



CHARTERED SURVEYORS



Regional Property Consultants

**VALUATION REPORT
IN RESPECT OF
CAR PARK 6, SKYPORT
BURNBRAE DRIVE
GLASGOW
PA3 3BJ**

Prepared by:

**AJP Surveyors Ltd
Piccadilly House
49 Piccadilly
Manchester
M1 2AP**

on

3 June 2015

PREMISES TO BE VALUED

All those premises known as, Car Park 6, Skyport, Burnbrae Drive, Glasgow, PA3 3BJ

PURPOSE AND BASIS OF VALUATION

Our instructions are to provide a commercial property appraisal on behalf of ParkFirst

DATE OF INSPECTION: The property has not been inspected. The valuation has been prepared based on an investment calculation only, derived from rental levels and yields agreed elsewhere. The figures in this report assume that the spaces will continue to be let. No valuation on a vacant possession basis has been provided.

LIMITS OR EXCLUSION OF LIABILITY TO PARTIES OTHER THAN THE CLIENT

The valuation may not be relied upon by any person other than the Client.

The report will be provided for the stated purpose(s) and for the sole use of the named Client. The Valuer accepts responsibility to the Client alone that the report will be prepared with the skill, care and diligence reasonably to be expected of a competent Chartered Surveyor, but accepts no responsibility whatsoever to any parties other than the Client. Any such parties rely upon the report at their own risk.

1. LOCATION

Immediate Vicinity

The property is located on Linwood Point adjacent to the junction of the A737, which connects the development to the M8 and M77 Motorways. Linwood Point is located approximately 3 miles to the west of Glasgow City Centre and reasonably close to Paisley Town Centre.

The immediate area comprises of distribution centres, warehousing and logistics operators and is also close to the Phoenix Retail Park.

The property is split into two distinct car parks which are close to Glasgow Airport.

Wider Vicinity

Glasgow is the largest city in Scotland and the fourth largest in the UK with a population of around 600,000 inhabitants within the city of Glasgow and within the Greater Glasgow area, a population of 1.2 million. It is located on the River Clyde in the country's West Central Lowlands area. The city is well known for ship building and marine engineering and is also one of Europe's top ten financial centres.

2. DESCRIPTION AND ACCOMMODATION

The property comprises of a large surfaced car park located to the rear of the Store First facility at Linwood Point. The site comprises of 2638 car parking spaces which are accessed via West Avenue. The car park is single storey throughout, with a tarmac surfaced finish and marked car parking spaces.

3. REPAIR AND CONDITION

We have not carried out a structural survey and have not inspected woodwork or other parts of the structure which are unexposed or inaccessible and we are therefore unable to report that any such parts are free from defect.

The property has been valued with due regard to its appropriate existing state of repair and condition, including reference to its age, nature of construction and functional obsolescence. We believe we have formed a general opinion of the state of repair of the property in so far as it is likely to affect our valuation.

It is assumed that normal periodic maintenance will be carried out to maintain the property in a state of repair fit for its present use.

It is further assumed that the condition of the property at the date of valuation is identical to that found at the date of our inspection.

4. TENANCIES

We understand that each car parking space is let on a 6 year lease at a rent of £2,340 per annum. There is also a service charge of £289 per annum.

5. TITLE

We have not been provided with any title documents but we understand that each individual car parking space is held on a 175 year lease with a ground rent of £100 per annum being payable.

We have appraised the property on the above basis.

We have assumed for the purposes of this valuation that good title can be shown and that the property is not subject to any unusual or especially onerous restrictions, rights of way, encumbrances or outgoings. We recommend that your solicitors be instructed to verify the position.

We have not had sight of your Solicitor's report on title. However, upon receipt of a copy, we would be pleased to separately confirm whether the content of that report has an impact on the advice provided within this appraisal report.

6. TOWN PLANNING

We have prepared this appraisal report on the basis that the subject property has planning permission for car parking under the Town & Country Planning (Use Classes) Order 2010.

The local planning authority is Glasgow City Council.

Burnbrae Drive is a made up highway maintainable at public expense.

As far as we are aware, the property is not adversely affected by local authority proposals or requirements, and in addition we have assumed that there are no outstanding statutory notices which would materially affect the value of the property within the foreseeable future.

We understand the property is not a Listed Building, nor is it situated within a Conservation Area.

The above information is sourced via verbal enquiries of the local planning and highway authorities and the information provided is assumed to be correct. No formal search has been instigated and if reassurance is required we recommend that verification be obtained from your solicitors that the position as stated in our report is correct.

7. SERVICES

It is understood that all mains services are available if required. We have not made any enquiries of the respective service supply companies.

Further, we have not tested any of the drains or other services, and for the purpose of this valuation we have assumed that they are all operating satisfactorily and no allowances have been made for replacement or repair.

8. VALUATION AND MARKET COMMENTARY

Market Commentary

The property enjoys an accessible position close to the A737 and within easy reach of Glasgow Airport and the town of Paisley. Generally, industry and commerce are attracted to hubs such as airports and demand for the property in this area is likely to be reasonably strong.

More generally, business sentiment and economic data continues to be positive, all of which indicates that the shoots of recovery are starting to take hold. Future interest rate increases have been flagged as a risk to confidence, especially as unemployment creeps closer to the 7% threshold set by the Monetary Policy Committee. However, the Bank of England have moved to ease concerns by amending their guidance, whilst at the same time revising their 2014 growth forecasts upwards from 2.8% to 3.4%. Inflation reduced from 2% to 1.9% in January, which is its lowest level since November 2009 and this has further mitigated the need to increase interest rates. As a result, interest rates are unlikely to rise substantially before the next election. However, with interest rates forecast to reach 2% over the medium term of 2-3 years, the resultant yield spread between property gilts and 5 year swaps is likely to ensure that property remains an attractive investment asset. The result of this will be to intensify the downward pressure on both prime and secondary yields.

Acknowledged Sources; Knight Frank, Lambert Smith Hampton, Savills

9. MARKET RENT

Market Rent (as settled by the International Valuation Standards Council) is defined as:

“The estimated amount for which a property would 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”

Our opinion of the market rents assuming a 6 year lease is in the region of:

£2,340 per annum, per space
(Two thousand three hundred forty pounds)

10. MARKET VALUE

Market Value (as settled by the International Valuation Standards Council) is defined as:

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

The Market Values below have been prepared on the basis of an exchange of contracts on the date of valuation and that appropriate marketing has already taken place.

We are of the opinion that each individual car parking space has the following Market Value:

£30,000
(Thirty thousand pounds)

11. QUALIFICATION

J Baron is a Member of The Royal Institution of Chartered Surveyors, is registered under the RICS Valuer Registration Scheme, is experienced in commercial and residential property valuations, and is fully able to undertake a valuation of the property as an independent external valuer with no other current interest in the subject premises.



SIGNED
J B Baron, MRICS

Dated this the 3rd day of June 2015

On behalf of:

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