climate change, health and well-being and corporate responsibility that can or do impact on the valuation of an asset. In a valuation context, sustainability encompasses a wide range of physical, social, environmental, and economic factors that can affect value. The range of issues includes key environmental risks, such as flooding, energy efficiency and climate, as well as matters of design, configuration, accessibility, legislation, management, and fiscal considerations – and current and historic land use.

Sustainability has an impact on the value of an asset, even if not explicitly recognised. Valuers reflect markets, they do not lead them. Where we recognise the value impacts of sustainability, we are reflecting our understanding of how market participants include sustainability requirements in their bids and the impact on market valuations.

---

<b>Climate Risk Legislation</b>	<p>From June 2019, the Climate Change Act 2008 (2050 Target Amendment) Order 2019 commits the UK Government to reducing greenhouse gas emissions by 100% from 1990 levels (i.e. a Net Zero position) by 2050. In 2021 an interim target was set, to reduce emissions by 78% by 2035, by decarbonising electricity generation. This means that fossil fuels used in building, such as natural gas for heating, are incompatible with this commitment. The proposal to update the Minimum Energy Efficiency Standards, to require all non-domestic properties to a minimum EPC rating of B in 2030 has not been ratified and in the absence of any commentary from the current administration, we assume landlords will continue to work towards this target.</p> <p>We also note that the UK's introduction of mandatory climate related disclosures (reporting climate risks and opportunities consistent with recommendations by the "Task Force for Climate Related Financial Disclosure" (TCFD)), including the assessment of so-called physical and transition climate risks, will potentially have an impact on how the market views such risks and incorporates them into the sale of letting of assets.</p> <p>The European Union's "Sustainable Finance Disclosure Regulations" (SFDR) may impact on UK asset values due to the requirements in reporting to European investors.</p>
<b>Assumptions</b>	<p>The Property details on which each Valuation is based are as set out in this Valuation Report. We have made various assumptions as to tenure, letting, taxation, town planning, and the condition and repair of buildings and sites – including ground and groundwater contamination – as set out below.</p> <p>If any of the information or assumptions on which the Valuation is based are subsequently found to be incorrect, the Valuation figures may also be incorrect and should be reconsidered.</p>
<b>Variations and/or Departures from Standard Assumptions</b>	None.
<b>Independence</b>	<p>The total annual fees, including the fee for this assignment, earned by CBRE (or other companies forming part of the same group of companies within the UK) from Tritax Big Box REIT plc (or other companies forming part of the same group of companies) is less than 5.0% of the CBRE group's total annual UK revenues.</p> <p>It is not anticipated this situation will vary in the financial year to 31 December 2024.</p> <p>We confirm that neither the valuers concerned nor CBRE have any personal interest in the Company, UK Commercial Property, any of the Properties or in the outcome of the Valuation.</p>
<b>Previous Involvement and Conflicts of Interest</b>	<p>We confirm that we have valued the Properties on behalf of the Company on a six monthly basis for financial reporting purposes for in excess of 10 years, the most recent valuation being 31 December 2023.</p> <p>From time to time, CBRE provides agency or professional services to the Company.</p> <p>We do not consider that this previous involvement represents a conflict of interest and you have confirmed to us that it also considers this to be the case.</p> <p>CBRE are also instructed to value the UK Commercial Property portfolio for UK Commercial Property on a quarterly basis for financial reporting purposes, and have been in excess of ten years, the most recent valuation being 31 December 2023. CBRE have also been</p>



engaged by the Addressees to value the UK Commercial Property portfolio for the purposes of the present transaction.

We have put in place information barriers between the valuers of the Tritax Properties and the valuers of the UK Commercial Property portfolio. The Panel have confirmed to you that CBRE acting with these barriers in place is acceptable for the purpose of this Valuation. You have confirmed to us the same.

We confirm that we are not aware of any further conflicts of interest that would prevent us from exercising the required levels of independency and objectivity in undertaking the Valuation.

Copies of our conflict of interest checks have been retained within the working papers.

### **Disclosure**

The principal signatory of this Valuation Report has not been the signatory of valuations for the Company prior to this instruction.

The secondary signatory of this Valuation Report has continuously been the signatory of valuations for the Company since December 2022.

CBRE has continuously been carrying out valuation instructions for the Company for in excess of 10 years.

CBRE has carried out valuation, agency and professional services on behalf of the Company for in excess of 10 years.

### **Responsibility**

We are responsible for this Valuation Report and accept responsibility for the information contained in this Valuation Report and confirm that to the best of our knowledge (having taken all reasonable care to ensure that such is the case) the information contained in this Valuation Report is in accordance with the facts and this Valuation Report makes no omissions likely to affect its import.

Save for any responsibility arising under the Code to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in accordance with this Valuation Report or our statement above.

### **Reliance**

Save as set out in "Responsibility" above, the contents of this Valuation Report may only be relied upon by:

- i) Addressees of the Valuation Report; and
- ii) Parties who have received prior written consent from CBRE in the form of a reliance letter;

for the specific purpose set out herein and no responsibility is accepted to any third party for the whole or any part of its contents.

No reliance may be placed upon the contents of this Valuation Report by any party for any purpose other than in connection with the Purpose of the Valuation.

---

**Publication**

We understand that this Valuation Report will also require to be put on public display on the websites of the Company and UK Commercial Property in accordance with Rules 26.3 and 29.4 of the Code.

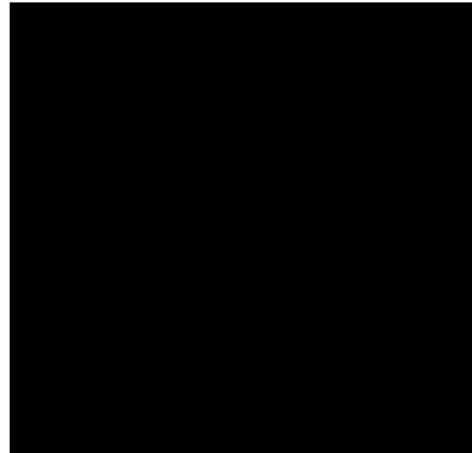
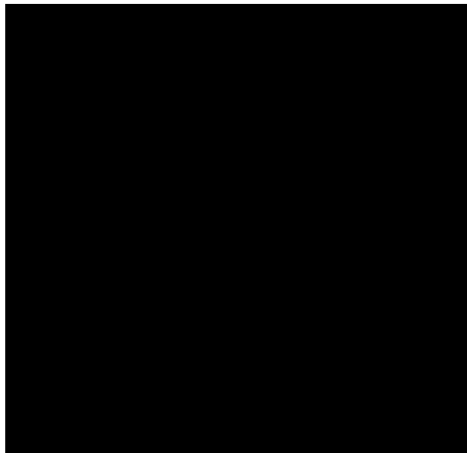
Neither the whole nor any part of our Valuation Report nor any references thereto may be included in any published document, circular or statement nor published in any way without our prior written approval of the form and context in which it will appear.

Such publication of, or reference to this Valuation Report will not be permitted unless it contains a sufficient contemporaneous reference to any departure from the Red Book or the incorporation of the special assumptions referred to herein.

---

Yours faithfully

Yours faithfully



## Source of Information and Scope of Works

<b>Sources of Information</b>	<p>We have carried out our work based upon information supplied to us by the Company and their professional advisors, as set out within this Valuation Report, which we have assumed to be correct and comprehensive, including;</p> <ul style="list-style-type: none"> <li>• Tenancy and asset management update document for the properties held for investment named TBBR AM – FY 2023 and received on 29 November 2023</li> <li>• Information update pack for the assets in the course of development named CBRE Development Summary for Info dated November 2023 and received on 7 November 2023</li> <li>• Detailed cost plans, build summaries, timescales and business plans for the assets in the course of development, downloaded from a Tritax Symmetry Share Point site on 01 December 2023</li> <li>• For new acquisitions, we generally receive due diligence reports, including measured surveys, technical and environmental reports.</li> </ul>
<b>The Properties</b>	<p>Our Valuation Report contains a brief summary of the Property details on which our Valuation has been based.</p> <p>You have expressly instructed us not to disclose certain information which is considered by the Company to be commercially sensitive, namely the individual values of the Properties.</p>
<b>Inspection</b>	<p>As part of our Valuation instruction from the Company for financial reporting purposes, the majority of the Properties have been subject to internal inspections on a three year rolling basis. As instructed, we re-inspected 48 of the 84 Properties for the purpose of this Valuation.</p> <p>With regard to those Properties which have not been subject to re-inspection, the Company has confirmed that they are not aware of any material changes to the physical attributes of the Properties, or the nature of their location, since the last inspection. We have assumed this advice to be correct.</p> <p>Where Properties have not been re-inspected, the valuer will not carry out the usual range of enquiries performed during a full inspection of these Properties and will make the appropriate assumptions based on the information provided or available that, without a full inspection, cannot be verified. The instructing parties acknowledge and accept the heightened and inherent uncertainty and risks relying upon a valuation prepared on a desktop basis.</p>
<b>Areas</b>	<p>We have not measured the Properties but have relied upon the floor areas provided to us by you or your professional advisors, which we have assumed to be correct and comprehensive, and which you have advised us have been calculated using the: Gross Internal Area (GIA), Net Internal Area (NIA) or International Property Measurement Standard (IPMS) 3 – Office, measurement methodology as set out in the latest edition of the RICS Property Measurement Standards.</p>
<b>Environmental Considerations</b>	<p>We have not been instructed to make any investigations in relation to the presence or potential presence of contamination in land or buildings or the potential presence of other environmental risk factors and to assume that if investigations were made to an appropriate extent then nothing would be discovered sufficient to affect value.</p> <p>We have not carried out investigation into past uses, either of the property or of any adjacent lands, to establish whether there is any potential for contamination from such uses or sites, or other environmental risk factors and have therefore assumed that none exists.</p>

<b>Sustainability Considerations</b>	In carrying out this Valuation, we have considered the impact of sustainability factors on the value of the Property. Based on our inspections and our review of the information that was available to us, we have not identified any risk factors which, in our opinion, would affect value. However, CBRE gives no warranty as to the absence of such risk factors in relation to sustainability.
<b>Services and Amenities</b>	<p>We understand that the Properties are located in an area served by mains gas, electricity, water and drainage.</p> <p>None of the services have been tested by us.</p> <p>Enquiries regarding the availability of utilities/services to the development schemes are outside the scope of our Valuation Report.</p>
<b>Repair and Condition</b>	We have not carried out building surveys, tested services, made independent site investigations, inspected woodwork, exposed parts of the structure which were covered, unexposed or inaccessible, nor arranged for any investigations to be carried out to determine whether or not any deleterious or hazardous materials or techniques have been used, or are present, in any part of the Properties. We are unable, therefore, to give any assurance that the Properties are free from defect.
<b>Town Planning</b>	We have not undertaken planning enquiries.
<b>Titles, Tenures and Lettings</b>	<p>Details of title/tenure under which the Properties are held and of lettings to which it is subject are as supplied to us. We have not generally examined nor had access to all the deeds, leases or other documents relating thereto. Where information from deeds, leases or other documents is recorded in this Valuation Report, it represents our understanding of the relevant documents. We should emphasise, however, that the interpretation of the documents of title (including relevant deeds, leases and planning consents) is the responsibility of your legal adviser.</p> <p>We have not conducted credit enquiries on the financial status of any tenants. We have, however, reflected our general understanding of purchasers' likely perceptions of the financial status of tenants.</p>

## Valuation Assumptions

<b>Introduction</b>	<p>An Assumption is defined in the Red Book Glossary and VPS 4 to be a “supposition taken to be true” (an “Assumption”).</p> <p>Assumptions are facts, conditions or situations affecting the subject of, or approach to, a valuation that it has been agreed need not be verified by the valuer as part of the valuation process. Assumptions are made when it is reasonable for the valuer to accept that something is true without the need for specific investigation.</p> <p>The Company has confirmed and we confirm that our Assumptions are correct as far as the Company and we, respectively, are aware. In the event that any of these Assumptions prove to be incorrect then our valuations should be reviewed. The principal Assumptions which we have made are stated within this Valuation Report.</p> <p>For the avoidance of doubt, the Assumptions made do not affect compliance with the approach to Market Value under the Red Book.</p>
<b>Capital Values</b>	<p>The Valuation has been prepared on the basis of “Market Value”, which is defined in the Red Book as:</p> <p>“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.”</p> <p>The Valuation represents the figure that would appear in a hypothetical contract of sale at the Valuation Date. No adjustment has been made to this figure for any expenses of acquisition or realisation – nor for taxation which might arise in the event of a disposal.</p> <p>No account has been taken of any inter-company leases or arrangements, nor of any mortgages, debentures or other charge.</p> <p>No account has been taken of the availability or otherwise of capital based Government or European Community grants.</p>
<b>Taxation, Costs and Realisation Costs</b>	<p>As stated above, no allowances have been made for any expenses of realisation nor for taxation which might arise in the event of a disposal.</p> <p>Our valuations reflect purchasers’ statutory and other normal acquisition costs.</p>
<b>VAT</b>	<p>We have not been advised whether the properties are elected for VAT.</p> <p>All rents and capital values stated in this Valuation Report are exclusive of VAT.</p>
<b>Net Annual Rent</b>	<p>Net annual rent is defined for the purposes of this transaction as “the current income or income estimated by the valuer:</p> <ul style="list-style-type: none"> <li>(i) ignoring any special receipts or deduction arising from the property;</li> <li>(ii) excluding Value Added Tax and before taxation (including tax on profits and any allowances for interest on capital or loans); and</li> <li>(iii) after making deductions for superior rents (but not for amortisation), and any disbursements including, if appropriate, expenses of managing the property and allowances to maintain it in a condition to command its rent”.</li> </ul>
<b>Estimated Net Annual Rental Value</b>	<p>The estimated net annual rental value is based on the current rental value of each of the Properties. The rental value reflects the terms of the leases where the Properties, or parts thereof, are let at the date of valuation. Where the Properties, or parts thereof, are vacant at the date of valuation, the rental value reflects the rent we consider would be obtainable on an open market letting as at the date of valuation.</p>
<b>Rental Values</b>	<p>Unless stated otherwise rental values indicated in our Valuation Report are those which have been adopted by us as appropriate in assessing the capital value and are not necessarily</p>

appropriate for other purposes, nor do they necessarily accord with the definition of Market Rent in the Red Book, which is as follows:

"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."

### **Fixtures, Fittings and Equipment**

Where appropriate we have regarded the shop fronts of retail and showroom accommodation as forming an integral part of the building.

Landlord's fixtures such as lifts, escalators, central heating and other normal service installations have been treated as an integral part of the building and are included within our Valuations.

Process plant and machinery, tenants' fixtures and specialist trade fittings have been excluded from our Valuations.

All measurements, areas and ages quoted in our Valuation Report are approximate.

### **Environmental Matters**

In the absence of any information to the contrary, we have assumed that:

- a) the Property/Properties is/are not contaminated and is not adversely affected by any existing or proposed environmental law;
- b) any processes which are carried out on the Property/Properties which are regulated by environmental legislation are properly licensed by the appropriate authorities;
- c) in England and Wales, the Property/Properties possesses current Energy Performance Certificates (EPCs) as required under the Government's Energy Performance of Buildings Directive – and that they have an energy efficient standard of 'E', or better. Under the Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 it became unlawful for landlords to rent out business or residential premise from 1st April 2018 – unless the site has reached a minimum EPC rating of an 'E', or secured a relevant exemption. In Scotland, we have assumed that the Property/Properties possesses current EPCs as required under the Scottish Government's Energy Performance of Buildings (Scotland) Regulations – and that they meet energy standards equivalent to those introduced by the 2002 building regulations. The Assessment of Energy Performance of Non-Domestic Buildings (Scotland) Regulations 2016 requires building owners to commission an EPC and Action Plan for sale or new rental of non-domestic buildings bigger than 1,000 sq m that do not meet 2002 building regulations energy standards. Action Plans contain building improvement measures that must be implemented within 3.5 years, subject to certain exemptions;
- d) In January 2021 the Government set out proposals in England and Wales for 'improving the energy performance of privately rented homes'. The key tenets of the proposals are to; reduce emissions; tackle fuel poverty; improve asset quality; reduce energy bills; enhance energy security; and support associated employment. The proposals were wide ranging and included new demands on residential landlords through Energy Performance Certificates ('EPCs').

Existing PRS Regulations set a minimum standard of EPC Band E for residential units to be lettable. The Government proposals see this threshold being raised to EPC Band C for all new tenancies created from 01 April 2025 and for all existing tenancies by 01 April 2028.

The principle for relevant building works is to be 'fabric first' meaning maximisation of components and materials that make up the building fabric to enhance, for example, insulation, ventilation and air-tightness. The proposals also cite;

compliance measures and penalties for landlords, letting agents and local authorities; and affordability support for carrying out necessary works. The implication was (as with the existing EPC Band E requirement) that private rented units may effectively be rendered unlettable if they failed to meet or exceed the minimum EPC requirement.

On 20 September 2023 the Prime Minister announced revisions to the PRS Regulations such that residential landlords will not be fined if they do not meet these requirements. It was not specified if this denotes a delay to the effective dates or the removal of the penalty.

In addition the Prime Minister announced that Boiler Upgrade Scheme subsidies will be increased from £5,000 to £7,500, and the timeframe for removal of gas fired boilers delayed until 2035.

The change in policy is more towards incentivising change as opposed to enforcement.

The UK's Net Zero 2050 pledge is still being upheld although future revisions are not out of the question, particularly in the event of a potential change in Government. It is likely that institutional landlords in particular will continue to target energy efficiency given policy change uncertainty and the ever increasing focus on ESG; we therefore expect EPC ratings to continue to be a focus for residential investors and occupiers in the UK

- e) the Properties are either not subject to flooding risk or, if it is, that sufficient flood defences are in place and that appropriate building insurance could be obtained at a cost that would not materially affect the capital value; and
- f) invasive species such as Japanese Knotweed are not present on the Properties.

High voltage electrical supply equipment may exist within, or in close proximity of, the Properties. The National Radiological Protection Board (NRPB) has advised that there may be a risk, in specified circumstances, to the health of certain categories of people. Public perception may, therefore, affect marketability and future value of the Properties. Our Valuation reflects our current understanding of the market and we have not made a discount to reflect the presence of this equipment.

**Repair and Condition** In the absence of any information to the contrary, we have assumed that:

- a) there are no abnormal ground conditions, nor archaeological remains, present which might adversely affect the current or future occupation, development or value of the Properties;
- b) the Properties are free from rot, infestation, structural or latent defect;
- c) no currently known deleterious or hazardous materials or suspect techniques, including but not limited to Composite Panelling, ACM Cladding, High Alumina Cement (HAC), Asbestos, Reinforced Autoclaved Aerated Concrete (Raac), have been used in the construction of, or subsequent alterations or additions to, the Properties; and
- d) the services, and any associated controls or software, are in working order and free from defect.

We have otherwise had regard to the age and apparent general condition of the Properties. Comments made in the property details do not purport to express an opinion about, or advise upon, the condition of uninspected parts and should not be taken as making an implied representation or statement about such parts.

**Title, Tenure,  
Lettings, Planning,  
Taxation and  
Statutory & Local  
Authority  
Requirements**

Unless stated otherwise within this Valuation Report, and in the absence of any information to the contrary, we have assumed that:

- a) the Properties possess a good and marketable title free from any onerous or hampering restrictions or conditions;
- b) the building has been erected either prior to planning control, or in accordance with planning permissions, and has the benefit of permanent planning consents or existing use rights for their current use;
- c) the Properties are not adversely affected by town planning or road proposals;
- d) the building complies with all statutory and local authority requirements including building, fire and health and safety regulations, and that a fire risk assessment and emergency plan are in place;
- e) only minor or inconsequential costs will be incurred if any modifications or alterations are necessary in order for occupiers of the Properties to comply with the provisions of the Disability Discrimination Act 1995 (in Northern Ireland) or the Equality Act 2010 (in the rest of the UK);
- f) all rent reviews are upward only and are to be assessed by reference to full current market rents;
- g) there are no tenant's improvements that will materially affect our opinion of the rent that would be obtained on review or renewal;
- h) tenants will meet their obligations under their leases, and are responsible for insurance, payment of business rates, and all repairs, whether directly or by means of a service charge;
- i) there are no user restrictions or other restrictive covenants in leases which would adversely affect value;
- j) where more than 50% of the floorspace of the Properties is in residential use, the Landlord and Tenant Act 1987 (the "Act") gives certain rights to defined residential tenants to acquire the freehold/head leasehold interest in the Properties. Where this is applicable, we have assumed that necessary notices have been given to the residential tenants under the provisions of the Act, and that such tenants have elected not to acquire the freehold/head leasehold interest. Disposal on the open market is therefore unrestricted;
- k) where appropriate, permission to assign the interest being valued herein would not be withheld by the landlord where required;
- l) vacant possession can be given of all accommodation which is unlet or is let on a service occupancy; and
- m) Land Transfer Tax (or the local equivalent) will apply at the rate currently applicable.

In the UK, Stamp Duty Land Tax (SDLT) in England and Northern Ireland, Land and Buildings Transaction Tax (LABTT) in Scotland or Land Transaction Tax (LTT) in Wales, will apply at the rate currently applicable



# Appendices

## Appendix A: Schedule of Properties as at 31 December 2023

Address			Tenure	Ownership purpose
Marks & Spencer PLC	Castle Donnington	DE74 2HL	Freehold	Investment
Sainsbury's Distribution Warehouse	Sherburn-in-Elmet	LS25 6JH	Freehold	Investment
Tesco	Didcot	OX11 7PN	Freehold	Investment
Morrisons RDC	Sittingbourne	ME10 2TD	Long Leasehold	Investment
DHL Supply Chain Limited	Skelmersdale	WN8 8DY	Freehold	Investment
Rolls Royce	Bognor Regis	PO22 9NS	Freehold	Investment
The Range	Doncaster	DN8 4HT	Freehold	Investment
GXO Limited	Derby	DE65 5BY	Freehold	Investment
L'Oreal (UK) Ltd	Trafford Park, Manchester	M17 1ED	Freehold	Investment
Vacant	Stakehill	M24 2SJ	Freehold	Investment
Ocado	Erith	DA8 1HS	Freehold	Investment
B&Q Plc	Worksop	S80 2RZ	Freehold	Investment
Argos	Burton on Trent	DE13 8BX	Freehold	Investment
New Look Retailers Limited	Newcastle Under Lyme	ST5 9QD	Freehold	Investment
Brake Bros Ltd	Harlow	CM19 5TJ	Freehold	Investment
Dunelm (Soft Furnishings) Ltd	Stoke-on-Trent	ST4 4EY	Freehold	Investment
Nice Pak	Wigan	WN3 4HE	Freehold	Investment
TK Maxx	Wakefield	WF11 0AE	Freehold	Investment
Matalan Retail Limited	Knowsley	L33 7UF	Freehold	Investment
Brake Bros	Portbury, Bristol	BS20 7XN	Freehold	Investment
Argos Limited	Burton on Trent	DE13 8BX	Freehold	Investment
DSG Retail Ltd	Newark	NG24 2NH	Long Leasehold	Investment
Gestamp Tallent Ltd	Four Ashes, Wolverhampton	WV10 7BU	Freehold	Investment
Amazon UK Services Ltd	Peterborough	PE2 9EN	Freehold	Investment
The Kellogg Company of Great Britain Ltd	Trafford Park, Manchester	M32 0YG	Freehold	Investment
Co-Op	Thurrock	RM20 3EN	Freehold	Investment
Euro Car Parts	Birch Coppice	B78 1SE	Long Leasehold	Investment
Screwfix Direct Limited	Lichfield	WS13 8LH	Freehold	Investment

Address			Tenure	Ownership purpose
Hachette UK Limited	Didcot	OX11 7HH	Freehold	Investment
Unilever	Doncaster	DN4 5PD	Freehold	Investment
Morrisons/Ocado	Birch Coppice	B78 1SE	Long Leasehold	Investment
Royal Mail Group	Atherstone	CV9 1LP	Freehold	Investment
Royal Mail Group	DIRFT, Daventry	NN6 7DD	Freehold	Investment
Dunelm (Soft Furnishings) Ltd	Stoke-on-Trent	ST4 4EY	Freehold	Investment
Marks & Spencer PLC	Stoke-on-Trent	ST4 4EY	Freehold	Investment
Carlisle, Esken Limited (Guernsey)	Carlisle	CA6 4NW	Long Leasehold	Investment
ITS and Wincanton	Harlow	CM20 2GF	Freehold	Investment
Unilever	Cannock	WS11 8JH	Freehold	Investment
Unit 330 Howdens Joinery Group PLC	Raunds	NN9 6NY	Freehold	Investment
Unit 660 Howdens Joinery Group PLC	Raunds	NN9 6NY	Freehold	Investment
Expert Logistics plc	Crewe	CW1 6BW	Freehold	Investment
Amazon	Darlington	DL1 4BF	Freehold	Investment
Amazon	Haydock	WA11 9FS	Freehold	Investment
BHS Home Appliances	Corby	NN18 8ET	Freehold	Investment
Amazon	Durham	DH6 5FG	Freehold	Investment
Ocado	Bicester	OX26 6GF	Freehold	Investment
Co-Op	Biggleswade	SG18 8YY	Freehold	Investment
Dogmates Ltd t/a Butternet Box	Doncaster	S81 8HH	Freehold	Investment
Global Infusion Group Ltd	Aston Clinton	HP22 5WJ	Freehold	Investment
Apple Studios UK Ltd, Unit 1	Aston Clinton	HP22 5WJ	Freehold	Investment
Apple Studios UK Ltd, Unit 2	Aston Clinton	HP22 5WJ	Freehold	Investment
Amazon	Littlebrook	DA1 5PZ	Freehold	Investment
Tesco Distribution Limited	Nursling Southampton	SO16 0WB	Long Leasehold	Investment
DPD Group UK Limited	Bicester	OX26 6GF	Freehold	Investment
Encirc	Bristol	BS11 9FG	Freehold	Investment

Address			Tenure	Ownership purpose
Ikea Distribution Services Limited	Littlebrook	DA1 5XT	Freehold	Investment
Pangea Laboratories Limited	Aston Clinton	HP22 5WJ	Freehold	Investment
Rexel UK Limited	Aston Clinton	HP22 5WJ	Freehold	Investment
LWC Drinks Limited	Aston Clinton	HP22 5WJ	Freehold	Investment
Syncreon Technologies UK Limited	Bicester	OX26 6GF	Freehold	Investment
Jet 2	Middlewich	CW10 0TE	Freehold	Investment
Packaging One	Middlewich	CW10 0QJ	Freehold	Investment
BFS Group Limited	Biggleswade	SG18 9TE	Freehold	Investment
Bowman Ingredients Limited	Biggleswade	SG18 8QB	Freehold	Investment
Noatum Logistics Limited	Biggleswade	SG18 8UZ	Freehold	Investment
B&Q Ltd	Blythe	S81 8FH	Freehold	Investment
Iron Mountain	Kettering	NN14 1FQ	Freehold	Investment
Vacant	Littlebrook	DA1 5PT	Freehold	Investment
Harper Collins	Glasgow	G64 2QT	Freehold	Investment
Iron Mountain, Unit 1	Rugby	CV23 9JR	Freehold	Investment
Iron Mountain, Unit 2	Rugby	CV23 9JR	Freehold	Investment
Iron Mountain, Unit 3	Rugby	CV23 9JR	Freehold	Investment
Dogmates Ltd t/a Butternut Box	Doncaster (Blythe)	S81 8HH	Freehold	Investment
Bilton Way Industrial Estate	Enfield	EN3 7ER	Freehold	Investment
Yodel Delivery Network, Unit 1	Merseyside	L35 1QR	Freehold	Under Construction
Iron Mountain, Unit 4	Rugby	CV23 9JR	Freehold	Under Construction
Vacant, Unit 1	Kettering	NN14 1FQ	Freehold	Under Construction
Vacant, Unit 5	Rugby	CV23 9JR	Freehold	Under Construction
Vacant, Unit 6	Rugby	CV23 9JR	Freehold	Under Construction
Vacant, Unit 7	Rugby	CV23 9JR	Freehold	Under Construction
Vacant, Unit 2	Merseyside	L35 1QR	Freehold	Under Construction
DHL Supply Chain Limited	Skelmersdale	WN8 8DY	Freehold	Investment (4%)
Matalan Retail Limited	Knowsley	L33 7UF	Freehold	Investment (4%)
Cerealto UK Ltd	Worksop	S81 7BQ	Freehold	Investment (4%)

## Appendix B: Market Value of the Properties as at 31 December 2023 split by property type (100%)

Property Type	Market Value
Distribution	£4,596,985,000
Multi-Let Industrial	£114,200,000
In the Course of Development	£128,440,000
<b>Portfolio Total</b>	<b>£4,839,625,000</b>

## Appendix C: Market Value of the Properties as at 31 December 2023 split by property location (100%)

Property Location	Market Value
London & South East	£1,815,920,000
Midlands	£1,367,525,000
North East including Yorkshire	£974,255,000
North West	£492,545,000
South West	£128,260,000
Scotland	£61,120,000
<b>Portfolio Total</b>	<b>£4,839,625,000</b>



## Appendix D: Review of the Assets in the Course of Development (100%)

Property	Description, Development Status and Tenure	Combined Market Value
Yodel Delivery Network, Unit 1, Merseyside	<p>The property comprises Unit 1 of the Symmetry Logistics Park Merseyside which is being developed in line with the approved planning consent granted in 2022 in conjunction with grant funding from Liverpool City Region Combined Authority to enable delivery of infrastructure works. On completion, the unit of 161,900 sq ft will be let to Yodel Delivery Network Limited on a 15 year term.</p> <p>The property is in final stages of development with assumed completion due at the end of January 2024.</p> <p>Freehold. We have reflected the planning conditions in arriving at our opinion of value.</p>	
Iron Mountain, Unit 4, Rugby	<p>The property comprises Unit 4 of the wider 111 acre Symmetry Park Rugby, and is being developed in accordance with the planning consent granted in 2021. Unit 4 forms part of a series of pre-let agreements with Iron Mountain to deliver a UK Campus for the tenant.</p> <p>On completion, the unit of 251,533 sq ft will be let to Iron Mountain on a 15 year term. The property is in final stages of development with assumed completion due at the end of January 2024.</p> <p>Freehold. We have reflected the planning conditions in arriving at our opinion of value.</p>	
Vacant, Unit 1, Kettering	<p>The property comprises Unit 1 of the wider 136 acre Symmetry Park Kettering, and is being developed in accordance with the planning consent granted in 2023. Unit 1 is developed speculatively and has no pre-let agreement in place. On completion, the property will comprise a single unit with an expected gross internal area of 502,304 sq ft and will be to a BREEAM Excellent standard.</p> <p>Freehold. We have reflected the planning conditions in arriving at our opinion of value.</p>	
Vacant, Unit 5, Rugby	<p>The property comprises Unit 5 of the wider 111 acre Symmetry Park Rugby, and is being developed in accordance with the planning consent granted in 2023. Unit 5 is being developed speculatively.</p> <p>On completion, the property will comprise a single unit with an expected gross internal area of 390,694 sq ft and will deliver net zero carbon in its construction.</p> <p>Freehold. We have reflected the planning conditions on the consented site in arriving at our opinion of value.</p>	
Vacant, Unit 6, Rugby	<p>The property comprises Unit 6 of the wider 111 acre Symmetry Park Rugby, and is being developed in accordance with the planning consent granted in 2023. Unit 6 is being developed speculatively.</p> <p>On completion, the property will comprise a single unit with an expected gross internal area of 338,064 sq ft and will deliver net zero carbon in its construction.</p>	



## Formal Valuation Opinion

## Appendices

Freehold. We have reflected the planning conditions on the consented site in arriving at our opinion of value.

Vacant, Unit 7, Rugby  
 The property comprises Unit 7 of the wider 111 acre Symmetry Park Rugby, and is being developed in accordance with the planning consent granted in 2023. Unit 7 is being developed speculatively.  
 On completion, the property will comprise a single unit with an expected gross internal area of 170,473 sq ft and will deliver net zero carbon in its construction.  
 Freehold. We have reflected the planning conditions on the consented site in arriving at our opinion of value.

Vacant, Unit 2, Merseyside  
 The property comprises Unit 2 of Symmetry Logistics Park Merseyside which is being developed in line with the approved planning consent granted in 2022 in conjunction with grant funding from Liverpool City Region Combined Authority to enable delivery of infrastructure works.

Unit 2 is being speculatively developed and on completion will comprise 272,091 sq ft to a BREEAM Excellent standard.

Freehold. We have reflected the planning conditions in arriving at our opinion of value.

**Total**

**£128,440,000**