5.4. Discounted Cash Flow Methodology

Year	1	2	3	4	5	6	7	8	9	10
Index ICC / Expenses Inflation	1,25%	1,50%	1,70%	1,75%	1,75%	1,75%	1,75%	1,75%	1,75%	1,75%
Index ILAT	1,40%	1,50%	1,60%	1,65%	1,65%	1,65%	1,65%	1,65%	1,65%	1,65%
Index ILC	1,50%	1,60%	1,65%	1,65%	1,65%	1,65%	1,65%	1,65%	1,65%	1,65%
Market Rental Growth	0,50%	1,00%	1,50%	1,50%	1,50%	1,50%	1,50%	1,50%	1,50%	1,50%
Maintenance										
CAPEX *	77 500	35 000	35 000	29 560	12 060					

*** The CAPEX retained come from the Technical Due Diligence carried out by Arcadis, dated 13 April 2018 (Vendor Capex retained and adjusted according to comments).**

Analysis by Discounted Cash Flow - K€

Year	1	2	3	4	5	6	7	8	9	10
Gross Rents	265	272	328	355	361	367	373	377	380	386
Rent Free Period/Additionnal Rent	(14)	(39)	(10)			(4)		(17)	(4)	
Indemnities received/paid										
Costs (vacancy, NR, doubtful)	(42)	(32)	(16)	(18)	(18)	(18)	(19)	(19)	(19)	(19)
Capex/Maintenance	(78)	(36)	(36)	(31)	(13)					
Reletting works	(54)	(11)								
Marketing fees		(23)								
Total Acquisition Costs										5 279
Remaining Rent Free Period to deduct										
Transfer costs										(454)
Free Cash Flows	**77**	**131**	**266**	**307**	**330**	**344**	**354**	**342**	**357**	**5 192**

Discount Rate - Cash Flow	**7,75%**	**Doubtful Debtors**	0,00%	% rent/year	**Letting Fees**	15,00%	% Headline Rent
Discount Rate - Resale Value	**7,75%**	**NR Charges**	5,00%	% rent/year	**Broker's Fees**	2,50%	% Resale Value
Discount Rate - CAPEX	**7,75%**	**Permanent Void**	0,00%	% rental area	**DCF Duration**	10	years

DCF method conclusion

Main Use	RESALE ASSUMPTIONS AND CONCLUSION						Market Value	Purchaser's Costs	Market Value	
	Fixed Period	Reversion	Cap Rate	Basis of Capitalisation	Resale Value € excl.	€ excl./sq m	K€ Incl.		€ exclusive	€/sq m
Office	2,3	4,4%	**7,00%**	370	4 826	1 715	4 206	6,90%	3 934 083	1 399
Warehouse										
Manufacturing										
Parkings										
Total	**2,3**	4,4%	**7,00%**	**370**	**4 826**	**1 716**	**4 206**	**6,90%**	**3 934 000**	**1 399**

5.5. Conclusion of Market Value

Methodology	Market Value inclusive	Purchaser's Costs	Market Value exclusive		Net Initial Yields *				
	€ inclusive		€ exclusive	€ excl./sq m	Net Passing	Net Headline	Net Potential	Theoretical	Net Headline on MV Rented
Capitalisation	4 141 000	6,90%	3 874 000	1 377	7,69%	8,01%	8,01%	7,74%	8,01%
DCF	4 206 000	6,90%	3 934 000	1 399	7,57%	7,89%	7,89%	7,62%	7,89%

*Net Initial Yields **

Passing Net Initial Yield : (Passing Net Rent - NR Charges) / MV incl

Net Headline Yield : (Net Headline Rent - NR Charges) / MV incl.

Potential Net Initial Yield : (Net Headline Rent + MR of vacant areas - NR Charges) / MV incl.

Theoretical Initial Yield : (Market Rent - NR Charges) / MV incl.

Rounded Market Value

We are of the opinion that the Market Value of the freehold interest in the above Subject Property, as at 30 June 2018, subject to the existing tenancies, assumptions and comments in this Valuation Report and the Appendices, is:

Methodology Retained DCF

Market Value incl. Purch' costs	4 205 000	€ inclusive	1 495	€/sq m
Purchaser's Costs	6,90%			
Market Value excl. Purch' cost	**3 934 000**	**€ exclusive**	**1 399**	**€/sq m**

Net Headline Yield	7,89%
Net Headline Yield (on rented MV	7,89%
Net Potential Yield	7,89%
Net Reversionary Yield	7,63%

6. Vacant Possession Value

We have undertaken the valuation of the building under the special assumption that it is fully vacant (Vacant possession Value).
This methodology consists of capitalising the potential net income at an appropriate yield deducting losses reflecting the marketing and incentives necessary to relet the property.

Tenant	Marketing Void	Vacancy cost	Rent Free Period	Discount / Premium to Market Rent	Reletting Works	Yield Applied	Potential Income Capitalised	Total Discounted Losses (void, works, rent free, fees)	Gross VPV	Net VPV	
	months	€/sq m	months	%	€/sq m		€	€	€ incl.	€ excl.	€/sq m excl.
Vacant 1	12	48	6		50	8,00%	75 000	(13 655)	61 345	57 385	1 148
Vacant 2	12	48	6		50	8,00%	225 000	(40 965)	184 035	172 156	1 148
Vacant 3	12	48	6		50	8,00%	240 000	(43 696)	196 304	183 634	1 148
Vacant 4	12	48	6		50	8,00%	157 500	(28 675)	128 825	120 510	1 148
Vacant 5	12	48	6		50	8,00%	157 500	(28 675)	128 825	120 510	1 148
Vacant 6	12	48	6		50	8,00%	315 000	(57 351)	257 649	241 019	1 148
Vacant 7	12	48	6		50	8,00%	1 612 500	(293 580)	1 318 920	1 233 788	1 148
Vacant 8	12	48	6		50	8,00%	96 000	(17 478)	78 522	73 453	1 148
Vacant 9	12	48	6		50	8,00%	306 000	(55 712)	250 288	234 133	1 148
Vacant 10	12	48	6		50	8,00%	127 500	(23 213)	104 287	97 555	1 148
Vacant 11	12	48	6		50	8,00%	199 500	(36 322)	163 178	152 645	1 148
Vacant 12	12	48	6		50	8,00%	177 000	(32 226)	144 774	135 430	1 148
Vacant 13	12	48	6		50	8,00%	483 000	(87 938)	395 062	369 563	1 148
Vacant 14	12	48	6		50	8,00%	48 000	(8 739)	39 261	36 727	1 148
TOTAL							4 219 500	(768 225)	3 451 275	3 228 508	1 148

OPEX / CAPEX details and other indemnities / revenues

Maintenance Works (Budget on 10 years not discounted)	-	€ excl. VAT
CAPEX // Major Repairs (Budget on 10 years not discounted)	189 120	€ excl. VAT

Conclusion

MAIN USE	Lettable Area sq m	Basis of Capitalisation	Yield Applied	Potential Income capitalised	Discounted Losses/Excess of income	Major Works / CAPEX / Perm. Void & Glob. NR	Market Value inclusive K€	Purchaser's Costs	Market Value exclusive K€	Market Value excl. € excl./sq m	Rever -sionary yield ***
Office	2 813	338	8,00%	4 220	(768)	(439)	3 012	6,90%	2 818	1 002	10,65%
Warehouse											
Manufacturing											
Parkings											
Total	2 813	338	8,00%	4 220	(768)	(439)	3 012	6,90%	**2 818**	1 002	10,65%

7. Estimated Reinstatement Cost

We have prepared our assessment of the reinstatement cost of the building assuming the reinstated building will be identical to existing structural conditions, save for the land, but taking into account all taxes, work costs, technical fees and miscellaneous fees.

This estimation does not take into account the developers margin.

Land Area	6 000	sq m	Basement parkings	0 units
Total Lettable Area	2 813	sq m		
Gross / Net ratio	90,0%			
SHON (net constructed area)	3 126	sq m SHON		

Reconstruction Cost - Floor Area	1 500	€/sq m SHON	4 688 333	€ excl.
Land Development	4,00%	Const. Costs	187 533	€ excl.
Fiscal Conditions (taxes, royalties, charges etc.)	2,50%	Const. Costs	117 208	€ excl.
Technical Fees (MOE, BET, Insurance)	10,00%	Const. + Gridding	487 587	€ excl.
Financial Fees	2,50%	Total Const. Costs	137 017	€ excl.
Reinstatement Cost	**1 797**	**€/sq m SHON**	**5 618 000**	**€ excl.**

We assume that any VAT is recoverable and we do not retain any loss of rent or allow for inflation during the reconstruction period.

An estimated reinstatement cost is our assessment of the cost of reinstating the property at the date of valuation. We have not been provided with the actual construction costs, but have estimated these overall costs based on our knowledge of similar buildings.

The figures set out in this valuation sheet are our assessment of the cost of reconstructing the property. They include an allowance for demolition, removal of debris, temporary shoring, statutory and professional fees which are likely to be incurred on reconstruction, but exclude any allowance for VAT. If you are unable to recover VAT, or can recover part only, you should advise your insurers and increase the Base Sum Insured appropriately. The figures make no allowance for loss of rent during the rebuilding period, nor for inflation, nor the cost of dealing with any contamination which may be present and have to be dealt with prior to reconstruction. The assessment does not provide advice in respect of terrorist damage cover and you should consult with your insurers in respect of this.

We have assumed that the reinstated building and its use will be similar to that existing, and the reinstated building will be to the original design, in modern materials, using modern techniques to modern standards.

We have considered the extent and nature of the building but our assessments have been undertaken as part of our normal valuation exercise. We have not carried out a formal reinstatement cost assessment through a Building Consultancy company. Our assessment should be treated as a guide only and should not be relied upon. It should be used for comparative purposes only against the borrower's proposed reinstatement cover.

Should any discrepancies arise, a formal reinstatement cost assessment should be commissioned.

8. Photos

Exterior View

Exterior View

SII Interior View

Hall

Exterior View

SII Interior View

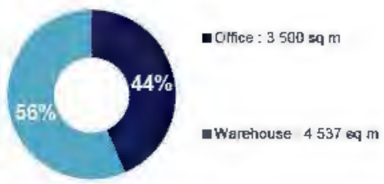
Valuation Summary

St Aignan de Grand Lieu

Address	SDEL, rue Nungesser et Coli		
ZIP-Town	44860 - St Aignan de Grand L	**Hub/Market**	Nantes
Completion Date	1992 / 2016		
Main Use	Logistics		

Project Type	Valuation Report	
Inspection Date	14/06/2018	
Valuer	Robin Mauger	
Land Area	12 795	sq m
Tenure	Freehold equivalent	

Share of the area by nature



Rating	
Macro Location	3
Micro Location	3
Building Quality	3
Condition	3
Lettability	4
Marketability (sale	4
Overall rating	3
Loan Security	medium

Total Lettable Area		8 037 sq m		
Occupancy Rate		100%		
Remaining Duration (WALB / WALT)		4,2 / 10,2 years		
Main Tenant		S D E L		
Number of Leases		1		
Estimated marketing period		12 months		
Net Headline Rent	K€/year excl.	578	72	€/sq m/yr excl.
Net Potential Rent	K€/year excl.	578	72	€/sq m/yr excl.
Market Rental Value	K€/year excl.	577	72	€/sq m/yr excl.

SWOT ANALYSIS

Strengths

- Good location in a identified tertiary sector, in the immediate proximity of Nantes-Atlantique airport,
- Asset benefiting from good road access, especially through the RN844 (Nantes ring road), but these roads are often congested due to the downsizing of the airport (lack of parking spaces).
- Good public transport links available with a bus stop situated just 200 meters away,
- Large number of car parking spaces available on site.
- Recently renewed lease.

Weaknesses

- Special asset, consistent with the activity of the current tenant : composed of 44% of offices and 56% warehouse premises.

Opportunities

- Building likely to interest a national investor.

Threats

- A dynamic market for business properties in the zone, which may represent a risk for the marketing of vacant spaces,
- Free of any occupation, the building could suffer from a prolonged vacancy induced by the competition of more recent products, located in more dynamic zones.

VALUATION METHOD CONCLUSION

Methodology	Market Value			CAPEX not discounted (Deducted) €	Purchaser's Costs	Net Initial Yields *				
	€ inclusive	€ exclusive	€ excl /sq m			Net Passing	Net Headline	Net Potential	Theoretical	Net Headline on MV Rented
Capitalisation	7 073 000	6 617 000	823		6,90%	7,76%	7,76%	7,76%	7,75%	7,76%
DCF	7 110 000	6 651 000	828		6,90%	7,72%	7,72%	7,72%	7,71%	7,72%

** : Passing Net Initial Yield : (Passing Net Rent - NR Charges) / MV incl.*

Net Headline Yield : (Net Headline Rent - NR Charges) / MV incl.

Theoretical Initial Yield : (Market Rent - NR Charges) / MV incl.

MARKET VALUE CONCLUSION

Market Value incl. Purch' costs	**7 110 000**	€ inclusive	885	€ incl./sq m
Purchaser's Costs	6,90%			
Market Value excl. Purch' costs	**6 651 000**	€ exclusive	828	€ excl./sq m

Net Headline Yield	7,72%
NIY on rented MV	7,72%
Net Potential Yield	7,72%
Net Reversionary Yield	7,71%

Additional Valuation	Market Value		General Assumptions			
	€ exclusive	€ excl./sq m	Void Period months	Rent Free months	Capitalisation Yield	Construction Costs €/sqm SHON
Vacant Possession Value	5 200 000	647	12	3	8,00%	
Estimated Reinstatement Cost	8 166 000	940				750,00

1. Property Presentation

Aerial View

Cadastral Matrix

Designation

The property primarily used as logistics is situated :

SDEL, rue Nungesser et Coli - 44860 St Aignan de Grand Lieu

Cadastral References

CR n°56, 66 and 67 / AH n° 245 and 248

Land Area 12 795 sq m

Tenure

The property is held in Co-ownership by the company IF THREE LOG 1 (RCS PARIS 824 081 160)

Location & Environment

The asset is located in Bouguenais, a municipality of 18,400 inhabitants, located in the department of Loire-Atlantique and Pays-de-la-Loire. Situated on the left bank of the Loire, the city is 6 km south-west of the center of Nantes.

The city hosts the Nantes-Atlantique airport, and thus concentrates an economic activity mainly related to aviation and aeronautics. More specifically, the asset is located near the airport, on the corner of Charles Lindbergh and Aviation Street. It is approximately 6km south of Nantes and can be easily accessed by either the N844 ring road or the A83 main road.

The subject asset is located near Aéropole business park, which comprises 3 tertiary buildings. The immediate environment includes the Nantes-Atlantique airport, and is almost exclusively composed of commercial buildings and business or logistics buildings generally related to the aeronautical activity. Note in particular the presence of an Aibus factory, the transporter Calberson or Baudron.

Transport & Access

- Charles Lindbergh and Aviation Streets provide immediate access to the property,
- The departamental roads RD85 and 823 are located in the immediate proximity,
- Access to the RN844 (Nantes ring road) 2 km away,
- "Airport" stop served by the bus line 98, located right opposite the asset,
- Nantes TGV station is 10 km away.

Exterior View

Hall

Exterior Description

The subject property consists of both warehouse and office units. The property cover an area of 8,037 sq m. It is constructed from a reinforced concrete frame and a flat insulated roof. The exterior aspects of the property comprise concrete blocks with occasional reflective glass façades.

The extension offers steel frame with double skin wall cladding.

There are 205 car parking spaces on site.

Internal Layout

The internal specifications of the warehouse include steel frame, ceiling-mounted lights and concrete floors. There are 2 rolling shutter doors on the road Nungesser et Coli (one for the reception and one for the delivery).

The specifications of the office area include suspended ceilings with inset lights, painted walls, floors finished with ceramic tiles. There are partition walls which can be mounted when necessary. It also benefits from 2 loading bays fitted with mechanical levellers. The property does not benefit from air conditioning.
The asset is entirely rent to SDEL which is a firm specialised in command control solutions and automation systems (electrical, electromechanical, and electronic) for the fields of energy, transport, defense and other industries. It employees 200 - 299 workers and generated in 2016 a turnover of 38

Contamination and Diagnosis Conclusion

Potential Sources of Soil and Water Contamination	: Low
Site Sensitivity	: Moderate
Risk Assessment	: Low
Environmental certifications	: None

Other Environmental Issues

None

General Environmental Conclusion

No significant current or historical sources of contamination have been identified on site. No environmental permit is held on site, further information is awaited from the Prefecture of Loire-Atlantique, concerning the current activities.

General Condition

The property appeared in generally good condition with regard to its age, use and construction. During the course of our inspection, we did not notice any apparent defects.

Town Planning

The PLU of the municipality of Saint Aignan de Grand Lieu, modified on 6th February 2015, classifies the real estate complex in zone UG, an area allocated for all types of economic activities. The measures prescribed are as follows:
- Occupations and prohibited land uses: agricultural buildings,residential buildings, hotel accommodations...
- Implantation of constructions in relation to public roads : 10 meters / to the dividing boundaries: 6 meters
- Maximum height: not regulated.
- Parking: 1 parking space / 50 sq m
- Maximum easement: 70%.
- COS: not regulated.

2. Area Schedule

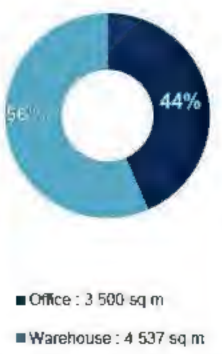
Area Typology	Total Area sq m lettable	Total Area Share	Occupied Area sq m lettable	Vacant Area sq m lettable	Occupancy Rate
Office	3 500	43,5%	3 500	-	100%
Warehouse	4 537	56,5%	4 537	-	100%
Manufacturing	–		-	-	
Other	–		-	-	
Parking int.	-		-	-	
Parking ext.	-		-	-	
TOTAL	8 037	100,0%	8 037	-	100%

ICR / Base Area 8 037 *sq m*

Area Source Documents

For the purpose of this valuation we have been provided with lettable areas of the property, sent by EASTD LL Secured, in the "Property Use by Tenant" and "Financing Rent Roll" Excel files, undated. We have not undertaken measurements of the property. Following our site visit, we have come to the conclusion that the areas provided seem to correspond to the inspected property. Should the surface areas differ from the provided surface areas, we reserve the right to alter our valuation accordingly.

Share of the area by nature



Occupancy by area typology

3. Rental Situation

Tenancy Schedule

Tenants	Floor	Main Use	AREA SCHEDULE						LEASE DURATION				INDEXATION	
			Office sq m	Warehouse sq m	Manufacturing sq m	Other sq m	Parking Internal/ External units	TOTAL sq m	Lease type	Lease Start	Next Break Option	Lease End	Next Indexation Date	Current Index
SDEL	GF	Warehouse	3 500	4 537				8 037	Com. L	01/09/16	30/08/22	30/08/28	01/09/18	LAT
TOTAL			3 500	4 537			0 / 0	8 037						
TOTAL Rented			3 500	4 537	-	-	0 / 0	8 037						
TOTAL Vacant			-	-	-	-	0 / 0	-	Vacancy Rate		0%			

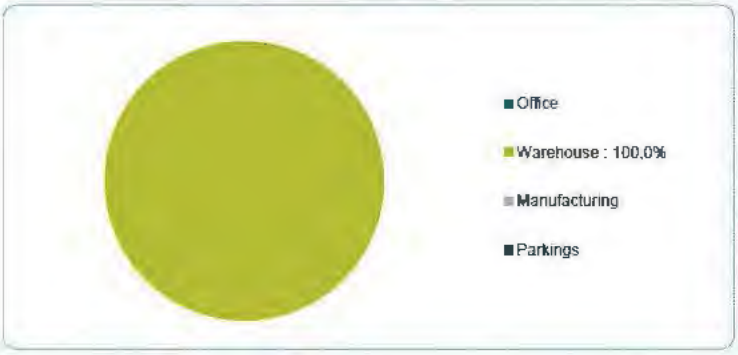
Management of Charges and Analysis of Net Rent

Tenants	Gross Passing Indexed Rent	Gross Headline Indexed Rent	NON-RECOVERABLE CHARGES (€/YEAR) *					TOTAL Non Recoverable	NET HEADLINE RENT **		Additional Rent	
	€/yr excl.	€/yr excl.	Property Tax	Office Tax	Insurance	Major Repairs (art. 606)	Mgmt Fees	€/sq m/yr	€/yr excl.	€/sq m/yr	Current Amount €/yr excl.	End Date
SDEL	577 649	577 649	T	T	T	T	T		577 649	72		
									-			
									-			
TOTAL	577 649	577 649							577 649	72		

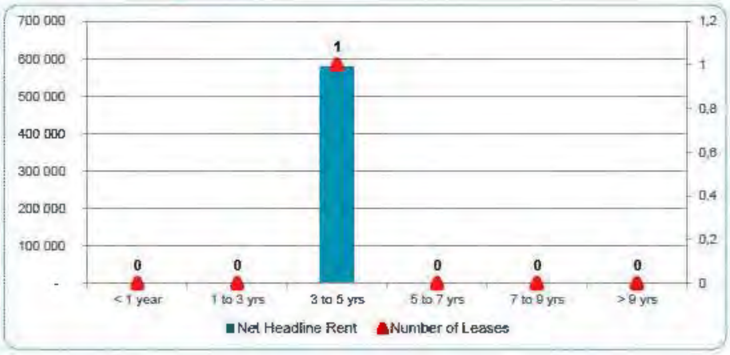
* T = "Tenant" => charges entirely recoverable

** Net Headline Rent not taking into account the global NR charges retained for the property (5,00% of passing rent per year)

Net Passing Rental income's share by Main Use



State of Remaining Fixed Term (WALB)

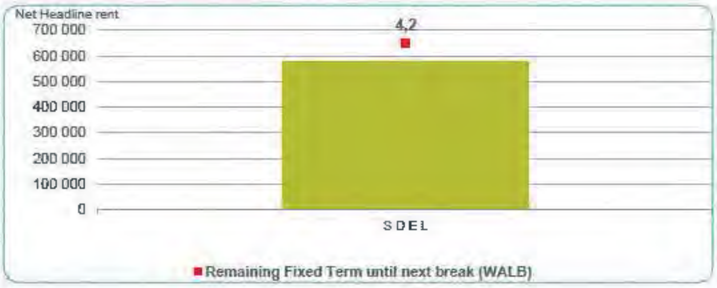


Lease Incentives

Tenants	STEPPED RENTS						RENT FREE PERIOD						Indemnities € / Part. W	
	Start Date 1	Step Rent 1 €/yr	Start Date 2	Step Rent 2 €/yr	Start Date 3	Step Rent 3 €/yr	Start Date 1	Initial Duration months	Start Date 2	Duration 2 months	Start Date 3	Duration 3 months	Date	Amount Paid or Received € excl.
SDEL														

TOP 5 Tenants

State of Remaining Fixed Term (WALB)



4. Asset Positioning

Local Rental Market

The city of Bouguenais is identified as a major economic center of the Nantes agglomeration. It benefits from an environment favorable for its development. The presence of the ring road and the heavy infrastructure such as the airport encourages the establishment of specialized companies and creates a dynamic for the economic development of the municipality. Thus, the economic network of Bouguenais comprises Nantes Atlantique airport, Airbus Industrie, the D2A site, the Technocampus EMC², Daher... The three local shopping centers meet the customer demand and play a key role in the commercial sector of the Nantes agglomeration.

There are few rental supplies and transaction in this area. In fact, in the immediate proximity of the subject asset, the tenants have stayed the same for many years and have no particular need to move.

When determining the rental market value, we have analysed rental transactions in similar zones, with comparable accessibility and location. The rent varies depending on the location, the area and the specifications offered. In terms of the characteristics of the areas studied, we believe that the rental value stands at € 100 / sq m / year. HC for the offices and € 50 / sq m / year for warehouse.

Comparable Rental Transactions

Quality compared to subject property: ▲ Above ▼ Below ▬ Equivalent

Address	Date		Owner	Tenant	Area sqm	Fixed Period	Rent €/sqm	Comments
Le Concorde, 1, rue Charles Lindbergh - 44340 - Bouguenais - Offices	01/2018	▬		Piro Conseil	83	9 years firm term	120	Subject property
15 rue Olympe de Gourges - 44800 Saint-Herblain - Offices	03/2018	▼	NC	MMERSIVE AUDIO TECH	594	NC	105	- Located in Nantes suburbs (same distance as the subject property). - Building in poor condition. - Good access from the N444.
Rue Nungesser et Coli - 44860 - St Aignan de Grand Lieu - Light Industrial	05/2018	▬		SDEL	8 037	12	73	Subject property.
Rue du Chêne Lassé - 44800 Saint-Herblain - Light Industrial	08/2017	▼	NC	KANGOUROU	726	NC	73	- Located in Nantes suburbs (same distance as the subject property). - Building in poor condition. - Good access from the N444.

Comparable Rental Supply

Address	Type		Area sqm	Divisibility sqm	Office€/sqm	Warehouse	Parking €/sqm	Comments
- 44840 LES SOR N ERES	Light Industrial	▬	2 146	NC	51			- This warehouse offers quality services. - This building is equipped with a dock, and can accommodate new facilities serving any business type.
Route de Bignon - 44840 LES SOR N ERES	Light Industrial	▬	1 600	NC	52			- Close to the A 83 and the southern ring road, in a mixed zone. - t offers flexible services. - Equipped with a dock leveller.
11 Route DE LA FORET - 44830 BOUAYE	Light Industrial	▼	1 540	NC	40			- Independent building. - Outdoor storage area. - PL and VL car parking spaces. - Offices offering good specifications.
PARC D'ACTIVITES DE VIAIS - 44860 Pont Saint Martin	Light Industrial	▲	3 482	1 741	61			- 10 minutes from the ring road and the Bordeaux road. - Light industrial premises comprising 2 cells of 1,741 sq m. - The building is new and of very good quality.

Investment Market

The dynamism of the sales and acquisitions of offices of less than 20 million euros in the region, brought the Ile-de-France / Province investment rate to its average: 53% - 47% in the first quarter of 2018, which differs significantly from the 60% -40% ratio observed over the past 10 years. Just in 3 months, nearly 166 million euros were invested outside the Paris region. The New Aquitaine region account for 16% of this volume.
The investment market for light industrial premises in Bouguenais is almost non-existant. This is an opportunistic market which targets a specific type of investors explaining the lack of recent transaction. The majority of the transactions concern office buildings.
Given that the 3 buildings - Ariane, Concorde and Raphale - alone represent a large proportion of the Bouguenais area office supply, we have extended our research to other tertiary areas around Nantes including Saint-Herblain. We have found that the market appears to be dynamic.

Comparable Investment Transactions

Address	Date	Purchaser	Seller	Sale Price € excl.	€ excl /sq m	Published Yield	Area sqm- (sqm)	Comments
- Rue Mickaël Faraday 44800 Saint-Herblain	04/05/2018	ENI ECOLE	NC	1 568 400	1 200,0	NC	1 307	- User sale - Small building in good condition. - Good access from the N444.
- 1103 avenue Jacques Cartier 44800 Saint-Herblain	30/04/2016	NC	NC	1 850 000	861,3	NC	2 148	- Old building in poor condition. - Good access from the N844 and the N444.
- 4 Rue Edith Piaf, 44800 Saint-Herblain	20/01/2017	VENDOME CAPITAL PARTNERS	NC	2 650 000	2 125,1	7,20%	1 247	- Building in good condition. - Tenant : Tameaud, BPD Marignan. - Good access from the N844 and the N444.

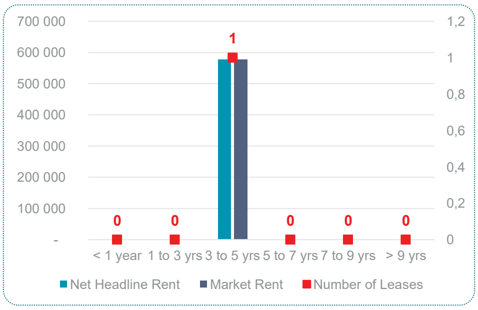
5. Property Valuation

5.1. Market Rent

Tenants	MARKET RENTAL VALUE (€ excl.)								NET HEADLINE RENT		Theoretical Reversion
	Office	Warehouse	Manufacturing	Other	Internal Pk	ICR	Total Excl.		Total Excl.		
	€/sq m/yr	€/sq m/yr	€/sq m/yr	€/sq m/yr	€/u/year	€/sq m/yr	€/yr	€/sq m/yr	€/yr	€/sq m/yr	MR / Rent
SDEL	100	50					576 850	72	577 649	72	-0,1%
TOTAL	**100**	**50**					**576 850**	**72**	**577 649**	**72**	-0,1%
TOTAL Rented	**100**	**50**	-	-	-	-	**576 850**	**72**	**577 649**	**72**	-0,1%
TOTAL Vacant	-	-	-	-	-	-	-	-			

Main Use	Number of Leases	Usable Areas	Net Headline Rent		Market Rental Value		Theoretical Reversion
		sq m / units	€/year excl.	€/sq m/yr	€/year excl.	€/sq m/yr	MR / Rent
Office							
Warehouse	1		577 649	72	**576 850**		-0,1%
Manufacturing							
Parkings							
TOTAL	1	0	**577 649**	**72**	**576 850**		-0,1%

Potential loss/earning of rent at future lease break options



Valuation Date	30/06/2018
Report Date	03/09/2018

5.2. General Assumptions (at Renewal / Departure / Letting)

In our valuation, we have retained the following assumptions in case of renewal or departure at the next potential tenant breaks.

			Tenant Departure Assumptions				Tenant Renewal Assumptions				
Tenants	Potential Date of Departure	Proba-bility of departure %	Reletting work €/sq m	Void Period months	Rent-Free Period months	Fixed Period years	Reversion at Lease End	Renewal Base *	Reversion Captured at Renewal	Rent-Free Period months	Fixed Period years
SDEL	30/08/22	25%		12	3	3		MR		3	3

* MR : Market Rent / LIR : Last Indexed Rent

5.3. Capitalisation Methodology

Tenant	Remaining Fixed Term	Capitalised Income Type	Basis of Capitalisation	Yield Applied	Income Capitalised	Compensation / Losses	Gross Market Value	Market Value Exclusive before Capex and Structural Void		Net Initial Yield	Rever--sionary Yield
	years		K€/year excl.		K€	K€	K€ Incl.	**K€ Excl.**	**€ excl./sq m**		
SDEL	4,2	Market Rent	**577**	7,75%	7 443	3	7 446	**6 965**	**867**	7,76%	7,75%
TOTAL	**4,2**		**577**	**7,75%**	**7 443**	3	**7 446**	**6 965**	**867**	**7,76%**	**7,75%**

OPEX / CAPEX details and other indemnities / revenues

Maintenance Works (Budget on 10 years not discounted)	-	€ excl. VAT
CAPEX // Major Repairs (Budget on 10 years not discounted)	-	€ excl. VAT
Landlord's Contribution to Tenant's Works // Indemnities to Tenants	-	€ excl. VAT
Indemnities paid by Tenants to Landlord // Other Revenues	-	€ excl. VAT

Capitalisation Method Conclusion

Main Use	Lettable Area sq m	Basis of Capitalisation	Yield Applied	Discounted Losses/Excess of income	Perm. Void & Glob. NR	Market Value inclusive K€	Purchaser's Costs	Market Value exclusive K€	Market Value excl.	Net initial yield	Rever -sionary yield
Office											
Warehouse	8 037	577	**7,75%**	3	(373)	7 073	6,90%	**6 617**	823	7,76%	7,75%
Manufacturing											
Parkings											
Total	**8 037**	**577**	**7,75%**	**3**	**(373)**	**7 073**	**6,90%**	**6 617**	**823**	**7,76%**	**7,75%**
TOTAL Rented	**8 037**	**577**	**7,75%**	**3**	**(373)**	**7 073**	**6,90%**	**6 617**	**823**	**7,76%**	**7,75%**
TOTAL Vacant	**0**	**-**		**-**	**-**	**-**	**6,90%**	**-**	**-**		

5.4. Discounted Cash Flow Methodology

Year	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**
Index ICC / Expenses Inflation	1,25%	1,50%	1,70%	1,75%	1,75%	1,75%	1,75%	1,75%	1,75%	1,75%
Index ILAT	1,40%	1,50%	1,60%	1,65%	1,65%	1,65%	1,65%	1,65%	1,65%	1,65%
Index ILC	1,50%	1,60%	1,65%	1,65%	1,65%	1,65%	1,65%	1,65%	1,65%	1,65%
Market Rental Growth	0,50%	1,00%	1,50%	1,50%	1,50%	1,50%	1,50%	1,50%	1,50%	1,50%
Maintenance										
CAPEX *										

*** The CAPEX retained come from the Technical Due Diligence carried out by Arcadis, dated 13 April 2018 (Vendor Capex retained and adjusted according to comments).**

Analysis by Discounted Cash Flow - K€

Year	1	2	3	4	5	6	7	8	9	10
Gross Rents	584	593	602	612	492	603	638	649	659	670
Rent Free Period/Additionnal Rent						(38)				
Indemnities received/paid										
Costs (vacancy, NR, doubtful)	(29)	(30)	(30)	(31)	(61)	(36)	(32)	(32)	(33)	(34)
Capex/Maintenance										
Reletting works										
Marketing fees						(23)				
Total Acquisition Costs										8 238
Remaining Rent Free Period to deduct										
Transfer costs										(708)
Free Cash Flows	**555**	**563**	**572**	**582**	**431**	**506**	**606**	**616**	**626**	**8 167**

Discount Rate - Cash Flow	**8,75%**	**Doubtful Debtors**	0,00%	% rent/year	**Letting Fees**	15,00%	% Headline Rent
Discount Rate - Resale Value	**8,75%**	**NR Charges**	5,00%	% rent/year	**Broker's Fees**	2,50%	% Resale Value
Discount Rate - CAPEX	**8,75%**	**Permanent Void**	0,00%	% rental area	**DCF Duration**	10	years

DCF method conclusion

Main Use	**RESALE ASSUMPTIONS AND CONCLUSION**						**Market Value**	**Purchaser's Costs**	**Market Value**	
	Fixed Period	Reversion	**Cap Rate**	Basis of Capitalisation	Resale Value € excl.	€ excl./sq m	K€ Incl.		€ exclusive	€/sq m
Office										
Warehouse	3,4	3,3%	**7,75%**	638	7 530	937	7 110	6,90%	6 651 256	828
Manufacturing										
Parkings										
Total	**3,4**	3,3%	**7,75%**	**638**	**7 530**	**937**	**7 110**	**6,90%**	**6 651 000**	**828**

5.5. Conclusion of Market Value

Methodology	Market Value inclusive	Purchaser's Costs	Market Value exclusive		Net Initial Yields *				
	€ inclusive		€ exclusive	€ excl./sq m	Net Passing	Net Headline	Net Potential	Theoretical	Net Headline on MV Rented
Capitalisation	7 073 000	6,90%	6 617 000	823	7,76%	7,76%	7,76%	7,75%	7,76%
DCF	7 110 000	6,90%	6 651 000	828	7,72%	7,72%	7,72%	7,71%	7,72%

*Net Initial Yields **

Passing Net Initial Yield : (Passing Net Rent - NR Charges) / MV incl.

Net Headline Yield : (Net Headline Rent - NR Charges) / MV incl.

Potential Net Initial Yield : (Net Headline Rent + MR of vacant areas - NR Charges) / MV incl.

Theoretical Initial Yield : (Market Rent - NR Charges) / MV incl.

Rounded Market Value

We are of the opinion that the Market Value of the freehold interest in the above Subject Property, as at 30 June 2018, subject to the existing tenancies, assumptions and comments in this Valuation Report and the Appendices, is:

Methodology Retained DCF

Market Value incl. Purch' costs	7 110 000	€ inclusive	885	€/sq m
Purchaser's Costs	6,90%			
Market Value excl. Purch' cost	**6 651 000**	**€ exclusive**	**828**	**€/sq m**

Net Headline Yield	7,72%
Net Headline Yield (on rented MV	7,72%
Net Potential Yield	7,72%
Net Reversionary Yield	7,71%

6. Vacant Possession Value

We have undertaken the valuation of the building under the special assumption that it is fully vacant (Vacant possession Value).
This methodology consists of capitalising the potential net income at an appropriate yield deducting losses reflecting the marketing and incentives necessary to relet the property

Tenant	Marketing Void	Vacancy cost	Rent Free Period	Discount / Premium to Market Rent	Reletting Works	Yield Applied	Potential Income Capitalised	Total Discounted Losses (void, works, rent free, fees)	Gross VPV	Net VPV	
	months	€/sq m	months	%	€/sq m		€	€	€ incl.	€ excl.	€/sq m excl.
Vacant 1	12	20	3		50	8,00%	7 210 625	(1 278 842)	5 931 783	5 548 908	690
TOTAL							7 210 625	(1 278 842)	5 931 783	5 548 908	690

OPEX / CAPEX details and other indemnities / revenues

Maintenance Works (Budget on 10 years not discounted)	-	€ excl. VAT
CAPEX // Major Repairs (Budget on 10 years not discounted)	-	€ excl. VAT

Conclusion

MAIN USE	Lettable Area sq m	Basis of Capitalisation	Yield Applied	Potential Income capitalised	Discounted Losses/Excess of income	Major Works / CAPEX / Perm. Void & Glob. NR	Market Value inclusive K€	Purchaser's Costs	Market Value exclusive K€	Market Value excl. € excl./sq m	Rever -sionary yield ***
Office											
Warehouse	8 037	577	8,00%	7 211	(1 279)	(373)	5 559	6,90%	5 200	647	9,86%
Manufacturing											
Parkings											
Total	8 037	577	8,00%	7 211	(1 279)	(373)	5 559	6,90%	**5 200**	647	9,86%

7. Estimated Reinstatement Cost

We have prepared our assessment of the reinstatement cost of the building assuming the reinstated building will be identical to existing structural conditions, save for the land, but taking into account all taxes, work costs, technical fees and miscellaneous fees.

This estimation does not take into account he developers margin.

Land Area	12 795	sq m	Basement parkings	0	units
Total Lettable Area	8 037	sq m			
Gross / Net ratio	92,5%				
SHON (net constructed area)	8 689	sq m SHON			

Reconstruction Cost - Floor Area	750	€/sq m SHON	6 516 486	€ excl.
Land Development	7,50%	Const. Costs	488 736	€ excl.
Fiscal Conditions (taxes, royalties, charges etc.)	4,00%	Const. Costs	260 659	€ excl.
Technical Fees (MOE, BET, Insurance)	10,00%	Const. + Gridding	700 522	€ excl.
Financial Fees	2,50%	Total Const. Costs	199 160	€ excl.
Reinstatement Cost	**940**	**€/sq m SHON**	**8 166 000**	**€ excl.**

We assume that any VAT is recoverable and we do not retain any loss of rent or allow for inflation during the reconstruction period.

An estimated reinstatement cost is our assessment of the cost of reinstating the property at he date of valuation. We have not been provided with the actual construction costs, but have estimated these overall costs based on our knowledge of similar buildings.

The figures set out in this valuation sheet are our assessment of the cost of reconstructing he property. They include an allowance for demolition, removal of debris, temporary shoring, statutory and professional fees which are likely to be incurred on reconstruction, but exclude any allowance for VAT. If you are unable to recover VAT, or can recover part only, you should advise your insurers and increase he Base Sum Insured appropriately. The figures make no allowance for loss of rent during the rebuilding period, nor for inflation, nor the cost of dealing with any contamination which may be present and have to be dealt with prior to reconstruction. The assessment does not provide advice in respect of terrorist damage cover and you should consult with your insurers in respect of this.

We have assumed that the reinstated building and its use will be similar to that existing, and the reinstated building will be to he original design, in modern materials, using modern techniques to modern standards.

We have considered the extent and nature of the building but our assessments have been undertaken as part of our normal valuation exercise. We have not carried out a formal reinstatement cost assessment through a Building Consultancy company. Our assessment should be treated as a guide only and should not be relied upon. It should be used for comparative purposes only against the borrower’s proposed reinstatement cover.

Should any discrepancies arise, a formal reinstatement cost assessment should be commissioned.

8. Photos

Exterior View

Exterior View

Hall

Interior View

Activity area

Expancion View

Valuation Summary

Cournon D'auvergne

Address	78 avenue du midi, , Cournon d'Auvergne		
ZIP-Town	63800 - Clermont-Ferrand	**Hub/Market**	Lyon
Completion Date	1978/1992/2005		
Main Use	Logistics		

Project Type	Valuation Report
Inspection Date	19/06/2018
Valuer	Stèphane Daigremont
Land Area	14 306 sq m
Tenure	Freehold equivalent

Share of the area by nature

Rating	
Macro Location	3
Micro Location	2
Building Quality	3
Condition	4
Lettability	4
Marketability (sale	4
Overall rating	3
Loan Security	medium

Total Lettable Area		6 752 sq m		
Occupancy Rate		100%		
Remaining Duration (WALB / WALT)		4 / 4 years		
Main Tenant		Ctr. Spe. Pharmaceutiques		
Number of Leases		1		
Estimated marketing period		0 months		
Net Headline Rent	K€/year excl.	339	50	€/sq m/yr excl.
Net Potential Rent	K€/year excl.	339	50	€/sq m/yr excl.
Market Rental Value	K€/year excl.	339	50	€/sq m/yr excl.

SWOT ANALYSIS

Strengths

- Historical location for the tenant with their main building in front of the subject property;
- Building in a good state of repair with fitting out investments from the tenant;
- Close access to the motorway.

Weaknesses

- Location is slightly removed to the south of the Cournon d'Auvergne light industrial areas.

Opportunities

- Renewal of the lease with the current tenant;

Threats

- Vacancy if the tenant were to leave the building.

VALUATION METHOD CONCLUSION

Methodology	Market Value			CAPEX not discounted (Deducted) €	Purchaser's Costs	Net Initial Yields *				
	€ inclusive	€ exclusive	€ excl /sq m			Net Passing	Net Headline	Net Potential	Theoretical	Net Headline on MV Rented
Capitalisation	4 212 000	3 940 000	584	80 000	6,90%	7,64%	7,64%	7,64%	7,64%	7,64%
DCF	4 209 000	3 937 000	583		6,90%	7,65%	7,65%	7,65%	7,65%	7,65%

** : Passing Net Initial Yield : (Passing Net Rent - NR Charges) / MV incl.*

Net Headline Yield : (Net Headline Rent - NR Charges) / MV incl.

Theoretical Initial Yield : (Market Rent - NR Charges) / MV incl.

MARKET VALUE CONCLUSION

Market Value incl. Purch' costs	**4 209 000**	€ inclusive	623	€ incl./sq m
Purchaser's Costs	6,90%			
Market Value excl. Purch' costs	**3 937 000**	€ exclusive	583	€ excl./sq m

Net Headline Yield	7,65%
NIY on rented MV	7,65%
Net Potential Yield	7,65%
Net Reversionary Yield	7,65%

Additional Valuation	Market Value		General Assumptions			
	€ exclusive	€ excl./sq m	Void Period months	Rent Free months	Capitalisation Yield	Construction Costs €/sqm SHON
Vacant Possession Value	2 824 000	418	18	3	8,50%	
Estimated Reinstatement Cost	4 339 000	627				500,00

1. Property Presentation

Aerial View

Cadastral Matrix

Designation

The property primarily used as logistics is situated :

78 avenue du midi, , Cournon d'Auvergne - 63800 Clermont-Ferrand

Cadastral References

CB 84 / CB 93

Land Area	14 306 sq m

Tenure

According to the notary due diligence provided by Attal & Associés, we understand that the property is held freehold.

Location & Environment

The property is situated in the Puy de Dôme department (63) in the centre of France, in a town called Cournon d'Auvergne. Cournon d'Auvergne is approximately 12 km east of Clermont-Ferrand, a city situated approximately 420 km south of Paris and 160 km west of Lyon. Lyon is an established logisitics location, serving as a principal connection between nothern and southern France.

Within Cournon d'Auvergne, the asset is situated in a light industrial area south west of the town centre, in the comprehensive redevelopment area ("ZAC") de Sarliève South, that extends to the north-west with the ZAC de Cournon and the ZAC de Sarlève North.
This light industrial area was created in 2008 and comprises 75 hectares. The area, that is to the southern extremity of the ZAC, is mainly occuped by CSP (tenant of the subject property) that has a larger site in front of the subject premises (their headquarters), and an "ATAC" (hypermarket network) logistics centre.

The environment mainly consists of warehouse accommodation. The ZAC is more orientated towards light industrial and industrial occupiers to the north. There is a mix of activities and a retail area with a supermarket and medium size retail accommodation to the east. Also, there is a lot of agricultural land in next to the asset.

Transport & Access

The area is mainly served by the A75 motoway (the "Méridienne"), with a junction approximately 2 km to the west of the subject asset.
The town of Clermont-Ferrand is served by the A71 motorway that connects the city with Orléans to the north, and the A75 motorway that connects the city with Montpellier/Béziers to the south.
Clermont-Ferrand has a railway station but does not benefit from a high speed train ("TGV") line. However, it has an airport in Aulnat (approximately 6 km east of Clermont) that links several French and European towns.

View of the office building

View of the storage area (lower height)

Exterior Description

The site is of an irregular shape with its HGV entrance on its southern corner along avenue du Midi (close to the workers and visitors parking access). The exit is found on the northern corner along avenue de la Fave. The external areas are mainly composed of HGV parking, lanes allowing for circulation around the property, car parking spaces for the workers and visitors, and green spaces. The site is fully fenced.

The site is occupied by a single large building that is roughly square in shape. The building was built during several stages (1978/1992/2005) has different heights. There are some dock doors on the main façade. The left side of the building is occupied by some ancillary office accomodation on the ground floor.

Internal Layout

The property has 6,752 sq m of storage accomodation, with ancillary office space. It consists of two interconnected blocks of buildings: the front one with a 7 metre floor to ceiling height, with a total of 8 loading bays and an access ramp, and a rear one with a 12 metre floor to ceiling height that is used only for storage. The buildings have concrete and steel frames with double skin metal cladding under flat roofs. Both buildings have a concrete slab with a 4.5 ton floor load, are air-conditioned with double flow units and lit with suspended neon lighting fixtures. The buildings are fitted with sprinkler. The rear building is fitted with racks that are closed with roller-shutter doors. The front part of the building is occupied by packaging facilities, as well as fenced and open storage areas.

The property is rent by Centre Spécialités Pharmaceutiques (CSP), is a firm created in 1951 which takes in charge and store pharmaceutical products for laboratories.

Contamination and Diagnosis Conclusion

Potential Sources of Soil and Water Contamination	: Low
Site Sensitivity	: Moderate
Risk Assessment	: Low
Environmental certifications	: None

Other Environmental Issues

None

General Environmental Conclusion

No significant, current, or historical sources of contamination have been identified on site.

We would highlight the fact that the site is used for the storage and packaging of narcotic pharmaceutical drugs.

General Condition

The property appears to have been well maintained with regard to its age, use and construction.

During the course of our inspection, we did not notice any apparent defects.

Town Planning

According to the local Town Planning Documents (PLU: Plan Local d'Urbanisme) of Cournon d'Auvergne, adopted on 15th October 2003, we understand that the property is included in zone 1AUI of the planning regulation.

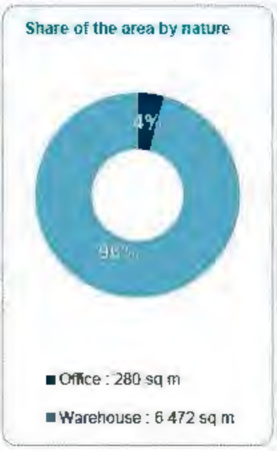
- the zone is to be urbanised in order to house industrial, light industrial, retail and service activities;
- there are no regulated characteristics for land plots;
- the footprint of the building is a maximum of 75%;
- the building height should be less than 16 metres;
- there is no plot ratio.

2. Area Schedule

Area Typology	Total Area		Occupied Area	Vacant Area	Occupancy Rate
	sq m lettable	Share	sq m lettable	sq m lettable	
Office	280	4,1%	280	-	100%
Warehouse	6 472	95,9%	6 472	-	100%
Manufacturing	–		-	-	
Other	–		-	-	
Parking int.	-		-	-	
Parking ext.	-		-	-	
TOTAL	6 752	100,0%	6 752	-	100%

ICR / Base Area	*6 752*	*sq m*

Area Source Documents
For the purpose of this valuation we have been provided with lettable areas of the property, sent by EASTD LL Secured, in the "Property Use by Tenant" and "Financing Rent Roll" Excel files, undated. We have not undertaken measurements of the property. Following our site visit, we have come to the conclusion that the areas provided seem to correspond to the inspected property. Should the surface areas differ from the provided surface areas, we reserve the right to alter our valuation accordingly.


Share of the area by nature


Occupancy by area typology

3. Rental Situation

Tenancy Schedule

Tenants	Floor	Main Use	AREA SCHEDULE						LEASE DURATION				INDEXATION	
			Office sq m	Warehouse sq m	Manufacturing sq m	Other sq m	Parking Internal/ External units	TOTAL sq m	Lease type	Lease Start	Next Break Option	Lease End	Next Indexation Date	Current Index
Ctr. Spe. Pharmaceutiques	GF	Warehouse	280	6 472				6 752	Com. L	01/07/13	30/06/22	30/06/22	01/07/18	LAT
TOTAL			280	6 472			0 / 0	6 752						
TOTAL Rented			280	6 472	-	-	0 / 0	6 752						
TOTAL Vacant			-	-	-	-	0 / 0	-		Vacancy Rate	0%			

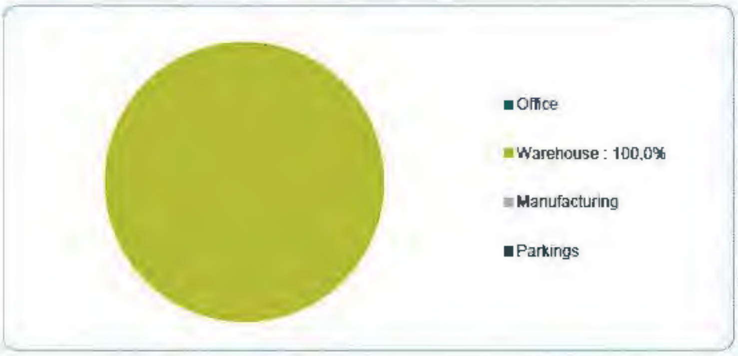
Management of Charges and Analysis of Net Rent

Tenants	Gross Passing Indexed Rent	Gross Headline Indexed Rent	NON-RECOVERABLE CHARGES (€/YEAR) *					TOTAL Non Recoverable	NET HEADLINE RENT **		Additional Rent	
	€/yr excl.	€/yr excl.	Property Tax	Office Tax	Insurance	Major Repairs (art. 606)	Mgmt Fees	€/sq m/yr	€/yr excl.	€/sq m/yr	Current Amount €/yr excl.	End Date
Ctr. Spe. Pharmaceutiques	338 836	338 836	T	T	T	T	T		338 836	50		
									-			
									-			
TOTAL	338 836	338 836							338 836	50		

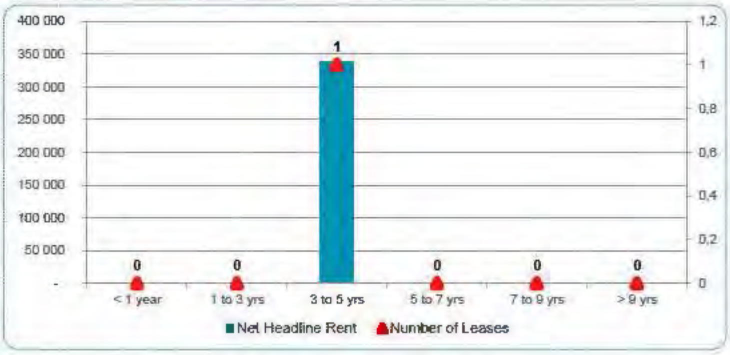
* T = "Tenant" => charges entirely recoverable

** Net Headline Rent not taking into account the global NR charges retained for the property (5,00% of passing rent per year)

Net Passing Rental income's share by Main Use



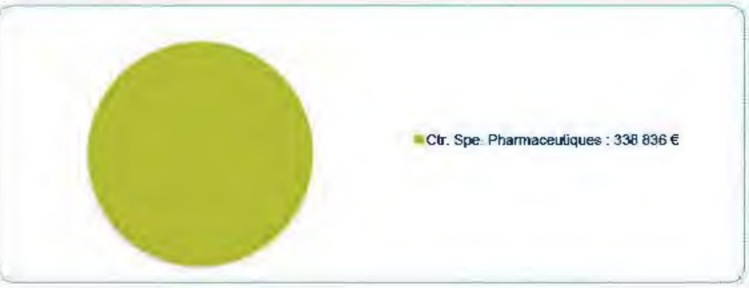
State of Remaining Fixed Term (WALB)



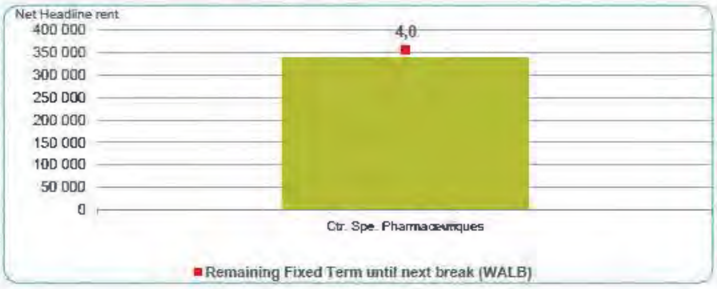
Lease Incentives

Tenants	STEPPED RENTS						RENT FREE PERIOD						Indemnities € / Part. W	
	Start Date 1	Step Rent 1 €/yr	Start Date 2	Step Rent 2 €/yr	Start Date 3	Step Rent 3 €/yr	Start Date 1	Initial Duration months	Start Date 2	Duration 2 months	Start Date 3	Duration 3 months	Date	Amount Paid or Received € excl.
Ctr. Spe. Pharmaceutiques														

TOP 5 Tenants



State of Remaining Fixed Term (WALB)



4. Asset Positioning

Local Rental Market

Corporate investments and a surge in French exports, bolstered by exceptional aeronautical shipments, have boosted growth in France (+2% in 2017). This was rapidly quelled by the announcement of a spring strike by the national rail company, SNCF (national rail). Given this context, the business climate and householder confidence both posted decreases this quarter (-2.8 and -4 points respectively), indicative of a slowdown in growth for early 2018, which INSEE estimates at +0.4% for Q1 and Q2 2018.
In France, take-up for logistics warehouses stood at 412,000 sq m over Q1 2018: there were only 22 transactions in the market during this period. Most of take-up was recorded outside of the corridor (58% by volume). Elsewhere along the corridor, a major food retailer leased 30,000 sq m in Saint-Quentin-Fallavier. The second-largest driver of activity along the corridor (behind the Paris Region with 53% of the take up) was Lyon, where take-up remained virtually unchanged year-on-year (40,000 sq m, -4.5%). The Rhône Valley posted a marked year-on-year decrease, although levels were stronger than in Marseille and no transactional activity was recorded on the Lille market. Warehouse formats from 10,000 to 30,000 sq m posted a significant increase and accounted for over half of take-up over Q1 2018. After having stagnated for several years, rental values for logistics warehouses in France are slowly starting to move and the convergence of some powerful influences could lead to an increase in rents. Prime rents along the corridor are currently around €47 per sq m per year in Lyon.

Comparable Rental Transactions

Quality compared to subject property: ▲ Above ▼ Below ▬ Equivalent

Address	Date	Owner	Tenant	Area sqm	Fixed Period	Rent €/sqm	Comments
4 rue du Bois Joli - 63800 - Cournon d'Auvergne - Logistics	10/2013 ▼	n/c	UPS	1 500	n/c	48	Second hand building located in the "ZAC de Cournon", in front of the Babou retailer headquarter.
11 rue Louis Blériot - 63800 - Cournon d'Auvergne - Warehouse	02/2012 ▼	n/c	XPO Supply Chain	3 000	n/c	29	Obsolete storage building situated north of the ZAC de Sarlève.
6 rue Clément Ader - 63800 - Cournon d'Auvergne - Warehouse	05/2014 ▼	n/c	Centre Lyrique Clermont Auvergne	350	n/c	43	Obsolete storage building situated north of the ZAC de Sarlève.
10 rue Jean Mermoz - 63800 - Cournon d'Auvergne - Light Industrial	06/2015 ▲	n/c	Pinheiro & Fils Elécticité Plomberie	240	n/c	63	Light industrial building situated north of the ZAC de Sarlève.

Comparable Rental Supply

Address	Type	Area sqm	Divisibility sqm	Office€/sqm	Warehouse	Parking €/sqm	Comments
Light industrial area - 63800 - Cournon d'Auvergne	Logistics ▼	4 030	n/c	42		n/a	80 sq. m of offices. 12 loading bays. 10 metre floor to ceiling height for 2,970 sq m and 4 metre for 980 sq m.
Light industrial area - 63800 - Cournon d'Auvergne	Logistics ▬	7 400	n/c	59	59	n/a	Building from 2006. 6,100 sq m of storage withan 8.8 metre floor to ceiling height. 778 sq m of air conditioned light industrial space. 537 sq m of office space with a patio and 2 terraces.
Light industrial area - 63800 - Cournon d'Auvergne	Warehouse ▬	1 365	n/c	60	n/a	n/a	Recent building with double skin cladding in a very good state of repair. 1,056 sq m of storage space with 3 loading bays. 309 sq m of office space on two levels.
Light industrial area - 63800 - Cournon d'Auvergne	Warehouse ▬	708	n/c	45	45	n/a	Warehouse and workshop (658 sq m) with 2 roller shutter doors and 50 sq m of office space. 7 metre floor to ceiling height.

Investment Market

Following a record surge in 2017, the French logistics investment market tiptoed into 2018 with just €110 million recorded over the first quarter. Such a slow start to the year has not been seen since 2015, but this is far from indicative of performance for the year as a whole. The structural and economic fundamentals which have led to increased interest in this asset class for the last three years are still ever-present in the market: a surging e-commerce sector and supply chain restructuring by major retailers. The search for diversification on a pan-European level is clashing with a lack of secured core and core+ logistics platforms (fixed-term lease, quality tenant). The widening range of new entrants into the French market is stirring up competition, which was already fierce for the best assets. This has led to an acceleration in portfolio rotation cycles, as well as loosening the restraints of risk; this has resulted in several speculative platform acquisitions, levers for value creation both within and beyond the corridor. After being subject to strong compression for the last three years, prime logistics yields have continued to reach even further lows. However, these decreases are confined to exceptional assets located at the heart of deep markets, such as Lyon and now stand at 4.75% in Lyon.

Comparable Investment Transactions

Address	Date	Purchaser	Seller	Sale Price € excl.	€ excl /sq m	Published Yield	Area sqm- (sqm)	Comments
- 10-12 rue Louis Blériot, 63800 Cournon d'Auvergne	01/01/2015	Fuji Electric France	n/c	450 000	281,1	n/c	1 601	Second hand building. Owner-occupier sale.
- 4 rue Saint Exupéry, 63800 Cournon d'Auvergne	01/06/2011	Private Investor	La Française des Jeux Auvergne Limousin	235 000	610,4	n/c	385	Second hand light industrial building.
- 26 rue des Sauzes, 63170 Aubière	01/02/2011	Private investor	Private investor	520 000	448,3	n/c	1 160	Recent light industrial and storage building

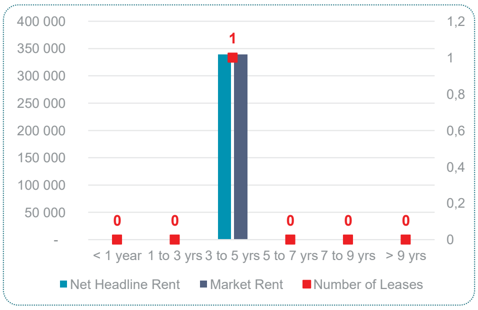
5. Property Valuation

5.1. Market Rent

Tenants	MARKET RENTAL VALUE (€ excl.)								NET HEADLINE RENT		Theoretical Reversion
	Office	Warehouse	Manufacturing	Other	Internal Pk	ICR	Total Excl.		Total Excl.		
	€/sq m/yr	€/sq m/yr	€/sq m/yr	€/sq m/yr	€/u/year	€/sq m/yr	€/yr	€/sq m/yr	€/yr	€/sq m/yr	MR / Rent
Ctr. Spe. Pharmaceutiques	50	50					338 836	50	338 836	50	0,0%
TOTAL	**50**	**50**					**338 836**	**50**	**338 836**	**50**	0,0%
TOTAL Rented	**50**	**50**	-	-	-	-	**338 836**	**50**	**338 836**	**50**	0,0%
TOTAL Vacant	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**			

Main Use	Number of Leases	Usable Areas	Net Headline Rent		Market Rental Value		Theoretical Reversion
		sq m / units	€/year excl.	€/sq m/yr	€/year excl.	€/sq m/yr	MR / Rent
Office							
Warehouse	1		338 836	50	**338 836**		0,0%
Manufacturing							
Parkings							
TOTAL	1	0	**338 836**	**50**	**338 836**		0,0%

Potential loss/earning of rent at future lease break options



5.2. General Assumptions (at Renewal / Departure / Letting)

In our valuation, we have retained the following assumptions in case of renewal or departure at the next potential tenant breaks.

Tenants	Potential Date of Departure	Proba-bility of departure %	Tenant Departure Assumptions				Tenant Renewal Assumptions				
			Reletting work €/sq m	Void Period months	Rent-Free Period months	Fixed Period years	Reversion at Lease End	Renewal Base *	Reversion Captured at Renewal	Rent-Free Period months	Fixed Period years
Ctr. Spe. Pharmaceutiques							-1,6%	MR	-1,6%	3	3

* MR : Market Rent / LIR : Last Indexed Rent

5.3. Capitalisation Methodology

Tenant	Remaining Fixed Term	Capitalised Income Type	Basis of Capitalisation	**Yield Applied**	Income Capitalised	Compensation / Losses	Gross Market Value	**Market Value Exclusive before Capex and Structural Void**		**Net Initial Yield**	**Rever- -sionary Yield**
	years		K€/year excl.		K€	K€	K€ Incl.	**K€ Excl.**	**€ excl./sq m**		
Ctr. Spe. Pharmaceutiques	4,0	Net Headline Re	**339**	7,50%	4 518	-	4 518	**4 226**	**626**	7,50%	7,50%
TOTAL	**4,0**		**339**	**7,50%**	**4 518**	-	**4 518**	**4 226**	**626**	**7,50%**	**7,50%**

OPEX / CAPEX details and other indemnities / revenues

Maintenance Works (Budget on 10 years not discounted)	-	€ excl. VAT
CAPEX // Major Repairs (Budget on 10 years not discounted)	**80 000**	€ excl. VAT
Landlord's Contribution to Tenant's Works // Indemnities to Tenants	-	€ excl. VAT
Indemnities paid by Tenants to Landlord // Other Revenues	-	€ excl. VAT

Capitalisation Method Conclusion

Main Use	**Lettable Area sq m**	**Basis of Capitalisation**	**Yield Applied**	**Discounted Losses/Excess of income**	**Perm. Void & Glob. NR**	**Market Value inclusive K€**	**Purchaser's Costs**	**Market Value exclusive K€**	**Market Value excl.**	**Net initial yield**	**Rever -sionary yield**
Office											
Warehouse	6 752	339	**7,50%**		(226)	4 212	6,90%	**3 940**	584	7,64%	7,64%
Manufacturing											
Parkings											
Total	**6 752**	**339**	**7,50%**	**-**	**(226)**	**4 212**	**6,90%**	**3 940**	**584**	**7,64%**	**7,64%**
TOTAL Rented	**6 752**	**339**	**7,50%**	**-**	**(226)**	**4 212**	**6,90%**	**3 940**	**584**	**7,64%**	**7,64%**
TOTAL Vacant	**0**	**-**		**-**	**-**	**-**	**6,90%**	**-**	**-**		

5.4. Discounted Cash Flow Methodology

Year	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**
Index ICC / Expenses Inflation	1,25%	1,50%	1,70%	1,75%	1,75%	1,75%	1,75%	1,75%	1,75%	1,75%
Index ILAT	1,40%	1,50%	1,60%	1,65%	1,65%	1,65%	1,65%	1,65%	1,65%	1,65%
Index ILC	1,50%	1,60%	1,65%	1,65%	1,65%	1,65%	1,65%	1,65%	1,65%	1,65%
Market Rental Growth	0,50%	1,00%	1,50%	1,50%	1,50%	1,50%	1,50%	1,50%	1,50%	1,50%
Maintenance										
CAPEX *	40 000	40 000								

*** The CAPEX retained come from the Technical Due Diligence carried out by Arcadis, dated 13 April 2018 (Vendor Capex retained and adjusted according to comments).**

Analysis by Discounted Cash Flow - K€

Year	1	2	3	4	5	6	7	8	9	10
Gross Rents	344	349	354	360	354	361	367	373	380	386
Rent Free Period/Additionnal Rent					(89)					
Indemnities received/paid										
Costs (vacancy, NR, doubtful)	(17)	(17)	(18)	(18)	(18)	(18)	(18)	(19)	(19)	(19)
Capex/Maintenance	(40)	(41)								
Reletting works										
Marketing fees										
Total Acquisition Costs										4 743
Remaining Rent Free Period to deduct										
Transfer costs										(408)
Free Cash Flows	**286**	**290**	**337**	**342**	**248**	**343**	**348**	**355**	**361**	**4 703**

Discount Rate - Cash Flow	**8,25%**	**Doubtful Debtors**	0,00%	% rent/year	**Letting Fees**	15,00%	% Headline Rent
Discount Rate - Resale Value	**8,25%**	**NR Charges**	5,00%	% rent/year	**Broker's Fees**	2,50%	% Resale Value
Discount Rate - CAPEX	**8,25%**	**Permanent Void**	0,00%	% rental area	**DCF Duration**	10	years

DCF method conclusion

Main Use	**RESALE ASSUMPTIONS AND CONCLUSION**						**Market Value**	**Purchaser's Costs**	**Market Value**	
	Fixed Period	Reversion	**Cap Rate**	Basis of Capitalisation	Resale Value € excl.	€ excl./sq m	K€ Incl.		€ exclusive	€/sq m
Office										
Warehouse	3,0	5,4%	**7,75%**	368	4 336	642	4 209	6,90%	3 936 974	583
Manufacturing										
Parkings										
Total	**3,0**	5,4%	**7,75%**	**368**	**4 336**	**642**	**4 209**	**6,90%**	**3 937 000**	**583**

5.5. Conclusion of Market Value

Methodology	Market Value inclusive	Purchaser's Costs	Market Value exclusive		Net Initial Yields *				
	€ inclusive		€ exclusive	€ excl./sq m	Net Passing	Net Headline	Net Potential	Theoretical	Net Headline on MV Rented
Capitalisation	4 212 000	6,90%	3 940 000	584	7,64%	7,64%	7,64%	7,64%	7,64%
DCF	4 209 000	6,90%	3 937 000	583	7,65%	7,65%	7,65%	7,65%	7,65%

*Net Initial Yields **

Passing Net Initial Yield : (Passing Net Rent - NR Charges) / MV incl.

Net Headline Yield : (Net Headline Rent - NR Charges) / MV incl.

Potential Net Initial Yield : (Net Headline Rent + MR of vacant areas - NR Charges) / MV incl.

Theoretical Initial Yield : (Market Rent - NR Charges) / MV incl.

Rounded Market Value

We are of the opinion that the Market Value of he freehold interest in the above Subject Property, as at 30 June 2018, subject to the existing tenancies, assumptions and comments in this Valuation Report and the Appendices, is:

Methodology Retained	DCF			
Market Value incl. Purch' costs	4 209 000	€ inclusive	623	€/sq m
Purchaser's Costs	6,90%			
Market Value excl. Purch' cost	**3 937 000**	€ exclusive	583	€/sq m

Net Headline Yield	7,65%
Net Headline Yield (on rented MV	7,65%
Net Potential Yield	7,65%
Net Reversionary Yield	7,65%

6. Vacant Possession Value

We have undertaken the valuation of the building under the special assumption that it is fully vacant (Vacant possession Value).
This methodology consists of capitalising the potential net income at an appropriate yield deducting losses reflecting the marketing and incentives necessary to relet the property.

Tenant	Marketing Void	Vacancy cost	Rent Free Period	Discount / Premium to Market Rent	Reletting Works	Yield Applied	Potential Income Capitalised	Total Discounted Losses (void, works, rent free, fees)	Gross VPV	Net VPV	
	months	€/sq m	months	%	€/sq m		€	€	€ incl.	€ excl.	€/sq m excl.
Vacant 1	18	9	3			8,50%	3 986 304	(662 053)	3 324 251	3 109 683	461
TOTAL							3 986 304	(662 053)	3 324 251	3 109 683	461

OPEX / CAPEX details and other indemnities / revenues

Maintenance Works (Budget on 10 years not discounted)	-	€ excl. VAT
CAPEX // Major Repairs (Budget on 10 years not discounted)	80 000	€ excl. VAT

Conclusion

MAIN USE	Lettable Area sq m	Basis of Capitalisation	Yield Applied	Potential Income capitalised	Discounted Losses/Excess of income	Major Works / CAPEX / Perm. Void & Glob. NR	Market Value inclusive K€	Purchaser's Costs	Market Value exclusive K€	Market Value excl. € excl./sq m	Rever -sionary yield ***
Office											
Warehouse	6 752	339	8,50%	3 986	(662)	(306)	3 018	6,90%	2 824	418	10,66%
Manufacturing											
Parkings											
Total	6 752	339	8,50%	3 986	(662)	(306)	3 018	6,90%	2 824	418	10,66%

7. Estimated Reinstatement Cost

We have prepared our assessment of the reinstatement cost of the building assuming the reinstated building will be identical to existing structural conditions, save for the land, but taking into account all taxes, work costs, technical fees and miscellaneous fees.

This estimation does not take into account the developers margin.

Land Area	14 306	sq m	Basement parkings	0	units
Total Lettable Area	6 752	sq m			
Gross / Net ratio	97,5%				
SHON (net constructed area)	6 925	sq m SHON			

Reconstruction Cost - Floor Area	500	€/sq m SHON	3 462 564	€ excl.
Land Development	7,50%	Const. Costs	259 692	€ excl.
Fiscal Conditions (taxes, royalties, charges etc.)	4,00%	Const. Costs	138 503	€ excl.
Technical Fees (MOE, BET, Insurance)	10,00%	Const. + Gridding	372 226	€ excl.
Financial Fees	2,50%	Total Const. Costs	105 825	€ excl.
Reinstatement Cost	**627**	**€/sq m SHON**	**4 339 000**	**€ excl.**

We assume that any VAT is recoverable and we do not retain any loss of rent or allow for inflation during the reconstruction period.

An estimated reinstatement cost is our assessment of the cost of reinstating the property at the date of valuation. We have not been provided with the actual construction costs, but have estimated these overall costs based on our knowledge of similar buildings.

The figures set out in this valuation sheet are our assessment of the cost of reconstructing the property. They include an allowance for demolition, removal of debris, temporary shoring, statutory and professional fees which are likely to be incurred on reconstruction, but exclude any allowance for VAT. If you are unable to recover VAT, or can recover part only, you should advise your insurers and increase the Base Sum Insured appropriately. The figures make no allowance for loss of rent during the rebuilding period, nor for inflation, nor the cost of dealing with any contamination which may be present and have to be dealt with prior to reconstruction. The assessment does not provide advice in respect of terrorist damage cover and you should consult with your insurers in respect of this.

We have assumed that the reinstated building and its use will be similar to that existing, and the reinstated building will be to the original design, in modern materials, using modern techniques to modern standards.

We have considered the extent and nature of the building but our assessments have been undertaken as part of our normal valuation exercise. We have not carried out a formal reinstatement cost assessment through a Building Consultancy company. Our assessment should be treated as a guide only and should not be relied upon. It should be used for comparative purposes only against the borrower's proposed reinstatement cover.

Should any discrepancies arise, a formal reinstatement cost assessment should be commissioned.

8. Photos

View of the storage buildings

View of the office building

View of the storage area (lower height)

View of the storage area (higherer height)

View of the HGV site exit

View of the office space

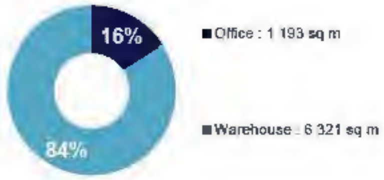
Valuation Summary

Chassieu

Address	10-12, Avenue Louis Blériot		
ZIP-Town	69680 - Chassieu	**Hub/Market**	Lyon
Completion Date	2002		
Main Use	Urban Logistics		

Project Type	Valuation Report
Inspection Date	13/06/2018
Valuer	Antoine LANIESSE
Land Area	16 290 sq m
Tenure	Freehold equivalent

Share of the area by nature



Rating	
Macro Location	4
Micro Location	2
Building Quality	2
Condition	3
Lettability	3
Marketability (sale	3
Overall rating	3
Loan Security	good

Total Lettable Area		7 514 sq m		
Occupancy Rate		100%		
Remaining Duration (WALB / WALT)		1,2 / 2,5 years		
Main Tenant		Mecalux France		
Number of Leases		2		
Estimated marketing period		12 months		
Net Headline Rent	K€/year excl.	423	56	€/sq m/yr excl.
Net Potential Rent	K€/year excl.	423	56	€/sq m/yr excl.
Market Rental Value	K€/year excl.	413	55	€/sq m/yr excl.

SWOT ANALYSIS

Strengths

- Good location in an identified industrial area close to the airport Lyon-Bron,
- The building is fully let,
- Easy access, in close proximity to the A43 motorway,
- Asset in good condition considering its age,
- Good proportion between office/warehouse spaces.

Weaknesses

- Building located in a secondary industrial zone of Lyon,
- The building is no more under the 10-year warranty,
- Remaining fixed term of 1,2 years on average.

Opportunities

- A light refurbishment could improve the attractiveness of the building,
- The property could be divided between several tenants.

Threats

- In case of departure of one of the two tenants, the marketing period could be long,
- The current rent is higher than the market rent on average and could lead to the departure of one of the tenants or lower rent negotiated at renewal.

VALUATION METHOD CONCLUSION

Methodology	Market Value			CAPEX not discounted (Deducted) €	Purchaser's Costs	Net Initial Yields *				
	€ inclusive	€ exclusive	€ excl /sq m			Net Passing	Net Headline	Net Potential	Theoretical	Net Headline on MV Rented
Capitalisation	5 519 000	5 163 000	687	100 000	6,90%	7,28%	7,28%	7,28%	7,11%	7,28%
DCF	5 607 000	5 245 000	698		6,90%	7,17%	7,17%	7,17%	7,00%	7,17%

** : Passing Net Initial Yield : (Passing Net Rent - NR Charges) / MV incl.*

Net Headline Yield : (Net Headline Rent - NR Charges) / MV incl.

Theoretical Initial Yield : (Market Rent - NR Charges) / MV incl.

MARKET VALUE CONCLUSION

Market Value incl. Purch' costs	**5 607 000**	€ inclusive	746	€ incl./sq m
Purchaser's Costs	6,90%			
Market Value excl. Purch' costs	**5 245 000**	€ exclusive	698	€ excl./sq m

Net Headline Yield	7,17%
NIY on rented MV	7,17%
Net Potential Yield	7,17%
Net Reversionary Yield	7,00%

Additional Valuation	Market Value		General Assumptions			
	€ exclusive	€ excl./sq m	Void Period months	Rent Free months	Capitalisation Yield	Construction Costs €/sqm SHON
Vacant Possession Value	3 860 000	514	12	3	8,00%	
Estimated Reinstatement Cost	4 346 000	564				450,00

1. Property Presentation

Aerial View

Cadastral Matrix

Designation

The property primarily used as urban logistics is situated :

10-12, Avenue Louis Blériot - 69680 Chassieu

Cadastral References

CB n°57, n°58, n°59 et n°60

Land Area 16 290 sq m

Tenure

According to the notarial due diligence carried out by "Attal et Associés Notaires", we understand that the property is held freehold equivalent.

Location & Environment

The asset is located in Chassieu, in the south east of France in the Rhône region (69). This city is part of the large agglomeration of Lyon-Metropole. Lyon is France's third largest market by population and second largest logistics hub by absorption. It is also an established logistics location, serving as a principal connection between northern and southern France.

Chassieu is 5 km away from Lyon, 77 km from Chamberry, 106 km from Genève. The asset is located just 2 km away from the A43 and 1.5 km away from the Ring Road E.

The property is situated in the centre of the commune, at Avenue Louis Blériot, occupies a 7514 sq m plot and is part of a logistics industrial area. The east of Lyon is a mature logistics and manufacturing market highlighted by Eurexpo convention centre and the Lyon-Bron airport. Eurexpo is an exhibition and business center of 110 hectare with 13 halls created in 1984.

The surroundings of the property is also composed of numerous light industrial spaces. The brands implanted next to the asset are: Kiloutou, Speedy, Nelson Mobilier, Colas Rail, ERT Technologies ...

Transport & Access

The Property benefits from good accessibility:
- D306 (route de Grenoble),
- N346 (ring road E),
- A43 motorway,
- Railway: Lyon Part Dieu train station is less than 20 km west of the subject property, providing rail connections to Paris and Marseille.
- Airport: the nearest airport is the Lyon Bron airport which is approximately 5 minute drive west from the property. The airport Lyon Saint exupéry is also accessible, approximately 15 km to the east.

Exterior View

Interior View

Exterior Description

The asset is a mixed industrial/office property comprising one building that is built in 2002 and then separated in two parts. It occupies a site with an irregular shape.

The structure of the building is made of steel with concrete blocks and concrete floor for the light industrial part. The roof is made of profiled steel sheeting with multi-layered covering. This building benefits from 5 grade level doors and 6 dock doors with a front type loading. The building has a steel frame construction.

There are 86 parking spaces on site.

Internal Layout

All office areas offer the same specifications: suspended ceilings with inset lights, painted walls, carpeted flooring and a door intercom system. The common area benefits from suspended ceilings with inset lights, tiled floors and toilets.

The building is a light industrial building with office areas. The office areas benefit from an electric heating system whereas the warehouse has a gas heating system. The light industrial areas have an eaves height of 7,7m and a floor load capacity of 2 t/sq m.

The property comprises 7,514 sq m split into 15% of office (1,193 sq m) and 85 % of light industrial areas (6,321 sq m).

Contamination and Diagnosis Conclusion

Potential Sources of Soil and Water Contamination	: Moderate/High
Site Sensitivity	: Moderate/High
Risk Assessment	: Low/Moderate
Environmental certifications	: None

Other Environmental Issues

The site is located within the fire risk perimeter of the adjacent chemical works and is therefore subject to some restrictions of use and construction.

In addition, a 2014 environmental report stated that insulation façade at that time was a sufficient safety feature in the event of fire from the adjacent property, however, the fire risk report has not been reviewed as part of our valuation.

General Environmental Conclusion

Given the information provided by the Prefecture, the site is considered unlikely to pose a further environmental liability.

Given the presence of a flood risk (at an acceptable level), it is recommended to consider adequate insurance measures.

General Condition

The property appears to have been well maintained with regard to its age, use and construction.

During the course of our inspection, we did not notice any apparent defects.

Town Planning

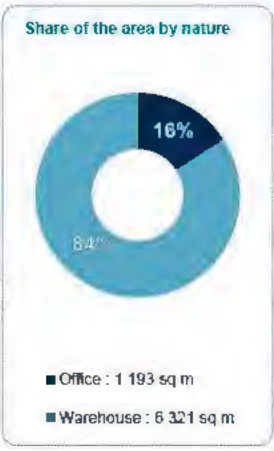
According to the PLU document "Plan Local d'urbanisme" which was modified on the 6th of October 2017, the Property is located in the Zone "Urbaine Industrielle" UI.

The main characteristics and regulations for the zone are as follows:

- Emprise au sol (maximum footprint): 60%.
- Maximum building height: The maximum height of new constructions is 12 m above the natural level of the land.
- “Coefficient d’Occupation des Sols” (plot ratio): not prescribed.

2. Area Schedule

Area Typology	Total Area sq m lettable	Share	Occupied Area sq m lettable	Vacant Area sq m lettable	Occupancy Rate
Office	1 193	15,9%	1 193	-	100%
Warehouse	6 321	84,1%	6 321	-	100%
Manufacturing	–		-	-	
Other	–		-	-	
Parking int.	-		-	-	
Parking ext.	-		-	-	
TOTAL	7 514	100,0%	7 514	-	100%
ICR / Base Area	*7 514*	*sq m*			



Area Source Documents

For the purpose of this valuation we have been provided with lettable areas of the property, sent by EASTD LL Secured, in the "Property Use by Tenant" and "Financing Rent Roll" Excel files, undated. We have not undertaken measurements of the property. Following our site visit, we have come to the conclusion that the areas provided seem to correspond to the inspected property. Should the surface areas differ from the provided surface areas, we reserve the right to alter our valuation accordingly.

3. Rental Situation

Tenancy Schedule

Tenants	Floor	Main Use	AREA SCHEDULE						LEASE DURATION				INDEXATION	
			Office sq m	Warehouse sq m	Manufacturing sq m	Other sq m	Parking Internal/ External units	TOTAL sq m	Lease type	Lease Start	Next Break Option	Lease End	Next Indexation Date	Current Index
Van Heck Interpieces	GF	Warehouse	597	3 161				3 757	Com. L	15/04/14	14/04/20	14/04/23	15/04/19	LAT
Mecalux France	GF	Warehouse	597	3 161				3 757	Com. L	01/03/10	28/02/19	28/02/19	01/03/19	LAT
TOTAL			1 193	6 321			0 / 0	7 514						
TOTAL Rented			1 193	6 321	-	-	0 / 0	7 514						
TOTAL Vacant			-	-	-	-	0 / 0	-		Vacancy Rate	0%			

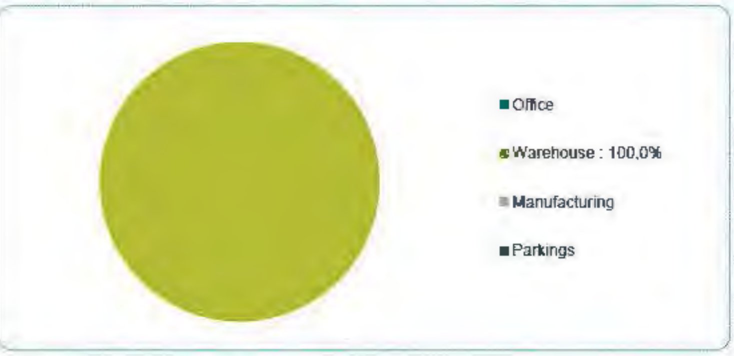
Management of Charges and Analysis of Net Rent

Tenants	Gross Passing Indexed Rent	Gross Headline Indexed Rent	NON-RECOVERABLE CHARGES (€/YEAR) *					TOTAL Non Recoverable	NET HEADLINE RENT **		Additional Rent	
	€/yr excl.	€/yr excl.	Property Tax	Office Tax	Insurance	Major Repairs (art. 606)	Mgmt Fees	€/sq m/yr	€/yr excl.	€/sq m/yr	Current Amount €/yr excl.	End Date
Van Heck Interpieces	192 815	192 815	T	T	T	T	T		192 815	51		
Mecalux France	230 086	230 086	T	T	T	T	T		230 086	61		
									-			
									-			
TOTAL	422 901	422 901							422 901	56		

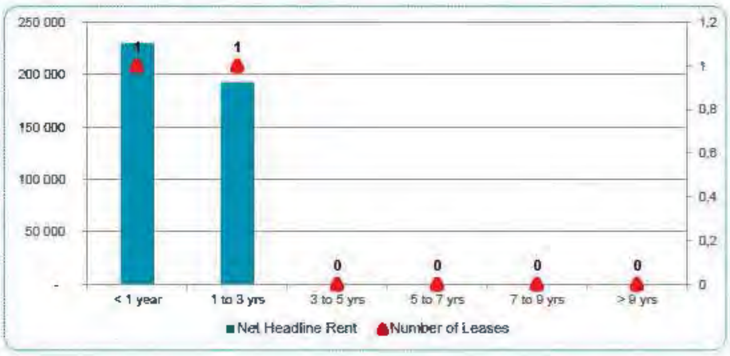
* T = "Tenant" => charges entirely recoverable

** Net Headline Rent not taking into account the global NR charges retained for the property (5,00% of passing rent per year)

Net Passing Rental income's share by Main Use



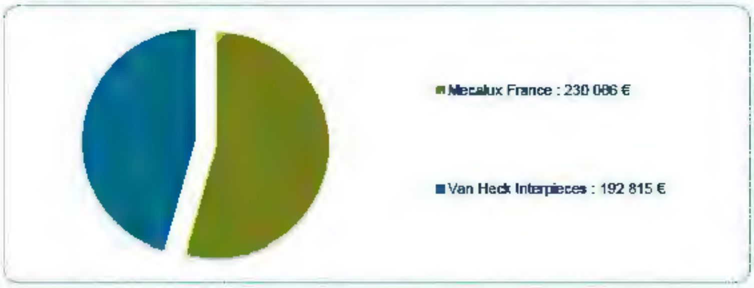
State of Remaining Fixed Term (WALB)



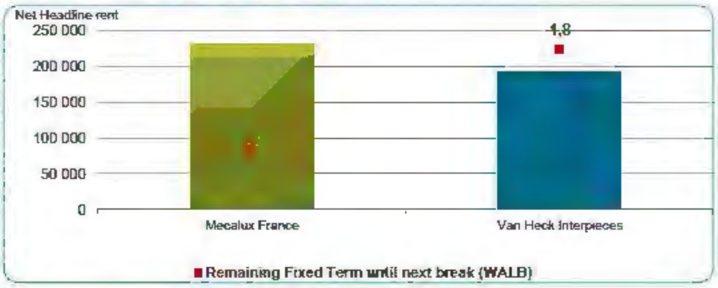
Lease Incentives

Tenants	STEPPED RENTS						RENT FREE PERIOD						Indemnities € / Part. W	
	Start Date 1	Step Rent 1 €/yr	Start Date 2	Step Rent 2 €/yr	Start Date 3	Step Rent 3 €/yr	Start Date 1	Initial Duration months	Start Date 2	Duration 2 months	Start Date 3	Duration 3 months	Date	Amount Paid or Received € excl.
Van Heck Interpieces														
Mecalux France														

TOP 5 Tenants



State of Remaining Fixed Term (WALB)



4. Asset Positioning

Local Rental Market

Chassieu is a city located in the suburbs of Lyon in the immediate proximity of the A43 motorway and the east ring road of Lyon, providing connections between the city and Lyon, Savoie and Switzerland. The largest industrial zone in the commune is ZI Mi-Plaine. It is situated along the N346 nationnal road (east ring road) close to the Eurexpo center and the Lyon-Bron Airport. This zone comprises mainly industrial warehouses and contains 70 business sectors. The subject asset is located in this area.

The Chassieu industrial market is relatively lively, there have been registered some recent transactions mainly due to the fact that Lyon, the second-largest activity driver along the Corridor (behind Paris Region, which accounts for 53% of the Q1 2018 take up along the Corridor) is not far away. The Q1 2018 take-up there remained relatively unchanged from one year to another (40,000 sq m, -4.5% versus Q1 2017, which accounts for 17% of the Q1 2018 take up along the Corridor). As for the office market, most of the largest occupied premises are within the immediate vicinity of the subject asset. The majority of these premises are old and require refurbishment.

In our approach of the rental market value, we have analysed rental transactions in similar zones, with comparable access and locations. The rental value for this type of assets and this location stands between 50€/sq m and 60€/sq m depending on the asset's condtion and the speficiations of the building.

Comparable Rental Transactions

Quality compared to subject property: ▲ Above ▼ Below ▬ Equivalent

Address	Date		Owner	Tenant	Area sqm	Fixed Period	Rent €/sqm	Comments
Rue des Freres Lumières - 69680 - Chassieu - Light Industrial	05/2018	▲	SCI du green	La maison de la danse	150	NC	65	Light industrial premise located in an area mainly composed of industrial properties and logistic in the suburb of Lyon.
2, rue augustin Fresnel - 69680 - Chassieu - Light Industrial	06/2017	▲	Poudrette Invest	CS Menuiserie Agencement	120		100	Light industrial premise located in an area mainly composed of industrial properties and logistic in the suburb of Lyon.
42, avenue du progrès - 69680 - Chassieu - Light Industrial	12/2016	▼	Sagax	Best environmental secure and technologie	770	NC	48	Light industrial premise located in an area mainly composed of industrial properties and logistic in the suburb of Lyon.
Avenue Louis Bleriot - 69680 - Chassieu - Logistics	04/2014	▼	NC	ERT Technologies	2 575	9	64	Light industrial premise located in an area mainly composed of industrial properties and logistic in the suburb of Lyon.

Comparable Rental Supply

Address	Type		Area sqm	Divisibility sqm	Office€/sqm	Warehouse	Parking €/sqm	Comments
ZI Mi Plaine - 69680 - Chassieu	Logistics	▼	2 640	NC	49			● Height : 6,4 meters ● Ground : concrete slab ● Car parking ● Dockside doors: 2 ● Ground level doors: 4
62, avenue du progrès - 69680 - Chassieu	Logistics	▬	2 432	716	63			● Height : 6,4 meters ● Ground : concrete slab ● Type of heat: individual gaz ● Car parking spaces: 10 ● Type of activity : business premises/offices
rue du Progrès, Eurexpo Mi Plaine - 69680 - Chassieu	Logistics	▬	1 886	NC	64			170 sq m of storage
15, rue des Freres Lumière - 69680 - Chassieu	Logistics	▬	1 335	200	65			● Height : 6,5 to 7 meters ● Ground : concrete slab ● Cover: absestos cement ● Type of activity : business premises/offices

Investment Market

The light industrial investment volume shows a record level of € 1.2 Bn in 2016, up from € 498 M in 2015. After its peak level, investment volume came back to usual volume of € 253 M in 2017, explained by a lack of opportunities. The investment market is usually active on small lot size i.e. the one below € 20 M. Since 2013, more and more deals have been done on assets or portfolios priced above € 20 M. In 2016, this trend has driven to an exceptional level of € 1.2 Bn, out of which € 712 M in the segment above € 100 M. In 2017, market activity has come back to lot size below € 20 M. All the asset classes have recorded strong compression of prime yields and this trend is also recorded for light industrial assets with prime yields now standing at 5.75%.

Considering the characteristics of the property (age, lease conditions, location…) and the comparable investment transactions described below, we have retained an initial yield in the higher range for secondary asset above 7.00% and we consider the metric value to be below € 700/ sq m.

Comparable Investment Transactions

Address	Date	Purchaser	Seller	Sale Price € excl.	€ excl /sq m	Published Yield	Area sqm- (sqm)	Comments
Activités - 8, rue Jacquard 69680 Chassieu	01/05/2018	Sersi système	SCCV Parc Jacquard	368 000	1 226,7		300	Recent property located close to the subject property.
Logistique - Rue Jacquard, 69680 Chassieu	01/06/2017	NC	Perial Asset management	855 000	627,8		1 362	Recent property located close to the subject property.
Logistique - 17, rue des freres lumières 69680 Chassieu	24/04/2015	NC	NC	1 460 000	749,9		1 947	Recent property located close to the subject property.

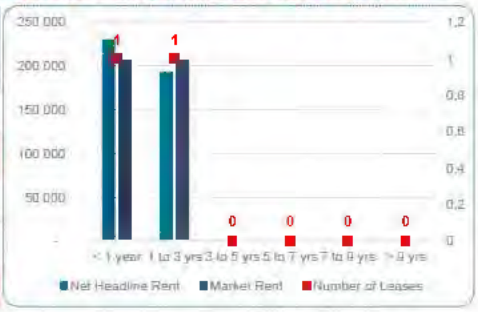
5. Property Valuation

5.1. Market Rent

Tenants	MARKET RENTAL VALUE (€ excl.)								NET HEADLINE RENT		Theoretical Reversion
	Office	Warehouse	Manufacturing	Other	Internal Pk	ICR	Total Excl.		Total Excl.		
	€/sq m/yr	€/sq m/yr	€/sq m/yr	€/sq m/yr	€/u/year	€/sq m/yr	€/yr	€/sq m/yr	€/yr	€/sq m/yr	MR / Rent
Van Heck Interpieces	55	55					206 635	55	192 815	51	7,2%
Mecalux France	55	55					206 635	55	230 086	61	-10,2%
TOTAL	55	55					413 270	55	422 901	56	-2,3%
TOTAL Rented	55	55					413 270	55	422 901	56	-2,3%
TOTAL Vacant	-	-	-	-	-	-	-	-			

Main Use	Number of Leases	Usable Areas	Net Headline Rent		Market Rental Value		Theoretical Reversion
		sq m / units	€/year excl.	€/sq m/yr	€/year excl	€/sq m/yr	MR / Rent
Office							
Warehouse	2		422 901	56	413 270		-2,3%
Manufacturing							
Parkings							
TOTAL	2		422 901	56	413 270		-2,3%

Potential loss/earning of rent at future lease break options



5.2. General Assumptions (at Renewal / Departure / Letting)

In our valuation, we have retained the following assumptions in case of renewal or departure at the next potential tenant breaks.

Tenants	Potential Date of Departure	Proba-bility of departure %	Tenant Departure Assumptions				Tenant Renewal Assumptions				
			Reletting work €/sq m	Void Period months	Rent-Free Period months	Fixed Period years	Reversion at Lease End	Renewal Base *	Reversion Captured at Renewal	Rent-Free Period months	Fixed Period years
Van Heck Interpieces	14/04/23	25%		12	3	3	6,6%	MR	6,6%	3	3
Mecalux France							-9,9%	MR	-9,9%	3	3

* MR : Market Rent / LIR : Last Indexed Rent

5.3. Capitalisation Methodology

Tenant	Remaining Fixed Term	Capitalised Income Type	Basis of Capitalisation	Yield Applied	Income Capitalised	Compensation / Losses	Gross Market Value	Market Value Exclusive before Capex and Structural Void		Net Initial Yield	Rever- -sionary Yield
	years		K€/year excl.		K€	K€	K€ Incl.	**K€ Excl.**	**€ excl./sq m**		
Van Heck Interpieces	1,8	Net Headline Re	**193**	6,75%	2 857	-	2 857	**2 672**	**711**	6,75%	7,23%
Mecalux France	0,7	Market Rent	**207**	6,75%	3 061	15	3 076	**2 877**	**766**	7,48%	6,72%
TOTAL	**1,2**		**399**	**6,75%**	**5 918**	15	**5 933**	**5 550**	**739**	**7,13%**	**6,97%**

OPEX / CAPEX details and other indemnities / revenues

Maintenance Works (Budget on 10 years not discounted)	-	€ excl. VAT
CAPEX // Major Repairs (Budget on 10 years not discounted)	**100 000**	€ excl. VAT
Landlord's Contribution to Tenant's Works // Indemnities to Tenants	-	€ excl. VAT
Indemnities paid by Tenants to Landlord // Other Revenues	-	€ excl. VAT

Capitalisation Method Conclusion

Main Use	Lettable Area sq m	Basis of Capitalisation	Yield Applied	Discounted Losses/Excess of income	Perm. Void & Glob. NR	Market Value inclusive K€	Purchaser's Costs	Market Value exclusive K€	Market Value excl.	Net initial yield	Rever -sionary yield
Office											
Warehouse	7 514	399	**6,75%**	15	(313)	5 519	6,90%	**5 163**	687	7,28%	7,11%
Manufacturing											
Parkings											
Total	**7 514**	**399**	**6,75%**	**15**	**(313)**	**5 519**	**6,90%**	**5 163**	**687**	**7,28%**	**7,11%**
TOTAL Rented	**7 514**	**399**	**6,75%**	**15**	**(313)**	**5 519**	**6,90%**	**5 163**	**687**	**7,28%**	**7,11%**
TOTAL Vacant	**0**	**-**		**-**	**-**	**-**	**6,90%**	**-**	**-**		

5.4. Discounted Cash Flow Methodology

Year	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**
Index ICC / Expenses Inflation	1,25%	1,50%	1,70%	1,75%	1,75%	1,75%	1,75%	1,75%	1,75%	1,75%
Index ILAT	1,40%	1,50%	1,60%	1,65%	1,65%	1,65%	1,65%	1,65%	1,65%	1,65%
Index ILC	1,50%	1,60%	1,65%	1,65%	1,65%	1,65%	1,65%	1,65%	1,65%	1,65%
Market Rental Growth	0,50%	1,00%	1,50%	1,50%	1,50%	1,50%	1,50%	1,50%	1,50%	1,50%
Maintenance										
CAPEX *	82 500	17 500								

*** The CAPEX retained come from the Technical Due Diligence carried out by Arcadis, dated 13 April 2018 (Vendor Capex retained and adjusted according to comments).**

Analysis by Discounted Cash Flow - K€

Year	1	2	3	4	5	6	7	8	9	10
Gross Rents	416	405	411	418	418	397	450	458	466	474
Rent Free Period/Additionnal Rent	(52)				(27)	(23)	(5)			
Indemnities received/paid										
Costs (vacancy, NR, doubtful)	(21)	(20)	(21)	(21)	(23)	(31)	(22)	(23)	(23)	(24)
Capex/Maintenance	(83)	(18)								
Reletting works										
Marketing fees						(8)				
Total Acquisition Costs										6 518
Remaining Rent Free Period to deduct										
Transfer costs										(560)
Free Cash Flows	**260**	**367**	**391**	**397**	**367**	**335**	**423**	**435**	**443**	**6 409**

Discount Rate - Cash Flow	**7,50%**	**Doubtful Debtors**	0,00%	% rent/year	**Letting Fees**	15,00%	% Headline Rent
Discount Rate - Resale Value	**7,50%**	**NR Charges**	5,00%	% rent/year	**Broker's Fees**	2,50%	% Resale Value
Discount Rate - CAPEX	**7,50%**	**Permanent Void**	0,00%	% rental area	**DCF Duration**	10	years

DCF method conclusion

Main Use	**RESALE ASSUMPTIONS AND CONCLUSION**						**Market Value**	**Purchaser's Costs**	**Market Value**	
	Fixed Period	Reversion	**Cap Rate**	Basis of Capitalisation	Resale Value € excl.	€ excl./sq m	K€ Incl.		€ exclusive	€/sq m
Office										
Warehouse	1,9	3,6%	**7,00%**	456	5 958	793	5 607	6,90%	5 245 133	698
Manufacturing										
Parkings										
Total	**1,9**	3,6%	**7,00%**	**456**	**5 958**	**793**	**5 607**	**6,90%**	**5 245 000**	**698**

5.5. Conclusion of Market Value

Methodology	Market Value inclusive	Purchaser's Costs	Market Value exclusive		Net Initial Yields *				
	€ inclusive		€ exclusive	€ excl./sq m	Net Passing	Net Headline	Net Potential	Theoretical	Net Headline on MV Rented
Capitalisation	5 519 000	6,90%	5 163 000	687	7,28%	7,28%	7,28%	7,11%	7,28%
DCF	5 607 000	6,90%	5 245 000	698	7,17%	7,17%	7,17%	7,00%	7,17%

*Net Initial Yields **

Passing Net Initial Yield : (Passing Net Rent - NR Charges) / MV incl.

Net Headline Yield : (Net Headline Rent - NR Charges) / MV incl.

Potential Net Initial Yield : (Net Headline Rent + MR of vacant areas - NR Charges) / MV incl.

Theoretical Initial Yield : (Market Rent - NR Charges) / MV incl.

Rounded Market Value

We are of the opinion that the Market Value of he freehold interest in the above Subject Property, as at 30 June 2018, subject to the existing tenancies, assumptions and comments in this Valuation Report and the Appendices, is:

Methodology Retained DCF

Market Value incl. Purch' costs	5 607 000	€ inclusive	746	€/sq m
Purchaser's Costs	6,90%			
Market Value excl. Purch' cost	**5 245 000**	€ exclusive	698	€/sq m

Net Headline Yield	7,17%
Net Headline Yield (on rented MV	7,17%
Net Potential Yield	7,17%
Net Reversionary Yield	7,00%

6. Vacant Possession Value

We have undertaken the valuation of the building under the special assumption that it is fully vacant (Vacant possession Value).
This methodology consists of capitalising the potential net income at an appropriate yield deducting losses reflecting the marketing and incentives necessary to relet the property.

Tenant	Marketing Void	Vacancy cost	Rent Free Period	Discount / Premium to Market Rent	Reletting Works	Yield Applied	Potential Income Capitalised	Total Discounted Losses (void, works, rent free, fees)	Gross VPV	Net VPV	
	months	€/sq m	months	%	€/sq m		€	€	€ incl.	€ excl.	€/sq m excl.
Vacant 1	12	14	3			8,00%	2 582 938	(312 983)	2 269 954	2 123 437	565
Vacant 2	12	14	3			8,00%	2 582 938	(312 983)	2 269 954	2 123 437	565
TOTAL							5 165 875	(625 967)	4 539 908	4 246 874	565

OPEX / CAPEX details and other indemnities / revenues

Maintenance Works (Budget on 10 years not discounted)	-	€ excl. VAT
CAPEX // Major Repairs (Budget on 10 years not discounted)	100 000	€ excl. VAT

Conclusion

MAIN USE	Lettable Area sq m	Basis of Capitalisation	Yield Applied	Potential Income capitalised	Discounted Losses/Excess of income	Major Works / CAPEX / Perm. Void & Glob. NR	Market Value inclusive K€	Purchaser's Costs	Market Value exclusive K€	Market Value excl. € excl./sq m	Rever -sionary yield ***
Office											
Warehouse	7 514	413	8,00%	5 166	(626)	(413)	4 127	6,90%	3 860	514	9,51%
Manufacturing											
Parkings											
Total	7 514	413	8,00%	5 166	(626)	(413)	4 127	6,90%	3 860	514	9,51%

7. Estimated Reinstatement Cost

We have prepared our assessment of the reinstatement cost of the building assuming the reinstated building will be identical to existing structural conditions, save for the land, but taking into account all taxes, work costs, technical fees and miscellaneous fees.

This estimation does not take into account the developers margin.

Land Area	16 290	sq m	Basement parkings	0	units
Total Lettable Area	7 514	sq m			
Gross / Net ratio	97,5%				
SHON (net constructed area)	7 707	sq m SHON			

Reconstruction Cost - Floor Area	450	€/sq m SHON	3 468 000	€ excl.
Land Development	7,50%	Const. Costs	260 100	€ excl.
Fiscal Conditions (taxes, royalties, charges etc.)	4,00%	Const. Costs	138 720	€ excl.
Technical Fees (MOE, BET, Insurance)	10,00%	Const. + Gridding	372 810	€ excl.
Financial Fees	2,50%	Total Const. Costs	105 991	€ excl.
Reinstatement Cost	**564**	**€/sq m SHON**	**4 346 000**	**€ excl.**

We assume that any VAT is recoverable and we do not retain any loss of rent or allow for inflation during the reconstruction period.

An estimated reinstatement cost is our assessment of the cost of reinstating the property at the date of valuation. We have not been provided with the actual construction costs, but have estimated these overall costs based on our knowledge of similar buildings.

The figures set out in this valuation sheet are our assessment of the cost of reconstructing the property. They include an allowance for demolition, removal of debris, temporary shoring, statutory and professional fees which are likely to be incurred on reconstruction, but exclude any allowance for VAT. If you are unable to recover VAT, or can recover part only, you should advise your insurers and increase the Base Sum Insured appropriately. The figures make no allowance for loss of rent during the rebuilding period, nor for inflation, nor the cost of dealing with any contamination which may be present and have to be dealt with prior to reconstruction. The assessment does not provide advice in respect of terrorist damage cover and you should consult with your insurers in respect of this.

We have assumed that the reinstated building and its use will be similar to that existing, and the reinstated building will be to the original design, in modern materials, using modern techniques to modern standards.

We have considered the extent and nature of the building but our assessments have been undertaken as part of our normal valuation exercise. We have not carried out a formal reinstatement cost assessment through a Building Consultancy company. Our assessment should be treated as a guide only and should not be relied upon. It should be used for comparative purposes only against the borrower’s proposed reinstatement cover.

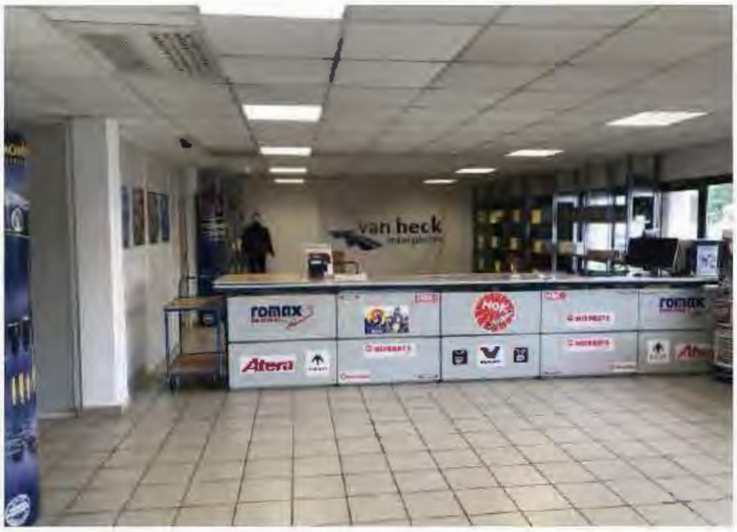
Should any discrepancies arise, a formal reinstatement cost assessment should be commissioned.

8. Photos

Exterior View

Exterior View

Interior View



Interior View

Environment

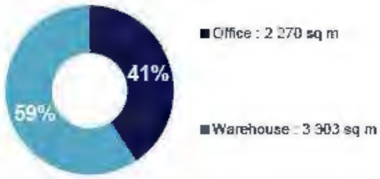
Environment

Valuation Summary St Priest

Address	R2I, RN6		
ZIP-Town	69800 - Saint Priest	**Hub/Market**	Lyon
Completion Date	2008		
Main Use	Mixed-Use		

Project Type	Valuation Report	
Inspection Date	13/06/2018	
Valuer	Antoine LANIESSE	
Land Area	12 773	sq m
Tenure	Freehold equivalent	

Share of the area by nature



Rating	
Macro Location	2
Micro Location	1
Building Quality	2
Condition	3
Lettability	2
Marketability (sale	2
Overall rating	2
Loan Security	good

Total Lettable Area		5 573 sq m		
Occupancy Rate		70%		
Remaining Duration (WALB / WALT)		2,2 / 4,3 years		
Main Tenant		NYJ LYON		
Number of Leases		6		
Estimated marketing period		15 months		
Net Headline Rent	K€/year excl.	326	58	€/sq m/yr excl.
Net Potential Rent	K€/year excl.	472	85	€/sq m/yr excl.
Market Rental Value	K€/year excl.	454	81	€/sq m/yr excl.

SWOT ANALYSIS

Strengths

- Good location in an identified industrial area,
- Easy access, in close proximity to the A43 motorway and the ring road E,
- Asset close to the airport,
- Asset in good condition considering its age,
- Building still under the 10-year waranty (less than one year).

Weaknesses

- Building located in a secondary industrial zone of Lyon,
- Remaining fixed term period of 2,4 years on average,
- The building is not fully let (30% is vacant),
- Building comprising 41% of offices which makes this kind of asset unattractive for the logistics market,
- In case of renewal the rental income could decrease (negative reversion).

Opportunities

- A light refurbishment could improve the attractiveness of the building,
- Some premises benefit from frontage into the street and could be used as retail spaces.

Threats

- In case of departure of the AV7600tenants, the marketing period could be long.

VALUATION METHOD CONCLUSION

Methodology	Market Value			CAPEX not discounted (Deducted) €	Purchaser's Costs	Net Initial Yields *				
	€ inclusive	€ exclusive	€ excl /sq m			Net Passing	Net Headline	Net Potential	Theoretical	Net Headline on MV Rented
Capitalisation	5 986 000	5 599 000	1 005	175 700	6,90%	5,33%	5,33%	7,73%	7,43%	7,28%
DCF	5 954 000	5 569 000	999		6,90%	5,36%	5,36%	7,78%	7,47%	7,27%

** : Passing Net Initial Yield : (Passing Net Rent - NR Charges) / MV incl.*

Net Headline Yield : (Net Headline Rent - NR Charges) / MV incl.

Theoretical Initial Yield : (Market Rent - NR Charges) / MV incl.

MARKET VALUE CONCLUSION

Market Value incl. Purch' costs	**5 953 000**	€ inclusive	1 068	€ incl./sq m
Purchaser's Costs	6,90%			
Market Value excl. Purch' costs	**5 569 000**	€ exclusive	999	€ excl./sq m

Net Headline Yield	5,36%
NIY on rented MV	7,27%
Net Potential Yield	7,78%
Net Reversionary Yield	7,47%

Additional Valuation	Market Value		General Assumptions			
	€ exclusive	€ excl./sq m	Void Period months	Rent Free months	Capitalisation Yield	Construction Costs €/sqm SHON
Vacant Possession Value	4 424 000	794	15	3	7,75%	
Estimated Reinstatement Cost	5 904 000	980				800,00

1. Property Presentation

Aerial View

Cadastral Matrix

Designation

The property primarily used as mixed-use is situated :

R2I, RN6 - 69800 Saint Priest

Cadastral References

BC n°1, n°17 et n°292

Land Area 12 773 sq m

Tenure

According to the notarial due diligence carried out by "Attal et Associés Notaires", we understand that the property is held freehold equivalent.

Location & Environment

The asset is located in Saint Priest, in the south east of France in the Rhône region (69). This city is part of the large agglomeration of Lyon-Metropole. Lyon is France's third largest market by population and second largest logistics hub by absorption. It is also an established logistics location, serving as a principal connection between northern and southern France.

St Priest is 5 km away from Lyon, 75 km from Chamberry, 110 km from Genève. The asset is located just 1 km away from the A43 and 500 m from the Ring Road E.

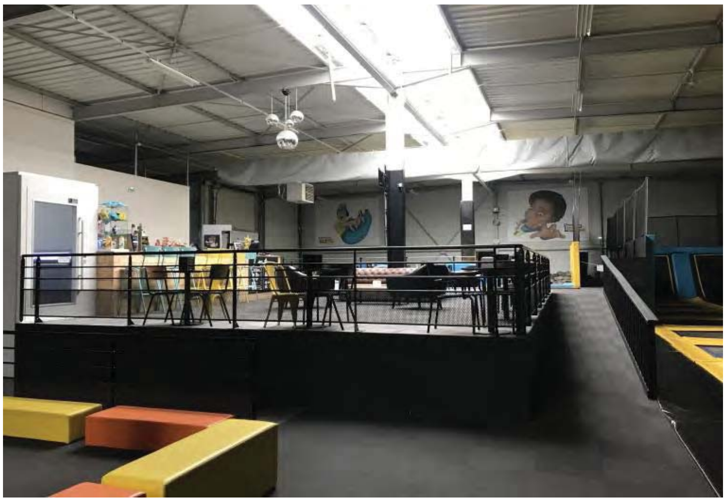
The property is situated in the north east of the commune, at Route de Grenoble, occupies a 5,642 sq m plot and is part of a logistics, industrial and retail area. It benefits from a prime location, with excellent exposure and strong connectivity along major arteries. The asset is located in the Industrial Zone "Mi-Plaine" which covers 941 hectare et hosts 1 370 firms (mainly part of the sectors of BTP, wholesaler nd facilities of enterprise). The zone employs 20 000 employees from 70 different sector of activity.

The surroundings of the property is mixed use in character and is mainly composed of light industrial spaces and some collective residences south of the property. It is also close to department stores such as Conforama, Saint Maclou, Brico Depot.

Transport & Access

The location benefits from good accessibility by road:
- D306 (route de Grenoble),
- N346 (ring road E),
- A43 motorway,
- Railway: Lyon Part Dieu train station is less than 20 km west of the subject property, providing rail connections to Paris and Marseille.
- Airport: the nearest airport is the Lyon Bron airport which is approximately 7 minute drive west from the property. The airport Lyon Saint exupéry is also accessible, approximately 15 km to the east.

Exterior View



Interior View

Exterior Description

The asset is a mixed industrial/office property built in 2008 that comprises three buildings on regular shaped site.
The structure of the buildings is made of steel. The roofs are made of bituminous felt covering. The asset benefits from 4 level doors and 3 dock doors with a front type loading.
Building A has a steel frame construction whereas buildigs B&C have preconcrete and steel frame constructions.
The property offers 93 external car parking spaces.

Internal Layout

All office areas offer the same specifications: suspended ceilings with inset lights, painted walls, tiled floor and intercoms for access. The common area benefits from suspended ceilings with inset lights, tiled floors and toilets.
The buildings are light industrial buildings with office areas. The office areas in building A benefit from reversible air conditioning system and buildings B&C benefit from gaz blow heaters in the warehouse and reversible A/C in offices. The light industrial areas have an eaves height of 4 m and a floor load capacity of 2,5 t/sq m in building A, and 6 m height and a floor load capacity of 5 t/sq m in buildings B&C.
The property comprises 5,642 sq m split into 40% of offices (2,270 sq m) and 60 % of light industrial premises (3,372 sq m).

Contamination and Diagnosis Conclusion

Potential Sources of Soil and Water Contamination : Low
Site Sensitivity : Moderate
Risk Assessment : Low
Environmental certifications : None

Other Environmental Issues

None

General Environmental Conclusion

It is considered unlikely that there is any contamination present on site which may pose a risk to the use or represent a liability.

General Condition

The property appears to have been well maintained with regard to its age, use and construction.
During the course of our inspection, we did not notice any apparent defects.

Town Planning

According to the PLU document "Plan Local d'urbanisme" which was modified on the 6th of October 2017, the property is located in the Zone "Urbaine Industrielle" UI.
The main characteristics and regulations for the zone are as follows:

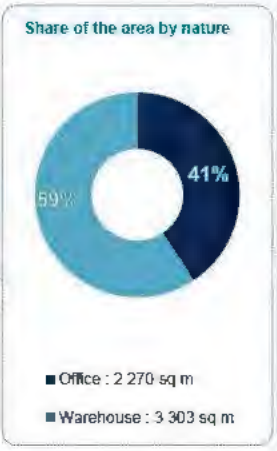
- Emprise au sol (maximum footprint): 60%.
- Maximum height of buildings: The maximum height of new constructions is 12 m above the natural level of the land.
- “Coefficient d’Occupation des Sols” (plot ratio): not prescribed.

2. Area Schedule

Area Typology	Total Area		Occupied Area	Vacant Area	Occupancy Rate
	sq m lettable	Share	sq m lettable	sq m lettable	
Office	2 270	40,7%	1 430	840	63%
Warehouse	3 303	59,3%	2 469	834	75%
Manufacturing	–		-	-	
Other	–		-	-	
Parking int.	-		-	-	
Parking ext.	-		-	-	
TOTAL	5 573	100,0%	3 899	1 674	70%
ICR / Base Area	*5 573*	*sq m*			

Area Source Documents

For the purpose of this valuation we have been provided with lettable areas of the property, sent by EASTD LL Secured, in the "Property Use by Tenant" and "Financing Rent Roll" Excel files, undated. We have not undertaken measurements of the property. Following our site visit, we have come to the conclusion that the areas provided seem to correspond to the inspected property. Should the surface areas differ from the provided surface areas, we reserve the right to alter our valuation accordingly.


Share of the area by nature


Occupancy by area typology

3. Rental Situation

Tenancy Schedule

Tenants	Floor	Main Use	AREA SCHEDULE						LEASE DURATION				INDEXATION	
			Office sq m	Warehouse sq m	Manufacturing sq m	Other sq m	Parking Internal/ External units	TOTAL sq m	Lease type	Lease Start	Next Break Option	Lease End	Next Indexation Date	Current Index
Vacant Unit	GF	Office	114					114		01/07/19	30/06/22	30/06/28		LAT
NYJ LYON	GF	Warehouse	405	1 595				2 000	Com. L	01/09/15	31/08/21	31/08/25	01/09/18	LAT
Vacant Unit	GF	Office	305					305		01/10/19	30/09/22	30/09/28		LAT
Vacant Unit	GF	Office	220					220		01/10/19	30/09/22	30/09/28		LAT
ATRE	GF	Office	269					269	Com. L	01/06/09	31/05/19	31/05/19	31/07/18	LAT
GEL SAINT VULBAS	GF	Office	218					218	Com. L	01/09/16	01/09/21	31/08/25	01/09/18	LAT
GEL INTERIM	GF	Office	72					72	Com. L	01/02/17	31/01/19	31/01/26	01/02/19	LAT
LC BAG	GF	Office	265					265	Com. L	03/02/11	02/02/20	02/02/20	03/02/19	LAT
MCFEBV	GF	Warehouse	201	874				1 075	Com. L	01/12/09	30/11/19	30/11/19	01/12/18	LAT
Vacant Unit	GF	Warehouse	201	834				1 035		01/07/19	30/06/22	30/06/28		LAT
TOTAL			2 270	3 303			0 / 0	5 573						
TOTAL Rented			1 430	2 469	-	-	0 / 0	3 899						
TOTAL Vacant			840	834	-	-	0 / 0	1 674	Vacancy Rate		30%			

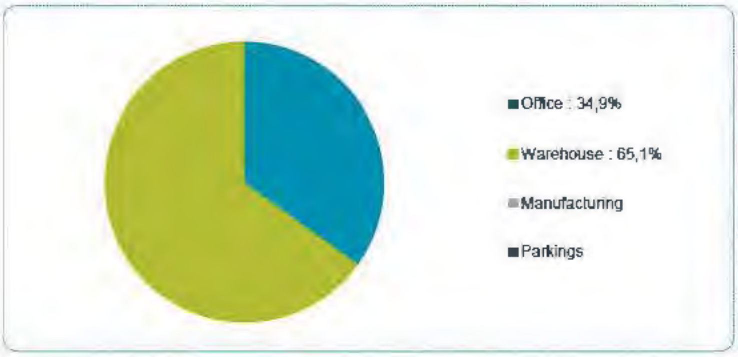
Management of Charges and Analysis of Net Rent

Tenants	Gross Passing Indexed Rent	Gross Headline Indexed Rent	NON-RECOVERABLE CHARGES (€/YEAR) *					TOTAL Non Recoverable	NET HEADLINE RENT **		Additional Rent	
	€/yr excl.	€/yr excl.	Property Tax	Office Tax	Insurance	Major Repairs (art. 606)	Mgmt Fees	€/sq m/yr	€/yr excl.	€/sq m/yr	Current Amount €/yr excl.	End Date
Vacant Unit									-			
NYJ LYON	131 750	131 750	T	T	T	T	T		131 750	66		
Vacant Unit									-			
Vacant Unit									-			
ATRE	40 879	40 879	T	T	T	T	T		40 879	152		
GEL SAINT VULBAS	26 453	26 453	T	T	T	T	T		26 453	121		
GEL INTERIM	8 640	8 640	T	T	T	T	T		8 640	120		
LC BAG	37 850	37 850	T	T	T	T	T		37 850	143		
MCFEBV	80 190	80 190	T	T	T	T	T		80 190	75		
Vacant Unit									-			
									-			
									-			
TOTAL	325 761	325 761							325 761	58		

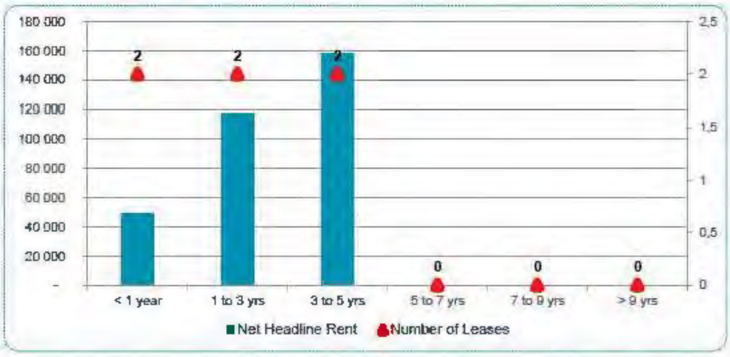
* T = "Tenant" => charges entirely recoverable

** Net Headline Rent not taking into account the global NR charges retained for the property (2,00% of passing rent per year)

Net Passing Rental income's share by Main Use



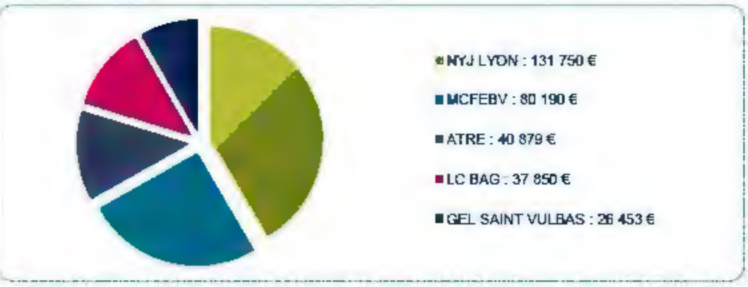
State of Remaining Fixed Term (WALB)



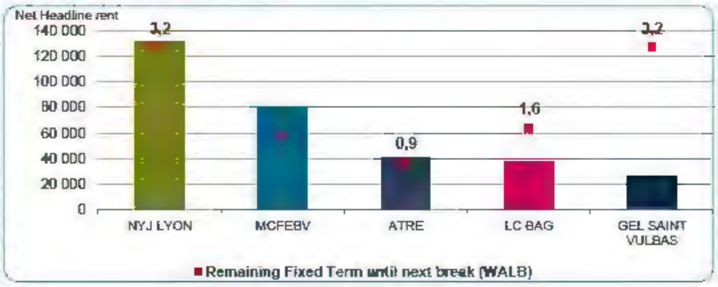
Lease Incentives

Tenants	STEPPED RENTS						RENT FREE PERIOD						Indemnities € / Part. W	
	Start Date 1	Step Rent 1 €/yr	Start Date 2	Step Rent 2 €/yr	Start Date 3	Step Rent 3 €/yr	Start Date 1	Initial Duration months	Start Date 2	Duration 2 months	Start Date 3	Duration 3 months	Date	Amount Paid or Received € excl.
Vacant Unit														
NYJ LYON														
Vacant Unit														
Vacant Unit														
ATRE														
GEL SAINT VULBAS														
GEL INTERIM							01/02/19	1						
LC BAG														
MCFEBV														
Vacant Unit														

TOP 5 Tenants



State of Remaining Fixed Term (WALB)



4. Asset Positioning

Local Rental Market

St Priest is a city located in the suburbs of Lyon in the immediat proximity of the A43 motorway and the east ring road of Lyon, linking the city with Savoie and Switzerland. The largest industrial zones in the commune are ZI de Venissieux-Corbas-Saint Priest and Parc Technologique de Lyon. They are situated along the N346 nationnal road (east ring road) and the A43 motorway. These zones comprise mainly industrial warehouses. The subject asset is located outside the main industrial area of the city in the ZI Mi Plaine shared with the city of Chassieu.

The industrial market is relatively transparent in Saint Priest, some recent transaction concerning this type of assets have been registered in the city, mainly due to the proximity of Lyon, the second-largest activity driver along the Corridor (behind Paris Region, which accounts for 53% of the Q1 2018 take up along the Corridor) is not far away. The Q1 2018 take-up there remained relatively unchanged from one year to another (40,000 sq m, -4.5% versus Q1 2017, which accounts for 17% of the Q1 2018 take up along the Corridor).

In our approach of the rental market value, we have analysed rental transactions in similar zones, with comparable accessibility and locations. The rental value for this type of asset and this location stands between 50€/sq m and 60€/sq m for logistic properties depending on the asset's condition and the speficiations of the building.

Comparable Rental Transactions

Quality compared to subject property: ▲ Above ▼ Below ▬ Equivalent

Address	Date		Owner	Tenant	Area sqm	Fixed Period	Rent €/sqm	Comments
57, chemin de Genas - 69800 - Saint-Priest - Logistics	03/2018	▲	NC	G2P G MENEZ	1 200	NC	60	Light industrial premise located in an area mainly composed of industrial properties and logistic in the suburb of Lyon.
57, chemin de Genas - 69800 - Saint-Priest - Logistics	03/2018	▲	NC	G2P G MENEZ	1 200	NC	60	Light industrial premise located in an area mainly composed of industrial properties and logistic in the suburb of Lyon.
Chemin du lortaret - 69800 - Saint-Priest - Logistics	04/2016	▲	Vaillance immobilier	Comefri France	1 101	NC	66	Light industrial premise located in an area mainly composed of industrial properties and logistic in the suburb of Lyon.
route de grenoble - 69800 - Saint-Priest - Logistics	02/2014	▲	Filying 2010	Verika	1 650	NC	79	Light industrial premise located in an area mainly composed of industrial properties and logistic in the suburb of Lyon.

Comparable Rental Supply

Address	Type		Area sqm	Divisibility sqm	Office€/sqm	Warehouse	Parking €/sqm	Comments
Mi Plaine - Manissieux - Village - 69800 - Saint-Priest	Logistics	▲	4 538	141	76			● Height : 7,50 meters ● Type of heat : individual fuel heater, AC (only in offices) ● Ground : Concrete slab ● Dockside doors: 4 ● Ground level doors: 1
Mi Plaine - Manissieux - Village - 69800 - Saint-Priest	Logistics	▼	4 470	340	50			● Height : 6,00 meters ● Type of heat : individual fuel heater, AC (only in offices) ● Ground : Concrete slab ● Car parking for heavy vehicles ● Type of activity : business premises/offices
Mi Plaine - Manissieux - Village - 69800 - Saint-Priest	Logistics	▲	3 018	114	66			● Height : 6,00 meters ● Type of heat : gaz heater, AC (only in the offices) ● Ground : industrial slab ● Car parking ● Dockside doors: 2
Mi-Plaine - 69800 - Saint-Priest	Logistics	▲	1 035	NC	66			● Height : 6,4 to 6,75 meters ● Type of heat : gaz heater, AC (only in the offices) ● Ground : industrial slab ● Dockside doors: 1 ● Ground level doors: 1

Investment Market

The light industrial investment volume shows a record level of € 1.2 Bn in 2016, up from € 498 M in 2015. After its peak level, investment volume came back to usual volume of € 253 M in 2017, explained by a lack of opportunities. The investment market is usually active on small lot size i.e. the one below € 20 M. Since 2013, more and more deals have been done on assets or portfolios priced above € 20 M. In 2016, this trend has driven to an exceptional level of € 1.2 Bn, out of which € 712 M in the segment above € 100 M. In 2017, market activity has come back to lot size below € 20 M. All the asset classes have recorded strong compression of prime yields and this trend is also recorded for light industrial assets with prime yields now standing at 5.75%.

Considering the characteristics of the property (age, lease conditions, location…) and the comparable investment transactions described below, we have retained an initial yield on rented areas in the higher range for secondary asset above 7.00% and we consider the metric value to be below € 1 100/ sq m.

Comparable Investment Transactions

Address	Date	Purchaser	Seller	Sale Price € excl.	€ excl /sq m	Published Yield	Area sqm- (sqm)	Comments
Logistique - 155, route de grenoble 69800 Saint-Priest	01/01/2018	NC	Cle en main construction	1 665 000	1 455,4	NC	1 144	Recent property located close to the subject property.
Logistique - 235, rue Ferdinand Perrier 69800 Saint-Priest	01/10/2017	NC	Financière de Saint-Priest SAS	3 550 000	934,2		3 800	Recent property located close to the subject property.
Logistique - 220, rue Ferdinand Perrier 69800 Saint-Priest	01/06/2017	Dukane IAS SRO	Financière de Saint-Priest SAS	341 000	1 369,5		249	Recent property located close to the subject property.

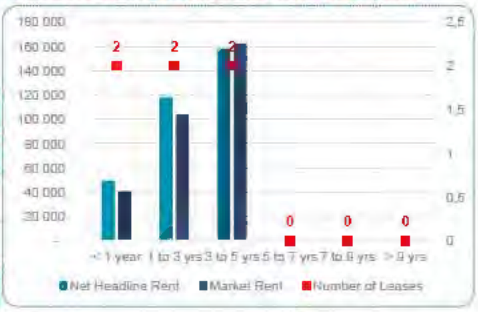
5. Property Valuation

5.1. Market Rent

Tenants	MARKET RENTAL VALUE (€ excl.)								NET HEADLINE RENT		Theoretical Reversion
	Office	Warehouse	Manufacturing	Other	Internal Pk	ICR	Total Excl.		Total Excl.		
	€/sq m/yr	€/sq m/yr	€/sq m/yr	€/sq m/yr	€/u/year	€/sq m/yr	€/yr	€/sq m/yr	€/yr	€/sq m/yr	MR / Rent
Vacant Unit	120						13 680	120			N/A
NYJ LYON	120	55					136 315	68	131 750	66	3,5%
Vacant Unit	120						36 600	120			N/A
Vacant Unit	120						26 400	120			N/A
ATRE	120						32 280	120	40 879	152	-21,0%
GEL SAINT VULBAS	120						26 160	120	26 453	121	-1,1%
GEL INTERIM	120						8 640	120	8 640	120	
LC BAG	120						31 800	120	37 850	143	-16,0%
MCFEBV	120	55					72 190	67	80 190	75	-10,0%
Vacant Unit	120	55					69 990	68			N/A
TOTAL	120	55					454 055	81	325 761	58	39,4%
TOTAL Rented	120	55					307 385	79	325 761	64	-5,6%
TOTAL Vacant	120	55	-	-	-	-	146 670	88			

Main Use	Number of Leases	Usable Areas	Net Headline Rent		Market Rental Value		Theoretical Reversion
		sq m / units	€/year excl.	€/sq m/yr	€/year excl.	€/sq m/yr	MR / Rent
Office	4	1 463	113 821	78	175 560	120	54,2%
Warehouse	2		211 940	52	278 495		31,4%
Manufacturing							
Parkings							
TOTAL	6	1 463	325 761	58	454 055	310	39,4%

Potential loss/earning of rent at future lease break options



5.2. General Assumptions (at Renewal / Departure / Letting)

In our valuation, we have retained the following assumptions in case of renewal or departure at the next potential tenant breaks.

Tenants	Potential Date of Departure	Proba-bility of departure %	Tenant Departure Assumptions				Tenant Renewal Assumptions				
			Reletting work €/sq m	Void Period months	Rent-Free Period months	Fixed Period years	Reversion at Lease End	Renewal Base *	Reversion Captured at Renewal	Rent-Free Period months	Fixed Period years
Vacant Unit				12	3	3	-0,2%	MR	-0,2%		
NYJ LYON							1,6%	MR	1,6%	3	3
Vacant Unit				15	3	3		MR			
Vacant Unit				15	3	3		MR			
ATRE	31/05/19	100%	100	12	3	3	-21,8%	MR	-21,8%		
GEL SAINT VULBAS							-2,9%	MR	-2,9%	3	3
GEL INTERIM							-1,2%	MR	-1,2%	3	3
LC BAG							-16,2%	MR	-16,2%	3	3
MCFEBV	30/11/19	100%	25	12	3	3	-10,4%	MR	-10,4%		
Vacant Unit				12	3	3	-0,2%	MR	-0,2%		

* MR : Market Rent / LIR : Last Indexed Rent

5.3. Capitalisation Methodology

Tenant	Remaining Fixed Term years	Capitalised Income Type	Basis of Capitalisation K€/year excl.	**Yield Applied**	Income Capitalised K€	Compensation / Losses K€	Gross Market Value K€ Incl.	**Market Value Exclusive before Capex and Structural Void** **K€ Excl.**	**€ excl./sq m**	**Net Initial Yield**	**Rever- -sionary Yield**
Vacant Unit	-	Market Rent	**14**	7,25%	189	(21)	168	**157**	**1 379**	-	8,14%
NYJ LYON	3,2	Net Headline Re	**132**	6,80%	1 938	-	1 938	**1 812**	**906**	6,80%	7,04%
Vacant Unit	-	Market Rent	**37**	7,25%	505	(65)	440	**411**	**1 349**	-	8,32%
Vacant Unit	-	Market Rent	**26**	7,25%	364	(47)	317	**297**	**1 349**	-	8,32%
ATRE	0,9	Market Rent	**32**	6,80%	475	7	482	**451**	**1 677**	8,48%	6,70%
GEL SAINT VULBAS	3,2	Net Headline Re	**26**	6,80%	389	-	389	**364**	**1 669**	6,80%	6,72%
GEL INTERIM	0,6	Net Headline Re	**9**	6,80%	127	(1)	126	**118**	**1 643**	6,83%	6,83%
LC BAG	1,6	Market Rent	**32**	6,80%	468	9	477	**446**	**1 682**	7,94%	6,67%
MCFEBV	1,4	Market Rent	**72**	6,80%	1 062	10	1 072	**1 003**	**933**	7,48%	6,73%
Vacant Unit	-	Market Rent	**70**	7,25%	965	(117)	848	**794**	**767**	-	8,25%
TOTAL	**2,2**		**450**	**6,94%**	**6 481**	**(223)**	**6 257**	**5 853**	**1 050**	**5,21%**	**7,26%**

OPEX / CAPEX details and other indemnities / revenues

Maintenance Works (Budget on 10 years not discounted)	-	€ excl. VAT
CAPEX // Major Repairs (Budget on 10 years not discounted)	**175 700**	€ excl. VAT
Landlord's Contribution to Tenant's Works // Indemnities to Tenants	-	€ excl. VAT
Indemnities paid by Tenants to Landlord // Other Revenues	-	€ excl. VAT

Capitalisation Method Conclusion

Main Use	Lettable Area sq m	Basis of Capitalisation	Yield Applied	Discounted Losses/Excess of income	Perm. Void & Glob. NR	Market Value inclusive K€	Purchaser's Costs	Market Value exclusive K€	Market Value excl.	Net initial yield	Rever -sionary yield
Office	1 463	176	**6,99%**	16	(25)	2 328	6,90%	**2 178**	1 488	4,79%	7,39%
Warehouse	4 110	274	**6,91%**	10	(71)	3 658	6,90%	**3 422**	833	5,68%	7,46%
Manufacturing											
Parkings											
Total	**5 573**	**450**	**6,94%**	**26**	**(96)**	**5 986**	**6,90%**	**5 599**	**1 005**	**5,33%**	**7,43%**
TOTAL Rented	**3 899**	**303**	**6,80%**	**26**	**(96)**	**4 388**	**6,90%**	**4 105**	**1 053**	**7,28%**	**6,87%**
TOTAL Vacant	**1 674**	**147**	**7,25%**	**-**	**-**	**1 598**	**6,90%**	**1 495**	**893**		**9,56%**

5.4. Discounted Cash Flow Methodology

Year	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**
Index ICC / Expenses Inflation	1,25%	1,50%	1,70%	1,75%	1,75%	1,75%	1,75%	1,75%	1,75%	1,75%
Index ILAT	1,40%	1,50%	1,60%	1,65%	1,65%	1,65%	1,65%	1,65%	1,65%	1,65%
Index ILC	1,50%	1,60%	1,65%	1,65%	1,65%	1,65%	1,65%	1,65%	1,65%	1,65%
Market Rental Growth	0,50%	1,00%	1,50%	1,50%	1,50%	1,50%	1,50%	1,50%	1,50%	1,50%
Maintenance										
CAPEX *	103 825	50 250	16 625	5 000						

*** The CAPEX retained come from the Technical Due Diligence carried out by Arcadis, dated 13 April 2018 (Vendor Capex retained and adjusted according to comments).**

Analysis by Discounted Cash Flow - K€

Year	1	2	3	4	5	6	7	8	9	10
Gross Rents	326	376	432	470	478	486	494	500	509	517
Rent Free Period/Additionnal Rent	(1)	(48)	(24)					(47)		
Indemnities received/paid										
Costs (vacancy, NR, doubtful)	(53)	(36)	(21)	(9)	(10)	(10)	(10)	(10)	(10)	(10)
Capex/Maintenance	(105)	(51)	(17)	(5)						
Reletting works		(55)								
Marketing fees		(27)	(11)							
Total Acquisition Costs										7 278
Remaining Rent Free Period to deduct										
Transfer costs										(625)
Free Cash Flows	**167**	**159**	**358**	**455**	**468**	**476**	**484**	**444**	**498**	**7 159**

Discount Rate - Cash Flow	**7,50%**	**Doubtful Debtors**	0,00%	% rent/year	**Letting Fees**	15,00%	% Headline Rent
Discount Rate - Resale Value	**7,50%**	**NR Charges**	2,00%	% rent/year	**Broker's Fees**	2,50%	% Resale Value
Discount Rate - CAPEX	**7,50%**	**Permanent Void**	0,00%	% rental area	**DCF Duration**	10	years

DCF method conclusion

Main Use	**RESALE ASSUMPTIONS AND CONCLUSION**						**Market Value**	**Purchaser's Costs**	**Market Value**	
	Fixed Period	Reversion	**Cap Rate**	Basis of Capitalisation	Resale Value € excl.	€ excl./sq m	K€ Incl.		€ exclusive	€/sq m
Office	0,8	1,4%	**7,00%**	198	2 585	1 767	2 295	6,90%	2 147 203	1 468
Warehouse	1,4	2,2%	**7,00%**	312	4 068	990	3 658	6,90%	3 422 156	833
Manufacturing										
Parkings										
Total	**1,2**	1,9%	**7,00%**	**509**	**6 653**	**1 194**	**5 954**	**6,90%**	**5 569 000**	**999**

5.5. Conclusion of Market Value

Methodology	Market Value inclusive	Purchaser's Costs	Market Value exclusive		Net Initial Yields *				
	€ inclusive		€ exclusive	€ excl./sq m	Net Passing	Net Headline	Net Potential	Theoretical	Net Headline on MV Rented
Capitalisation	5 986 000	6,90%	5 599 000	1 005	5,33%	5,33%	7,73%	7,43%	7,28%
DCF	5 954 000	6,90%	5 569 000	999	5,36%	5,36%	7,78%	7,47%	7,27%

*Net Initial Yields **

Passing Net Initial Yield : (Passing Net Rent - NR Charges) / MV incl.

Net Headline Yield : (Net Headline Rent - NR Charges) / MV incl.

Potential Net Initial Yield : (Net Headline Rent + MR of vacant areas - NR Charges) / MV incl.

Theoretical Initial Yield : (Market Rent - NR Charges) / MV incl.

Rounded Market Value

We are of the opinion that the Market Value of he freehold interest in the above Subject Property, as at 30 June 2018, subject to the existing tenancies, assumptions and comments in this Valuation Report and the Appendices, is:

Methodology Retained DCF

Market Value incl. Purch' costs	5 953 000	€ inclusive	1 068	€/sq m
Purchaser's Costs	6,90%			
Market Value excl. Purch' cost	**5 569 000**	€ exclusive	999	€/sq m

Net Headline Yield	5,36%
Net Headline Yield (on rented MV	7,27%
Net Potential Yield	7,78%
Net Reversionary Yield	7,47%

6. Vacant Possession Value

We have undertaken the valuation of the building under the special assumption that it is fully vacant (Vacant possession Value).
This methodology consists of capitalising the potential net income at an appropriate yield deducting losses reflecting the marketing and incentives necessary to relet the property.

Tenant	Marketing Void	Vacancy cost	Rent Free Period	Discount / Premium to Market Rent	Reletting Works	Yield Applied	Potential Income Capitalised	Total Discounted Losses (void, works, rent free, fees)	Gross VPV	Net VPV	
	months	€/sq m	months	%	€/sq m		€	€	€ incl.	€ excl.	€/sq m excl.
Vacant 1	15	27	3			7,75%	176 516	(24 157)	152 359	142 525	1 250
Vacant 2	15	27	3			7,75%	1 758 905	(267 922)	1 490 982	1 394 745	697
Vacant 3	15	27	3			7,75%	472 258	(64 631)	407 627	381 316	1 250
Vacant 4	15	27	3			7,75%	340 645	(46 619)	294 026	275 048	1 250
Vacant 5	15	27	3			7,75%	416 516	(57 002)	359 514	336 309	1 250
Vacant 6	15	27	3			7,75%	337 548	(46 195)	291 353	272 547	1 250
Vacant 7	15	27	3			7,75%	111 484	(15 257)	96 227	90 016	1 250
Vacant 8	15	27	3			7,75%	410 323	(56 155)	354 168	331 308	1 250
Vacant 9	15	27	3			7,75%	931 484	(142 389)	789 095	738 162	687
Vacant 10	15	27	3			7,75%	903 097	(137 821)	765 275	715 880	692
TOTAL							5 858 775	(858 149)	5 000 627	4 677 855	839

OPEX / CAPEX details and other indemnities / revenues

Maintenance Works (Budget on 10 years not discounted)	-	€ excl. VAT
CAPEX // Major Repairs (Budget on 10 years not discounted)	175 700	€ excl. VAT

Conclusion

MAIN USE	Lettable Area sq m	Basis of Capitalisation	Yield Applied	Potential Income capitalised	Discounted Losses/Excess of income	Major Works / CAPEX / Perm. Void & Glob. NR	Market Value inclusive K€	Purchaser's Costs	Market Value exclusive K€	Market Value excl. € excl./sq m	Rever -sionary yield ***
Office	1 463	176	7,75%	2 265	(310)	(71)	1 884	6,90%	1 762	1 205	9,13%
Warehouse	4 110	278	7,75%	3 593	(548)	(200)	2 845	6,90%	2 661	648	9,59%
Manufacturing											
Parkings											
Total	5 573	454	7,75%	5 859	(858)	(272)	4 729	6,90%	4 424	794	9,41%

7. Estimated Reinstatement Cost

We have prepared our assessment of the reinstatement cost of the building assuming the reinstated building will be identical to existing structural conditions, save for the land, but taking into account all taxes, work costs, technical fees and miscellaneous fees.

This estimation does not take into account the developers margin.

Land Area	12 773	sq m	Basement parkings	0	units
Total Lettable Area	5 573	sq m			
Gross / Net ratio	92,5%				
SHON (net constructed area)	6 025	sq m SHON			

Reconstruction Cost - Floor Area	800	€/sq m SHON	4 819 736	€ excl.
Land Development	5,00%	Const. Costs	240 987	€ excl.
Fiscal Conditions (taxes, royalties, charges etc.)	4,00%	Const. Costs	192 789	€ excl.
Technical Fees (MOE, BET, Insurance)	10,00%	Const. + Gridding	506 072	€ excl.
Financial Fees	2,50%	Total Const. Costs	143 990	€ excl.
Reinstatement Cost	**980**	**€/sq m SHON**	**5 904 000**	**€ excl.**

We assume that any VAT is recoverable and we do not retain any loss of rent or allow for inflation during the reconstruction period.

An estimated reinstatement cost is our assessment of the cost of reinstating the property at the date of valuation. We have not been provided with the actual construction costs, but have estimated these overall costs based on our knowledge of similar buildings.

The figures set out in this valuation sheet are our assessment of the cost of reconstructing the property. They include an allowance for demolition, removal of debris, temporary shoring, statutory and professional fees which are likely to be incurred on reconstruction, but exclude any allowance for VAT. If you are unable to recover VAT, or can recover part only, you should advise your insurers and increase the Base Sum Insured appropriately. The figures make no allowance for loss of rent during the rebuilding period, nor for inflation, nor the cost of dealing with any contamination which may be present and have to be dealt with prior to reconstruction. The assessment does not provide advice in respect of terrorist damage cover and you should consult with your insurers in respect of this.

We have assumed that the reinstated building and its use will be similar to that existing, and the reinstated building will be to the original design, in modern materials, using modern techniques to modern standards.

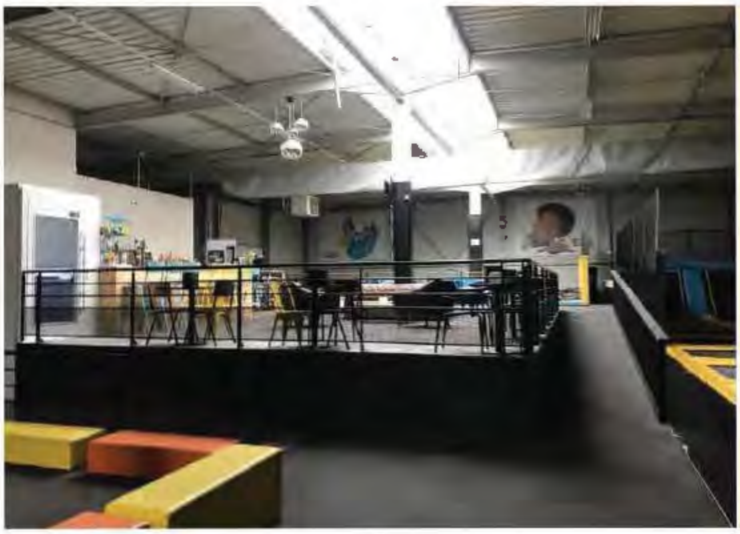
We have considered the extent and nature of the building but our assessments have been undertaken as part of our normal valuation exercise. We have not carried out a formal reinstatement cost assessment through a Building Consultancy company. Our assessment should be treated as a guide only and should not be relied upon. It should be used for comparative purposes only against the borrower's proposed reinstatement cover.

Should any discrepancies arise, a formal reinstatement cost assessment should be commissioned.

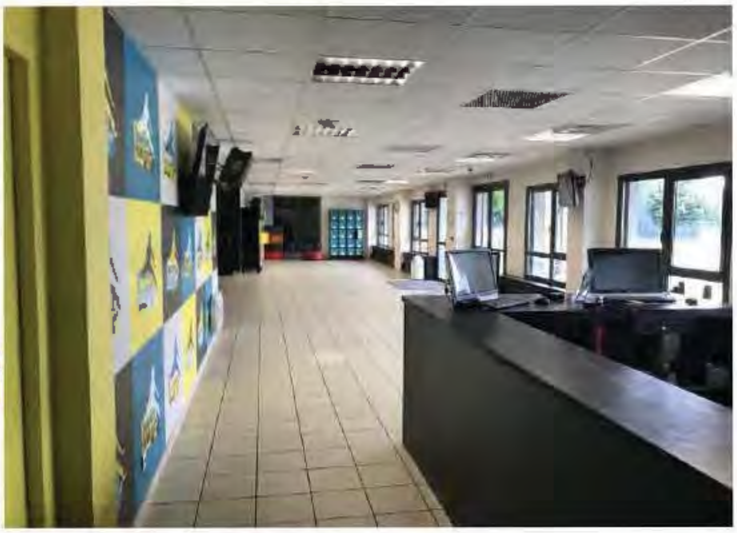
8. Photos

Exterior View

Exterior View



Interior View



Interior View

Environment

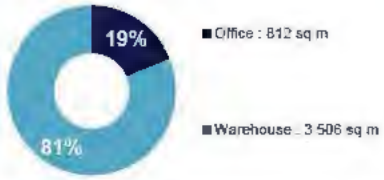
Environment

Valuation Summary Vénissieux

Address	Route de Corbas		
ZIP-Town	69200 - Venissieux	**Hub/Market**	Lyon
Completion Date	2008		
Main Use	Urban Logistics		

Project Type	Valuation Report	
Inspection Date	13/06/2018	
Valuer	Antoine LANIESSE	
Land Area	24 560	sq m
Tenure	Freehold/Co-Ownership	

Share of the area by nature



Rating	
Macro Location	3
Micro Location	2
Building Quality	2
Condition	3
Lettability	3
Marketability (sale	3
Overall rating	3
Loan Security	good

Total Lettable Area		4 318 sq m		
Occupancy Rate		100%		
Remaining Duration (WALB / WALT)		4,9 / 6,4 years		
Main Tenant		DPD FRANCE SAS		
Number of Leases		3		
Estimated marketing period		12 months		
Net Headline Rent	K€/year excl.	363	84	€/sq m/yr excl.
Net Potential Rent	K€/year excl.	363	84	€/sq m/yr excl.
Market Rental Value	K€/year excl.	358	83	€/sq m/yr excl.

SWOT ANALYSIS

Strengths

- Good location in an identified industrial area,
- The building is fully let,
- Easy access, in close proximity to the boulevard S (ring road),
- Asset in good condition considering its age,
- Remaining fixed term period of 4,9 years on average,
- The asset is still under the 10-year warranty (less than one year).

Weaknesses

- Building located in a secondary industrial zone of Lyon,
- The asset is not fully owned,
- Potential investors could be less tempted by the property held with a co-ownership equivalent.

Opportunities

- A light refurbishment could improve the attractiveness of the building.

Threats

- In case of departure of one of the tenants, the marketing period could be long.

VALUATION METHOD CONCLUSION

Methodology	Market Value			CAPEX not discounted (Deducted) €	Purchaser's Costs	Net Initial Yields *				
	€ inclusive	€ exclusive	€ excl /sq m			Net Passing	Net Headline	Net Potential	Theoretical	Net Headline on MV Rented
Capitalisation	5 094 000	4 765 000	1 104	82 150	6,90%	6,98%	6,98%	6,98%	6,88%	6,98%
DCF	4 955 000	4 635 000	1 073		6,90%	7,18%	7,18%	7,18%	7,07%	7,18%

** : Passing Net Initial Yield : (Passing Net Rent - NR Charges) / MV incl.*

Net Headline Yield : (Net Headline Rent - NR Charges) / MV incl.

Theoretical Initial Yield : (Market Rent - NR Charges) / MV incl.

MARKET VALUE CONCLUSION

Market Value incl. Purch' costs	**4 955 000**	€ inclusive	1 147	€ incl./sq m
Purchaser's Costs	6,90%			
Market Value excl. Purch' costs	**4 635 000**	€ exclusive	1 073	€ excl./sq m

Net Headline Yield	7,18%
NIY on rented MV	7,18%
Net Potential Yield	7,18%
Net Reversionary Yield	7,07%

Additional Valuation	Market Value		General Assumptions			
	€ exclusive	€ excl./sq m	Void Period months	Rent Free months	Capitalisation Yield	Construction Costs €/sqm SHON
Vacant Possession Value	3 542 000	820	12 - 15	3	7,50% - 8,00%	
Estimated Reinstatement Cost	4 556 000	1 002				800,00

1. Property Presentation

Aerial View

Cadastral Matrix

Designation

The property primarily used as urban logistics is situated :

Route de Corbas - 69200 Venissieux

Cadastral References

CL n°96 et n°138

Land Area 24 560 sq m

Tenure

According to the notarial due diligence carried out by "Attal et Associés Notaires", we understand that the property located section CL n° 96 is is held freehold equivalent. For the other property located section CL n° 138 , the asset is held co-ownership equivalent.

Location & Environment

The asset is located in Venissieux, in the south east of France in the Rhône region (69). This city is part of the large agglomeration of Lyon-Metropole. Lyon is France's third largest market by population and second largest logistics hub by absorption. It is also an established logistics location, serving as a principal connection between northern and southern France.

Venissieux is right next to Lyon, 80 km away from Chamberry, 110 km from Genève. The asset is located just 5 km away from the A43 and 700 m from the Boulevard Urbain S.
The property is situated on the south east part of the commune, at Route de Corbas, occupies a 4,279 sqm plot and is part of the logistics industrial area. The propery sits in a prime location, attracting strong interest from occupiers throughout the Lyon commercial areas. Futhermore, the new tramway, achieved in 2010, imporved the connectivity within the area.

The surrondings of the property is mixed use in character and is mainly composed of collective residences . It is also close to agricultural fields and to some training centers and schools such as AFPA and Groupe scolaire Louis Pasteur. On the Boulevard Urbain E, where the asset is located, several light industrial spaces or logistic companies such as Geodis are implanted.

Transport & Access

The Propery can be accessed by the D301 (Urban Boulevard S) and the D95 which links Venissieux to Lyon city center.
- Railway: Lyon Part Dieu train station is less than 20 km west of the subject property, providing rail connections to Paris and Marseille.
- Airport: the nearest airport is the Lyon Bron airport which is approximately 10 minute drive west from the property. The airport Lyon Saint exupéry is also accessible, approximately 18 km to the east.

Exterior View

Interior View

Exterior Description

The asset is a mixed industrial/office property comprising two buildings built in 2008 on a plot with a regular shape.
The structure of the buildings is made of steel. The roofs are made of metal cladding and covering with multi layer bitumen. The asset benefits from 8 level doors and 12 dock doors with a front and rear type loading.
The buildings have steel frame constructions with rust resistant paint.
The property offers 22 external car parking spaces.

Internal Layout

All office areas present the same specifications: suspended ceilings with inset lights, painted walls, tiled floor and intercoms for access. The common area benefits from suspended ceilings with inset lights, tiled floors and toilets.
The buildings are light industrial buildings with office areas. Inside the logistics building, there is no heating in the workshop. However, the heating systems in the warehouse comprises gas fired hot air blowers. The light industrial area has an eaves height of 6,9 m in the warehouse, between 4m and 5,2m in the logistics building and a floor load capacity of 3 t/sq m.
The property comprises 4,279 sq m split into 19% of offices (812 sqm) and 81 % of light industrial premises (3,467 sqm).

Contamination and Diagnosis Conclusion

Potential Sources of Soil and Water Contamination	: Low
Site Sensitivity	: Moderate
Risk Assessment	: Low
Environmental certifications	: None

Other Environmental Issues

None

General Environmental Conclusion

It is considered unlikely that there is any contamination present on site which may pose a risk to the use or represent liability.

General Condition

The property appears to have been well maintained with regard to its age, use and construction.
During the course of our inspection, we did not notice any apparent defects.

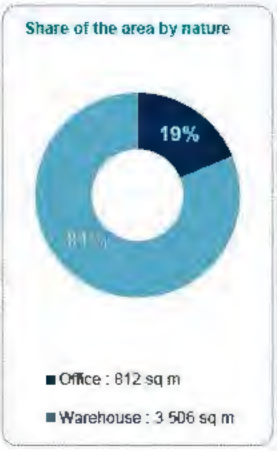
Town Planning

According to the PLU document "Plan Local d'urbanisme" which was modified on the 6th of October 2017, the property is located in the Zone "Urbaine Industrielle" UI.
The main characteristics and regulations for the zone are as follows:

- Emprise au sol (maximum footprint): 60%.
- Maximum height of buildings: The maximum height of new constructions is 12 m above the natural level of the land.
- “Coefficient d’Occupation des Sols” (plot ratio): not prescribed.

2. Area Schedule

Area Typology	Total Area		Occupied Area	Vacant Area	Occupancy Rate
	sq m lettable	Share	sq m lettable	sq m lettable	
Office	812	18,8%	812	-	100%
Warehouse	3 506	81,2%	3 506	-	100%
Manufacturing	–		-	-	
Other	–		-	-	
Parking int.	-		-	-	
Parking ext.	-		-	-	
TOTAL	4 318	100,0%	4 318	-	100%
ICR / Base Area	*4 318*	*sq m*			


Share of the area by nature


Occupancy by area typology

Area Source Documents
For the purpose of this valuation we have been provided with lettable areas of the property, sent by EASTD LL Secured, in the "Property Use by Tenant" and "Financing Rent Roll" Excel files, undated. We have not undertaken measurements of the property. Following our site visit, we have come to the conclusion that the areas provided seem to correspond to the inspected property. Should the surface areas differ from the provided surface areas, we reserve the right to alter our valuation accordingly.

3. Rental Situation

Tenancy Schedule

			AREA SCHEDULE						LEASE DURATION				INDEXATION	
Tenants	Floor	Main Use	Office sq m	Warehouse sq m	Manufacturing sq m	Other sq m	Parking Internal/ External units	TOTAL sq m	Lease type	Lease Start	Next Break Option	Lease End	Next Indexation Date	Current Index
DPD FRANCE SAS	GF	Warehouse	340	2 180				2 520	Com. L	14/03/08	13/03/25	13/03/25	14/03/19	LAT
CHENNAH VIANDE	GF	**Warehouse**	**142**	**677**				819	Com. L	15/02/16	14/02/22	14/02/28	15/02/19	LAT
Fast Lift	GF	**Warehouse**	**330**	**649**				979	Com. L	08/03/13	07/03/19	07/03/22	08/03/19	LAT
TOTAL			812	3 506			0 / 0	4 318						
TOTAL Rented			812	3 506	-	-	0 / 0	4 318						
TOTAL Vacant			-	–	-	-	0 / 0	-	Vacancy Rate	0%				

Valuation Date 30/06/2018
Report Date 03/09/2018

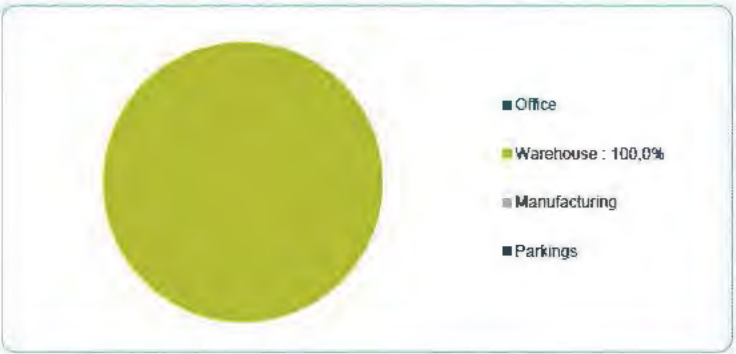
Management of Charges and Analysis of Net Rent

Tenants	Gross Passing Indexed Rent	Gross Headline Indexed Rent	NON-RECOVERABLE CHARGES (€/YEAR) *					TOTAL Non Recoverable	NET HEADLINE RENT **		Additional Rent	
	€/yr excl.	€/yr excl.	Property Tax	Office Tax	Insu rance	Major Repairs (art. 606)	Mgmt Fees	€/sq m/yr	€/yr excl.	€/sq m/yr	Current Amount €/yr excl.	End Date
DPD FRANCE SAS	231 595	231 595	T	T	T	T	T		231 595	92		
CHENNAH VIANDE	51 102	51 102	T	T	T	T	T		51 102	62		
Fast Lift	80 149	80 149	T	T	T	T	T		80 149	82		
									-			
									-			
TOTAL	362 846	362 846							362 846	84		

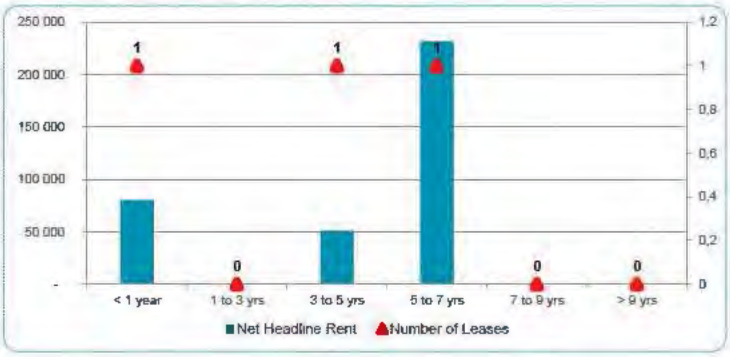
* T = "Tenant" => charges entirely recoverable

** Net Headline Rent not taking into account the global NR charges retained for the property (2,00% of passing rent per year)

Net Passing Rental income's share by Main Use



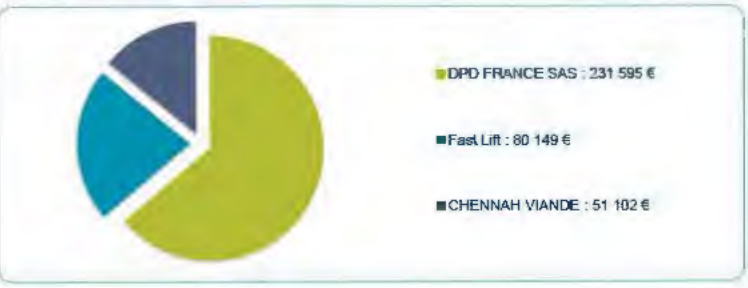
State of Remaining Fixed Term (WALB)



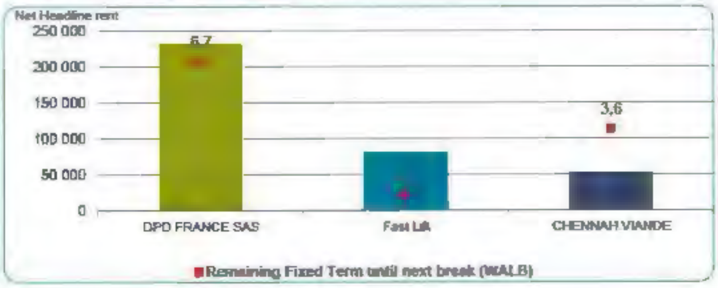
Lease Incentives

Tenants	STEPPED RENTS						RENT FREE PERIOD						Indemnities € / Part. W	
	Start Date 1	Step Rent 1 €/yr	Start Date 2	Step Rent 2 €/yr	Start Date 3	Step Rent 3 €/yr	Start Date 1	Initial Duration months	Start Date 2	Duration 2 months	Start Date 3	Duration 3 months	Date	Amount Paid or Received € excl.
DPD FRANCE SAS														
CHENNAH VIANDE														
Fast Lift														

TOP 5 Tenants



State of Remaining Fixed Term (WALB)



4. Asset Positioning

Local Rental Market

Venissieux is a city located in the suburbs of Lyon, in the immediat proximity of the Boulevard Laurent Bonnevay, the first ring road of Lyon and the D318 road, linking the city with Lyon and the suburbs. The largest industrial zone in the commune is the ZI de Venissieux-Corbas-Saint Priest. It is situated along the railroad. This zone comprises mainly industrial warehouses. The subject asset is located outside the main industrial area of the city in the neighbourhood of Charrard Monery, in the south-eastern part of the city.

The industrial market is relatively transparent in Vanissieux, some recent transaction concerning this type of assets have been registered in the city, mainly due to the proximity of Lyon, the second-largest activity driver along the Corridor (behind Paris Region, which accounts for 53% of the Q1 2018 take up along the Corridor) is not far away. The Q1 2018 take-up there remained relatively unchanged from one year to another (40,000 sq m, -4.5% versus Q1 2017, which accounts for 17% of the Q1 2018 take up along the Corridor).

In our approach of the rental market value, we have analysed rental transactions in similar zones, with comparable accessibility and locations. The rental value for this type of asset and this location stands between 60€/sq m and 90€/sq m depending on the asset's condition and the speficiations of the building.

Comparable Rental Transactions

Quality compared to subject property: ▲ Above ▼ Below ▬ Equivalent

Address	Date		Owner	Tenant	Area sqm	Fixed Period	Rent €/sqm	Comments
388, avenue Charles de Gaulle - 69200 - Venissieux - Light Industrial	02/2018	▼	Immobilière Ramos	Fibre Opteam	108	NC	98	Light industrial premise located in an area mainly composed of industrial properties and logistic in the suburb of Lyon.
6, rue Hénaff - 69200 - Venissieux - Light Industrial	12/2017	▼	SCI Henaff	DK rénovation	280	NC	67	Light industrial premise located in an area mainly composed of industrial properties and logistic in the suburb of Lyon.
9, avenue Pierre Semard - 69200 - Venissieux - Logistics	09/2016	▬	SNC L Vinci 98	Precis Peinture Industrielle	1 547	NC	64	Light industrial premise located in an area mainly composed of industrial properties and logistic in the suburb of Lyon.
								Light industrial premise located in an area mainly composed of industrial properties and logistic in the suburb of Lyon.

Comparable Rental Supply

Address	Type		Area sqm	Divisibility sqm	Office€/sqm	Warehouse	Parking €/sqm	Comments
Centre - Max Barel - Centre Nord - 69200 - Venissieux	Logistics	▬	1 263	NC	60			● Car parking spaces: 14
Centre - Max Barel - Centre Nord - 69200 - Venissieux	Logistics	▲	953	NC	89			● Type of heat : air heaters, AC (only in the offices) ● Ground : Concrete slab ● Dockside doors ● Ground level doors ● Type of activity : business premises/offices
Centre - Max Barel - Centre Nord - 69200 - Venissieux	Logistics	▬	740	NC	54			● 76 sq m for showroom or offices ● Type of activity : business premises/offices
Chareard - 69200 - Venissieux	Logistics	▲	719	NC	87			● Type of heat : air heaters, AC (only in the offices) ● Height: 6,00 meters ● Ground : Concrete slab ● Car parking for heavy vehicles ● Dockside doors

Investment Market

The light industrial investment volume shows a record level of € 1.2 Bn in 2016, up from € 498 M in 2015. After its peak level, investment volume came back to usual volume of € 253 M in 2017, explained by a lack of opportunities. The investment market is usually active on small lot size i.e. the one below € 20 M. Since 2013, more and more deals have been done on assets or portfolios priced above € 20 M. In 2016, this trend has driven to an exceptional level of € 1.2 Bn, out of which € 712 M in the segment above € 100 M. In 2017, market activity has come back to lot size below € 20 M. All the asset classes have recorded strong compression of prime yields and this trend is also recorded for light industrial assets with prime yields now standing at 5.75%.

Considering the characteristics of the property (age, lease conditions, location…) and the comparable investment transactions described below, we have retained an initial yield in the higher range for secondary asset above 7.00% and we consider the metric value to be below € 1 100/ sq m.

Comparable Investment Transactions

Address	Date	Purchaser	Seller	Sale Price € excl.	€ excl /sq m	Published Yield	Area sqm- (sqm)	Comments
Logistique - 12, rue Roger Planchon 69200 Venissieux		Maintelec	SCCV de l'empereur	621 448	1 365,8		455	Recent property located close to the subject property.
Logistique - Rue de l'industrie 69200 Venissieux		Perial Asset Management	Perial Asset Management	1 186 800	203,4		5 834	Old property located close to the subject property.
Logistique - 28, rue Eugene Hénaff 69200 Venissieux	07/07/2005	NC	NC	5 500 000	534,0		10 300	Old property located close to the subject property.

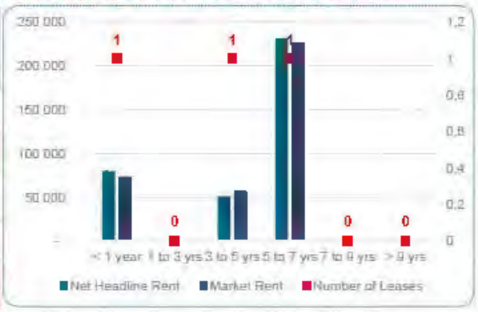
5. Property Valuation

5.1. Market Rent

Tenants	MARKET RENTAL VALUE (€ excl.)								NET HEADLINE RENT		Theoretical Reversion
	Office	Warehouse	Manufacturing	Other	Internal Pk	ICR	Total Excl.		Total Excl.		
	€/sq m/yr	€/sq m/yr	€/sq m/yr	€/sq m/yr	€/u/year	€/sq m/yr	€/yr	€/sq m/yr	€/yr	€/sq m/yr	MR / Rent
DPD FRANCE SAS	90	90					226 800	90	231 595	92	-2,1%
CHENNAH VIANDE	70	70					57 330	70	51 102	62	12,2%
Fast Lift	75	75					73 425	75	80 149	82	-8,4%
TOTAL	80	83					357 555	83	362 846	84	-1,5%
TOTAL Rented	80	83					357 555	83	362 846	84	-1,5%
TOTAL Vacant	–	–	–	–	–	–	–	–			

Main Use	Number of Leases	Usable Areas	Net Headline Rent		Market Rental Value		Theoretical Reversion
		sq m / units	€/year excl.	€/sq m/yr	€/year excl	€/sq m/yr	MR / Rent
Office							
Warehouse	3		362 846	84	357 555		-1,5%
Manufacturing							
Parkings							
TOTAL	3		362 846	84	357 555		-1,5%

Potential loss/earning of rent at future lease break options



Valuation Date 30/06/2018
Report Date 03/09/2018

5.2. General Assumptions (at Renewal / Departure / Letting)

In our valuation, we have retained the following assumptions in case of renewal or departure at the next potential tenant breaks.

			Tenant Departure Assumptions				Tenant Renewal Assumptions				
Tenants	**Potential Date of Departure**	**Proba-bility of departure %**	**Reletting work** €/sq m	**Void Period** months	**Rent-Free Period** months	**Fixed Period** years	**Reversion at Lease End**	**Renewal Base ***	**Reversion Captured at Renewal**	**Rent-Free Period** months	**Fixed Period** years
DPD FRANCE SAS	13/03/25	25%		12	3	3	-3,0%	MR	-3,0%	3	3
CHENNAH VIANDE							10,5%	MR	10,5%	3	3
Fast Lift							-8,8%	MR	-8,8%	3	3

* MR : Market Rent / LIR : Last Indexed Rent

5.3. Capitalisation Methodology

Tenant	Remaining Fixed Term years	Capitalised Income Type	Basis of Capitalisation K€/year excl.	Yield Applied	Income Capitalised K€	Compensation / Losses K€	Gross Market Value K€ Incl.	Market Value Exclusive before Capex and Structural Void K€ Excl.	€ excl./sq m	Net Initial Yield	Rever- -sionary Yield
DPD FRANCE SAS	6,7	Market Rent	**227**	6,75%	3 360	25	3 385	**3 167**	**1 257**	6,84%	6,70%
CHENNAH VIANDE	3,6	Market Rent	**57**	6,75%	849	(43)	806	**754**	**921**	6,34%	7,11%
Fast Lift	0,7	Market Rent	**73**	6,75%	1 088	4	1 092	**1 022**	**1 044**	7,34%	6,72%
TOTAL	**4,9**		**358**	**6,75%**	**5 297**	**(14)**	**5 284**	**4 943**	**1 145**	**6,87%**	**6,77%**

OPEX / CAPEX details and other indemnities / revenues

Maintenance Works (Budget on 10 years not discounted)	-	€ excl. VAT
CAPEX // Major Repairs (Budget on 10 years not discounted)	**82 150**	€ excl. VAT
Landlord's Contribution to Tenant's Works // Indemnities to Tenants	-	€ excl. VAT
Indemnities paid by Tenants to Landlord // Other Revenues	-	€ excl. VAT

Capitalisation Method Conclusion

Main Use	Lettable Area sq m	Basis of Capitalisation	Yield Applied	Discounted Losses/Excess of income	Perm. Void & Glob. NR	Market Value inclusive K€	Purchaser's Costs	Market Value exclusive K€	Market Value excl.	Net initial yield	Rever -sionary yield
Office											
Warehouse	4 318	358	**6,75%**	(14)	(108)	5 094	6,90%	**4 765**	1 104	6,98%	6,88%
Manufacturing											
Parkings											
Total	**4 318**	**358**	**6,75%**	**(14)**	**(108)**	**5 094**	**6,90%**	**4 765**	**1 104**	**6,98%**	**6,88%**
TOTAL Rented	**4 318**	**358**	**6,75%**	**(14)**	**(108)**	**5 094**	**6,90%**	**4 765**	**1 104**	**6,98%**	**6,88%**
TOTAL Vacant	**0**	**-**		**-**	**-**	**-**	**6,90%**	**-**	**-**		

5.4. Discounted Cash Flow Methodology

Year	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**
Index ICC / Expenses Inflation	1,25%	1,50%	1,70%	1,75%	1,75%	1,75%	1,75%	1,75%	1,75%	1,75%
Index ILAT	1,40%	1,50%	1,60%	1,65%	1,65%	1,65%	1,65%	1,65%	1,65%	1,65%
Index ILC	1,50%	1,60%	1,65%	1,65%	1,65%	1,65%	1,65%	1,65%	1,65%	1,65%
Market Rental Growth	0,50%	1,00%	1,50%	1,50%	1,50%	1,50%	1,50%	1,50%	1,50%	1,50%
Maintenance										
CAPEX *	59 575	22 575								

*** The CAPEX retained come from the Technical Due Diligence carried out by Arcadis, dated 13 April 2018 (Vendor Capex retained and adjusted according to comments).**

Analysis by Discounted Cash Flow - K€

Year	1	2	3	4	5	6	7	8	9	10
Gross Rents	365	370	376	379	379	385	374	340	393	402
Rent Free Period/Additionnal Rent				(19)			(46)	(16)		(16)
Indemnities received/paid										
Costs (vacancy, NR, doubtful)	(7)	(7)	(8)	(8)	(8)	(8)	(11)	(17)	(8)	(8)
Capex/Maintenance	(60)	(23)								
Reletting works										
Marketing fees								(9)		
Total Acquisition Costs										5 749
Remaining Rent Free Period to deduct										
Transfer costs										(494)
Free Cash Flows	**297**	**339**	**368**	**353**	**371**	**378**	**316**	**298**	**385**	**5 632**

Discount Rate - Cash Flow	**7,75%**	**Doubtful Debtors**	0,00%	% rent/year	**Letting Fees**	15,00%	% Headline Rent
Discount Rate - Resale Value	**7,75%**	**NR Charges**	2,00%	% rent/year	**Broker's Fees**	2,50%	% Resale Value
Discount Rate - CAPEX	**7,75%**	**Permanent Void**	0,00%	% rental area	**DCF Duration**	10	years

DCF method conclusion

Main Use	**RESALE ASSUMPTIONS AND CONCLUSION**						**Market Value**	**Purchaser's Costs**	**Market Value**	
	Fixed Period	Reversion	**Cap Rate**	Basis of Capitalisation	Resale Value € excl.	€ excl./sq m	K€ Incl.		€ exclusive	€/sq m
Office										
Warehouse	2,4	1,6%	**7,00%**	402	5 255	1 217	4 955	6,90%	4 635 053	1 073
Manufacturing										
Parkings										
Total	**2,4**	1,6%	**7,00%**	**402**	**5 255**	**1 217**	**4 955**	**6,90%**	**4 635 000**	**1 073**

5.5. Conclusion of Market Value

Methodology	Market Value inclusive	Purchaser's Costs	Market Value exclusive		Net Initial Yields *				
	€ inclusive		€ exclusive	€ excl./sq m	Net Passing	Net Headline	Net Potential	Theoretical	Net Headline on MV Rented
Capitalisation	5 094 000	6,90%	4 765 000	1 104	6,98%	6,98%	6,98%	6,88%	6,98%
DCF	4 955 000	6,90%	4 635 000	1 073	7,18%	7,18%	7,18%	7,07%	7,18%

*Net Initial Yields **

Passing Net Initial Yield : (Passing Net Rent - NR Charges) / MV incl.

Net Headline Yield : (Net Headline Rent - NR Charges) / MV incl.

Potential Net Initial Yield : (Net Headline Rent + MR of vacant areas - NR Charges) / MV incl.

Theoretical Initial Yield : (Market Rent - NR Charges) / MV incl.

Rounded Market Value

We are of the opinion that the Market Value of the freehold interest in the above Subject Property, as at 30 June 2018, subject to the existing tenancies, assumptions and comments in this Valuation Report and the Appendices, is:

Methodology Retained DCF

Market Value incl. Purch' costs	4 955 000	€ inclusive	1 147	€/sq m
Purchaser's Costs	6,90%			
Market Value excl. Purch' cost	**4 635 000**	**€ exclusive**	**1 073**	**€/sq m**

Net Headline Yield	7,18%
Net Headline Yield (on rented MV	7,18%
Net Potential Yield	7,18%
Net Reversionary Yield	7,07%

6. Vacant Possession Value

We have undertaken the valuation of the building under the special assumption that it is fully vacant (Vacant possession Value).
This methodology consists of capitalising the potential net income at an appropriate yield deducting losses reflecting the marketing and incentives necessary to relet the property

Tenant	Marketing Void	Vacancy cost	Rent Free Period	Discount / Premium to Market Rent	Reletting Works	Yield Applied	Potential Income Capitalised	Total Discounted Losses (void, works, rent free, fees)	Gross VPV	Net VPV	
	months	€/sq m	months	%	€/sq m		€	€	€ incl.	€ excl.	€/sq m excl.
Vacant 1	15	20	3			8,00%	2 835 000	(399 191)	2 435 809	2 278 587	904
Vacant 2	12	20	3			7,50%	764 400	(89 681)	674 719	631 168	771
Vacant 3	12	20	3			7,50%	979 000	(113 525)	865 475	809 611	827
TOTAL							4 578 400	(602 397)	3 976 003	3 719 366	861

OPEX / CAPEX details and other indemnities / revenues

Maintenance Works (Budget on 10 years not discounted)	-	€ excl. VAT
CAPEX // Major Repairs (Budget on 10 years not discounted)	82 150	€ excl. VAT

Conclusion

MAIN USE	Lettable Area sq m	Basis of Capitalisation	Yield Applied	Potential Income capitalised	Discounted Losses/Excess of income	Major Works / CAPEX / Perm. Void & Glob. NR	Market Value inclusive K€	Purchaser's Costs	Market Value exclusive K€	Market Value excl. € excl./sq m	Rever -sionary yield ***
Office											
Warehouse	4 318	358	7,81%	4 578	(602)	(190)	3 786	6,90%	3 542	820	9,25%
Manufacturing											
Parkings											
Total	4 318	358	7,81%	4 578	(602)	(190)	3 786	6,90%	3 542	820	9,25%

7. Estimated Reinstatement Cost

We have prepared our assessment of the reinstatement cost of the building assuming the reinstated building will be identical to existing structural conditions, save for the land, but taking into account all taxes, work costs, technical fees and miscellaneous fees.

This estimation does not take into account the developers margin.

Land Area	24 560	sq m	Basement parkings	0	units
Total Lettable Area	4 318	sq m			
Gross / Net ratio	95,0%				
SHON (net constructed area)	4 545	sq m SHON			

Reconstruction Cost - Floor Area	800	€/sq m SHON	3 636 211	€ excl.
Land Development	7,50%	Const. Costs	272 716	€ excl.
Fiscal Conditions (taxes, royalties, charges etc.)	4,00%	Const. Costs	145 448	€ excl.
Technical Fees (MOE, BET, Insurance)	10,00%	Const. + Gridding	390 893	€ excl.
Financial Fees	2,50%	Total Const. Costs	111 132	€ excl.
Reinstatement Cost	**1 002**	**€/sq m SHON**	**4 556 000**	**€ excl.**

We assume that any VAT is recoverable and we do not retain any loss of rent or allow for inflation during the reconstruction period.

An estimated reinstatement cost is our assessment of the cost of reinstating the property at the date of valuation. We have not been provided with the actual construction costs, but have estimated these overall costs based on our knowledge of similar buildings.

The figures set out in this valuation sheet are our assessment of the cost of reconstructing the property. They include an allowance for demolition, removal of debris, temporary shoring, statutory and professional fees which are likely to be incurred on reconstruction, but exclude any allowance for VAT. If you are unable to recover VAT, or can recover part only, you should advise your insurers and increase the Base Sum Insured appropriately. The figures make no allowance for loss of rent during the rebuilding period, nor for inflation, nor the cost of dealing with any contamination which may be present and have to be dealt with prior to reconstruction. The assessment does not provide advice in respect of terrorist damage cover and you should consult with your insurers in respect of this.

We have assumed that the reinstated building and its use will be similar to that existing, and the reinstated building will be to the original design, in modern materials, using modern techniques to modern standards.

We have considered the extent and nature of the building but our assessments have been undertaken as part of our normal valuation exercise. We have not carried out a formal reinstatement cost assessment through a Building Consultancy company. Our assessment should be treated as a guide only and should not be relied upon. It should be used for comparative purposes only against the borrower's proposed reinstatement cover.

Should any discrepancies arise, a formal reinstatement cost assessment should be commissioned.

8. Photos

Exterior View

Exterior View

Interior View

Interior View

Office spaces

Exterior View

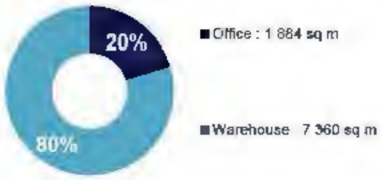
Valuation Summary

Corbas

Address	36, Route de Lyon, Lieudit Chambetiére		
ZIP-Town	69960 - Corbas	Hub/Market	Lyon
Completion Date	2006		
Main Use	Logistics		

Project Type	Valuation Report	
Inspection Date	13/06/2018	
Valuer	Antoine LANIESSE	
Land Area	20 386	sq m
Tenure	Freehold equivalent	

Share of the area by nature



Rating	
Macro Location	3
Micro Location	2
Building Quality	2
Condition	3
Lettability	3
Marketability (sale	3
Overall rating	3
Loan Security	medium

Total Lettable Area		9 244 sq m		
Occupancy Rate		100%		
Remaining Duration (WALB / WALT)		2,8 / 6,8 years		
Main Tenant		Groupe ORION/BUFAB		
Number of Leases		1		
Estimated marketing period		12 months		
Net Headline Rent	K€/year excl.	509	55	€/sq m/yr excl.
Net Potential Rent	K€/year excl.	509	55	€/sq m/yr excl.
Market Rental Value	K€/year excl.	508	55	€/sq m/yr excl.

SWOT ANALYSIS

Strengths

- Good location in an identified industrial area,
- The building is fully let to a good tenant, Groupe Orion.
- Easy access, in close proximity to the urban boulevard S,
- Asset in good condition considering its age.

Weaknesses

- Building located in a secondary industrial zone of Lyon,
- Remaining fixed term period of 2,8 years on average.

Opportunities

- A light refurbishement could improve the attractiveness of the building.

Threats

- In case of departure of the tenant, the marketing period could be long,
- The current rent is higher than the market rent and could lead to the departure of one of the tenants.

VALUATION METHOD CONCLUSION

Methodology	Market Value			CAPEX not discounted (Deducted) €	Purchaser's Costs	Net Initial Yields *				
	€ inclusive	€ exclusive	€ excl /sq m			Net Passing	Net Headline	Net Potential	Theoretical	Net Headline on MV Rented
Capitalisation	7 342 000	6 868 000	743		6,90%	6,80%	6,80%	6,80%	6,79%	6,80%
DCF	7 235 000	6 768 000	732		6,90%	6,90%	6,90%	6,90%	6,89%	6,90%

** : Passing Net Initial Yield : (Passing Net Rent - NR Charges) / MV incl.*

Net Headline Yield : (Net Headline Rent - NR Charges) / MV incl. *Theoretical Initial Yield : (Market Rent - NR Charges) / MV incl.*

MARKET VALUE CONCLUSION

Market Value incl. Purch' costs	**7 235 000**	€ inclusive	783	€ incl./sq m
Purchaser's Costs	6,90%			
Market Value excl. Purch' costs	**6 768 000**	€ exclusive	732	€ excl./sq m

Net Headline Yield	6,90%
NIY on rented MV	6,90%
Net Potential Yield	6,90%
Net Reversionary Yield	6,89%

Additional Valuation	Market Value		General Assumptions			
	€ exclusive	€ excl./sq m	Void Period months	Rent Free months	Capitalisation Yield	Construction Costs €/sqm SHON
Vacant Possession Value	5 120 000	554	12	3	8,00%	
Estimated Reinstatement Cost	9 145 000	940				750,00

1. Property Presentation

Aerial View

Cadastral Matrix

Designation

The property primarily used as logistics is situated :

36, Route de Lyon, Lieudit Chambetiére - 69960 Corbas

Cadastral References

AA n°45

Land Area 20 386 sq m

Tenure

According to the notarial due diligence carried out by "Attal et Associés Notaires", we understand that the property is held freehold equivalent.

Location & Environment

The asset is located in Corbas, in the south east of France in the Rhône region (69). This city is part of the large agglomeration of Lyon-Metropole. Lyon is France's third largest market by population and second largest logistics hub by absorption. It is also an established logistics location, serving as a principal connection between northern and southern France.

Corbas is situated 5 km away from Lyon, 78 km from Chamberry, 110 km from Genève. The asset is located just 3 km away from the A46 and 5 km from A43. The asset has an excellent access to the Rocade Est, Lyon's primary industrial artery and A-network highway.

The property is situated in the north-eastern part of the commune, at Route de Lyon, occupies a 9,244 sq m plot and is part of the logistics industrial area.

The surroundings of the property is mixed use in character and is mainly composed of light industrial spaces and some multi family housing to the south of the property. It is also close to agricultural fields and to some training centres and schools such as AFPA and Groupe scolaire Louis Pasteur. On the other side of Route de Lyon, the societies Comptoir National, Exacours, Machado Mondexport and Rhone Baches are implanted.

Transport & Access

The Property can be accessed through the D301 (Urban Boulevard S) and the D95 which links Cobras to Lyon city center.

- Railway: Lyon Part Dieu train station is less than 20 km west of the subject property, providing rail connections to Paris and Marseille.
- Airport: the nearest airport is the Lyon Bron airport which is approximately 10 minute drive west from the property. The airport Lyon Saint exupéry is also accessible, approximately 18 km to the east.


Exterior View


Interior View

Exterior Description

The asset is a mixed industrial/office property comprising one building, built in 2006 on a plot with a regular shap,
The structure of the building is made of steel with concrete blocks and concrete floor for the light industrial part. The roof is made of profiled steel sheeting with multi-layered covering. This building benefits from 3 level doors and 6 dock doors with a front type loading.
The building has a pre-cast concrete frame construction in the warehouse and a steel frame construction in the offices.
The property offers 126 external car parking spaces.

Internal Layout

All office areas offer the same specifications: suspended ceilings with inset lights, painted walls, carpeted floor and intercoms for access. The common area benefits from suspended ceilings with inset lights, tiled floors and toilets.
The building is a light industrial building with office areas. The office areas benefit from a reversible air conditionning system whereas the warehouse has a gas heating system. The light industrial areas have an eaves height between 5 and 8m and a floor load capacity of 3 t/sq m.
The property comprises 9,244 sq m split into 20% of offices (1,884 sq m) and 80 % of light industrial premises (7,360 sq m).
The asset is entirely rent to the Groupe Orion/Bufab which is a french firm of 50 - 99 employee specialised in wholesale and hardware.

Contamination and Diagnosis Conclusion

Potential Sources of Soil and Water Contamination	: Low
Site Sensitivity	: Low/Moderate
Risk Assessment	: Low
Environmental certifications	: None

Other Environmental Issues

None

General Environmental Conclusion

Given the lack of industrial activity on site and the low/moderate sensitivity, the property is unlikely to be subject to a significant liability from an environmental regulations perspective.

General Condition

The property appears to have been well maintained with regard to its age, use and construction.
During the course of our inspection, we did not notice any apparent defects.

Town Planning

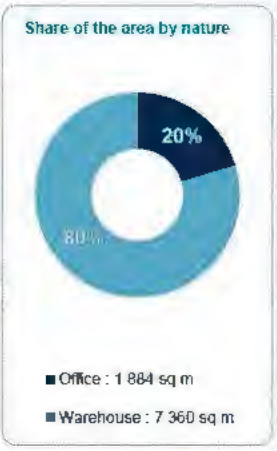
According to the PLU document "Plan Local d'urbanisme" which was modified on the 6th of October 2017, the property is located in the Zone "Urbaine Industrielle" UI.
The main characteristics and regulations for the zone are as follows:
- Emprise au sol (maximum footprint): 60%.
- Maximum height of buildings: The maximum height of new constructions is 12 m above the natural level of the land.
- “Coefficient d’Occupation des Sols” (plot ratio): not prescribed.

2. Area Schedule

Area Typology	Total Area sq m lettable	Total Area Share	Occupied Area sq m lettable	Vacant Area sq m lettable	Occupancy Rate
Office	1 884	20,4%	1 884	-	100%
Warehouse	7 360	79,6%	7 360	-	100%
Manufacturing	–		-	-	
Other	–		-	-	
Parking int.	-		-	-	
Parking ext.	-		-	-	
TOTAL	9 244	100,0%	9 244	-	100%

ICR / Base Area	*9 244*	*sq m*

Area Source Documents
For the purpose of this valuation we have been provided with lettable areas of the property, sent by EASTD LL Secured, in the "Property Use by Tenant" and "Financing Rent Roll" Excel files, undated. We have not undertaken measurements of the property. Following our site visit, we have come to the conclusion that the areas provided seem to correspond to the inspected property. Should the surface areas differ from the provided surface areas, we reserve the right to alter our valuation accordingly.


Share of the area by nature


Occupancy by area typology

3. Rental Situation

Tenancy Schedule

Tenants	Floor	Main Use	AREA SCHEDULE Office sq m	Warehouse sq m	Manufacturing sq m	Other sq m	Parking Internal/ External units	TOTAL sq m	LEASE DURATION Lease type	Lease Start	Next Break Option	Lease End	INDEXATION Next Indexation Date	Current Index
Groupe ORION/BUFAB	GF	Warehouse	1 884	7 360				9 244	Com. L	01/04/15	31/03/21	31/03/25	01/04/19	LAT
TOTAL			1 884	7 360			0 / 0	9 244						
TOTAL Rented			1 884	7 360	-	-	0 / 0	9 244						
TOTAL Vacant			-	-	-	-	0 / 0	-		Vacancy Rate	0%			

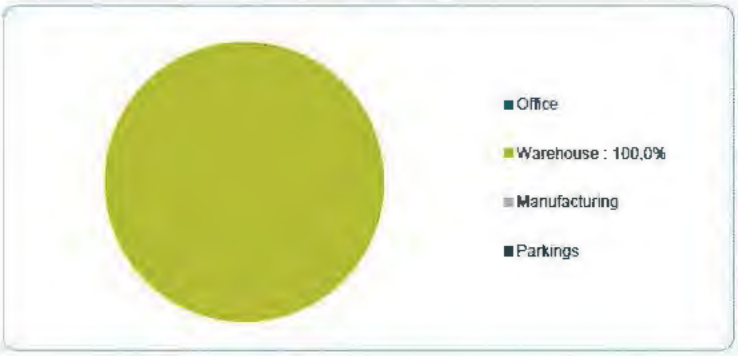
Management of Charges and Analysis of Net Rent

Tenants	Gross Passing Indexed Rent	Gross Headline Indexed Rent	NON-RECOVERABLE CHARGES (€/YEAR) *					TOTAL Non Recoverable	NET HEADLINE RENT **		Additional Rent	
	€/yr excl.	€/yr excl.	Property Tax	Office Tax	Insurance	Major Repairs (art. 606)	Mgmt Fees	€/sq m/yr	€/yr excl.	€/sq m/yr	Current Amount €/yr excl.	End Date
Groupe ORION/BUFAB	509 461	509 461	T	T	T	T	T		509 461	55		
									-			
									-			
TOTAL	509 461	509 461							509 461	55		

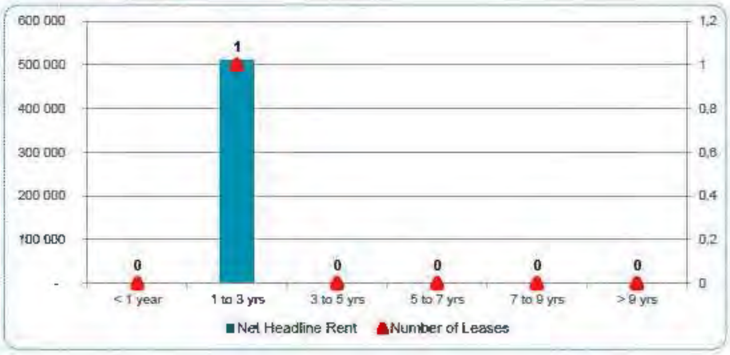
* T = "Tenant" => charges entirely recoverable

** Net Headline Rent not taking into account the global NR charges retained for the property (2,00% of passing rent per year)

Net Passing Rental income's share by Main Use



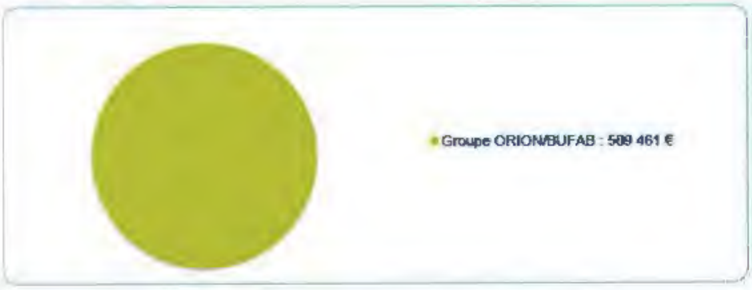
State of Remaining Fixed Term (WALB)



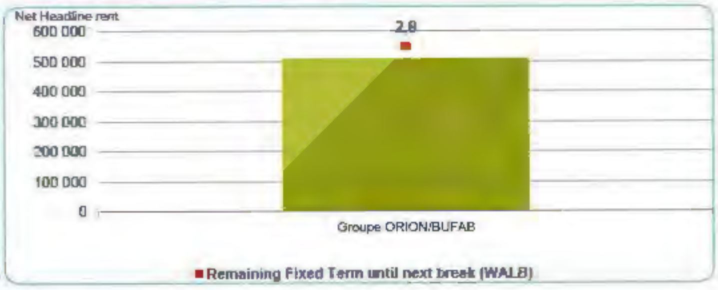
Lease Incentives

Tenants	STEPPED RENTS						RENT FREE PERIOD						Indemnities € / Part. W	
	Start Date 1	Step Rent 1 €/yr	Start Date 2	Step Rent 2 €/yr	Start Date 3	Step Rent 3 €/yr	Start Date 1	Initial Duration months	Start Date 2	Duration 2 months	Start Date 3	Duration 3 months	Date	Amount Paid or Received € excl.
Groupe ORION/BUFAB														

TOP 5 Tenants



State of Remaining Fixed Term (WALB)



4. Asset Positioning

Local Rental Market

Corbas is a city located in the suburbs of Lyon, in the immediate proximity of the South Urban Boulevard linking the city with Lyon and the suburbs. The largest industrial zones in the commune are the ZI de Venissieux-Corbas-Saint Priest, the ZI Corbas Monmartin and ZI du Carreau. These zones comprise mainly industrial warehouses. The subject asset is located in the industrial area of Corbas Monmartin in the north-western part of the city.

The industrial market is relatively transparent in Corbas, some recent transactions concerning this type of assets have been registered in the city, mainly due to the proximity of Lyon, the second-largest activity driver along the Corridor (behind Paris Region, which accounts for 53% of the Q1 2018 take up along the Corridor) is not far away. The Q1 2018 take-up there remained relatively unchanged from one year to another (40,000 sq m, -4.5% versus Q1 2017, which accounts for 17% of the Q1 2018 take up along the Corridor).

In our approach of the rental market value, we have analysed rental transactions in similar zones, with comparable accessibility and locations. The rental value for this type of asset and this location stands between 50€/sq m and 60€/sq m depending on the asset's condition and the specifications of the building.

Comparable Rental Transactions

Quality compared to subject property: ▲ Above ▼ Below ▬ Equivalent

Address	Date		Owner	Tenant	Area sqm	Fixed Period	Rent €/sqm	Comments
10, avenue de l'industrie - 69960 - Corbas - Logistics	11/2017	▼	NC	NC	2 076	NC	40	Light industrial premise located in an area mainly composed of industrial properties and logistic in the suburb of Lyon.
20, rue Louis Pradel - 69960 - Corbas - Logistics	07/2017	▬	SCI des Muriers	Vink France	1 828	NC	52	Light industrial premise located in an area mainly composed of industrial properties and logistic in the suburb of Lyon.
26, boulevard des Nations - 69960 - Corbas - Logistics	06/2017	▼	NC	Hexatrans SA	1 730	NC	42	Light industrial premise located in an area mainly composed of industrial properties and logistic in the suburb of Lyon.
15, avenue de Montmartin - 69960 - Corbas - Logistics	06/2017	▼	Itafran	Maison Axial	1 174	NC	45	Light industrial premise located in an area mainly composed of industrial properties and logistic in the suburb of Lyon.

Comparable Rental Supply

Address	Type		Area sqm	Divisibility sqm	Office€/sqm	Warehouse	Parking €/sqm	Comments
Zone d'activité - 69960 - Corbas	Logistics	▼	11 519	2 100	45			● Height :4 to 9,90 meters ● Type of heat : air heater, AC (only in the offices) ● Ground : concrete slab ● Car parking ● Dockside doors: 2
Zone d'activité - 69960 - Corbas	Logistics	▲	3 951	644	74			● Height : 9 meters ● Type of heat : electric radiant convectors ● Ground : concrete slab ● Car parking ● Dockside doors: 4
Zone d'activité - 69960 - Corbas	Logistics	▲	3 400	NC	60			● Type of heat : electric radiant convectors ● Ground : industrial slab ● Car parking ● Type of activity : logistic premises
Route de corbas, zone d'activité - 69960 - Corbas	Logistics	▲	705	NC	74			● Height : 4,5 to 7,5 meters ● Type of heat : air heaters ● Ground : concrete slab ● Car parking ● Ground level doors: 1

Investment Market

The investment market is a very opportunistic market and targets a large range of investors. However, the investors are looking nowadays for larger surfaces as the number of warehouses with areas from 10,000 to 30,000 sq m increased significantly and accounted for over half of the registered take-up during Q1 2018 in France. After being subject to strong compression for the past three years, prime logistics yields have continued to reach ever further lows. However, these decreases are confined to exceptional assets located at the heart of major markets, such as Lyon and their yields now stand at 4.75% (prime). In addition, the company Goodman has built a 6,000 sq m warehouse for Amazon in St-Priest which opened in January 2018. Goodman will also build a large warehouse south of Saint-Exupéry, between Colombier-Saugnieu and Saint-Laurent-de-Mure with a total area of 160,000 sq m spread over 2 levels. The site that could open in late 2019 will also be used by Amazon.
We have ascertained some transactions which occurred in comparable areas with comparable accessibility. These transactions reflect the aspect of the market (very opportunistic) with net initial yields above 7%.

Comparable Investment Transactions

Address	Date	Purchaser	Seller	Sale Price € excl.	€ excl /sq m	Published Yield	Area sqm- (sqm)	Comments
Activités - 40, route de Lyon 69960 Corbas	01/02/2017	Baxter Logistic	Beati engineering	387 552	1 056,0		367	Recent property located close to the subject property.
Logistique - Avenue de l'industrie, 69960 Corbas	30/12/2015			8 531 000	620,1		13 758	Old property located close to the subject property.
Logistique - Rue Louis Pradel 69960 Corbas	01/07/2014	NC	NC	4 165 000	885,2		4 705	Old property located close to the subject property.

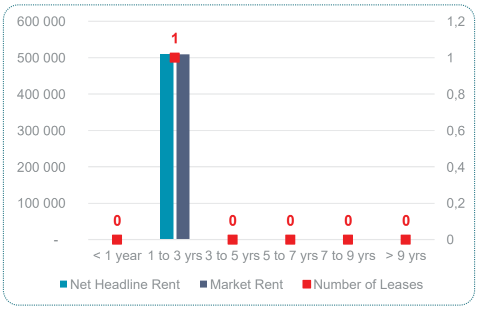
5. Property Valuation

5.1. Market Rent

Tenants	MARKET RENTAL VALUE (€ excl.)								NET HEADLINE RENT		Theoretical Reversion
	Office	Warehouse	Manufacturing	Other	Internal Pk	ICR	Total Excl.		Total Excl.		
	€/sq m/yr	€/sq m/yr	€/sq m/yr	€/sq m/yr	€/u/year	€/sq m/yr	€/yr	€/sq m/yr	€/yr	€/sq m/yr	MR / Rent
Groupe ORION/BUFAB	55	55					508 420	55	509 461	55	-0,2%
TOTAL	**55**	**55**					**508 420**	**55**	**509 461**	**55**	-0,2%
TOTAL Rented	**55**	**55**	-	-	-	-	**508 420**	**55**	**509 461**	**55**	-0,2%
TOTAL Vacant	-	-	-	-	-	-	-	-			

Main Use	Number of Leases	Usable Areas	Net Headline Rent		Market Rental Value		Theoretical Reversion
		sq m / units	€/year excl.	€/sq m/yr	€/year excl.	€/sq m/yr	MR / Rent
Office							
Warehouse	1		509 461	55	**508 420**		-0,2%
Manufacturing							
Parkings							
TOTAL	1	0	**509 461**	**55**	**508 420**		-0,2%

Potential loss/earning of rent at future lease break options



5.2. General Assumptions (at Renewal / Departure / Letting)

In our valuation, we have retained the following assumptions in case of renewal or departure at the next potential tenant breaks.

			Tenant Departure Assumptions				Tenant Renewal Assumptions				
Tenants	**Potential Date of Departure**	**Proba-bility of departure %**	**Reletting work** €/sq m	**Void Period** months	**Rent-Free Period** months	**Fixed Period** years	**Reversion at Lease End**	**Renewal Base ***	**Reversion Captured at Renewal**	**Rent-Free Period** months	**Fixed Period** years
Groupe ORION/BUFAB	31/03/25	25%		12	3	3	-1,0%	MR	-1,0%	3	3

* MR : Market Rent / LIR : Last Indexed Rent

5.3. Capitalisation Methodology

Tenant	Remaining Fixed Term years	Capitalised Income Type	Basis of Capitalisation K€/year excl.	Yield Applied	Income Capitalised K€	Compensation / Losses K€	Gross Market Value K€ Incl.	Market Value Exclusive before Capex and Structural Void K€ Excl.	Market Value Exclusive before Capex and Structural Void € excl./sq m	Net Initial Yield	Rever--sionary Yield
Groupe ORION/BUFAB	2,8	Net Headline Re	**509**	6,80%	7 492	-	7 492	**7 008**	**758**	6,80%	6,79%
TOTAL	**2,8**		**509**	**6,80%**	**7 492**	-	**7 492**	**7 008**	**758**	**6,80%**	**6,79%**

OPEX / CAPEX details and other indemnities / revenues

Maintenance Works (Budget on 10 years not discounted)	-	€ excl. VAT
CAPEX // Major Repairs (Budget on 10 years not discounted)	-	€ excl. VAT
Landlord's Contribution to Tenant's Works // Indemnities to Tenants	-	€ excl. VAT
Indemnities paid by Tenants to Landlord // Other Revenues	-	€ excl. VAT

Capitalisation Method Conclusion

Main Use	Lettable Area sq m	Basis of Capitalisation	Yield Applied	Discounted Losses/Excess of income	Perm. Void & Glob. NR	Market Value inclusive K€	Purchaser's Costs	Market Value exclusive K€	Market Value excl.	Net initial yield	Rever -sionary yield
Office											
Warehouse	9 244	509	**6,80%**		(150)	7 342	6,90%	**6 868**	743	6,80%	6,79%
Manufacturing											
Parkings											
Total	**9 244**	**509**	**6,80%**	**-**	**(150)**	**7 342**	**6,90%**	**6 868**	**743**	**6,80%**	**6,79%**
TOTAL Rented	**9 244**	**509**	**6,80%**	**-**	**(150)**	**7 342**	**6,90%**	**6 868**	**743**	**6,80%**	**6,79%**
TOTAL Vacant	**0**	**-**		**-**	**-**	**-**	**6,90%**	**-**	**-**		

5.4. Discounted Cash Flow Methodology

Year	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**
Index ICC / Expenses Inflation	1,25%	1,50%	1,70%	1,75%	1,75%	1,75%	1,75%	1,75%	1,75%	1,75%
Index ILAT	1,40%	1,50%	1,60%	1,65%	1,65%	1,65%	1,65%	1,65%	1,65%	1,65%
Index ILC	1,50%	1,60%	1,65%	1,65%	1,65%	1,65%	1,65%	1,65%	1,65%	1,65%
Market Rental Growth	0,50%	1,00%	1,50%	1,50%	1,50%	1,50%	1,50%	1,50%	1,50%	1,50%
Maintenance										
CAPEX *										

*** The CAPEX retained come from the Technical Due Diligence carried out by Arcadis, dated 13 April 2018 (Vendor Capex retained and adjusted according to comments).**

Analysis by Discounted Cash Flow - K€

Year	1	2	3	4	5	6	7	8	9	10
Gross Rents	511	519	526	535	544	553	524	452	566	576
Rent Free Period/Additionnal Rent							(104)	(35)		
Indemnities received/paid										
Costs (vacancy, NR, doubtful)	(10)	(10)	(11)	(11)	(11)	(11)	(16)	(26)	(11)	(12)
Capex/Maintenance										
Reletting works										
Marketing fees								(21)		
Total Acquisition Costs										8 170
Remaining Rent Free Period to deduct										
Transfer costs										(702)
Free Cash Flows	**501**	**508**	**516**	**524**	**533**	**542**	**403**	**370**	**555**	**8 032**

Discount Rate - Cash Flow	**7,50%**	**Doubtful Debtors**	0,00%	% rent/year	**Letting Fees**	15,00%	% Headline Rent
Discount Rate - Resale Value	**7,50%**	**NR Charges**	2,00%	% rent/year	**Broker's Fees**	2,50%	% Resale Value
Discount Rate - CAPEX	**7,50%**	**Permanent Void**	0,00%	% rental area	**DCF Duration**	10	years

DCF method conclusion

Main Use	**RESALE ASSUMPTIONS AND CONCLUSION**						**Market Value**	**Purchaser's Costs**	**Market Value**	
	Fixed Period	Reversion	**Cap Rate**	Basis of Capitalisation	Resale Value € excl.	€ excl./sq m	K€ Incl.		€ exclusive	€/sq m
Office										
Warehouse	2,3	1,7%	**7,00%**	572	7 468	808	7 235	6,90%	6 767 891	732
Manufacturing										
Parkings										
Total	**2,3**	1,7%	**7,00%**	**572**	**7 468**	**808**	**7 235**	**6,90%**	**6 768 000**	**732**

5.5. Conclusion of Market Value

Methodology	Market Value inclusive	Purchaser's Costs	Market Value exclusive		Net Initial Yields *				
	€ inclusive		€ exclusive	€ excl./sq m	Net Passing	Net Headline	Net Potential	Theoretical	Net Headline on MV Rented
Capitalisation	7 342 000	6,90%	6 868 000	743	6,80%	6,80%	6,80%	6,79%	6,80%
DCF	7 235 000	6,90%	6 768 000	732	6,90%	6,90%	6,90%	6,89%	6,90%

*Net Initial Yields **

Passing Net Initial Yield : (Passing Net Rent - NR Charges) / MV incl

Net Headline Yield : (Net Headline Rent - NR Charges) / MV incl.

Potential Net Initial Yield : (Net Headline Rent + MR of vacant areas - NR Charges) / MV incl.

Theoretical Initial Yield : (Market Rent - NR Charges) / MV incl.

Rounded Market Value

We are of the opinion that the Market Value of he freehold interest in the above Subject Property, as at 30 June 2018, subject to the existing tenancies, assumptions and comments in this Valuation Report and the Appendices, is:

Methodology Retained DCF

Market Value incl. Purch' costs	7 235 000	€ inclusive	783	€/sq m
Purchaser's Costs	6,90%			
Market Value excl. Purch' cost	**6 768 000**	**€ exclusive**	**732**	**€/sq m**

Net Headline Yield	6,90%
Net Headline Yield (on rented MV	6,90%
Net Potential Yield	6,90%
Net Reversionary Yield	6,89%

6. Vacant Possession Value

We have undertaken the valuation of the building under the special assumption that it is fully vacant (Vacant possession Value).
This methodology consists of capitalising the potential net income at an appropriate yield deducting losses reflecting the marketing and incentives necessary to relet the property

Tenant	Marketing Void	Vacancy cost	Rent Free Period	Discount / Premium to Market Rent	Reletting Works	Yield Applied	Potential Income Capitalised	Total Discounted Losses (void, works, rent free, fees)	Gross VPV	Net VPV	
	months	€/sq m	months	%	€/sq m		€	€	€ incl.	€ excl.	€/sq m excl.
Vacant 1	12	9	3			8,00%	6 355 250	(732 341)	5 622 909	5 259 971	569
TOTAL							6 355 250	(732 341)	5 622 909	5 259 971	569

OPEX / CAPEX details and other indemnities / revenues

Maintenance Works (Budget on 10 years not discounted)	-	€ excl. VAT
CAPEX // Major Repairs (Budget on 10 years not discounted)	-	€ excl. VAT

Conclusion

MAIN USE	Lettable Area sq m	Basis of Capitalisation	Yield Applied	Potential Income capitalised	Discounted Losses/Excess of income	Major Works / CAPEX / Perm. Void & Glob. NR	Market Value inclusive K€	Purchaser's Costs	Market Value exclusive K€	Market Value excl. € excl./sq m	Rever -sionary yield ***
Office											
Warehouse	9 244	508	8,00%	6 355	(732)	(150)	5 473	6,90%	5 120	554	9,10%
Manufacturing											
Parkings											
Total	9 244	508	8,00%	6 355	(732)	(150)	5 473	6,90%	5 120	554	9,10%

7. Estimated Reinstatement Cost

We have prepared our assessment of the reinstatement cost of the building assuming the reinstated building will be identical to existing structural conditions, save for the land, but taking into account all taxes, work costs, technical fees and miscellaneous fees.

This estimation does not take into account he developers margin.

Land Area	20 386	sq m	Basement parkings	0	units
Total Lettable Area	9 244	sq m			
Gross / Net ratio	95,0%				
SHON (net constructed area)	9 731	sq m SHON			

Reconstruction Cost - Floor Area	750	€/sq m SHON	7 297 895	€ excl.
Land Development	7,50%	Const. Costs	547 342	€ excl.
Fiscal Conditions (taxes, royalties, charges etc.)	4,00%	Const. Costs	291 916	€ excl.
Technical Fees (MOE, BET, Insurance)	10,00%	Const. + Gridding	784 524	€ excl.
Financial Fees	2,50%	Total Const. Costs	223 042	€ excl.
Reinstatement Cost	**940**	**€/sq m SHON**	**9 145 000**	**€ excl.**

We assume that any VAT is recoverable and we do not retain any loss of rent or allow for inflation during the reconstruction period.

An estimated reinstatement cost is our assessment of the cost of reinstating the property at he date of valuation. We have not been provided with the actual construction costs, but have estimated these overall costs based on our knowledge of similar buildings.

The figures set out in this valuation sheet are our assessment of the cost of reconstructing he property. They include an allowance for demolition, removal of debris, temporary shoring, statutory and professional fees which are likely to be incurred on reconstruction, but exclude any allowance for VAT. If you are unable to recover VAT, or can recover part only, you should advise your insurers and increase he Base Sum Insured appropriately. The figures make no allowance for loss of rent during the rebuilding period, nor for inflation, nor the cost of dealing with any contamination which may be present and have to be dealt with prior to reconstruction. The assessment does not provide advice in respect of terrorist damage cover and you should consult with your insurers in respect of this.

We have assumed that the reinstated building and its use will be similar to that existing, and the reinstated building will be to he original design, in modern materials, using modern techniques to modern standards.

We have considered the extent and nature of the building but our assessments have been undertaken as part of our normal valuation exercise. We have not carried out a formal reinstatement cost assessment through a Building Consultancy company. Our assessment should be treated as a guide only and should not be relied upon. It should be used for comparative purposes only against the borrower’s proposed reinstatement cover.

Should any discrepancies arise, a formal reinstatement cost assessment should be commissioned.

8. Photos

Exterior View

Exterior View

Interior View

Interior View

Environment

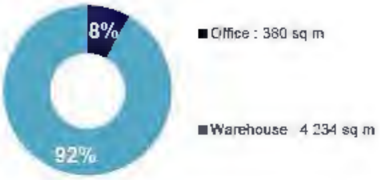
Environment

Valuation Summary — Mions

Address	31, Boulevard des Nations		
ZIP-Town	69780 - Mions	**Hub/Market**	Lyon
Completion Date	2001 / 2003		
Main Use	Logistics		

Project Type	Valuation Report	
Inspection Date	13/06/2018	
Valuer	Antoine LANIESSE	
Land Area	10 000	sq m
Tenure	Freehold equivalent	

Share of the area by nature



Rating	
Macro Location	3
Micro Location	2
Building Quality	2
Condition	3
Lettability	3
Marketability (sale	3
Overall rating	3
Loan Security	medium

Total Lettable Area		4 614 sq m		
Occupancy Rate		100%		
Remaining Duration (WALB / WALT)		8,5 / 8,5 years		
Main Tenant		EPSILOG		
Number of Leases		1		
Estimated marketing period		12 months		
Net Headline Rent	K€/year excl.	220	48	€/sq m/yr excl.
Net Potential Rent	K€/year excl.	220	48	€/sq m/yr excl.
Market Rental Value	K€/year excl.	219	48	€/sq m/yr excl.

SWOT ANALYSIS

Strengths

- Good location in an identified industrial area,
- The building is fully let,
- Easy access, in close proximity to the ring road E and to the St Priest train station,
- Asset in good condition considering its age,
- Remaining fixed term period of 7,5 years.

Weaknesses

- Building located in a secondary industrial zone of Lyon,
- In case of departure, the building could not be divided into 2 tenants.

Opportunities

- A light refurbishment could improve the attractiveness of the building,
- Unique asset with a large area.

Threats

- In case of departure of the tenant, the marketing period could be long.

VALUATION METHOD CONCLUSION

Methodology	Market Value			CAPEX not discounted (Deducted) €	Purchaser's Costs	Net Initial Yields *				
	€ inclusive	€ exclusive	€ excl /sq m			Net Passing	Net Headline	Net Potential	Theoretical	Net Headline on MV Rented
Capitalisation	3 142 000	2 940 000	637	73 000	6,90%	6,65%	6,65%	6,65%	6,63%	6,65%
DCF	3 065 000	2 867 000	621		6,90%	6,82%	6,82%	6,82%	6,79%	6,82%

** : Passing Net Initial Yield : (Passing Net Rent - NR Charges) / MV incl.*

Net Headline Yield : (Net Headline Rent - NR Charges) / MV incl. *Theoretical Initial Yield : (Market Rent - NR Charges) / MV incl.*

MARKET VALUE CONCLUSION

Market Value incl. Purch' costs	**3 143 000**	€ inclusive	681	€ incl./sq m
Purchaser's Costs	6,90%			
Market Value excl. Purch' costs	**2 940 000**	€ exclusive	637	€ excl./sq m

Net Headline Yield	6,65%
NIY on rented MV	6,65%
Net Potential Yield	6,65%
Net Reversionary Yield	6,62%

Additional Valuation	Market Value		General Assumptions			
	€ exclusive	€ excl./sq m	Void Period months	Rent Free months	Capitalisation Yield	Construction Costs €/sqm SHON
Vacant Possession Value	2 024 000	439	12	3	8,00%	
Estimated Reinstatement Cost	2 602 000	564				450,00

1. Property Presentation

Aerial View

Cadastral Matrix

Designation

The property primarily used as logistics is situated :

31, Boulevard des Nations - 69780 Mions

Cadastral References

AA n°244

Land Area 10 000 sq m

Tenure

According to the notarial due diligence carried out by "Attal et Associés Notaires", we understand that the property is held freehold equivalent.

Location & Environment

The asset is located in Mions, in the south east of France in the Rhône region (69). This city is part of the large agglomeration of Lyon-Métropole. Lyon is France's third largest market by population and second largest logistics hub by absorption. It is also an established logistics location, serving as a principal connection between northern and southern France.

Mions is located 5 km away from Lyon, 76 km from Chamberry, 107 km from Genève. The asset is located just 1 km away from the A46 and 4 km from A43.

The property is situated in the north-western part of the commune, at Boulevard des Nations, occupies a 4,614 sq m plot and is part of the logistics industrial area.

The surrondings of the property is mainly composed of light industrial spaces such as Point P or Cora automobiles. It is also directly close to the penitenciary institution of Corbas.

Transport & Access

The Property can be accessed through:
- D318 (route d'Heyrieux),
- A46 motorway (ring road E),
- Railway: Lyon Part Dieu train station is less than 20 km west of the subject property, providing rail connections to Paris and Marseille,
- Airport: the nearest airport is the Lyon Bron airport which is approximately 10 minute drive west from the property. The airport Lyon Saint exupéry is also accessible, approximately 18 km to the east.

Exterior View

Interior View

Exterior Description

The asset is a mixed industrial/office property comprising one building on a plot with a regular shape, built in 2001/2003.
The structure of the building is made of steel with concrete blocks and concrete floor for the light industrial part. The roof is made of bituminous felt covering. This building benefits from 1 level door and 13 dock doors with a front type loading.
The building has a mixture of streel and concrete frame constructions.
The property offers 29 external car parking spaces.

Internal Layout

All office areas present the same specifications: suspended ceilings with inset lights, painted walls, tiled floor and intercoms for access. The common area benefits from suspended ceilings with inset lights, tiled floors and toilets.
The building is a light industrial building with office areas. The office areas benefit from an aerothermal heating system. The light industrial areas have an eaves height of 8m and a floor load capacity of 3 t/sq m.
The property comprises 4,614 sq m split into 8% of offices (380 sqm) and 92 % of light industrial premises (4,234 sqm).
The asset is entirely rent to Espilog, a French firm created in 1993 which employs 70 workers for total turnover of 15 M€ in 2016. The firm is specialised in supply chain (transport and logistic).

Contamination and Diagnosis Conclusion

Potential Sources of Soil and Water Contamination	: Low/Moderate
Site Sensitivity	: Low/Moderate
Risk Assessment	: Low/Moderate
Environmental certifications	: None

Other Environmental Issues

None

General Environmental Conclusion

As some uses that could have potentially contaminated the land have been identified on site and in the vicinity, the property has been graded as Low/Moderate from an environmental liability perspective.

General Condition

The property appears to have been well maintained with regard to its age, use and construction.
During the course of our inspection, we did not notice any apparent defects.

Town Planning

According to the PLU document "Plan Local d'urbanisme" which was modified on the 6th of October 2017, the property is located in the Zone "Urbaine Industrielle" UI.
The main characteristics and regulations for the zone are as follows:

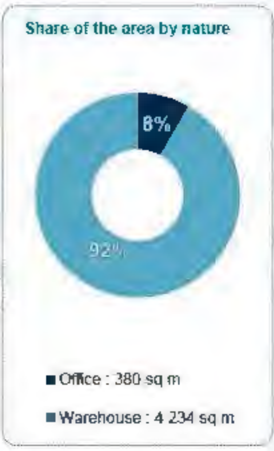
- Emprise au sol (maximum footprint): 60%.
- Maximum height of buildings: The maximum height of new constructions is 12 m above the natural level of the land.
- “Coefficient d’Occupation des Sols” (plot ratio): not prescribed.

2. Area Schedule

Area Typology	Total Area		Occupied Area	Vacant Area	Occupancy Rate
	sq m lettable	Share	sq m lettable	sq m lettable	
Office	380	8,2%	380	-	100%
Warehouse	4 234	91,8%	4 234	-	100%
Manufacturing	–		-	-	
Other	–		-	-	
Parking int.	-		-	-	
Parking ext.	-		-	-	
TOTAL	4 614	100,0%	4 614	-	100%

ICR / Base Area	*4 614*	*sq m*

Area Source Documents
For the purpose of this valuation we have been provided with lettable areas of the property, sent by EASTD LL Secured, in the "Property Use by Tenant" and "Financing Rent Roll" Excel files, undated. We have not undertaken measurements of the property. Following our site visit, we have come to the conclusion that the areas provided seem to correspond to the inspected property. Should the surface areas differ from the provided surface areas, we reserve the right to alter our valuation accordingly.


Share of the area by nature


Occupancy by area typology

3. Rental Situation

Tenancy Schedule

Tenants	Floor	Main Use	AREA SCHEDULE						LEASE DURATION				INDEXATION	
			Office sq m	Warehouse sq m	Manufacturing sq m	Other sq m	Parking Internal/ External units	TOTAL sq m	Lease type	Lease Start	Next Break Option	Lease End	Next Indexation Date	Current Index
EPSILOG	GF	Warehouse	380	4 234				4 614	Com. L	01/01/17	31/12/26	31/12/26	01/01/19	LAT
TOTAL			380	4 234			0 / 0	4 614						
TOTAL Rented			380	4 234	-	-	0 / 0	4 614						
TOTAL Vacant			-	-	-	-	0 / 0	-		Vacancy Rate	0%			

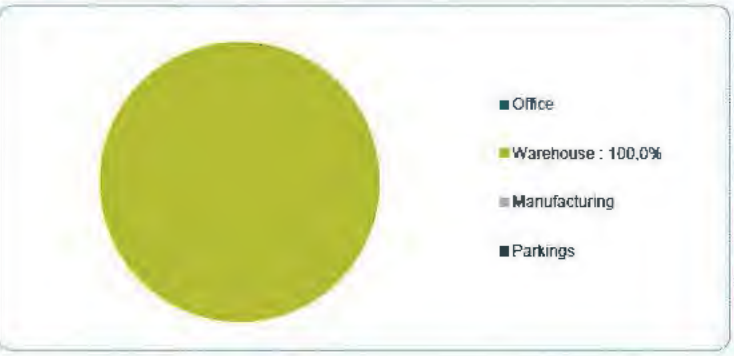
Management of Charges and Analysis of Net Rent

Tenants	Gross Passing Indexed Rent	Gross Headline Indexed Rent	NON-RECOVERABLE CHARGES (€/YEAR) *					TOTAL Non Recoverable	NET HEADLINE RENT **		Additional Rent	
	€/yr excl.	€/yr excl.	Property Tax	Office Tax	Insurance	Major Repairs (art. 606)	Mgmt Fees	€/sq m/yr	€/yr excl.	€/sq m/yr	Current Amount €/yr excl.	End Date
EPSILOG	220 000	220 000	T	T	T	T	T		220 000	48		
									-			
									-			
TOTAL	220 000	220 000							220 000	48		

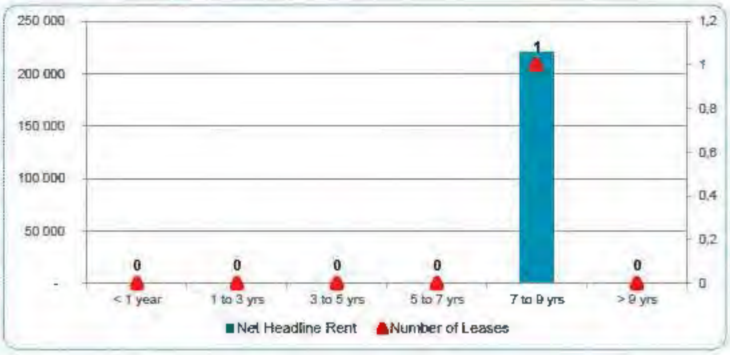
* T = "Tenant" => charges entirely recoverable

** Net Headline Rent not taking into account the global NR charges retained for the property (5,00% of passing rent per year)

Net Passing Rental income's share by Main Use



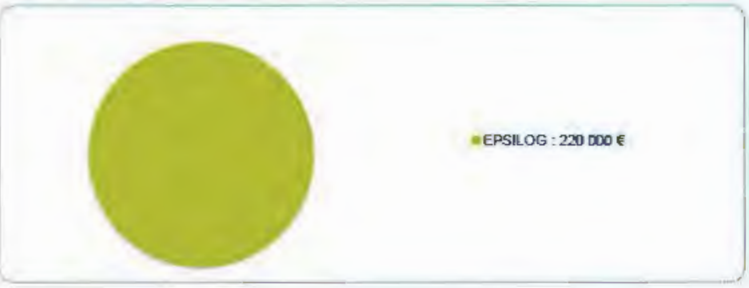
State of Remaining Fixed Term (WALB)



Lease Incentives

Tenants	STEPPED RENTS						RENT FREE PERIOD						Indemnities € / Part. W	
	Start Date 1	Step Rent 1 €/yr	Start Date 2	Step Rent 2 €/yr	Start Date 3	Step Rent 3 €/yr	Start Date 1	Initial Duration months	Start Date 2	Duration 2 months	Start Date 3	Duration 3 months	Date	Amount Paid or Received € excl.
EPSILOG														

TOP 5 Tenants



State of Remaining Fixed Term (WALB)

4. Asset Positioning

Local Rental Market

Mions is a city located in the suburbs of Lyon in the immediat proximity of the A46 motorway (east ring road) linking the city with Lyon and the suburbs. There are no identified industrial zones in the commune. However, the subject asset is located at the border with Corbas, in the north-eastern part of the city and can be associated with the ZI Corbas Monmartin.

The industrial market is relatively transparent in Mions, some recent transactions concerning this type of assets have been registered in the city, mainly due to the proximity of Lyon, the second-largest activity driver along the Corridor (behind Paris Region, which accounts for 53% of the Q1 2018 take up along the Corridor) is not far away. The Q1 2018 take-up there remained relatively unchanged from one year to another (40,000 sq m, -4.5% versus Q1 2017, which accounts for 17% of the Q1 2018 take up along the Corridor).

In our approach of the rental market value, we have analysed rental transactions in similar zones, with comparable accessibility and locations. The rental value for this type of asset and this location stands between 40€/sq m and 60€/sq m depending on the asset's condition and the specifications of the building.

Comparable Rental Transactions

Quality compared to subject property: ▲ Above ▼ Below ▬ Equivalent

Address	Date		Owner	Tenant	Area sqm	Fixed Period	Rent €/sqm	Comments
7, rue Jacques de Vaucanson - 69780 - Mions - Logistics	03/2018	▲	AEW Europe	Nouvelle Attitude	3 560	NC	53	Light industrial premise located in an area mainly composed of industrial properties and logistic in the suburb of Lyon.
136, route d'Heyrieux - 69780 - Mions - Logistics	03/2018	▲	SCI Alsy	Junger Grater SARL	1 000	NC	85	Light industrial premise located in an area mainly composed of industrial properties and logistic in the suburb of Lyon.
9, rue des Albatros - 69780 - Mions - Logistics	10/2017	▬	Les murieres	Steel Form	2 063	NC	50	Light industrial premise located in an area mainly composed of industrial properties and logistic in the suburb of Lyon.
31, rue du Traité de Rome - 69780 - Mions - Logistics	12/2015	▲	SARL BATT MAND	Baumit SAS	620	NC	64	Light industrial premise located in an area mainly composed of industrial properties and logistic in the suburb of Lyon.

Comparable Rental Supply

Address	Type		Area sqm	Divisibility sqm	Office€/sqm	Warehouse	Parking €/sqm	Comments
Boulevard des Nations - 69780 - Mions	Logistics	▲	958	NC	70			● Height : 6,5 meters ● Ground : concrete slab ● Car parking ● Dockside doors: 7 ● Ground level doors: 1
Nord - 69780 - Mions	Logistics	▲	620	NC	68			● Height : 7,2 meters ● Ground : concrete slab ● Type of heat: 2 air heaters ● Car parking ● Dockside doors: 1
Parc d'activité Colière - 69780 - Mions	Light Industrial	▬	324	NC	56			● Ground : concrete slab ● Type of heat: air heaters/ AC (only in the offices) ● Car parking ● Ground level doors ● Type of activity : business premises/offices
Boulevard des Nations - 69780 - Mions	Logistics	▬	269	NC	62			● Height: 5,85 to 6,5 meters ● Ground: concrete slab ● Type of heat: electric convectors/ AC (only in the offices) ● Car parking ● Ground level doors: 1

Investment Market

The investment market is a very opportunistic market and targets a large range of investors. However, the investors are looking nowadays for larger surfaces as the number of warehouses with areas from 10,000 to 30,000 sq m increased significantly and accounted for over half of the registered take-up during Q1 2018 in France. After being subject to strong compression for the past three years, prime logistics yields have continued to reach ever further lows. However, these decreases are confined to exceptional assets located at the heart of deep markets, such as Lyon and their yields now stand at 4.75% (prime). In addition, the company Goodman has built a 6,000 sq m warehouse for Amazon in St-Priest which opened in January 2018. Goodman will also build a large warehouse south of Saint-Exupéry, between Colombier-Saugnieu and Saint-Laurent-de-Mure with a total area of 160,000 sq m spread over 2 levels. The site that could open in late 2019 will also be used by Amazon.
We have ascertained some transactions which occurred in comparable areas with comparable accessibility. These transactions reflect the aspect of the market (very opportunistic) with net initial yields above 7%.

Comparable Investment Transactions

Address	Date	Purchaser	Seller	Sale Price € excl.	€ excl /sq m	Published Yield	Area sqm- (sqm)	Comments
Logistique - 11, rue Jacques de Vaucanson 69780 Mions	01/02/2017	Geci production	Supratec	1 550 380	871,0		1 780	Old property located close to the subject property.
Logistique - 2, rue de l'allemagne 69780 Mions	29/12/2016			4 134 000	1 839,0		2 248	Old property located close to the subject property.
Logistique - 136, rue d'ancienne d'Heyrieux 69780 Mions	01/04/2016			2 020 000	726,6		2 780	Old property located close to the subject property.

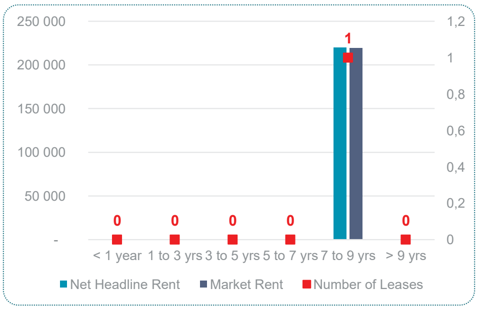
5. Property Valuation

5.1. Market Rent

Tenants	MARKET RENTAL VALUE (€ excl.) Office	Warehouse	Manufacturing	Other	Internal Pk	ICR	Total Excl.		NET HEADLINE RENT Total Excl.		Theoretical Reversion
	€/sq m/yr	€/sq m/yr	€/sq m/yr	€/sq m/yr	€/u/year	€/sq m/yr	€/yr	€/sq m/yr	€/yr	€/sq m/yr	MR / Rent
EPSILOG	48	48					219 165	48	220 000	48	-0,4%
TOTAL	**48**	**48**					**219 165**	**48**	**220 000**	**48**	-0,4%
TOTAL Rented	**48**	**48**	-	-	-	-	**219 165**	**48**	**220 000**	**48**	-0,4%
TOTAL Vacant	-	-	-	-	-	-	-	-			

Main Use	Number of Leases	Usable Areas	Net Headline Rent		Market Rental Value		Theoretical Reversion
		sq m / units	€/year excl.	€/sq m/yr	€/year excl.	€/sq m/yr	MR / Rent
Office							
Warehouse	1		220 000	48	**219 165**		-0,4%
Manufacturing							
Parkings							
TOTAL	1	0	**220 000**	**48**	**219 165**		-0,4%

Potential loss/earning of rent at future lease break options



5.2. General Assumptions (at Renewal / Departure / Letting)

In our valuation, we have retained the following assumptions in case of renewal or departure at the next potential tenant breaks.

			Tenant Departure Assumptions				Tenant Renewal Assumptions				
Tenants	**Potential Date of Departure**	**Proba-bility of departure %**	**Reletting work** €/sq m	**Void Period** months	**Rent-Free Period** months	**Fixed Period** years	**Reversion at Lease End**	**Renewal Base ***	**Reversion Captured at Renewal**	**Rent-Free Period** months	**Fixed Period** years
EPSILOG	31/12/26	25%		12	3	3	-1,8%	MR	-1,8%	3	3

* MR : Market Rent / LIR : Last Indexed Rent

5.3. Capitalisation Methodology

Tenant	Remaining Fixed Term	Capitalised Income Type	Basis of Capitalisation	Yield Applied	Income Capitalised	Compensation / Losses	Gross Market Value	Market Value Exclusive before Capex and Structural Void		Net Initial Yield	Rever- -sionary Yield
	years		K€/year excl.		K€	K€	K€ Incl.	**K€ Excl.**	**€ excl./sq m**		
EPSILOG	8,5	Net Headline Re	**220**	6,50%	3 385	-	3 385	**3 166**	**686**	6,50%	6,48%
TOTAL	**8,5**		**220**	**6,50%**	**3 385**	-	**3 385**	**3 166**	**686**	**6,50%**	**6,48%**

OPEX / CAPEX details and other indemnities / revenues

Maintenance Works (Budget on 10 years not discounted)	-	€ excl. VAT
CAPEX // Major Repairs (Budget on 10 years not discounted)	73 000	€ excl. VAT
Landlord's Contribution to Tenant's Works // Indemnities to Tenants	-	€ excl. VAT
Indemnities paid by Tenants to Landlord // Other Revenues	-	€ excl. VAT

Capitalisation Method Conclusion

Main Use	Lettable Area sq m	Basis of Capitalisation	Yield Applied	Discounted Losses/Excess of income	Perm. Void & Glob. NR	Market Value inclusive K€	Purchaser's Costs	Market Value exclusive K€	Market Value excl.	Net initial yield	Rever -sionary yield
Office											
Warehouse	4 614	220	**6,50%**		(169)	3 142	6,90%	**2 940**	637	6,65%	6,63%
Manufacturing											
Parkings											
Total	**4 614**	**220**	**6,50%**	**-**	**(169)**	**3 142**	**6,90%**	**2 940**	**637**	**6,65%**	**6,63%**
TOTAL Rented	**4 614**	**220**	**6,50%**	**-**	**(169)**	**3 142**	**6,90%**	**2 940**	**637**	**6,65%**	**6,63%**
TOTAL Vacant	**0**	**-**		**-**	**-**	**-**	**6,90%**	**-**	**-**		

5.4. Discounted Cash Flow Methodology

Year	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**
Index ICC / Expenses Inflation	1,25%	1,50%	1,70%	1,75%	1,75%	1,75%	1,75%	1,75%	1,75%	1,75%
Index ILAT	1,40%	1,50%	1,60%	1,65%	1,65%	1,65%	1,65%	1,65%	1,65%	1,65%
Index ILC	1,50%	1,60%	1,65%	1,65%	1,65%	1,65%	1,65%	1,65%	1,65%	1,65%
Market Rental Growth	0,50%	1,00%	1,50%	1,50%	1,50%	1,50%	1,50%	1,50%	1,50%	1,50%
Maintenance										
CAPEX *	73 000									

*** The CAPEX retained come from the Technical Due Diligence carried out by Arcadis, dated 13 April 2018 (Vendor Capex retained and adjusted according to comments).**

Analysis by Discounted Cash Flow - K€

Year	1	2	3	4	5	6	7	8	9	10
Gross Rents	222	225	228	232	236	240	244	248	217	217
Rent Free Period/Additionnal Rent									(46)	(16)
Indemnities received/paid										
Costs (vacancy, NR, doubtful)	(11)	(11)	(11)	(12)	(12)	(12)	(12)	(12)	(19)	(18)
Capex/Maintenance	(73)									
Reletting works										
Marketing fees										(9)
Total Acquisition Costs										3 512
Remaining Rent Free Period to deduct										
Transfer costs										(302)
Free Cash Flows	**137**	**214**	**217**	**220**	**224**	**228**	**231**	**235**	**152**	**3 384**

Discount Rate - Cash Flow	**7,25%**	**Doubtful Debtors**	0,00%	% rent/year	**Letting Fees**	15,00%	% Headline Rent
Discount Rate - Resale Value	**7,25%**	**NR Charges**	5,00%	% rent/year	**Broker's Fees**	2,50%	% Resale Value
Discount Rate - CAPEX	**7,25%**	**Permanent Void**	0,00%	% rental area	**DCF Duration**	10	years

DCF method conclusion

Main Use	**RESALE ASSUMPTIONS AND CONCLUSION**						**Market Value**	**Purchaser's Costs**	**Market Value**	
	Fixed Period	Reversion	**Cap Rate**	Basis of Capitalisation	Resale Value € excl.	€ excl./sq m	K€ Incl.		€ exclusive	€/sq m
Office										
Warehouse	1,8	5,7%	**6,75%**	237	3 210	696	3 065	6,90%	2 867 215	621
Manufacturing										
Parkings										
Total	**1,8**	5,7%	**6,75%**	**237**	**3 210**	**696**	**3 065**	**6,90%**	**2 867 000**	**621**

5.5. Conclusion of Market Value

Methodology	Market Value inclusive	Purchaser's Costs	Market Value exclusive		Net Initial Yields *				
	€ inclusive		€ exclusive	€ excl./sq m	Net Passing	Net Headline	Net Potential	Theoretical	Net Headline on MV Rented
Capitalisation	3 142 000	6,90%	2 940 000	637	6,65%	6,65%	6,65%	6,63%	6,65%
DCF	3 065 000	6,90%	2 867 000	621	6,82%	6,82%	6,82%	6,79%	6,82%

*Net Initial Yields **

Passing Net Initial Yield : (Passing Net Rent - NR Charges) / MV incl.

Net Headline Yield : (Net Headline Rent - NR Charges) / MV incl.

Potential Net Initial Yield : (Net Headline Rent + MR of vacant areas - NR Charges) / MV incl.

Theoretical Initial Yield : (Market Rent - NR Charges) / MV incl.

Rounded Market Value

We are of the opinion that the Market Value of he freehold interest in the above Subject Property, as at 30 June 2018, subject to the existing tenancies, assumptions and comments in this Valuation Report and the Appendices, is:

Methodology Retained Capitalisation

Market Value incl. Purch' costs	3 143 000	€ inclusive	681	€/sq m
Purchaser's Costs	6,90%			
Market Value excl. Purch' cost	**2 940 000**	**€ exclusive**	**637**	**€/sq m**

Net Headline Yield	6,65%
Net Headline Yield (on rented MV	6,65%
Net Potential Yield	6,65%
Net Reversionary Yield	6,62%

6. Vacant Possession Value

We have undertaken the valuation of the building under the special assumption that it is fully vacant (Vacant possession Value).
This methodology consists of capitalising the potential net income at an appropriate yield deducting losses reflecting the marketing and incentives necessary to relet the property.

Tenant	Marketing Void	Vacancy cost	Rent Free Period	Discount / Premium to Market Rent	Reletting Works	Yield Applied	Potential Income Capitalised	Total Discounted Losses (void, works, rent free, fees)	Gross VPV	Net VPV	
	months	€/sq m	months	%	€/sq m		€	€	€ incl.	€ excl.	€/sq m excl.
Vacant 1	12	12	3			8,00%	2 739 563	(333 232)	2 406 330	2 251 011	488
TOTAL							2 739 563	(333 232)	2 406 330	2 251 011	488

OPEX / CAPEX details and other indemnities / revenues

Maintenance Works (Budget on 10 years not discounted)	-	€ excl. VAT
CAPEX // Major Repairs (Budget on 10 years not discounted)	73 000	€ excl. VAT

Conclusion

MAIN USE	Lettable Area sq m	Basis of Capitalisation	Yield Applied	Potential Income capitalised	Discounted Losses/Excess of income	Major Works / CAPEX / Perm. Void & Glob. NR	Market Value inclusive K€	Purchaser's Costs	Market Value exclusive K€	Market Value excl. € excl./sq m	Rever -sionary yield ***
Office											
Warehouse	4 614	219	8,00%	2 740	(333)	(242)	2 164	6,90%	2 024	439	9,62%
Manufacturing											
Parkings											
Total	4 614	219	8,00%	2 740	(333)	(242)	2 164	6,90%	**2 024**	439	9,62%

7. Estimated Reinstatement Cost

We have prepared our assessment of the reinstatement cost of the building assuming the reinstated building will be identical to existing structural conditions, save for the land, but taking into account all taxes, work costs, technical fees and miscellaneous fees.

This estimation does not take into account he developers margin.

Land Area	10 000	sq m	Basement parkings	0	units
Total Lettable Area	4 614	sq m			
Gross / Net ratio	100,0%				
SHON (net constructed area)	4 614	sq m SHON			

Reconstruction Cost - Floor Area	450	€/sq m SHON	2 076 300	€ excl.
Land Development	7,50%	Const. Costs	155 723	€ excl.
Fiscal Conditions (taxes, royalties, charges etc.)	4,00%	Const. Costs	83 052	€ excl.
Technical Fees (MOE, BET, Insurance)	10,00%	Const. + Gridding	223 202	€ excl.
Financial Fees	2,50%	Total Const. Costs	63 457	€ excl.
Reinstatement Cost	**564**	**€/sq m SHON**	**2 602 000**	**€ excl.**

We assume that any VAT is recoverable and we do not retain any loss of rent or allow for inflation during the reconstruction period.

An estimated reinstatement cost is our assessment of the cost of reinstating the property at he date of valuation. We have not been provided with the actual construction costs, but have estimated these overall costs based on our knowledge of similar buildings.

The figures set out in this valuation sheet are our assessment of the cost of reconstructing he property. They include an allowance for demoli ion, removal of debris, temporary shoring, statutory and professional fees which are likely to be incurred on reconstruction, but exclude any allowance for VAT. If you are unable to recover VAT, or can recover part only, you should advise your insurers and increase he Base Sum Insured appropriately. The figures make no allowance for loss of rent during the rebuilding period, nor for infla ion, nor the cost of dealing with any contamination which may be present and have to be dealt with prior to reconstruction. The assessment does not provide advice in respect of terrorist damage cover and you should consult with your insurers in respect of this.

We have assumed that the reinstated building and its use will be similar to that exis ing, and the reinstated building will be to he original design, in modern materials, using modern techniques to modern standards.

We have considered the extent and nature of the building but our assessments have been undertaken as part of our normal valuation exercise. We have not carried out a formal reinstatement cost assessment through a Building Consultancy company. Our assessment should be treated as a guide only and should not be relied upon. It should be used for comparative purposes only against the borrower's proposed reinstatement cover.

Should any discrepancies arise, a formal reinstatement cost assessment should be commissioned.

8. Photos

Exterior View

Exterior View

Interior View

Interior View

Environment

Environment

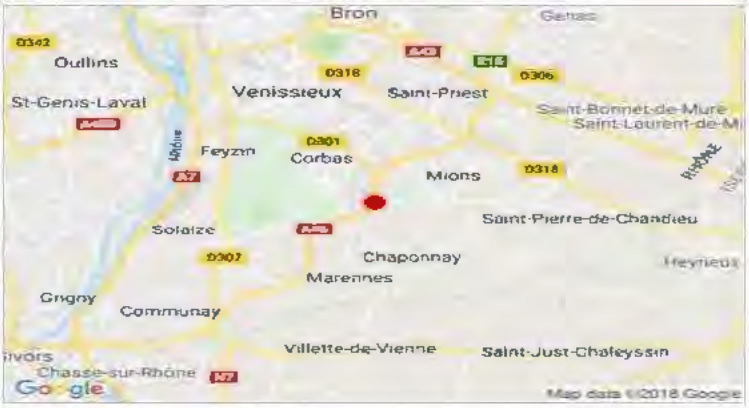
CUSHMAN & WAKEFIELD

Valuation Summary

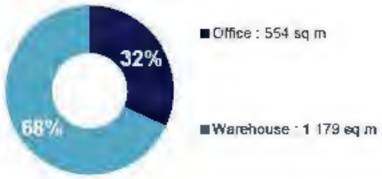
Chaponnay

Address	ZAC du Chapotin, Rue des Frères Voisins, Rue Juliette Récamier		
ZIP-Town	69970 - Chaponnay	Hub/Market	Lyon
Completion Date	2007		
Main Use	Mixed-Use		

Project Type	Valuation Report	
Inspection Date	14/06/2018	
Valuer	Antoine LANIESSE	
Land Area	4 695	sq m
Tenure	Freehold equivalent	



Share of the area by nature



Rating	
Macro Location	3
Micro Location	3
Building Quality	2
Condition	3
Lettability	2
Marketability (sale	2
Overall rating	3
Loan Security	medium

Total Lettable Area		1 733 sq m		
Occupancy Rate		100%		
Remaining Duration (WALB / WALT)		4,8 / 7,8 years		
Main Tenant		Archeodunum		
Number of Leases		2		
Estimated marketing period		0 months		
Net Headline Rent	K€/year excl.	129	75	€/sq m/yr excl.
Net Potential Rent	K€/year excl.	129	75	€/sq m/yr excl.
Market Rental Value	K€/year excl.	129	75	€/sq m/yr excl.

SWOT ANALYSIS

Strengths

- Good location in an identified industrial area,
- The building is fully let,
- Easy access, in close proximity to the ring road E,
- Asset in good condition considering its age,
- Remaining fixed term period of 4,8 years.

Weaknesses

- Building located in a secondary industrial zone of Lyon.

Opportunities

- A light refurbishment could improve the attractiveness of the building.

Threats

- In case of departure of one of the tenants, the marketing period could be long.

VALUATION METHOD CONCLUSION

Methodology	Market Value			CAPEX not discounted (Deducted) €	Purchaser's Costs	Net Initial Yields *				
	€ inclusive	€ exclusive	€ excl /sq m			Net Passing	Net Headline	Net Potential	Theoretical	Net Headline on MV Rented
Capitalisation	1 653 000	1 546 000	892	96 000	6,90%	7,67%	7,67%	7,67%	7,67%	7,67%
DCF	1 664 000	1 556 000	898		6,90%	7,62%	7,62%	7,62%	7,62%	7,62%

** : Passing Net Initial Yield : (Passing Net Rent - NR Charges) / MV incl.*

Net Headline Yield : (Net Headline Rent - NR Charges) / MV incl.

Theoretical Initial Yield : (Market Rent - NR Charges) / MV incl.

MARKET VALUE CONCLUSION

Market Value incl. Purch' costs	**1 663 000**	€ inclusive	960	€ incl./sq m
Purchaser's Costs	6,90%			
Market Value excl. Purch' costs	**1 556 000**	€ exclusive	898	€ excl./sq m

Net Headline Yield	7,62%
NIY on rented MV	7,62%
Net Potential Yield	7,62%
Net Reversionary Yield	7,62%

Additional Valuation	Market Value		General Assumptions			
	€ exclusive	€ excl./sq m	Void Period months	Rent Free months	Capitalisation Yield	Construction Costs €/sqm SHON
Vacant Possession Value	1 163 000	671	15	3	8,25%	
Estimated Reinstatement Cost	1 676 000	919				750,00

1. Property Presentation

Aerial View

Cadastral Matrix

Designation

The property primarily used as mixed-use is situated :

ZAC du Chapotin, Rue des Frères Voisins, Rue Juliette Récamier - 69970 Chaponnay

Cadastral References

A n°2219 et n°2359

Land Area 4 695 sq m

Tenure

According to the notarial due diligence carried out by "Attal et Associés Notaires", we understand that the property is held freehold equivalent.

Location & Environment

The asset is located in Chaponnay, in the south-east of France in the Rhône region (69). This city is part of the large agglomeration of Lyon-Metropole. Lyon is France's third largest market by population and second largest logistics hub by absorption. It is also an established logistics location, serving as a principal connection between northern and southern France.

Chaponnay is situated 6 km away from Lyon, 76 km from Chamberry, 110 km from Genève. The asset is located just 600 m away from the A46 and 4 km from Urban Boulevard S.

The property is situated in the northern part of the commune, in the Zone de Chapotin, occupies a 1,733 sq m plot and is part of the logistics industrial area. The zone was created during the eighteenth, hosts 100 enterprises and employed 3 000 employees. The main sectors represented on the zone are : Industry, Energy, Environment, transport and logistic.

The surroundings of the property is mixed use in character and contains logistic and industrial buildings, a Hotel Mercure Hotel, department stores such as E.Leclerc . South of the property, the area is more residential with some agricultural fields.

The asset benefits from frontage into the A46 motorway to access to Lyon.

Transport & Access

The Property can be accessed through:
- A46 motorway (ring road E),
- D149,
- Railway: Lyon Part Dieu train station is less than 20 km west of the subject property, providing rail connections to Paris and Marseille.
- Airport: the nearest airport is the Lyon Bron airport which is approximately 15 minute drive west from the property. The airport Lyon Saint exupéry is also accessible, approximately 20 km to the north east.

Exterior View

Interior View

Exterior Description

The asset is a mixed industrial/office property comprising one building on a land with a regular shape, built in 2007.
The structure of the building is made of steel with concrete blocks and concrete floor for the light industrial part. The roof is made of bituminous felt covering. This building benefits from 2 level doors with a front type loading.
The building has a concrete frame construction.
The property offers 27 external car parking spaces.

Internal Layout

All office areas present the same specifications: suspended ceilings with inset lights, painted walls, tiled floor and intercoms for access. The common area benefits from suspended ceilings with inset lights, tiled floors and toilets.
The building is a light industrial building with office areas. The office areas benefit from a gaz aerotherm heating system. The light industrial areas have an eaves height of 6,18 m and a floor load capacity of 3 t/sq m.
The property comprises 1,733 sq m split into 8% of offices (554 sq m) and 32% of light industrial premises (1,179 sqm).

Contamination and Diagnosis Conclusion

Potential Sources of Soil and Water Contamination	: Low
Site Sensitivity	: Moderate
Risk Assessment	: Low
Environmental certifications	: None

Other Environmental Issues

None

General Environmental Conclusion

It is considered unlikely that there is any contamination present on site that may pose a risk to the on-going use or represent liability.

General Condition

The property appears to have been well maintained with regard to its age, use and construction.
During the course of our inspection, we did not notice any apparent defects.

Town Planning

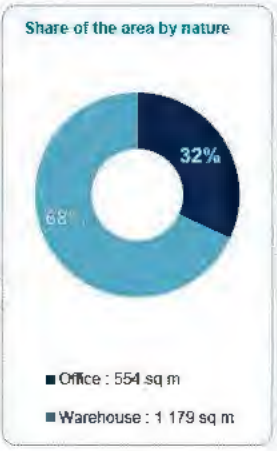
According to the PLU document "Plan Local d'urbanisme" which was modified on the 29th of June 2017, the property is located in the Zone "Urbaine Industrielle" UI.
The main characteristics and regulations for the zone are as follows:

- Emprise au sol (maximum footprint): 50%.
- Maximum height of buildings: The maximum height of new constructions is 9 m above the natural level of the land.
- “Coefficient d’Occupation des Sols” (plot ratio): not prescribed.

2. Area Schedule

Area Typology	Total Area sq m lettable	Total Area Share	Occupied Area sq m lettable	Vacant Area sq m lettable	Occupancy Rate
Office	554	32,0%	554	-	100%
Warehouse	1 179	68,0%	1 179	-	100%
Manufacturing	–		-	-	
Other	–		-	-	
Parking int.	-		-	-	
Parking ext.	-		-	-	
TOTAL	1 733	100,0%	1 733	-	100%

ICR / Base Area	*1 733*	*sq m*


Share of the area by nature


Occupancy by area typology

Area Source Documents

For the purpose of this valuation we have been provided with lettable areas of the property, sent by EASTD LL Secured, in the "Property Use by Tenant" and "Financing Rent Roll" Excel files, undated. We have not undertaken measurements of the property. Following our site visit, we have come to the conclusion that the areas provided seem to correspond to the inspected property. Should the surface areas differ from the provided surface areas, we reserve the right to alter our valuation accordingly.

3. Rental Situation

Tenancy Schedule

Tenants	Floor	Main Use	AREA SCHEDULE Office sq m	Warehouse sq m	Manufacturing sq m	Other sq m	Parking Internal/ External units	TOTAL sq m	LEASE DURATION Lease type	Lease Start	Next Break Option	Lease End	INDEXATION Next Indexation Date	Current Index
Archeodunum	GF	Warehouse	304	652				956	Com. L	01/12/16	30/11/22	30/11/25	01/12/18	LAT
Garage Delaroche	GF	Warehouse	250	527				777	Com. L	18/10/17	17/10/23	17/10/26	18/10/18	LAT
TOTAL			554	1 179			0 / 0	1 733						
TOTAL Rented			554	1 179	-	-	0 / 0	1 733						
TOTAL Vacant			–	–	-	-	0 / 0	-		Vacancy Rate	0%			

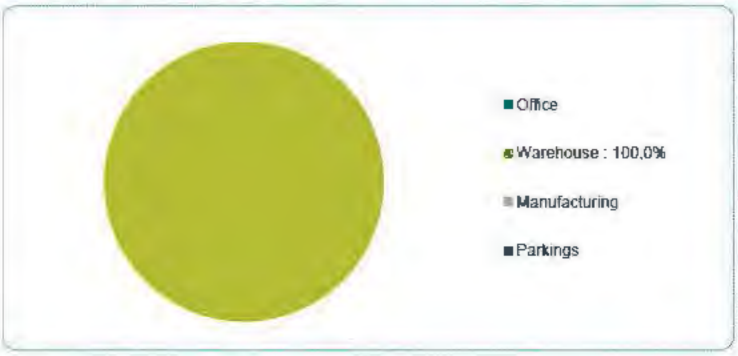
Management of Charges and Analysis of Net Rent

Tenants	Gross Passing Indexed Rent	Gross Headline Indexed Rent	NON-RECOVERABLE CHARGES (€/YEAR) *					TOTAL Non Recoverable	NET HEADLINE RENT **		Additional Rent	
			Property Tax	Office Tax	Insurance	Major Repairs (art. 606)	Mgmt Fees				Current Amount	End Date
	€/yr excl.	€/yr excl.						€/sq m/yr	€/yr excl.	€/sq m/yr	€/yr excl.	
Archeodunum	70 246	70 246	T	T	T	T	T		70 246	73		
Garage Delaroche	59 120	59 120	T	T	T	T	T		59 120	76		
									-			
									-			
TOTAL	129 366	129 366							129 366	75		

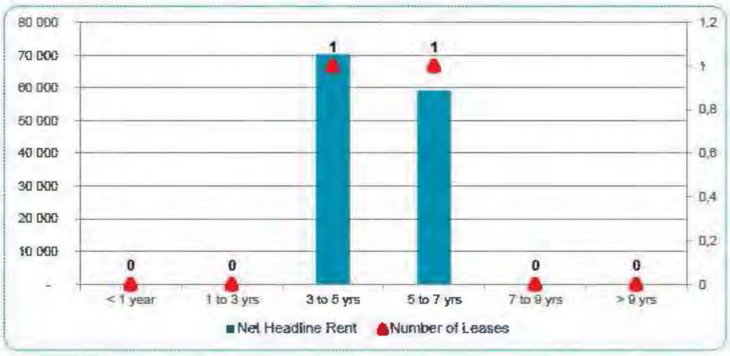
* T = "Tenant" => charges entirely recoverable

** Net Headline Rent not taking into account the global NR charges retained for the property (2,00% of passing rent per year)

Net Passing Rental income's share by Main Use



State of Remaining Fixed Term (WALB)

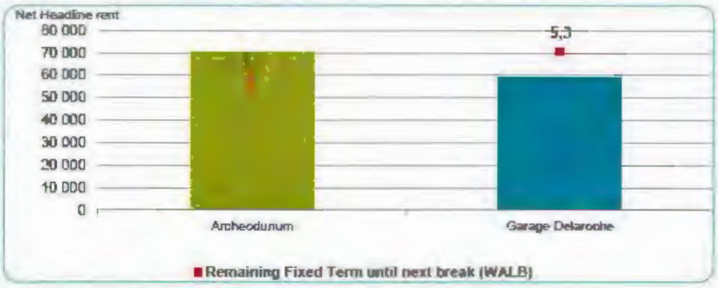


Lease Incentives

Tenants	STEPPED RENTS						RENT FREE PERIOD						Indemnities € / Part. W	
	Start Date 1	Step Rent 1 €/yr	Start Date 2	Step Rent 2 €/yr	Start Date 3	Step Rent 3 €/yr	Start Date 1	Initial Duration months	Start Date 2	Duration 2 months	Start Date 3	Duration 3 months	Date	Amount Paid or Received € excl.
Archeodunum														
Garage Delaroche														

TOP 5 Tenants

State of Remaining Fixed Term (WALB)



4. Asset Positioning

Local Rental Market

Chaponnay is a city located in the suburbs of Lyon, in the immediate proximity of the A46 motorway (east ring road) linking the city with Lyon and the suburbs. The main industrial zone in the commune is located in the neighbourhood of Chapotin, at the boundary between Corbas and Mions. The subject asset is located on the south-western side of this zone.

The industrial market is relatively transparent in Saint Priest, some recent transaction concerning this type of assets have been registered in the city, mainly due to the proximity of Lyon, the second-largest activity driver along the Corridor (behind Paris Region, which accounts for 53% of the Q1 2018 take up along the Corridor) is not far away. The Q1 2018 take-up there remained relatively unchanged from one year to another (40,000 sq m, -4.5% versus Q1 2017, which accounts for 17% of the Q1 2018 take up along the Corridor).

In our approach of the rental market value, we have analysed rental transactions in similar zones, with comparable accessibility and locations. The rental value for this type of asset and this location stands between 60€/sq m and 80€/sq m depending on the asset's condition and the specifications of the building.

Comparable Rental Transactions

Quality compared to subject property: ▲ Above ▼ Below ▬ Equivalent

Address	Date		Owner	Tenant	Area sqm	Fixed Period	Rent €/sqm	Comments
185, rue Louise Labbé - 69970 - Chaponnay - Logistics	11/2017	▼	Plastic Omnium systemes urbains	TECE France	2 475	NC	61	Light industrial premise located in an area mainly composed of industrial properties and logistic in the suburb of Lyon.
209, rue Luise Labbé - 69970 - Chaponnay - Logistics	11/2017	▼	NC	NC	763	NC	56	Light industrial premise located in an area mainly composed of industrial properties and logistic in the suburb of Lyon.

Comparable Rental Supply

Address	Type		Area sqm	Divisibility sqm	Office€/sqm	Warehouse	Parking €/sqm	Comments
- 69970 - Chaponnay	Logistics	▬	3 300	1 000	75			● Height : 8,5 meters ● Ground : concrete slab ● Car parking ● Dockside doors: 2 ● Type of activity : business premises/offices
- 69970 - Chaponnay	Logistics	▼	1 273	NC	63			● Type of Heat: air heaters, AC (only in the offices) ● Ground : concrete slab ● Car parking ● Dockside doors: 1 ● Ground level doors: 1
Zone du Chapotin - 69970 - Chaponnay	Logistics	▬	777	NC	76			● Height: 6,5 meters ● Type of activity : business premises/offices
-								

Investment Market

The light industrial investment volume shows a record level of € 1.2 Bn in 2016, up from € 498 M in 2015. After its peak level, investment volume came back to usual volume of € 253 M in 2017, explained by a lack of opportunities. The investment market is usually active on small lot size i.e. the one below € 20 M. Since 2013, more and more deals have been done on assets or portfolios priced above € 20 M. In 2016, this trend has driven to an exceptional level of € 1.2 Bn, out of which € 712 M in the segment above € 100 M. In 2017, market activity has come back to lot size below € 20 M. All the asset classes have recorded strong compression of prime yields and this trend is also recorded for light industrial assets with prime yields now standing at 5.75%.

Considering the characteristics of the property (age, lease conditions, location…) and the comparable investment transactions described below, we have retained an initial yield in the higher range for secondary asset around 7,25% and we consider the metric value to be below € 950/ sq m.

Comparable Investment Transactions

Address	Date	Purchaser	Seller	Sale Price € excl.	€ excl /sq m	Published Yield	Area sqm- (sqm)	Comments
Logistique - 290, rue Louise Labbé, 69970 Chaponnay	01/03/2018	La foir Fouille	sci du Brocard	480 000	800,0		600	Old property located close to the subject property.
Logistique - Parc d'affaire de la vallée d'Ozon, 69970 Chaponnay	22/01/2015	Proudreed	LaSalle Investment	4 500 000	621,4		7 242	Old property located close to the subject property.
Logistique - rue Louise Labbé, 69970 Chaponnay	01/03/2018	La foir Fouille	sci du Brocard	1 771 000	696,1		2 544	Old property located close to the subject property.

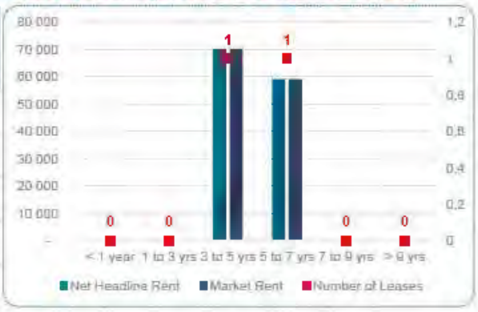
5. Property Valuation

5.1. Market Rent

Tenants	MARKET RENTAL VALUE (€ excl.)								NET HEADLINE RENT		Theoretical Reversion
	Office	Warehouse	Manufacturing	Other	Internal Pk	ICR	Total Excl.		Total Excl.		
	€/sq m/yr	€/sq m/yr	€/sq m/yr	€/sq m/yr	€/u/year	€/sq m/yr	€/yr	€/sq m/yr	€/yr	€/sq m/yr	MR / Rent
Archeodunum	73	73					70 246	73	70 246	73	0,0%
Garage Delaroche	76	76					59 120	76	59 120	76	0,0%
TOTAL	75	75					129 366	75	129 366	75	0,0%
TOTAL Rented	75	75					129 366	75	129 366	75	0,0%
TOTAL Vacant	–	–	–	–	–	–	–	–			

Main Use	Number of Leases	Usable Areas	Net Headline Rent		Market Rental Value		Theoretical Reversion
		sq m / units	€/year excl.	€/sq m/yr	€/year excl	€/sq m/yr	MR / Rent
Office							
Warehouse	2		129 366	75	129 366		0,0%
Manufacturing							
Parkings							
TOTAL	2		129 366	75	129 366		0,0%

Potential loss/earning of rent at future lease break options



Valuation Date 30/06/2018
Report Date 03/09/2018

5.2. General Assumptions (at Renewal / Departure / Letting)

In our valuation, we have retained the following assumptions in case of renewal or departure at the next potential tenant breaks.

Tenants	Potential Date of Departure	Proba-bility of departure %	Tenant Departure Assumptions				Tenant Renewal Assumptions				
			Reletting work €/sq m	Void Period months	Rent-Free Period months	Fixed Period years	Reversion at Lease End	Renewal Base *	Reversion Captured at Renewal	Rent-Free Period months	Fixed Period years
Archeodunum							-1,4%	MR	-1,4%	3	3
Garage Delaroche							-3,3%	MR	-3,3%	3	3

* MR : Market Rent / LIR : Last Indexed Rent

5.3. Capitalisation Methodology

Tenant	Remaining Fixed Term years	Capitalised Income Type	Basis of Capitalisation K€/year excl.	Yield Applied	Income Capitalised K€	Compensation / Losses K€	Gross Market Value K€ Incl.	Market Value Exclusive before Capex and Structural Void K€ Excl.	Market Value Exclusive before Capex and Structural Void € excl./sq m	Net Initial Yield	Rever--sionary Yield
Archeodunum	4,4	Net Headline Re	**70**	7,25%	969	-	969	**906**	**948**	7,25%	7,25%
Garage Delaroche	5,3	Net Headline Re	**59**	7,25%	815	-	815	**763**	**982**	7,25%	7,25%
TOTAL	**4,8**		**129**	**7,25%**	**1 784**	**-**	**1 784**	**1 669**	**963**	**7,25%**	**7,25%**

OPEX / CAPEX details and other indemnities / revenues

Maintenance Works (Budget on 10 years not discounted)	-	€ excl. VAT
CAPEX // Major Repairs (Budget on 10 years not discounted)	**96 000**	€ excl. VAT
Landlord's Contribution to Tenant's Works // Indemnities to Tenants	-	€ excl. VAT
Indemnities paid by Tenants to Landlord // Other Revenues	-	€ excl. VAT

Capitalisation Method Conclusion

Main Use	Lettable Area sq m	Basis of Capitalisation	Yield Applied	Discounted Losses/Excess of income	Perm. Void & Glob. NR	Market Value inclusive K€	Purchaser's Costs	Market Value exclusive K€	Market Value excl.	Net initial yield	Rever -sionary yield
Office											
Warehouse	1 733	129	**7,25%**		(36)	1 653	6,90%	**1 546**	892	7,67%	7,67%
Manufacturing											
Parkings											
Total	**1 733**	**129**	**7,25%**	**-**	**(36)**	**1 653**	**6,90%**	**1 546**	**892**	**7,67%**	**7,67%**
TOTAL Rented	**1 733**	**129**	**7,25%**	**-**	**(36)**	**1 653**	**6,90%**	**1 546**	**892**	**7,67%**	**7,67%**
TOTAL Vacant	**0**	**-**		**-**	**-**	**-**	**6,90%**	**-**	**-**		

5.4. Discounted Cash Flow Methodology

Year	1	2	3	4	5	6	7	8	9	10
Index ICC / Expenses Inflation	1,25%	1,50%	1,70%	1,75%	1,75%	1,75%	1,75%	1,75%	1,75%	1,75%
Index ILAT	1,40%	1,50%	1,60%	1,65%	1,65%	1,65%	1,65%	1,65%	1,65%	1,65%
Index ILC	1,50%	1,60%	1,65%	1,65%	1,65%	1,65%	1,65%	1,65%	1,65%	1,65%
Market Rental Growth	0,50%	1,00%	1,50%	1,50%	1,50%	1,50%	1,50%	1,50%	1,50%	1,50%
Maintenance										
CAPEX *	30 000	22 500	33 000	10 500						

*** The CAPEX retained come from the Technical Due Diligence carried out by Arcadis, dated 13 April 2018 (Vendor Capex retained and adjusted according to comments).**

Analysis by Discounted Cash Flow - K€

Year	1	2	3	4	5	6	7	8	9	10
Gross Rents	131	132	135	137	139	141	144	145	144	146
Rent Free Period/Additionnal Rent								(19)	(16)	
Indemnities received/paid										
Costs (vacancy, NR, doubtful)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
Capex/Maintenance	(30)	(23)	(34)	(11)						
Reletting works										
Marketing fees										
Total Acquisition Costs										1 925
Remaining Rent Free Period to deduct										
Transfer costs										(165)
Free Cash Flows	**98**	**107**	**98**	**123**	**136**	**138**	**141**	**122**	**125**	**1 903**

Discount Rate - Cash Flow	**8,00%**	**Doubtful Debtors**	0,00%	% rent/year	**Letting Fees**	15,00%	% Headline Rent
Discount Rate - Resale Value	**8,00%**	**NR Charges**	2,00%	% rent/year	**Broker's Fees**	2,50%	% Resale Value
Discount Rate - CAPEX	**8,00%**	**Permanent Void**	0,00%	% rental area	**DCF Duration**	10	years

DCF method conclusion

Main Use	**RESALE ASSUMPTIONS AND CONCLUSION**						**Market Value**	**Purchaser's Costs**	**Market Value**	
	Fixed Period	Reversion	**Cap Rate**	Basis of Capitalisation	Resale Value € excl.	€ excl./sq m	K€ Incl.		€ exclusive	€/sq m
Office										
Warehouse	2,4	2,5%	**7,50%**	144	1 759	1 015	1 664	6,90%	1 556 245	898
Manufacturing										
Parkings										
Total	**2,4**	2,5%	**7,50%**	**144**	**1 759**	**1 015**	**1 664**	**6,90%**	**1 556 000**	**898**

5.5. Conclusion of Market Value

Methodology	Market Value inclusive	Purchaser's Costs	Market Value exclusive		Net Initial Yields *				
	€ inclusive		€ exclusive	€ excl./sq m	Net Passing	Net Headline	Net Potential	Theoretical	Net Headline on MV Rented
Capitalisation	1 653 000	6,90%	1 546 000	892	7,67%	7,67%	7,67%	7,67%	7,67%
DCF	1 664 000	6,90%	1 556 000	898	7,62%	7,62%	7,62%	7,62%	7,62%

*Net Initial Yields **

Passing Net Initial Yield : (Passing Net Rent - NR Charges) / MV incl

Net Headline Yield : (Net Headline Rent - NR Charges) / MV incl.

Potential Net Initial Yield : (Net Headline Rent + MR of vacant areas - NR Charges) / MV incl.

Theoretical Initial Yield : (Market Rent - NR Charges) / MV incl.

Rounded Market Value

We are of the opinion that the Market Value of he freehold interest in the above Subject Property, as at 30 June 2018, subject to the existing tenancies, assumptions and comments in this Valuation Report and the Appendices, is:

Methodology Retained	DCF			
Market Value incl. Purch' costs	1 663 000	€ inclusive	960	€/sq m
Purchaser's Costs	6,90%			
Market Value excl. Purch' cost	**1 556 000**	€ exclusive	898	€/sq m

Net Headline Yield	7,62%
Net Headline Yield (on rented MV	7,62%
Net Potential Yield	7,62%
Net Reversionary Yield	7,62%

6. Vacant Possession Value

We have undertaken the valuation of the building under the special assumption that it is fully vacant (Vacant possession Value).
This methodology consists of capitalising the potential net income at an appropriate yield deducting losses reflecting the marketing and incentives necessary to relet the property.

Tenant	Marketing Void	Vacancy cost	Rent Free Period	Discount / Premium to Market Rent	Reletting Works	Yield Applied	Potential Income Capitalised	Total Discounted Losses (void, works, rent free, fees)	Gross VPV	Net VPV	
	months	€/sq m	months	%	€/sq m		€	€	€ incl.	€ excl.	€/sq m excl.
Vacant 1	15		3			8,25%	851 468		746 465	698 283	730
Vacant 2	15		3			8,25%	716 606		628 234	587 684	756
TOTAL							1 568 074	(193 374)	1 374 699	1 285 968	742

OPEX / CAPEX details and other indemnities / revenues

Maintenance Works (Budget on 10 years not discounted)	-	€ excl. VAT
CAPEX // Major Repairs (Budget on 10 years not discounted)	96 000	€ excl. VAT

Conclusion

MAIN USE	Lettable Area sq m	Basis of Capitalisation	Yield Applied	Potential Income capitalised	Discounted Losses/Excess of income	Major Works / CAPEX / Perm. Void & Glob. NR	Market Value inclusive K€	Purchaser's Costs	Market Value exclusive K€	Market Value excl. € excl./sq m	Rever -sionary yield ***
Office											
Warehouse	1 733	129	8,25%	1 568	(193)	(132)	1 243	6,90%	1 163	671	10,20%
Manufacturing											
Parkings											
Total	1 733	129	8,25%	1 568	(193)	(132)	1 243	6,90%	1 163	671	10,20%

7. Estimated Reinstatement Cost

We have prepared our assessment of the reinstatement cost of the building assuming the reinstated building will be identical to existing structural conditions, save for the land, but taking into account all taxes, work costs, technical fees and miscellaneous fees.

This estimation does not take into account he developers margin.

Land Area	4 695	sq m	Basement parkings	0	units
Total Lettable Area	1 733	sq m			
Gross / Net ratio	95,0%				
SHON (net constructed area)	1 824	sq m SHON			

Reconstruction Cost - Floor Area	750	€/sq m SHON	1 368 158	€ excl.
Land Development	5,00%	Const. Costs	68 408	€ excl.
Fiscal Conditions (taxes, royalties, charges etc.)	4,00%	Const. Costs	54 726	€ excl.
Technical Fees (MOE, BET, Insurance)	10,00%	Const. + Gridding	143 657	€ excl.
Financial Fees	2,50%	Total Const. Costs	40 874	€ excl.
Reinstatement Cost	**919**	**€/sq m SHON**	**1 676 000**	**€ excl.**

We assume that any VAT is recoverable and we do not retain any loss of rent or allow for inflation during the reconstruction period.

An estimated reinstatement cost is our assessment of the cost of reinstating the property at he date of valuation. We have not been provided with the actual construction costs, but have estimated these overall costs based on our knowledge of similar buildings.

The figures set out in this valuation sheet are our assessment of the cost of reconstructing he property. They include an allowance for demolition, removal of debris, temporary shoring, statutory and professional fees which are likely to be incurred on reconstruction, but exclude any allowance for VAT. If you are unable to recover VAT, or can recover part only, you should advise your insurers and increase he Base Sum Insured appropriately. The figures make no allowance for loss of rent during the rebuilding period, nor for inflation, nor the cost of dealing with any contamination which may be present and have to be dealt with prior to reconstruction. The assessment does not provide advice in respect of terrorist damage cover and you should consult with your insurers in respect of this.

We have assumed that the reinstated building and its use will be similar to that existing, and the reinstated building will be to he original design, in modern materials, using modern techniques to modern standards.

We have considered the extent and nature of the building but our assessments have been undertaken as part of our normal valuation exercise. We have not carried out a formal reinstatement cost assessment through a Building Consultancy company. Our assessment should be treated as a guide only and should not be relied upon. It should be used for comparative purposes only against the borrower's proposed reinstatement cover.

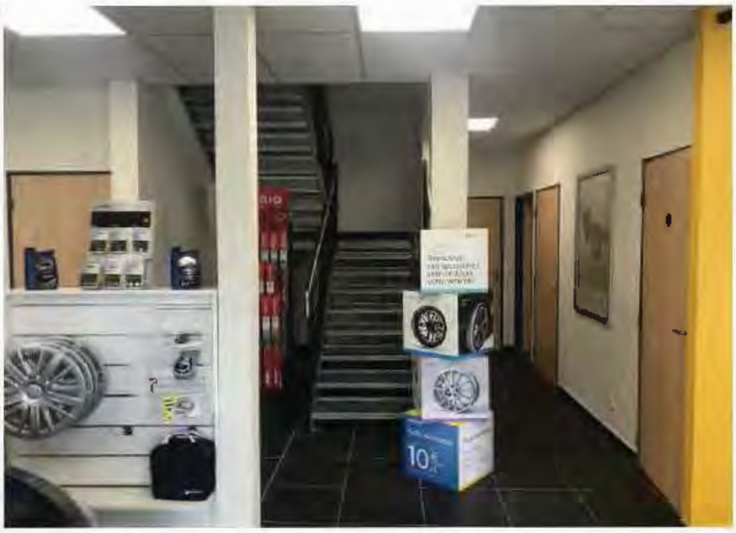
Should any discrepancies arise, a formal reinstatement cost assessment should be commissioned.

8. Photos

Exterior View

Exterior View

Interior View



Interior View

Exterior View

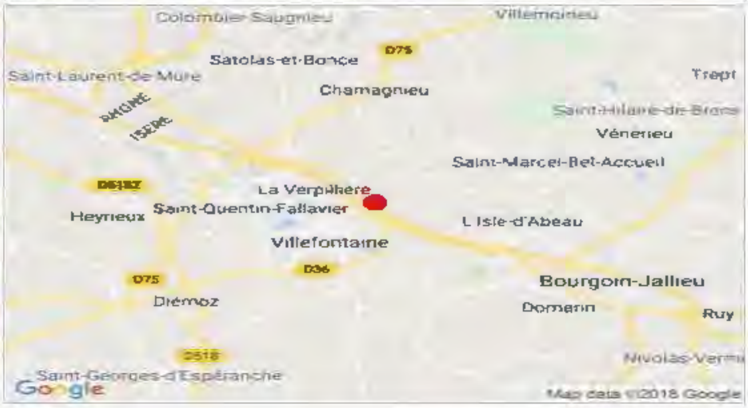
Exterior View

Valuation Summary

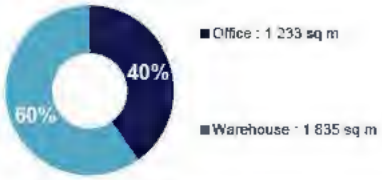
Isle d`Abeau

Address	Isle d`Abeau, 29, rue Condorcet		
ZIP-Town	38090 - Villefontaine	**Hub/Market**	Lyon
Completion Date	1991		
Main Use	Light Industrial		

Project Type	Valuation Report	
Inspection Date	14/06/2018	
Valuer	Antoine LANIESSE	
Land Area	17 339	sq m
Tenure	Co-Ownership	



Share of the area by nature



Rating	
Macro Location	2
Micro Location	4
Building Quality	2
Condition	3
Lettability	4
Marketability (sale	4
Overall rating	3
Loan Security	medium

Total Lettable Area		3 068 sq m		
Occupancy Rate		98%		
Remaining Duration (WALB / WALT)		1,6 / 4,1 years		
Main Tenant		DYNAE		
Number of Leases		14		
Estimated marketing period		12 months		
Net Headline Rent	K€/year excl.	256	83	€/sq m/yr excl.
Net Potential Rent	K€/year excl.	261	85	€/sq m/yr excl.
Market Rental Value	K€/year excl.	261	85	€/sq m/yr excl.

SWOT ANALYSIS

Strengths

- Good location in an identified industrial area,
- Easy access, in close proximity to the A43 motorway,
- Building 98% let,
- Asset in good condition considering its age.

Weaknesses

- Building located far from the main industrial zones of Lyon,
- Building comprising 40% of offices which makes this kind of asset unattractive for the logistics market,
- Remaining fixed term period of 1,6 years on average.

Opportunities

- A light refurbishment could improve the attractiveness of the building.
- Small areas which could interest many investors.

Threats

- The tenure as co-ownership equivalent could be less attractive for investors

VALUATION METHOD CONCLUSION

Methodology	Market Value			CAPEX not discounted (Deducted) €	Purchaser's Costs	Net Initial Yields *				
	€ inclusive	€ exclusive	€ excl./sq m			Net Passing	Net Headline	Net Potential	Theoretical	Net Headline on MV Rented
Capitalisation	2 967 000	2 794 000	911	67 000	6,20%	8,20%	8,20%	8,37%	8,35%	8,16%
DCF	2 924 000	2 753 000	897		6,20%	8,32%	8,32%	8,49%	8,48%	8,29%

** : Passing Net Initial Yield : (Passing Net Rent - NR Charges) / MV incl.*

Net Headline Yield : (Net Headline Rent - NR Charges) / MV incl.

Theoretical Initial Yield : (Market Rent - NR Charges) / MV incl.

MARKET VALUE CONCLUSION

Market Value incl. Purch' costs	**2 924 000**	€ inclusive	953	€ incl./sq m
Purchaser's Costs	6,20%			
Market Value excl. Purch' costs	**2 753 000**	€ exclusive	897	€ excl./sq m

Net Headline Yield	8,32%
NIY on rented MV	8,29%
Net Potential Yield	8,49%
Net Reversionary Yield	8,48%

Additional Valuation	Market Value		General Assumptions			
	€ exclusive	€ excl./sq m	Void Period months	Rent Free months	Capitalisation Yield	Construction Costs €/sqm SHON
Vacant Possession Value	1 883 000	614	15	3	9,00%	
Estimated Reinstatement Cost	3 047 000	919				750,00

1. Property Presentation

Aerial View

Cadastral Matrix

Designation

The property primarily used as light industrial is situated :

Isle d`Abeau, 29, rue Condorcet - 38090 Villefontaine

Cadastral References

A n°853 et 849

Land Area 17 339 sq m

Tenure

According to the notarial due diligence carried out by "Attal et Associés Notaires", we understand that the property is held Co-Ownership equivalent.

Location & Environment

The asset is located in Villefontaine, in the south east of France in the Isère region (38). This city is part of the large urban area of Lyon. Lyon is France's third largest market by population and second largest logistics hub by absorption. It is also an established logistics location, serving as a principal connection between northern and southern France.

Villefontaine is located 28 km away from Lyon, 56 km from Chamberry, 97 km from Genève. The asset is located just 400 m away from the A43 and 300 m from D1006.

The property is situated in the northern part of the commune, at rue Antoine Condorcet, occupies a 3,068 sq m plot and is part of a logistics industrial area.

The surrondings of the property is mixed use in character and is mainly composed of light industrial spaces such as Geodis. It is part of an industrial area called "Maison des entreprises" which includes the Chamber of Commerce and Industry of Isère. The new commercial retail park "Village de marques" will also be located nearby the asset.

The asset benefits from frontage into the A43 motorway to access to Lyon or Chambery.

Transport & Access

The Property can be accessed through:
- A43 motorway,
- D1006, D36 (rue Blaise Pascal),
- Railway: Lyon Part Dieu train station is less than 40 km west of the subject property, providing rail connections to Paris and Marseille, the TER Saint Quentin Fallavier train station is less than 10 km away from the asset.
- Airport: the nearest airport is the Lyon Saint exupéry airport approximately 11 min drive west of the subject property.

Exterior View

Interior View

Exterior Description

The asset is a mixed industrial/office property comprising four buildings on a land with a regular shape, built in 1991.
The structure of the buildings is made of steel. The roofs are made of bituminous felt covering. The asset benefits from 11 level doors with a front type loading.
The buildings have steel frame and concrete constructions.
The property offers 85 external car parking spaces.

Internal Layout

All office areas offer the same specifications: suspended ceilings with inset lights, painted walls, tiled floor and intercoms for access. The common area benefits from suspended ceilings with inset lights, tiled floors and toilets.
The buildings are light industrial buildings with office areas. The office areas benefit from an electrical heating system. The light industrial areas have a floor load capacity of 3 t/sq m.
The property comprises 3,068 sq m split into 40% of offices (1,233 sq m) and 60% of light industrial premises (1,835 sq m).

Contamination and Diagnosis Conclusion

Potential Sources of Soil and Water Contamination	: Low
Site Sensitivity	: Low/Moderate
Risk Assessment	: Low
Environmental certifications	: None

Other Environmental Issues

None

General Environmental Conclusion

It is considered unlikely there is any contamination present on site that may pose a risk to the on-going usage or represent a liability.

General Condition

The property appears to have been well maintained with regard to its age, use and construction.
During the course of our inspection, we did not notice any apparent defects.

Town Planning

According to the PLU document "Plan Local d'urbanisme" which was modified on the 29th of June 2017, the property is located in the Zone "d'activité industrielle" UY.
The main characteristics and regulations for the zone are as follows:

- Emprise au sol (maximum footprint): 50%.
- Maximum height of buildings: The maximum height of new constructions is 16 m above the natural level of the land.
- “Coefficient d’Occupation des Sols” (plot ratio): not prescribed.
- Car parking spaces: 1 car parking space per 20 sq m ("surface de plancher") of office areas.

2. Area Schedule

Area Typology	Total Area sq m lettable	Share	Occupied Area sq m lettable	Vacant Area sq m lettable	Occupancy Rate
Office	1 233	40,2%	1 181	52	96%
Warehouse	1 835	59,8%	1 835	-	100%
Manufacturing	-		-	-	
Other	-		-	-	
Parking int.	-		-	-	
Parking ext.	-		-	-	
TOTAL	3 068	100,0%	3 016	52	98%
ICR / Base Area	*3 068*	*sq m*			

Area Source Documents

For the purpose of this valuation we have been provided with lettable areas of the property, sent by EASTD LL Secured, in the "Property Use by Tenant" and "Financing Rent Roll" Excel files, undated. We have not undertaken measurements of the property. Following our site visit, we have come to the conclusion that the areas provided seem to correspond to the inspected property. Should the surface areas differ from the provided surface areas, we reserve the right to alter our valuation accordingly.


Share of the area by nature


Occupancy by area typology

3. Rental Situation

Tenancy Schedule

Tenants	Floor	Main Use	AREA SCHEDULE						LEASE DURATION				INDEXATION	
			Office sq m	Warehouse sq m	Manufacturing sq m	Other sq m	Parking Internal/ External units	TOTAL sq m	Lease type	Lease Start	Next Break Option	Lease End	Next Indexation Date	Current Index
CPGF HORIZON	C	Warehouse		288				288	Com. L	01/01/18	31/12/20	31/12/26	01/01/19	LAT
BANQUE RHONE ALPES	A	Office	153					153	Com. L	01/05/05	31/12/18	31/12/18	31/07/18	LAT
Murprotect	B	Warehouse		80				80	Com. L	15/09/16	14/09/22	14/09/25	15/09/18	LAT
DYNAE	C	Office	354	144				498	Com. L	01/04/09	31/03/19	31/03/19	01/04/19	LAT
ECODIME	B	Warehouse		565				565	Com. L	15/10/17	14/10/20	14/10/26	15/10/18	LAT
TWIST	N/A	Warehouse		88				88	Com. L	01/02/18	31/01/21	31/01/27	01/02/19	LAT
Groupe Emile Dufour	D	Warehouse		144				144	Com. L	01/03/11	28/02/20	28/02/20	01/03/19	LAT
MEDARTIS	B	Office	170					170	Com. L	01/02/15	31/01/19	31/01/24	01/02/19	LAT
SOCORAIR	D	Warehouse		144				144	Com. L	01/04/10	31/03/19	31/03/19	01/04/19	LAT
Teckma	D	Warehouse		144				144	Com. L	01/10/13	30/09/19	30/09/22	01/10/18	LAT
Traceroo Europe SPRL	D	Warehouse		88				88	Com. L	01/06/17	31/05/20	31/05/26	31/07/18	LAT
ELYFEC	A	Office	254					254	Com. L	15/10/12	14/10/21	14/10/21	15/10/18	LAT
Vacant Unit	N/A	Office	52					52		01/07/19	30/06/22	30/06/28		LAT
BERTIN	D	Office	29					29	Com. L	01/04/99	31/03/19	31/03/19	01/04/19	LAT
Murprotect	B	Office	221	150				371	Com. L	01/12/14	30/11/20	30/11/23	01/12/18	LAT
TOTAL			1 233	1 835			0 / 0	3 068						
TOTAL Rented			1 181	1 835	-	-	0 / 0	3 016						
TOTAL Vacant			52	-	-	-	0 / 0	52	Vacancy Rate		2%			

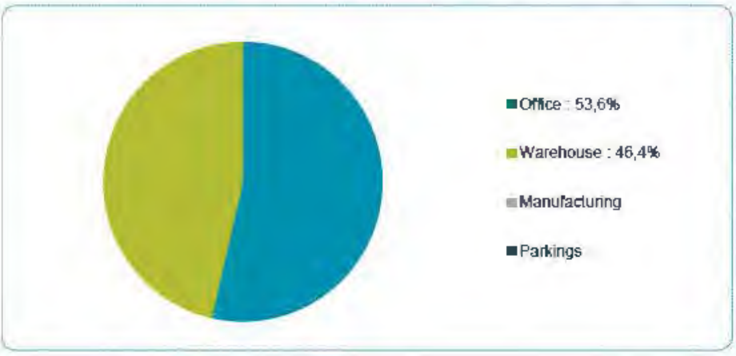
Management of Charges and Analysis of Net Rent

Tenants	Gross Passing Indexed Rent	Gross Headline Indexed Rent	NON-RECOVERABLE CHARGES (€/YEAR) *					TOTAL Non Recoverable	NET HEADLINE RENT **		Additional Rent	
	€/yr excl.	€/yr excl.	Property Tax	Office Tax	Insurance	Major Repairs (art. 606)	Mgmt Fees	€/sq m/yr	€/yr excl.	€/sq m/yr	Current Amount €/yr excl.	End Date
CPGF HORIZON	14 980	14 980	T	T	T	T	T		14 980	52		
BANQUE RHONE ALPES	23 537	23 537	T	T	T	T	T		23 537	154		
Murprotect	2 964	2 964	T	T	T	T	T		2 964	37		
DYNAE	50 501	50 501	T	T	T	T	T		50 501	101		
ECODIME	47 286	47 286	T	T	T	T	T		47 286	84		
TWIST	6 160	6 160	T	T	T	T	T		6 160	70		
Groupe Emile Dufour	10 267	10 267	T	T	T	T	T		10 267	71		
MEDARTIS	19 126	19 126	T	T	T	T	T		19 126	113		
SOCORAIR	15 829	15 829	T	T	T	T	T		15 829	110		
Tecluna	13 369	13 369	T	T	T	T	T		13 369	93		
Tracerco Europe SPRL	7 931	7 931	T	T	T	T	T		7 931	90		
ELYFEC	26 035	26 035	T	T	T	T	T		26 035	103		
Vacant Unit									–			
BERTIN	4 513	4 513	T	T	T	T	T		4 513	156		
Murprotect	13 557	13 557	T	T	T	T	T		13 557	37		
									–			
TOTAL	256 055	256 055							256 055	83		

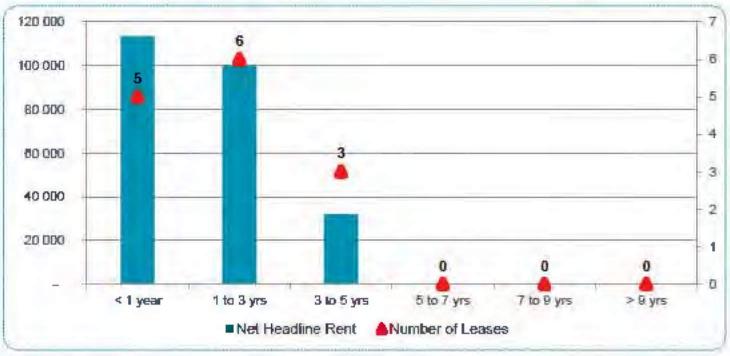
* T = "Tenant" => charges entirely recoverable

** Net Headline Rent not taking into account the global NR charges retained for the property (5,00% of passing rent per year)

Net Passing Rental income's share by Main Use



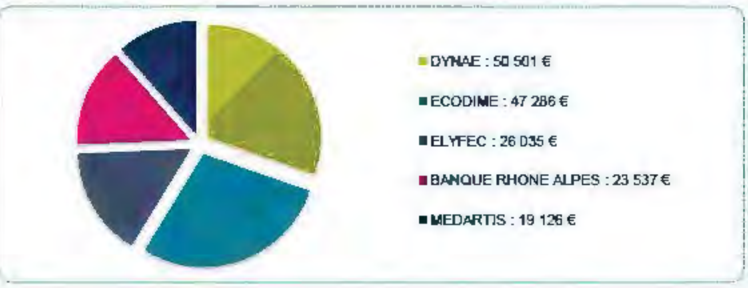
State of Remaining Fixed Term (WALB)



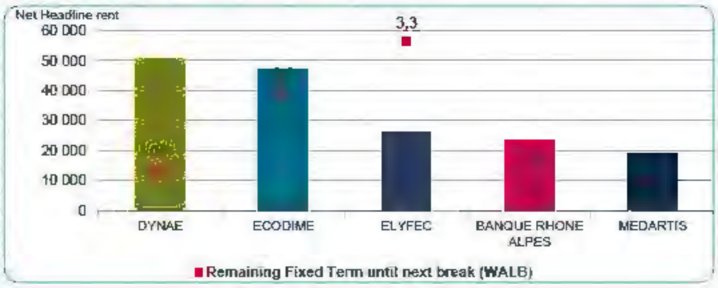
Lease Incentives

Tenants	STEPPED RENTS						RENT FREE PERIOD						Indemnities € / Part. W	
	Start Date 1	Step Rent 1 €/yr	Start Date 2	Step Rent 2 €/yr	Start Date 3	Step Rent 3 €/yr	Start Date 1	Initial Duration months	Start Date 2	Duration 2 months	Start Date 3	Duration 3 months	Date	Amount Paid or Received € excl.
CPGF HORIZON														
BANQUE RHONE ALPES														
Murprotect														
DYNAE														
ECODIME														
TWIST														
Groupe Emile Dufour														
MEDARTIS														
SOCORAIR														
Teckma														
Traceroo Europe SPRL														
ELYFEC														
Vacant Unit														
BERTIN														
Murprotect														

TOP 5 Tenants



State of Remaining Fixed Term (WALB)



4. Asset Positioning

Local Rental Market

L'isle d'Abeau is a city located to the east of Lyon, in the immediate proximity of the A43 motorway linking the city with Lyon, Savoie and Switzerland. The main industrial zone in the commune is the ZA de la Cruizille located in Villefontaine. The subject asset is located in this zone between the A43 motorway and the D1006 road.

The industrial market is relatively closed in l'Isle d'Abeau, few recent transactions for this type of asset occurred in the city and do not really benefit from Lyon attractiveness which is the second-largest activity along the Corridor (behind Paris Region, which accounts for 53% of the Q1 2018 take up along the Corridor) and where Q1 2018 take-up remained relatively unchanged from one year to another (40,000 sq m, -4.5% versus Q1 2017, which accounts for 17% of the Q1 2018 take up along the Corridor). The city of Saint Quentin Fallavier competes a lot with the other industrial zones in the area where the main offers are concentrated. For instance, a major food retailer rented 30,000 sq m in Saint-Quentin-Fallavier in Q1 2018.

In our approach of the rental market value, we have analysed rental transactions in similar zones, with a comparable accessibility and location. The rental value for this type of asset and this location stands between 50€/sq m and 80€/sq m for industrial spaces depending on the asset's condtion and the speficiations of the building.

Comparable Rental Transactions

Quality compared to subject property: ▲ Above ▼ Below ▬ Equivalent

Address	Date		Owner	Tenant	Area sqm	Fixed Period	Rent €/sqm	Comments
Valad Parc de l'Isle d'Abeau - 38070 - Saint Quentin Fallavier - Logistics	01/2013	▼	Cromwell France	Emballego	646	NC	40	Light industrial premise located in an area mainly composed of industrial properties and logistic.
19, rue des Garinnes - 38070 - Saint Quentin Fallavier - Logistics	12/2012	▼	Parcolog Invest	RP Diffusion	9 127	39 878	42	Light industrial premise located in an area mainly composed of industrial properties and logistic.
Avenue des Arrivaux - 38070 - Saint Quentin Fallavier - Logistics	11/2012	▼	Prologis France	Uponor	6 649	39 878	42	Light industrial premise located in an area mainly composed of industrial properties and logistic.
Parc GIVO de l'Isle D'abeau - 38070 - Saint Quentin Fallavier - Logistics	01/2011	▼	Cromwell France	Aftral	816	NC	54	Light industrial premise located in an area mainly composed of industrial properties and logistic.

Comparable Rental Supply

Address	Type		Area sqm	Divisibility sqm	Office€/sqm	Warehouse	Parking €/sqm	Comments
rue Condorcet - 38090 - Vaulx-Milieu	Logistics	▼	6 655	NC	44			● Height : 8,2 meters ● Ground : concrete slab ● Dockside doors: 9 ● Ground level doors: 1 ● Autorisations ICPE 1510, 1530, 1532, 2662, 2663.
29, boucle de la Ramée - 38070 - Saint-Quentin-Fallavier	Logistics	▼	5 401	NC	47			● Height : 8 meters ● Type of Heat: Air heaters ● Car parking spaces for heavy vehicles: 17 ● Dockside doors: 8 ● Ground level doors: 8
ZAC de Chesnes Ouest - 38070 - Saint-Quentin-Fallavier	Logistics	▼	5 221	NC	47			● Height : 8 meters ● Ground : concrete slab ● Type of Heat: Air heaters/ AC (only in the offices) ● Dockside doors: 8 ● Ground level doors: 1
Avenue des Arrivaux - 38070 - Saint-Quentin-Fallavier	Logistics	▼	2 278	NC	61			● Height : 5,8 to 7,15 meters ● Ground : concrete slab ● Type of Heat: Air heaters/ AC (only in the offices) ● Type of activity : business premises/offices

Investment Market

The light industrial investment volume shows a record level of € 1.2 Bn in 2016, up from € 498 M in 2015. After its peak level, investment volume came back to usual volume of € 253 M in 2017, explained by a lack of opportunities. The investment market is usually active on small lot size i.e. the one below € 20 M. Since 2013, more and more deals have been done on assets or portfolios priced above € 20 M. In 2016, this trend has driven to an exceptional level of € 1.2 Bn, out of which € 712 M in the segment above € 100 M. In 2017, market activity has come back to lot size below € 20 M. All the asset classes have recorded strong compression of prime yields and this trend is also recorded for light industrial assets with prime yields now standing at 5.75%.

Considering the characteristics of the property (age, lease conditions, location…) and the comparable investment transactions described below, we have retained an initial yield in the higher range for secondary asset above 8.00% and we consider the metric value to be below € 950/ sq m.

Comparable Investment Transactions

Address	Date	Purchaser	Seller	Sale Price € excl.	€ excl /sq m	Published Yield	Area sqm- (sqm)	Comments
Logistique - Charvin Logistiques, rue des Espinassays 38070 Saint-Quentin-Fallaviers	01/12/2017	AEW Ciloger	BBL Invest	15 923 000	884,6	5,30%	18 000	Old property located close to the subject property.
Logistique - 9, avenue des arrivaux 38070 Saint-Quentin-Fallavier	18/06/2014	Eminza	BNP Fortis Lease	2 480 000	250,9	14,00%	9 886	Old 9,886 sq m area separated in 2 light industrial premises (5,000 m² occupied by Lidl and 4,886 by Eminza) on a 26,500 sq m plot

-

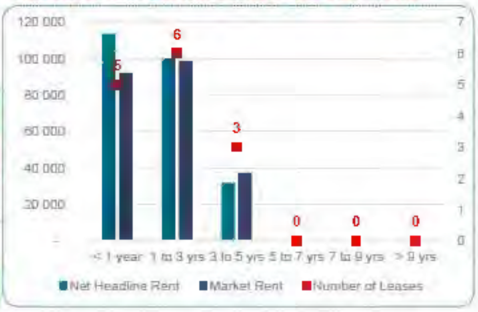
5. Property Valuation

5.1. Market Rent

Tenants	MARKET RENTAL VALUE (€ excl.)								NET HEADLINE RENT		Theoretical Reversion
	Office	Warehouse	Manufacturing	Other	Internal Pk	ICR	Total Excl.		Total Excl.		
	€/sq m/yr	€/sq m/yr	€/sq m/yr	€/sq m/yr	€/u/year	€/sq m/yr	€/yr	€/sq m/yr	€/yr	€/sq m/yr	MR / Rent
CPGF HORIZON		75					21 600	75	14 980	52	44,2%
BANQUE RHONE ALPES	100						15 300	100	23 537	154	-35,0%
Murprotect		75					6 000	75	2 964	37	102,4%
DYNAE	100	75					46 200	93	50 501	101	-8,5%
ECODIME		75					42 375	75	47 286	84	-10,4%
TWIST		75					6 600	75	6 160	70	7,1%
Groupe Emile Dufour		75					10 800	75	10 267	71	5,2%
MEDARTIS	100						17 000	100	19 126	113	-11,1%
SOCORAIR		75					10 800	75	15 829	110	-31,8%
Teckma		75					10 800	75	13 369	93	-19,2%
Tracerco Europe SPRL		75					6 600	75	7 931	90	-16,8%
ELYFEC	100						25 400	100	26 035	103	-2,4%
Vacant Unit	100						5 200	100			N/A
BERTIN	100						2 900	100	4 513	156	-35,7%
Murprotect	100	75					33 350	90	13 557	37	146,0%
TOTAL	**100**	**75**					**260 925**	**85**	**256 055**	**83**	**1,9%**
TOTAL Rented	**100**	**75**					**255 725**	**85**	**256 055**	**85**	**-0,1%**
TOTAL Vacant	**100**	–	–	–	–	–	**5 200**	**100**			

Main Use	Number of Leases	Usable Areas	Net Headline Rent		Market Rental Value		Theoretical Reversion
		sq m / units	€/year excl.	€/sq m/yr	€/year excl.	€/sq m/yr	MR / Rent
Office	6	1 527	137 269	90	145 350	95	5,9%
Warehouse	8		118 786	77	115 575		-2,7%
Manufacturing							
Parkings							
TOTAL	14	1 527	256 055	83	260 925	171	1,9%

Potential loss/earning of rent at future lease break options



Valuation Date 30/06/2018
Report Date 03/09/2018

5.2. General Assumptions (at Renewal / Departure / Letting)

In our valuation, we have retained the following assumptions in case of renewal or departure at the next potential tenant breaks.

Tenants	Potential Date of Departure	Proba-bility of departure %	Tenant Departure Assumptions				Tenant Renewal Assumptions				
			Reletting work	Void Period	Rent-Free Period	Fixed Period	Reversion at Lease End	Renewal Base *	Reversion Captured at Renewal	Rent-Free Period	Fixed Period
			€/sq m	months	months	years				months	years
CPGF HORIZON							42,1%	MR	42,1%	3	3
BANQUE RHONE ALPES							-35,7%	MR	-35,7%	3	3
Murprotect							98,8%	MR	98,8%	3	3
DYNAE	31/03/19	50%		12	3	3	-8,2%	MR	-8,2%	3	3
ECODIME							-12,0%	MR	-12,0%	3	3
TWIST							5,7%	MR	5,7%	3	3
Groupe Emile Dufour							5,0%	MR	5,0%	3	3
MEDARTIS							-11,9%	MR	-11,9%	3	3
SOCORAIR	31/03/19	100%		12	3	3	-31,5%	MR	-31,5%	3	3
Teckma							-20,2%	MR	-20,2%	3	3
Tracerco Europe SPRL							-18,7%	MR	-18,7%	3	3
ELYFEC							-3,5%	MR	-3,5%	3	3
Vacant Unit				12	3	3	-0,2%	MR	-0,2%		
BERTIN							-35,5%	MR	-35,5%	3	3
Murprotect							143,2%	MR	143,2%	3	3

* MR : Market Rent / LIR : Last Indexed Rent

5.3. Capitalisation Methodology

Tenant	Remaining Fixed Term	Capitalised Income Type	Basis of Capitalisation	Yield Applied	Income Capitalised	Compensation / Losses	Gross Market Value	Market Value Exclusive before Capex and Structural Void		Net Initial Yield	Rever- -sionary Yield
	years		K€/year excl.		K€	K€	K€ Incl.	K€ Excl.	€ excl./sq m		
CPGF HORIZON	2,5	Market Rent	**22**	7,75%	279	(40)	239	**225**	**780**	6,28%	9,05%
BANQUE RHONE ALPES	0,5	Market Rent	**15**	7,75%	197	4	201	**190**	**1 239**	11,69%	7,60%
Murprotect	4,2	Market Rent	**6**	7,75%	77	(16)	61	**58**	**719**	4,85%	9,82%
DYNAE	0,8	Market Rent	**46**	8,00%	578	3	581	**547**	**1 098**	8,70%	7,96%
ECODIME	2,3	Market Rent	**42**	7,75%	547	10	557	**524**	**928**	8,49%	7,61%
TWIST	2,6	Market Rent	**7**	7,75%	85	(3)	82	**78**	**882**	7,47%	8,00%
Groupe Emile Dufour	1,7	Market Rent	**11**	7,75%	139	(1)	139	**130**	**906**	7,41%	7,79%
MEDARTIS	0,6	Market Rent	**17**	7,75%	219	1	221	**208**	**1 222**	8,67%	7,71%
SOCORAIR	0,8	Market Rent	**11**	8,00%	135	(15)	120	**113**	**787**	13,16%	8,98%
Teckma	1,3	Market Rent	**11**	7,75%	139	3	142	**134**	**931**	9,39%	7,59%
Tracerco Europe SPRL	1,9	Market Rent	**7**	7,75%	85	2	87	**82**	**936**	9,07%	7,55%
ELYFEC	3,3	Market Rent	**25**	7,75%	328	2	330	**310**	**1 222**	7,90%	7,71%
Vacant Unit	-	Market Rent	**5**	8,25%	63	(9)	54	**51**	**987**	-	9,54%
BERTIN	0,8	Market Rent	**3**	7,75%	37	1	39	**36**	**1 252**	11,71%	7,52%
Murprotect	2,4	Market Rent	**33**	7,75%	430	(85)	345	**325**	**877**	3,93%	9,66%
TOTAL	**1,6**		**261**	**7,81%**	**3 340**	(142)	**3 198**	**3 011**	**981**	**8,01%**	**8,16%**

OPEX / CAPEX details and other indemnities / revenues

Maintenance Works (Budget on 10 years not discounted)	-	€ excl. VAT
CAPEX // Major Repairs (Budget on 10 years not discounted)	**67 000**	€ excl. VAT
Landlord's Contribution to Tenant's Works // Indemnities to Tenants	-	€ excl. VAT
Indemnities paid by Tenants to Landlord // Other Revenues	-	€ excl. VAT

Capitalisation Method Conclusion

Main Use	Lettable Area sq m	Basis of Capitalisation	Yield Applied	Discounted Losses/Excess of income	Perm. Void & Glob. NR	Market Value inclusive K€	Purchaser's Costs	Market Value exclusive K€	Market Value excl.	Net initial yield	Rever -sionary yield
Office	1 527	145	**7,84%**	(74)	(82)	1 655	6,20%	**1 559**	1 021	7,88%	8,34%
Warehouse	1 541	116	**7,77%**	(41)	(82)	1 311	6,20%	**1 235**	801	8,60%	8,37%
Manufacturing											
Parkings											
Total	**3 068**	**261**	**7,81%**	**(115)**	**(164)**	**2 967**	**6,20%**	**2 794**	**911**	**8,20%**	**8,36%**
TOTAL Rented	**3 016**	**256**	**7,80%**	**(115)**	**(164)**	**2 979**	**6,20%**	**2 805**	**930**	**8,16%**	**8,15%**
TOTAL Vacant	**52**	**5**	**8,25%**	**-**	**- -**	**13**	**6,20%**	**(12) -**	**227**		**- 143,77%**

5.4. Discounted Cash Flow Methodology

Year	1	2	3	4	5	6	7	8	9	10
Index ICC / Expenses Inflation	1,25%	1,50%	1,70%	1,75%	1,75%	1,75%	1,75%	1,75%	1,75%	1,75%
Index ILAT	1,40%	1,50%	1,60%	1,65%	1,65%	1,65%	1,65%	1,65%	1,65%	1,65%
Index ILC	1,50%	1,60%	1,65%	1,65%	1,65%	1,65%	1,65%	1,65%	1,65%	1,65%
Market Rental Growth	0,50%	1,00%	1,50%	1,50%	1,50%	1,50%	1,50%	1,50%	1,50%	1,50%
Maintenance										
CAPEX *	62 000	5 000								

*** The CAPEX retained come from the Technical Due Diligence carried out by Arcadis, dated 13 April 2018 (Vendor Capex retained and adjusted according to comments).**

Analysis by Discounted Cash Flow - K€

Year	1	2	3	4	5	6	7	8	9	10
Gross Rents	242	221	251	254	255	270	281	288	291	297
Rent Free Period/Additionnal Rent	(10)	(13)		(7)	(3)	(13)		(2)	(21)	
Indemnities received/paid										
Costs (vacancy, NR, doubtful)	(18)	(22)	(13)	(13)	(13)	(13)	(14)	(14)	(15)	(15)
Capex/Maintenance	(62)	(5)								
Reletting works										
Marketing fees		(6)								
Total Acquisition Costs										3 563
Remaining Rent Free Period to deduct										
Transfer costs										(285)
Free Cash Flows	**152**	**175**	**238**	**235**	**240**	**243**	**267**	**272**	**256**	**3 560**

Discount Rate - Cash Flow	**9,00%**	**Doubtful Debtors**	0,00%	% rent/year	**Letting Fees**	15,00%	% Headline Rent
Discount Rate - Resale Value	**9,00%**	**NR Charges**	5,00%	% rent/year	**Broker's Fees**	2,50%	% Resale Value
Discount Rate - CAPEX	**9,00%**	**Permanent Void**	0,00%	% rental area	**DCF Duration**	10	years

DCF method conclusion

Main Use	RESALE ASSUMPTIONS AND CONCLUSION						Market Value	Purchaser's Costs	Market Value	
	Fixed Period	Reversion	Cap Rate	Basis of Capitalisation	Resale Value € excl.	€ excl./sq m	K€ Incl.		€ exclusive	€/sq m
Office	2,4	4,2%	**8,00%**	160	1 835	1 201	1 595	6,20%	1 501 925	984
Warehouse	1,5	5,3%	**8,00%**	126	1 443	937	1 329	6,20%	1 251 494	812
Manufacturing										
Parkings										
Total	**2,0**	4,7%	**8,00%**	**285**	**3 278**	**1 068**	**2 924**	**6,20%**	**2 753 000**	**897**

5.5. Conclusion of Market Value

Methodology	Market Value inclusive	Purchaser's Costs	Market Value exclusive		Net Initial Yields *				
	€ inclusive		€ exclusive	€ excl./sq m	Net Passing	Net Headline	Net Potential	Theoretical	Net Headline on MV Rented
Capitalisation	2 967 000	6,20%	2 794 000	911	8,20%	8,20%	8,37%	8,35%	8,16%
DCF	2 924 000	6,20%	2 753 000	897	8,32%	8,32%	8,49%	8,48%	8,29%

*Net Initial Yields **

Passing Net Initial Yield : (Passing Net Rent - NR Charges) / MV incl

Net Headline Yield : (Net Headline Rent - NR Charges) / MV incl.

Potential Net Initial Yield : (Net Headline Rent + MR of vacant areas - NR Charges) / MV incl.

Theoretical Initial Yield : (Market Rent - NR Charges) / MV incl.

Rounded Market Value

We are of the opinion that the Market Value of the freehold interest in the above Subject Property, as at 30 June 2018, subject to the existing tenancies, assumptions and comments in this Valuation Report and the Appendices, is:

Methodology Retained DCF

Market Value incl. Purch' costs	2 924 000	€ inclusive	953	€/sq m
Purchaser's Costs	6,20%			
Market Value excl. Purch' cost	**2 753 000**	€ exclusive	897	€/sq m

Net Headline Yield	8,32%
Net Headline Yield (on rented MV	8,29%
Net Potential Yield	8,49%
Net Reversionary Yield	8,48%

6. Vacant Possession Value

We have undertaken the valuation of the building under the special assumption that it is fully vacant (Vacant possession Value).
This methodology consists of capitalising the potential net income at an appropriate yield deducting losses reflecting the marketing and incentives necessary to relet the property.

Tenant	Marketing Void	Vacancy cost	Rent Free Period	Discount / Premium to Market Rent	Reletting Works	Yield Applied	Potential Income Capitalised	Total Discounted Losses (void, works, rent free, fees)	Gross VPV	Net VPV	
	months	€/sq m	months	%	€/sq m		€	€	€ incl.	€ excl.	€/sq m excl.
Vacant 1	15	39	3		50	9,00%	240 000	(58 405)	181 595	170 994	594
Vacant 2	15	39	3		50	9,00%	170 000	(36 696)	133 304	125 521	820
Vacant 3	15	39	3		50	9,00%	66 667	(16 224)	50 443	47 498	594
Vacant 4	15	39	3		50	9,00%	513 333	(114 107)	399 226	375 919	755
Vacant 5	15	39	3		50	9,00%	470 833	(114 579)	356 255	335 456	594
Vacant 6	15	39	3		50	9,00%	73 333	(17 846)	55 487	52 248	594
Vacant 7	15	39	3		50	9,00%	120 000	(29 202)	90 798	85 497	594
Vacant 8	15	39	3		50	9,00%	188 889	(40 774)	148 115	139 468	820
Vacant 9	15	39	3		50	9,00%	120 000	(29 202)	90 798	85 497	594
Vacant 10	15	39	3		50	9,00%	120 000	(29 202)	90 798	85 497	594
Vacant 11	15	39	3		50	9,00%	73 333	(17 846)	55 487	52 248	594
Vacant 12	15	39	3		50	9,00%	282 222	(60 921)	221 302	208 382	820
Vacant 13	15	39	3		50	9,00%	57 778	(12 472)	45 306	42 661	820
Vacant 14	15	39	3		50	9,00%	32 222	(6 955)	25 267	23 792	820
Vacant 15	15	39	3		50	9,00%	370 556	(83 425)	287 131	270 368	729
TOTAL							2 899 167	(667 856)	2 231 311	2 101 046	685

OPEX / CAPEX details and other indemnities / revenues

Maintenance Works (Budget on 10 years not discounted)	-	€ excl. VAT
CAPEX // Major Repairs (Budget on 10 years not discounted)	67 000	€ excl. VAT

Conclusion

MAIN USE	Lettable Area sq m	Basis of Capitalisation	Yield Applied	Potential Income capitalised	Discounted Losses/Excess of income	Major Works / CAPEX / Perm. Void & Glob. NR	Market Value inclusive K€	Purchaser's Costs	Market Value exclusive K€	Market Value excl. € excl./sq m	Rever -sionary yield ***
Office	1 527	145	9,00%	1 615	(355)	(115)	1 145	6,20%	1 078	706	12,06%
Warehouse	1 541	116	9,00%	1 284	(313)	(116)	856	6,20%	806	523	12,83%
Manufacturing											
Parkings											
Total	3 068	261	9,00%	2 899	(668)	(231)	2 000	6,20%	1 883	614	12,39%

7. Estimated Reinstatement Cost

We have prepared our assessment of the reinstatement cost of the building assuming the reinstated building will be identical to existing structural conditions, save for the land, but taking into account all taxes, work costs, technical fees and miscellaneous fees.

This estimation does not take into account he developers margin.

Land Area	17 339	sq m	Basement parkings	0	units
Total Lettable Area	3 068	sq m			
Gross / Net ratio	92,5%				
SHON (net constructed area)	3 317	sq m SHON			

Reconstruction Cost - Floor Area	750	€/sq m SHON	2 487 568	€ excl.
Land Development	5,00%	Const. Costs	124 378	€ excl.
Fiscal Conditions (taxes, royalties, charges etc.)	4,00%	Const. Costs	99 503	€ excl.
Technical Fees (MOE, BET, Insurance)	10,00%	Const. + Gridding	261 195	€ excl.
Financial Fees	2,50%	Total Const. Costs	74 316	€ excl.
Reinstatement Cost	**919**	**€/sq m SHON**	**3 047 000**	**€ excl.**

We assume that any VAT is recoverable and we do not retain any loss of rent or allow for inflation during the reconstruction period.

An estimated reinstatement cost is our assessment of the cost of reinstating the property at he date of valuation. We have not been provided with the actual construction costs, but have estimated these overall costs based on our knowledge of similar buildings.

The figures set out in this valuation sheet are our assessment of the cost of reconstructing he property. They include an allowance for demolition, removal of debris, temporary shoring, statutory and professional fees which are likely to be incurred on reconstruction, but exclude any allowance for VAT. If you are unable to recover VAT, or can recover part only, you should advise your insurers and increase he Base Sum Insured appropriately. The figures make no allowance for loss of rent during the rebuilding period, nor for inflation, nor the cost of dealing with any contamination which may be present and have to be dealt with prior to reconstruction. The assessment does not provide advice in respect of terrorist damage cover and you should consult with your insurers in respect of this.

We have assumed that the reinstated building and its use will be similar to that existing, and the reinstated building will be to he original design, in modern materials, using modern techniques to modern standards.

We have considered the extent and nature of the building but our assessments have been undertaken as part of our normal valuation exercise. We have not carried out a formal reinstatement cost assessment through a Building Consultancy company. Our assessment should be treated as a guide only and should not be relied upon. It should be used for comparative purposes only against the borrower’s proposed reinstatement cover.

Should any discrepancies arise, a formal reinstatement cost assessment should be commissioned.

8. Photos

Exterior View

Exterior View

Interior View

Interior View

Exterior View

Exterior View

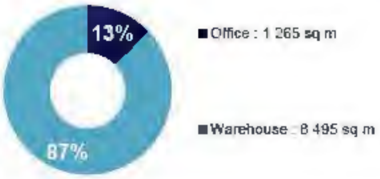
Valuation Summary

Belmont

Address	Parc d'Activités, Val-Guiers		
ZIP-Town	73330 - Belmont-Tramonet	**Hub/Market**	Lyon
Completion Date	2006 / 2017		
Main Use	Logistics		

Project Type	Valuation Report	
Inspection Date	14/06/2018	
Valuer	Antoine LANIESSE	
Land Area	20 400	sq m
Tenure	Freehold equivalent	

Share of the area by nature



Rating	
Macro Location	3
Micro Location	4
Building Quality	2
Condition	3
Lettability	3
Marketability (sale	3
Overall rating	3
Loan Security	medium

Total Lettable Area		9 760 sq m		
Occupancy Rate		100%		
Remaining Duration (WALB / WALT)		7,9 / 8,9 years		
Main Tenant		Dist. Pièces de Rechange		
Number of Leases		1		
Estimated marketing period		12 months		
Net Headline Rent	K€/year excl.	573	59	€/sq m/yr excl.
Net Potential Rent	K€/year excl.	573	59	€/sq m/yr excl.
Market Rental Value	K€/year excl.	371	38	€/sq m/yr excl.

SWOT ANALYSIS

Strengths

- Good location in a small logistic area,
- Easy access, in close proximity to the A43 motorway,
- The building is almost fully let to a subsidiary of PSA,
- Asset in good condition considering its age,
- Remaining fixed term period of 7,9 years on average,
- Extension of one part of the property in 2017: 10 years warranty for the new building achieved in 2017.

Weaknesses

- Building located far from the main industrial zones of Lyon (approx. 50km),
- Potential decrease of the income at the renewal (negative reversion).

Opportunities

- A light refurbishement could improve the attractiveness of the building,
- Savoie region is an attractive area for industrail and logistics premises as Switzerland's and Italy's borders are close,
- Unique asset due to it size.

Threats

- In case of departure of one of the tenant, the marketing period could be long due to the limited potential users in Savoie.

VALUATION METHOD CONCLUSION

Methodology	Market Value			CAPEX not discounted (Deducted)	Purchaser's Costs	Net Initial Yields *				
	€ inclusive	€ exclusive	€ excl /sq m	€		Net Passing	Net Headline	Net Potential	Theoretical	Net Headline on MV Rented
Capitalisation	7 440 000	6 960 000	713		6,90%	7,55%	7,55%	7,55%	7,74%	7,55%
DCF	7 170 000	6 708 000	687		6,90%	7,83%	7,83%	7,83%	8,03%	7,83%

** : Passing Net Initial Yield : (Passing Net Rent - NR Charges) / MV incl.*

Net Headline Yield : (Net Headline Rent - NR Charges) / MV incl.

Theoretical Initial Yield : (Market Rent - NR Charges) / MV incl.

MARKET VALUE CONCLUSION

Market Value incl. Purch' costs	**7 440 000**	€ inclusive	762	€ incl./sq m
Purchaser's Costs	6,90%			
Market Value excl. Purch' costs	**6 960 000**	€ exclusive	713	€ excl./sq m

Net Headline Yield	7,55%
NIY on rented MV	7,55%
Net Potential Yield	7,55%
Net Reversionary Yield	7,74%

Additional Valuation	Market Value		General Assumptions			
	€ exclusive	€ excl./sq m	Void Period months	Rent Free months	Capitalisation Yield	Construction Costs €/sqm SHON
Vacant Possession Value	4 002 000	410	12	3	7,50%	
Estimated Reinstatement Cost	5 503 000	564				450,00

1. Property Presentation

Aerial View

Cadastral Matrix

Designation

The property primarily used as logistics is situated :

Parc d'Activités, Val-Guiers - 73330 Belmont-Tramonet

Cadastral References

A n°1770, n°1990, n°1988, n°1985, n°1748

Land Area	20 400 sq m

Tenure

According to the notarial due diligence carried out by "Attal et Associés Notaires", we understand that the property is held freehold equivalent.

Location & Environment

The asset is located in Belmont-Tramonet, in the south-east of France in the Savoie region (73). Belmont-Tramonet is situated 65 km away from Lyon, 20 km from Chamberry, 75 km from Genève.

The asset is located just 200 m away from the A43 and 800 m from D916A. The property is situated in the northern part of the commune, at Allée Val Guiers, occupies a 9,760 sq m plot and is part of a small logistics industrial area.

The surrondings of the property is mainly composed of logistic spaces and farming lands.

The asset benefits from frontage into the A43 motorway to access to Lyon or Chambery.

Transport & Access

The Property can be accessed through:
- A43 motorway,
- D1006, D916A (Route de Saint-Genix)
- Railway: Chambery train station is less than 40 km east of the subject property, providing rail connections to Lyon.
- Airport: the nearest airport is the Chambery Savoie Mont Blanc airport which is approximately 25 minute drive east from the property.

Exterior View

Interior View

Exterior Description

The asset is a mixed industrial/office property comprising one building on a plot with a regular shape, built in 2006 and extended in 2017.
The structure of the building is made of steel. The roofs are made of profiled steel sheeting with multilayered covering. The asset benefits from 1 level door and 18 dock doors with a front type loading.
The building has steel frame construction.
The property offers 78 external car parking spaces.

Internal Layout

All office areas offer the same specifications: suspended ceilings with inset lights, painted walls, tiled floor and intercoms for access. The common area benefits from suspended ceilings with inset lights, tiled floors and toilets.
The building is a light industrial building with office areas. The office areas benefit from a reversible air conditioned heating system, whereas the warehouse offers gas heating system. The light industrial areas have an eaves height of 7 m and a floor load capacity between 3 and 5 t/sq m.
The property comprises 9,760 sq m split into 13% of offices (1,264.6 sqm) and 87% of light industrial premises (8,495 sqm).
The asset is entirely rent to Centre de Distribution de Pièces de Rechanges (CDPR) which is a french firm specialised in the wholesale in the automotive industry.

Contamination and Diagnosis Conclusion

Potential Sources of Soil and Water Contamination	: Low
Site Sensitivity	: Moderate
Risk Assessment	: Low
Environmental certifications	: None

Other Environmental Issues

The site is located in a high flood risk area and in a medium seismic risk area.

General Environmental Conclusion

As no past or current land uses have been identified that would give rise to a significant environmental liability, it is unlikely that the property would pose a risk from an environmental perspective. This assessment is based on the assumption that good environmental practices are followed on site and that permitted activities are undertaken in line with the relevant regulations.

General Condition

The property appears to have been well maintained with regard to its age, use and construction.
During the course of our inspection, we did not notice any apparent defects.

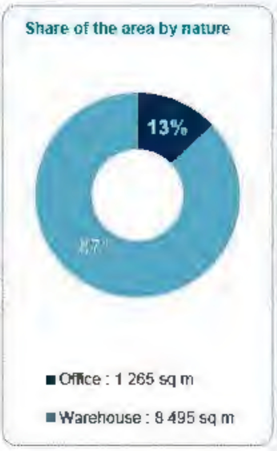
Town Planning

According to the PLU document "Plan Local d'urbanisme" which was modified on the 29th of June 2017, the property is located in the Zone "urbaine d'activité économique" UE.
The main characteristics and regulations for the zone are as follows:

- Emprise au sol (maximum footprint): 50%.
- Maximum height of buildings: The maximum height of new constructions is 16 m above the natural level of the land.
- “Coefficient d’Occupation des Sols” (plot ratio): not prescribed.
- Car parking spaces: 1 car parking space per 20 sq m ("surface de plancher") of offices.

2. Area Schedule

Area Typology	Total Area sq m lettable	Total Area Share	Occupied Area sq m lettable	Vacant Area sq m lettable	Occupancy Rate
Office	1 265	13,0%	1 265	–	100%
Warehouse	8 495	87,0%	8 495	–	100%
Manufacturing	–		–	–	
Other	–		–	–	
Parking int.	–		–	–	
Parking ext.	–		–	–	
TOTAL	9 760	100,0%	9 760	–	100%
ICR / Base Area	*9 760*	*sq m*			



Area Source Documents
For the purpose of this valuation we have been provided with lettable areas of the property, sent by EASTD LL Secured, in the "Property Use by Tenant" and "Financing Rent Roll" Excel files, undated. We have not undertaken measurements of the property. Following our site visit, we have come to the conclusion that the areas provided seem to correspond to the inspected property. Should the surface areas differ from the provided surface areas, we reserve the right to alter our valuation accordingly.

3. Rental Situation

Tenancy Schedule

Tenants	Floor	Main Use	AREA SCHEDULE						LEASE DURATION				INDEXATION	
			Office sq m	Warehouse sq m	Manufacturing sq m	Other sq m	Parking Internal/ External units	TOTAL sq m	Lease type	Lease Start	Next Break Option	Lease End	Next Indexation Date	Current Index
Dist. Pièces de Rechange	GF	Warehouse	1 265	8 495				9 760	Com. L	06/06/17	05/06/26	05/06/27	31/07/18	LAT
TOTAL			1 265	8 495			0 / 0	9 760						
TOTAL Rented			1 265	8 495	-	-	0 / 0	9 760						
TOTAL Vacant			-	-	-	-	0 / 0	-		Vacancy Rate	0%			

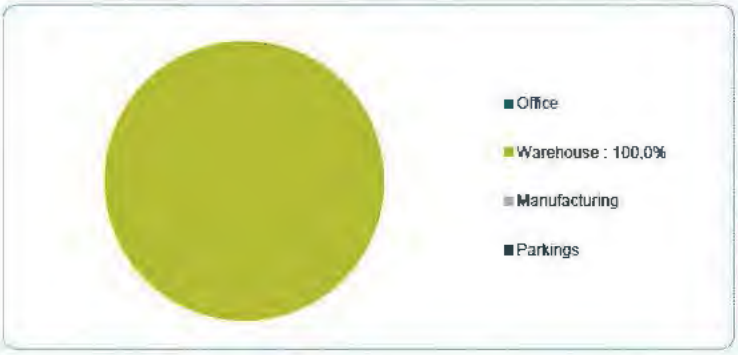
Management of Charges and Analysis of Net Rent

Tenants	Gross Passing Indexed Rent	Gross Headline Indexed Rent	NON-RECOVERABLE CHARGES (€/YEAR) *					TOTAL Non Recoverable	NET HEADLINE RENT **		Additional Rent	
			Property Tax	Office Tax	Insu rance	Major Repairs (art. 606)	Mgmt Fees				Current Amount	End Date
	€/yr excl.	€/yr excl.						€/sq m/yr	€/yr excl.	€/sq m/yr	€/yr excl.	
Dist. Pièces de Rechange	572 978	572 978	T	T	T	T	T		572 978	59		
									-			
									-			
TOTAL	572 978	572 978							572 978	59		

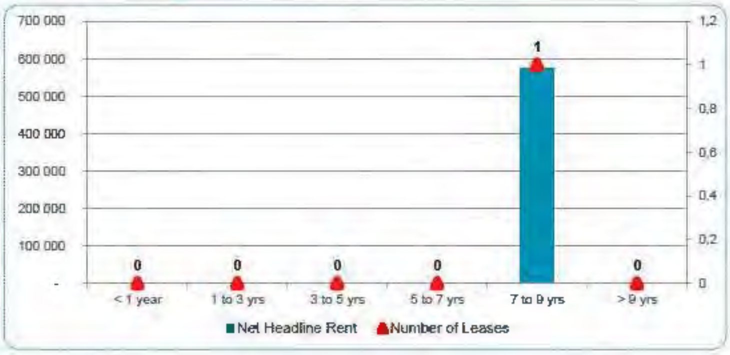
* T = "Tenant" => charges entirely recoverable

** Net Headline Rent not taking into account the global NR charges retained for the property (2,00% of passing rent per year)

Net Passing Rental income's share by Main Use



State of Remaining Fixed Term (WALB)

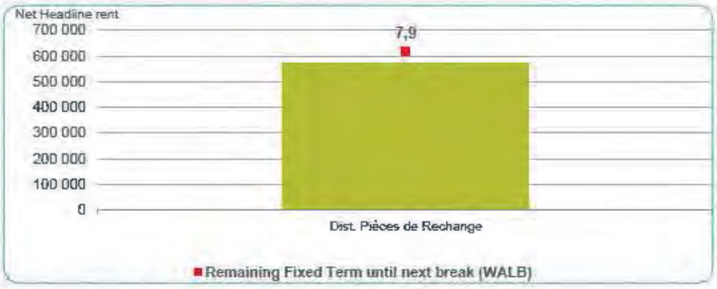


Lease Incentives

Tenants	STEPPED RENTS						RENT FREE PERIOD						Indemnities € / Part. W	
	Start Date 1	Step Rent 1 €/yr	Start Date 2	Step Rent 2 €/yr	Start Date 3	Step Rent 3 €/yr	Start Date 1	Initial Duration months	Start Date 2	Duration 2 months	Start Date 3	Duration 3 months	Date	Amount Paid or Received € excl.
Dist. Pièces de Rechange														

TOP 5 Tenants

State of Remaining Fixed Term (WALB)



4. Asset Positioning

Local Rental Market

Belmont-Tramonet is a city located to the east of Lyon, at the border between Isère (38) and Savoie (79), in the immediate proximity of the A43 motorway which connects the city with Lyon, the Savoie and Switzerland. There is no main industrial zone in this area and there are very few constructions. The subject asset is located in the immediate vicinity of the A43 motorway.

The industrial market is relatively closed in Belmont-Tramonet, no recent transaction for this type of assets have been recorded in the city. It does not really benefit from Lyon attractiveness which is the second-largest activity along the Corridor (behind Paris Region, which accounts for 53% of the Q1 2018 take up along the Corridor) and where Q1 2018 take-up remained relatively unchanged from one year to another (40,000 sq m, -4.5% versus Q1 2017, which accounts for 17% of the Q1 2018 take up along the Corridor). However, it benefits from the proximity with Italy and Switzerland which increases its attractiveness.

In our approach of the rental market value, we have analysed rental transactions in similar zones, with comparable accessibility and locations. The rental value for this type of asset and this location stands between 35€/sq m and 70€/sq m depending on the asset's condition and the specifications of the building.

Comparable Rental Transactions

Quality compared to subject property: ▲ Above ▼ Below ▬ Equivalent

Address	Date		Owner	Tenant	Area sqm	Fixed Period	Rent €/sqm	Comments
59, avenue de l'Ile Brune - 38120 Saint-Egrève - Logistics	10/2013	▲	NC	Direction des douanes interregionale Rhone Alpe	875	NC	69	Light industrial premise located in an area mainly composed of industrial properties and logistic at the border between Haute Savoie and Isère.
ZI des Landiers - 73000 Chambéry - Logistics	10/2012	▲	Carremeuble	Maneth Sport	643	NC	105	Light industrial premise located in an area mainly composed of industrial properties and logistic at the border between Haute Savoie and Isère.
Avenue de la Houille Blanche - 73000 Chambéry - Logistics	06/2012	▬	NC	MPI	3 425	NC	36	Light industrial premise located in an area mainly composed of industrial properties and logistic at the border between Haute Savoie and Isère.

Comparable Rental Supply

Address	Type		Area sqm	Divisibility sqm	Office€/sqm	Warehouse	Parking €/sqm	Comments
ZI de Val Guiers - 73330 - Belmont Tramonet	Logistics	▲	5 000	NC	65			● 300 sq m with storage racks ● Car parking available ● Dockside doors: 5
ZA Voglans - 73420 Voglans	Logistics	▲	2 460	NC	43			● Field of 9,800 sq m ● Height: from 4,3 to 6,1 meters ● Heavy vehicles access ● Dockside door: 1
ZA La Sage - 73330 - Domessin	Light Industrial	▲	180	NC	81			● Height: from 4,5 to 6 meters ● AC ● Car parking available ● Dockside door: 1

-

Investment Market

The investment market for warehouses in Belmont-Tramonet almost does not exist. However, it is a very opportunistic market which targets a specific type of investors explaining the lack of recent transaction. Moreover, the majority of the transactions are occupiers' sales. Futhermore, the investors are looking nowadays for larger surfaces as warehouse formats from 10,000 to 30,000 sq m posted a significant increase and accounted for over half of the take-up over Q1 2018 in France. This demand shows how unique this asset is in the region. What's more, its proximity with Italy and Switzerland increases it attractiveness.
We have ascertained some transaction which occurred in comparable areas with comparable accessibility. These transactions reflect the aspect of the market (very opportunistic) with net initial yields above 7.50%.

Comparable Investment Transactions

Address	Date	Purchaser	Seller	Sale Price € excl.	€ excl /sq m	Published Yield	Area sqm- (sqm)	Comments
Logistique - 56, avenue Felix Viallet 38000 Grenoble	01/05/2015	Espace Vertical	NC	450 000	644,7		698	Old property located close to the subject property.
Logistique - 59, avenue de Valence 38360 Sassenage	01/01/2015	NC	NC	500 000	400,0		1 250	Old property located close to the subject property.
Logistique - La Ravoire, 73000 Chambéry	01/02/2012	NC	NC	1 800 000	450,0		4 000	Old property located close to the subject property.

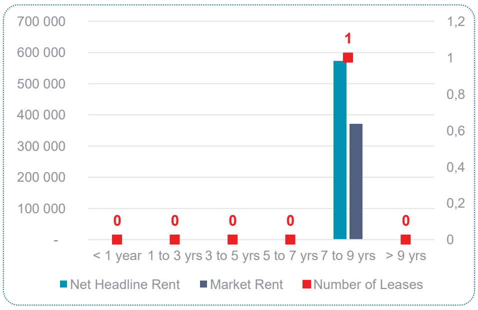
5. Property Valuation

5.1. Market Rent

Tenants	MARKET RENTAL VALUE (€ excl.)								NET HEADLINE RENT		Theoretical Reversion
	Office	Warehouse	Manufacturing	Other	Internal Pk	ICR	Total Excl.		Total Excl.		
	€/sq m/yr	€/sq m/yr	€/sq m/yr	€/sq m/yr	€/u/year	€/sq m/yr	€/yr	€/sq m/yr	€/yr	€/sq m/yr	MR / Rent
Dist. Pièces de Rechange	38	38					370 880	38	572 978	59	-35,3%
TOTAL	**38**	**38**					**370 880**	**38**	**572 978**	**59**	**-35,3%**
TOTAL Rented	**38**	**38**	-	-	-	-	**370 880**	**38**	**572 978**	**59**	**-35,3%**
TOTAL Vacant	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**			

Main Use	Number of Leases	Usable Areas	Net Headline Rent		Market Rental Value		Theoretical Reversion
		sq m / units	€/year excl.	€/sq m/yr	€/year excl.	€/sq m/yr	MR / Rent
Office							
Warehouse	1		572 978	59	**370 880**		-35,3%
Manufacturing							
Parkings							
TOTAL	1	0	**572 978**	**59**	**370 880**		-35,3%

Potential loss/earning of rent at future lease break options



Valuation Date 30/06/2018
Report Date 03/09/2018

5.2. General Assumptions (at Renewal / Departure / Letting)

In our valuation, we have retained the following assumptions in case of renewal or departure at the next potential tenant breaks.

Tenants	Potential Date of Departure	Proba-bility of departure %	Tenant Departure Assumptions				Tenant Renewal Assumptions				
			Reletting work €/sq m	Void Period months	Rent-Free Period months	Fixed Period years	Reversion at Lease End	Renewal Base *	Reversion Captured at Renewal	Rent-Free Period months	Fixed Period years
Dist. Pièces de Rechange	05/06/26	25%		12	3	3	-36,9%	L R	N/A	3	3

* MR : Market Rent / LIR : Last Indexed Rent

5.3. Capitalisation Methodology

Tenant	Remaining Fixed Term years	Capitalised Income Type	Basis of Capitalisation K€/year excl.	**Yield Applied**	Income Capitalised K€	Compensation / Losses K€	Gross Market Value K€ Incl.	**Market Value Exclusive before Capex and Structural Void** **K€ Excl.**	**€ excl./sq m**	**Net Initial Yield**	**Rever- -sionary Yield**
Dist. Pièces de Rechange	7,9	Net Headline Re	**573**	7,50%	7 640	(46)	7 593	**7 103**	**728**	7,55%	7,74%
TOTAL	**7,9**		**573**	**7,50%**	**7 640**	**(46)**	**7 593**	**7 103**	**728**	**7,55%**	**7,74%**

OPEX / CAPEX details and other indemnities / revenues

Maintenance Works (Budget on 10 years not discounted)	-	€ excl. VAT
CAPEX // Major Repairs (Budget on 10 years not discounted)	-	€ excl. VAT
Landlord's Contribution to Tenant's Works // Indemnities to Tenants	-	€ excl. VAT
Indemnities paid by Tenants to Landlord // Other Revenues	-	€ excl. VAT

Capitalisation Method Conclusion

Main Use	**Lettable Area sq m**	**Basis of Capitalisation**	**Yield Applied**	**Discounted Losses/Excess of income**	**Perm. Void & Glob. NR**	**Market Value inclusive K€**	**Purchaser's Costs**	**Market Value exclusive K€**	**Market Value excl.**	**Net initial yield**	**Rever -sionary yield**
Office											
Warehouse	9 760	573	**7,50%**		(153)	7 440	6,90%	**6 960**	713	7,55%	7,74%
Manufacturing											
Parkings											
Total	**9 760**	**573**	**7,50%**	**-**	**(153)**	**7 440**	**6,90%**	**6 960**	**713**	**7,55%**	**7,74%**
TOTAL Rented	**9 760**	**573**	**7,50%**	**-**	**(153)**	**7 440**	**6,90%**	**6 960**	**713**	**7,55%**	**7,74%**
TOTAL Vacant	**0**	**-**		**-**	**-**	**-**	**6,90%**	**-**	**-**		

5.4. Discounted Cash Flow Methodology

Year	1	2	3	4	5	6	7	8	9	10
Index ICC / Expenses Inflation	1,25%	1,50%	1,70%	1,75%	1,75%	1,75%	1,75%	1,75%	1,75%	1,75%
Index ILAT	1,40%	1,50%	1,60%	1,65%	1,65%	1,65%	1,65%	1,65%	1,65%	1,65%
Index ILC	1,50%	1,60%	1,65%	1,65%	1,65%	1,65%	1,65%	1,65%	1,65%	1,65%
Market Rental Growth	0,50%	1,00%	1,50%	1,50%	1,50%	1,50%	1,50%	1,50%	1,50%	1,50%
Maintenance										
CAPEX *										

*** The CAPEX retained come from the Technical Due Diligence carried out by Arcadis, dated 13 April 2018 (Vendor Capex retained and adjusted according to comments).**

Analysis by Discounted Cash Flow - K€

Year	1	2	3	4	5	6	7	8	9	10
Gross Rents	581	590	599	609	619	629	640	650	496	601
Rent Free Period/Additionnal Rent										(150)
Indemnities received/paid										
Costs (vacancy, NR, doubtful)	(12)	(12)	(12)	(12)	(12)	(13)	(13)	(13)	(21)	(12)
Capex/Maintenance										
Reletting works										
Marketing fees									(16)	
Total Acquisition Costs										7 607
Remaining Rent Free Period to deduct										
Transfer costs										(654)
Free Cash Flows	**569**	**578**	**587**	**597**	**607**	**617**	**627**	**637**	**459**	**7 392**

Discount Rate - Cash Flow	**8,25%**	**Doubtful Debtors**	0,00%	% rent/year	**Letting Fees**	15,00%	% Headline Rent
Discount Rate - Resale Value	**8,25%**	**NR Charges**	2,00%	% rent/year	**Broker's Fees**	2,50%	% Resale Value
Discount Rate - CAPEX	**8,25%**	**Permanent Void**	0,00%	% rental area	**DCF Duration**	10	years

DCF method conclusion

Main Use	**RESALE ASSUMPTIONS AND CONCLUSION**						**Market Value**	**Purchaser's Costs**	**Market Value**	
	Fixed Period	Reversion	**Cap Rate**	Basis of Capitalisation	Resale Value € excl.	€ excl./sq m	K€ Incl.		€ exclusive	€/sq m
Office										
Warehouse	1,2	-28,1%	**7,75%**	590	6 953	712	7 170	6,90%	6 707 550	687
Manufacturing										
Parkings										
Total	**1,2**	-28,1%	**7,75%**	**590**	**6 953**	**712**	**7 170**	**6,90%**	**6 708 000**	**687**

5.5. Conclusion of Market Value

Methodology	Market Value inclusive	Purchaser's Costs	Market Value exclusive		Net Initial Yields *				
	€ inclusive		€ exclusive	€ excl./sq m	Net Passing	Net Headline	Net Potential	Theoretical	Net Headline on MV Rented
Capitalisation	7 440 000	6,90%	6 960 000	713	7,55%	7,55%	7,55%	7,74%	7,55%
DCF	7 170 000	6,90%	6 708 000	687	7,83%	7,83%	7,83%	8,03%	7,83%

*Net Initial Yields **

Passing Net Initial Yield : (Passing Net Rent - NR Charges) / MV incl.

Net Headline Yield : (Net Headline Rent - NR Charges) / MV incl.

Potential Net Initial Yield : (Net Headline Rent + MR of vacant areas - NR Charges) / MV incl.

Theoretical Initial Yield : (Market Rent - NR Charges) / MV incl.

Rounded Market Value

We are of the opinion that the Market Value of he freehold interest in the above Subject Property, as at 30 June 2018, subject to the existing tenancies, assumptions and comments in this Valuation Report and the Appendices, is:

Methodology Retained	Capitalisation			
Market Value incl. Purch' costs	7 440 000	€ inclusive	762	€/sq m
Purchaser's Costs	6,90%			
Market Value excl. Purch' cost	**6 960 000**	**€ exclusive**	**713**	**€/sq m**

Net Headline Yield	7,55%
Net Headline Yield (on rented MV	7,55%
Net Potential Yield	7,55%
Net Reversionary Yield	7,74%

6. Vacant Possession Value

We have undertaken the valuation of the building under the special assumption that it is fully vacant (Vacant possession Value).
This methodology consists of capitalising the potential net income at an appropriate yield deducting losses reflecting the marketing and incentives necessary to relet the property.

Tenant	Marketing Void	Vacancy cost	Rent Free Period	Discount / Premium to Market Rent	Reletting Works	Yield Applied	Potential Income Capitalised	Total Discounted Losses (void, works, rent free, fees)	Gross VPV	Net VPV	
	months	€/sq m	months	%	€/sq m		€	€	€ incl.	€ excl.	€/sq m excl.
Vacant 1	12	4	3			7,50%	4 945 067	(513 678)	4 431 388	4 145 359	425
TOTAL							4 945 067	(513 678)	4 431 388	4 145 359	425

OPEX / CAPEX details and other indemnities / revenues

Maintenance Works (Budget on 10 years not discounted)	-	€ excl. VAT
CAPEX // Major Repairs (Budget on 10 years not discounted)	-	€ excl. VAT

Comments

The strong discount to the Market Value is due to the fact the the property has been developed as a turn key asset for the existing occupier. If vacant, considering the alternative location not identified as a logistic area, the marketing would be very hard.

Conclusion

MAIN USE	Lettable Area sq m	Basis of Capitalisation	Yield Applied	Potential Income capitalised	Discounted Losses/Excess of income	Major Works / CAPEX / Perm. Void & Glob. NR	Market Value inclusive K€	Purchaser's Costs	Market Value exclusive K€	Market Value excl. € excl./sq m	Rever -sionary yield ***
Office											
Warehouse	9 760	371	7,50%	4 945	(514)	(153)	4 279	6,90%	4 002	410	8,49%
Manufacturing											
Parkings											
Total	9 760	371	7,50%	4 945	(514)	(153)	4 279	6,90%	**4 002**	410	8,49%

7. Estimated Reinstatement Cost

We have prepared our assessment of the reinstatement cost of the building assuming the reinstated building will be identical to existing structural conditions, save for the land, but taking into account all taxes, work costs, technical fees and miscellaneous fees.

This estimation does not take into account the developers margin.

Land Area	20 400	sq m	Basement parkings	0	units
Total Lettable Area	9 760	sq m			
Gross / Net ratio	100,0%				
SHON (net constructed area)	9 760	sq m SHON			

Reconstruction Cost - Floor Area	450	€/sq m SHON	4 392 000	€ excl.
Land Development	7,50%	Const. Costs	329 400	€ excl.
Fiscal Conditions (taxes, royalties, charges etc.)	4,00%	Const. Costs	175 680	€ excl.
Technical Fees (MOE, BET, Insurance)	10,00%	Const. + Gridding	472 140	€ excl.
Financial Fees	2,50%	Total Const. Costs	134 231	€ excl.
Reinstatement Cost	**564**	**€/sq m SHON**	**5 503 000**	**€ excl.**

We assume that any VAT is recoverable and we do not retain any loss of rent or allow for inflation during the reconstruction period.

An estimated reinstatement cost is our assessment of the cost of reinstating the property at the date of valuation. We have not been provided with the actual construction costs, but have estimated these overall costs based on our knowledge of similar buildings.

The figures set out in this valuation sheet are our assessment of the cost of reconstructing the property. They include an allowance for demolition, removal of debris, temporary shoring, statutory and professional fees which are likely to be incurred on reconstruction, but exclude any allowance for VAT. If you are unable to recover VAT, or can recover part only, you should advise your insurers and increase the Base Sum Insured appropriately. The figures make no allowance for loss of rent during the rebuilding period, nor for inflation, nor the cost of dealing with any contamination which may be present and have to be dealt with prior to reconstruction. The assessment does not provide advice in respect of terrorist damage cover and you should consult with your insurers in respect of this.

We have assumed that the reinstated building and its use will be similar to that existing, and the reinstated building will be to the original design, in modern materials, using modern techniques to modern standards.

We have considered the extent and nature of the building but our assessments have been undertaken as part of our normal valuation exercise. We have not carried out a formal reinstatement cost assessment through a Building Consultancy company. Our assessment should be treated as a guide only and should not be relied upon. It should be used for comparative purposes only against the borrower's proposed reinstatement cover.

Should any discrepancies arise, a formal reinstatement cost assessment should be commissioned.

8. Photos

Exterior View

Exterior View

Interior View

Interior View

Environment

Environment

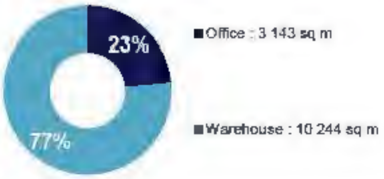
CUSHMAN & WAKEFIELD

Valuation Summary — Cavaillon

Address	410 route du Moulin de Losque		
ZIP-Town	84300 - Cavaillon	**Hub/Market**	Marseille
Completion Date	2007		
Main Use	Logistics		

Project Type	Valuation Report	
Inspection Date	13/06/2018	
Valuer	Haydée SAVATOVSKY	
Land Area	63 681	sq m
Tenure	Freehold equivalent	

Share of the area by nature



Rating	
Macro Location	3
Micro Location	1
Building Quality	4
Condition	4
Lettability	1
Marketability (sale	1
Overall rating	2
Loan Security	medium

Total Lettable Area		13 387 sq m		
Occupancy Rate		100%		
Remaining Duration (WALB / WALT)		0,5 / 0,5 years		
Main Tenant		Carrefour Supply Chain		
Number of Leases		3		
Estimated marketing period		24 months		
Net Headline Rent	K€/year excl.	1 024	76	€/sq m/yr excl.
Net Potential Rent	K€/year excl.	1 024	76	€/sq m/yr excl.
Market Rental Value	K€/year excl.	913	68	€/sq m/yr excl.

SWOT ANALYSIS

Strengths

- Location in an industrial area
- Good motorway accessibility
- Buildings in good condition.

Weaknesses

- Notice for end July 2018 received from ID Logistics and lack of firm period under the lease Carrefour supply chain
- In the event of vacancy of the warehouse, there would be limited rental demand due to the nature of the building (partly chilled and large office area not in line with the current rental demand)

Opportunities

- The property contains expansion land : it may be possible to enlarge The warehouse building.
- Strong potential to market the whole area vacated by ID Logistics to Carrefour or XPO that are interested by these premises.

Threats

- Long marketing period would be probably required for the office building
- Specific building (due to its refrigerating facilities) may not appeal to the investment market.

VALUATION METHOD CONCLUSION

Methodology	Market Value			CAPEX not discounted (Deducted) €	Purchaser's Costs	Net Initial Yields *				
	€ inclusive	€ exclusive	€ excl /sq m			Net Passing	Net Headline	Net Potential	Theoretical	Net Headline on MV Rented
Capitalisation	8 723 000	8 160 000	610	371 000	6,90%	11,15%	11,15%	11,15%	9,94%	11,15%
DCF	8 786 000	8 220 000	614		6,90%	11,07%	11,07%	11,07%	9,87%	11,07%

** : Passing Net Initial Yield : (Passing Net Rent - NR Charges) / MV incl.*

Net Headline Yield : (Net Headline Rent - NR Charges) / MV incl.

Theoretical Initial Yield : (Market Rent - NR Charges) / MV incl.

MARKET VALUE CONCLUSION

Market Value incl. Purch' costs	**8 787 000**	€ inclusive	656	€ incl./sq m
Purchaser's Costs	6,90%			
Market Value excl. Purch' costs	**8 220 000**	€ exclusive	614	€ excl./sq m

Net Headline Yield	11,07%
NIY on rented MV	11,07%
Net Potential Yield	11,07%
Net Reversionary Yield	9,87%

Additional Valuation	Market Value		General Assumptions			
	€ exclusive	€ excl./sq m	Void Period months	Rent Free months	Capitalisation Yield	Construction Costs €/sqm SHON
Vacant Possession Value	6 954 000	519	15 - 24	3	8,50% - 10,00%	
Estimated Reinstatement Cost	10 350 000	715				570,74

1. Property Presentation

Aerial View

Cadastral Matrix

Designation

The property primarily used as logistics is situated :

410 route du Moulin de Losque - 84300 Cavaillon

Cadastral References

section AV numbers 446, 644, 647, 650, 651, 654, 658, 660, 662, 664, 666, 669 and 671

Land Area 63 681 sq m

Tenure

Full Ownership

Location & Environment

Cavaillon (25,000 habitants) is a town located in the Vaucluse department (84).
The town is situated approximately 25 km south east of Avignon on the A7 motorway, along the banks of the River Durance.

A substantial part of the economy is based on truck farming, transport and wholesale fruit and vegetable production. There are two other fruit and vegetable wholesalers nearby, in Châteaurenard (13) and Avignon (84).

More precisely, the property is located to the south of the town centre close to the banks of the Durance, in the southern part of the MIN logistic activity zone which was extended in 1989.
This zone, which has been developed around the fruit and vegetable wholesale market of Cavaillon, was formerly connected to the railway network.
It consists mainly of old buildings but also has some units that were built more recently. The zone benefits from a good connection with France, Spain, Italy and Swiss. It also hosts a business incubator for "FoodTeh".

Transport & Access

Junction 25 of the A7 motorway, 5 km away, offers access to the A9 at Orange (50 km away). There are also the A54/N113 motorways and the A8 motorway 30 km away at Salon de Provence.

Office building

Light industrial building

Exterior Description

The property consists of 3 buildings built in 2007: a stand alone office building, a light industrial building, and a warehouse building all arranged north to south on the site, respectively.
The office building is a purpose-built office block arranged over ground and 2 upper floors.
The light industrial building, which is partially sublet to Fraikin, is a double skin building with 8 ground-level loading doors.
The last building is a double sided warehouse with 55 loading doors and its own ancillary offices.

The office building can be accessed separately via route du Moulin de Losque, while the logistics warehouse and light industrial buildings are accessed via Allée Marie Mauron. The site is flat and fenced.

Internal Layout

- Office building (1,895 sq m) : accessed via a ground floor entrance hall, this building has meeting rooms, partitioned offices and convenience facilities. Specifications include air conditioning, entrance control and a lift.
- Light industrial building (1,339 sq m): used as archival storage and HGV garage, it has an eaves height of 5 to 5.50 metres and contains an inspection pit, offices, a mezzanine level and various facilities installed by Fraikin (HGV gate, oil heating, etc).
- Warehouse (10,153 sq m including 1,248 sq m of office areas): One section of this building (approx 2/3) is a positive cooled warehouse, while the other portion is used as a dry goods storage with an eaves height of 7,5 to 8 metres.

Contamination and Diagnosis Conclusion

Potential Sources of Soil and Water Contamination : Low/Moderate
Site Sensitivity : Moderate
Risk Assessment : Low/Moderate
Environmental certifications : None

Other Environmental Issues

The site is located in an area at high risk from flooding.

General Environmental Conclusion

As the site has been identified to lie within an industrial setting, some contamination may exist on site. However, the property itself has not been used for industrial purposes. As such, it is unlikely that issues may arise from environmental liability perspective.
Environmental soil and soil gas surveys are likely to be requested as part of any future planning process, should the future site use change to a more sensitive one.

General Condition

The property appears to have been well maintained with regard to its age, use and construction.
Nevertheless, we have noted some heavy wear on the pavement and on the buildings' flagstones.

Town Planning

The planning policy for the area is contained within the national master plan (RNU - 'Réglement National d'Urbanisme'). According to the project of the Town Planning Documents ('Plan Local d'Urbanisme' - PLU), that should be approved before 2018, the property should be located in zone UEa, designated for economic activities.
Moreover, the property is located in a zone covered by the PPRI (flooding risks) Durance. The site is considered to have a high to moderate risk from flooding.

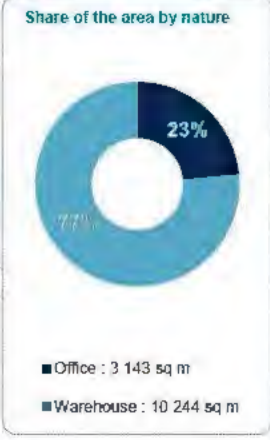
2. Area Schedule

Area Typology	Total Area		Occupied Area	Vacant Area	Occupancy Rate
	sq m lettable	Share	sq m lettable	sq m lettable	
Office	3 143	23,5%	3 143	-	100%
Warehouse	10 244	76,5%	10 244	-	100%
Manufacturing	–		-	-	
Other	–		-	-	
Parking int.	-		-	–	
Parking ext.	-		-	–	
TOTAL	13 387	100,0%	13 387	-	100%

ICR / Base Area	*13 387*	*sq m*

Area Source Documents

For the purpose of this valuation we have been provided with lettable areas of the property, sent by EASTD LL Secured, in the "Property Use by Tenant" and "Financing Rent Roll" Excel files, undated. We have not undertaken measurements of the property. Following our site visit, we have come to the conclusion that the areas provided seem to correspond to the inspected property. Should the surface areas differ from the provided surface areas, we reserve the right to alter our valuation accordingly.


Share of the area by nature


Occupancy by area typology

3. Rental Situation

Tenancy Schedule

Tenants	Floor	Main Use	AREA SCHEDULE						LEASE DURATION				INDEXATION	
			Office sq m	Warehouse sq m	Manufacturing sq m	Other sq m	Parking Internal/ External units	TOTAL sq m	Lease type	Lease Start	Next Break Option	Lease End	Next Indexation Date	Current Index
ID Logistics - Cavaillon	GF	Office	1 895					1 895	Com. L	01/08/15	31/07/18	31/07/18	01/08/18	LAT
ID Logistics - Cavaillon	GF	Warehouse		1 339				1 339	Com. L	01/08/15	31/07/18	31/07/18	01/08/18	LAT
Carrefour Supply Chain	GF	Warehouse	1 248	8 905				10 153	Com. L	01/02/17	31/01/19	31/01/19	01/02/19	LAT
TOTAL			3 143	10 244			0 / 0	13 387						
TOTAL Rented			3 143	10 244	-	-	0 / 0	13 387						
TOTAL Vacant			-	-	-	-	0 / 0	-	Vacancy Rate		0%			

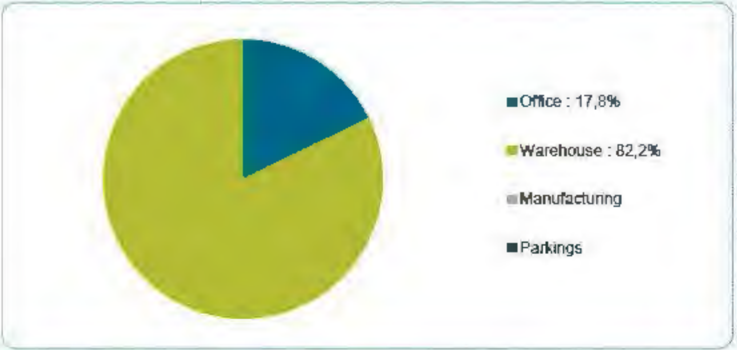
Management of Charges and Analysis of Net Rent

Tenants	Gross Passing Indexed Rent	Gross Headline Indexed Rent	NON-RECOVERABLE CHARGES (€/YEAR) *					TOTAL Non Recoverable	NET HEADLINE RENT **		Additional Rent	
	€/yr excl.	€/yr excl.	Property Tax	Office Tax	Insu rance	Major Repairs (art. 606)	Mgmt Fees	€/sq m/yr	€/yr excl.	€/sq m/yr	Current Amount €/yr excl.	End Date
ID Logistics - Cavaillon	182 317	182 317	T	T	T	T	T		182 317	96		
ID Logistics - Cavaillon	48 309	48 309	T	T	T	T	T		48 309	36		
Carrefour Supply Chain	792 971	792 971	T	T	T	T	T		792 971	78		
									-			
									-			
TOTAL	1 023 597	1 023 597							1 023 597	76		

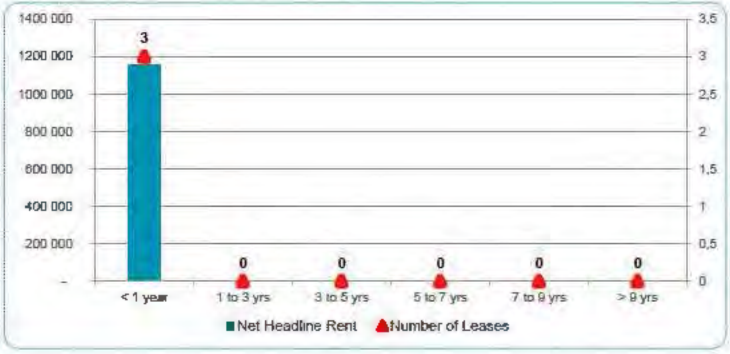
* T = "Tenant" => charges entirely recoverable

** Net Headline Rent not taking into account the global NR charges retained for the property (5,00% of passing rent per year)

Net Passing Rental income's share by Main Use



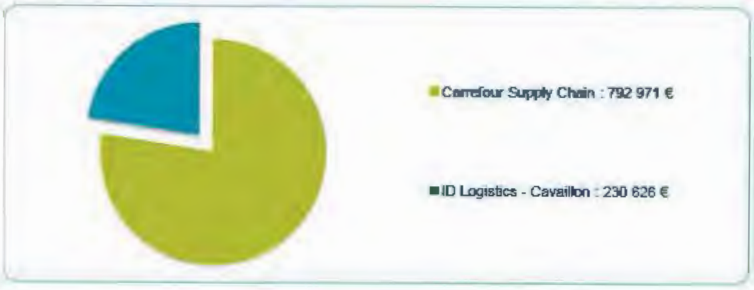
State of Remaining Fixed Term (WALB)



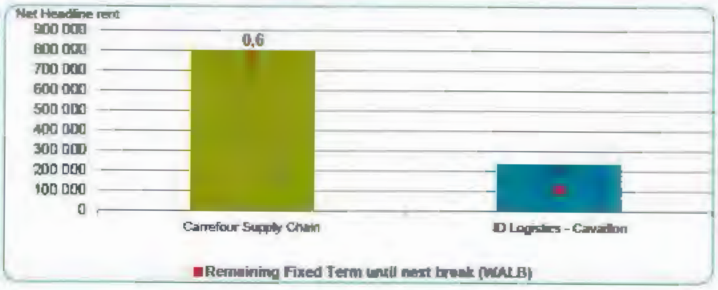
Lease incentives

Tenants	STEPPED RENTS						RENT FREE PERIOD						Indemnities € / Part. W	
	Start Date 1	Step Rent 1 €/yr	Start Date 2	Step Rent 2 €/yr	Start Date 3	Step Rent 3 €/yr	Start Date 1	Initial Duration months	Start Date 2	Duration 2 months	Start Date 3	Duration 3 months	Date	Amount Paid or Received € excl.
ID Logistics - Cavaillon														
ID Logistics - Cavaillon														
Carrefour Supply Chain														

TOP 5 Tenants



State of Remaining Fixed Term (WALB)



4. Asset Positioning

Local Rental Market

The park of warehouses and light industrial premises in the Avignon area represents nearly 2.5 million sq m. An exceptional take-up of 58,000 sq m occurred in 2016 but, usually, the annual take-up does not exceed 20 000 sq m.
The rental values for logistics warehouses are between € 40 and € 45 / sq m / year excluding taxes for new premises and between € 30 and € 40 / sq m / year excluding taxes for recent premises.
For cooled warehouses, the rental values are higher, between € 50 and € 70 / sq m / year excluding taxes, depending on the range of temperature, height, number of doors, surface and age of the building.

The park of office premises represents about 320 000 sq m in the Avignon area. The office market is sluggish and the major part of the transactional activity concerns areas under 200 sq m, especially outside of the main office zones located near Avignon. For new premises, the rental values are between 145 and 155 €/ sq m /year exclusive. For recent premises, they are usually between 125 and 145 €/sq m/year in the major office areas.

The buildings subject to this report are located in the MIN (vegetable wholesale market) logistics area of Cavaillon, about 25 km south east from Avignon, and 5 km from the A7 motorway junction.

Comparable Rental Transactions

Quality compared to subject property: ▲ Above ▼ Below ▬ Equivalent

Address	Date	Owner	Tenant	Area sqm	Fixed Period	Rent €/sqm	Comments
Cavaillon (84) - MIN area - 77 chemin du Mitan - Warehouse	10/2016 ▲		Road trans	500		48	New warehouse located in the MIN Area on the opposite side of the railway from the subject property.
Avignon (84) - Montfavet - 1524 route de St Saturnin - Warehouse	10/2016 ▼		DTMS 41	680		35	Old warehouse located outside of the industrial and logistics areas, along the RD 28 road.
Avignon (84) - ZI Courtine - 285 rue Gallias - Logistics	09/2014 ▼		Peyrot SARL	2 400		41	Old logistics warehouse with office areas located in a major industrial area.
Avignon (84) - Agroparc - La Boetie - Offices	01/2017 ▲		Grand Avignon	1 400		120	Restructured office building

Comparable Rental Supply

Address	Type	Area sqm	Divisibility sqm	Office€/sqm	Warehouse	Parking €/sqm	Comments
Sorgues (84700) -	Logistics ▬	20 323	no	44			Logistics class A warehouse including 1 068 sq m of office areas. Height: 10 m, concrete and wood structure.
Le Pontet (84130) -	Logistics ▼	7 340	1 000	36-38			Logistics warehouse built in 2000. Height: 5,5 to 8,5 m, metallic structure, 13 doors.
Miramas (13140) -	Logistics ▬	25 935	6 630	41-43			Double sided warehouse built in 2007 with office areas. Concrete structure, height: 10,4 m, 42 doors.
Cavaillon (84300) - M N area	Offices ▬	200	no	144			2 storey building located near the M N. Air-conditioned office.

Investment Market

After being subject to strong compression for the last three years, prime logistics yields have continued to reach ever further lows. However, these decreases are confined to exceptional assets located at the heart of deep markets, such as the Greater Paris Region, Lyon or Marseilles that meet the location strategy requirements for e-commerce and major retail chains. The prime yield for logistics warehouses now stands at 4.75% in the Greater Paris Region and in Lyon, while levels stand at 5.25% in Marseille.
The subject property is located in a small market, in an area at high risk from flooding, and has a risky tenancy shedule. Therefore, the expected yield should include a large risk premium.

Comparable Investment Transactions

Address	Date	Purchaser	Seller	Sale Price € excl.	€ excl /sq m	Published Yield	Area sqm- (sqm)	Comments
Logistic warehouse - Rumilly (74150) - ZI Pérouse	01/06/2018	Schroder REIM		8 045 000	481,7	7,00%	16 700	Old logistics warehouse located in an industrial area located between Chambery and Annecy. Tenant: Cereal Partners France (Nestlé). Residual fixed period: 7,5 years
EDF Eurocentre - Castelnau d'Estrétefonds (31620) - Avenue de la Nauze	01/02/2018	Voisin (SCPI Epargne Pierre)		7 306 000	879,1	7,04%	8 311	Class B logistics warehouse located in a major logistics area (ZAC Eurocentre). Tenant : EDF. Residual fixed period: 5,5 years
Anchor Portfolio - 5 logistic assets located in the outskirts of Paris, Lyon and Orleans	01/03/2017	Rockspring	Kühne+ Nagel	70 000 000	443,0	7,50%	158 000	5 logistics assets portfolio sale and lease-back

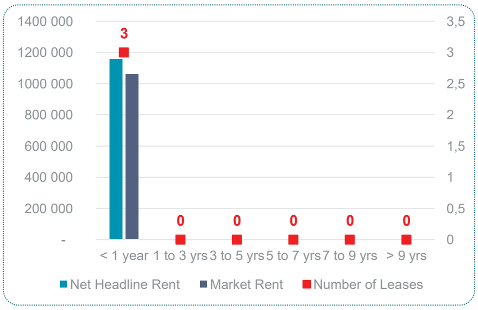
5. Property Valuation

5.1. Market Rent

Tenants	MARKET RENTAL VALUE (€ excl.)								NET HEADLINE RENT		Theoretical Reversion
	Office	Warehouse	Manufacturing	Other	Internal Pk	ICR	Total Excl.		Total Excl.		
	€/sq m/yr	€/sq m/yr	€/sq m/yr	€/sq m/yr	€/u/year	€/sq m/yr	€/yr	€/sq m/yr	€/yr	€/sq m/yr	MR / Rent
ID Logistics - Cavaillon	110						208 450	110	182 317	96	14,3%
ID Logistics - Cavaillon		45					60 255	45	48 309	36	24,7%
Carrefour Supply Chain	100	58					644 258	63	792 971	78	-18,8%
TOTAL	**106**	**57**					**912 963**	**68**	**1 023 597**	**76**	-10,8%
TOTAL Rented	**106**	**57**	-	-	-	-	**912 963**	**68**	**1 023 597**	**76**	-10,8%
TOTAL Vacant	-	-	-	-	-	-	-	-			

Main Use	Number of Leases	Usable Areas	Net Headline Rent		Market Rental Value		Theoretical Reversion
		sq m / units	€/year excl.	€/sq m/yr	€/year excl.	€/sq m/yr	MR / Rent
Office	**1**	**1 895**	182 317	96	**208 450**	**110**	14,3%
Warehouse	**2**		841 280	73	**704 513**		-16,3%
Manufacturing							
Parkings							
TOTAL	**3**	**1 895**	**1 023 597**	**76**	**912 963**	**482**	-10,8%

Potential loss/earning of rent at future lease break options



Valuation Date 30/06/2018
Report Date 03/09/2018

5.2. General Assumptions (at Renewal / Departure / Letting)

In our valuation, we have retained the following assumptions in case of renewal or departure at the next potential tenant breaks.

			Tenant Departure Assumptions				Tenant Renewal Assumptions				
Tenants	**Potential Date of Departure**	**Proba-bility of departure %**	**Reletting work** €/sq m	**Void Period** months	**Rent-Free Period** months	**Fixed Period** years	**Reversion at Lease End**	**Renewal Base ***	**Reversion Captured at Renewal**	**Rent-Free Period** months	**Fixed Period** years
ID Logistics - Cavaillon	31/07/18	100%		24	3	3	14,4%	MR	14,4%	3	3
ID Logistics - Cavaillon	31/07/18	100%		12	3	3	24,8%	MR	24,8%	3	3
Carrefour Supply Chain	31/01/19	50%		12	3	3	-18,5%	MR	-18,5%	3	3

* MR : Market Rent / LIR : Last Indexed Rent

5.3. Capitalisation Methodology

Tenant	Remaining Fixed Term	Capitalised Income Type	Basis of Capitalisation	Yield Applied	Income Capitalised	Compensation / Losses	Gross Market Value	Market Value Exclusive before Capex and Structural Void		Net Initial Yield	Rever--sionary Yield
	years		K€/year excl.		K€	K€	K€ Incl.	**K€ Excl.**	**€ excl./sq m**		
ID Logistics - Cavaillon	0,1	Market Rent	**208**	10,00%	2 085	(537)	1 548	**1 448**	**764**	11,78%	13,47%
ID Logistics - Cavaillon	0,1	Market Rent	**60**	8,25%	730	(117)	613	**574**	**429**	7,87%	9,82%
Carrefour Supply Chain	0,6	Market Rent	**644**	8,50%	7 580	(64)	7 516	**7 031**	**692**	10,55%	8,57%
TOTAL	**0,5**		**913**	**8,78%**	**10 394**	**(717)**	**9 677**	**9 052**	**676**	**10,58%**	**9,43%**

OPEX / CAPEX details and other indemnities / revenues

Maintenance Works (Budget on 0 years not discounted)	-	€ excl. VAT
CAPEX // Major Repairs (Budget on 10 years not discounted)	**371 000**	€ excl. VAT
Landlord's Contribution to Tenant's Works // Indemnities to Tenants	-	€ excl. VAT
Indemnities paid by Tenants to Landlord // Other Revenues	-	€ excl. VAT

Capitalisation Method Conclusion

Main Use	Lettable Area sq m	Basis of Capitalisation	Yield Applied	Discounted Losses/Excess of income	Perm. Void & Glob. NR	Market Value inclusive K€	Purchaser's Costs	Market Value exclusive K€	Market Value excl.	Net initial yield	Rever -sionary yield
Office	1 895	208	**10,00%**	(2)	(82)	1 413	6,90%	**1 322**	697	12,26%	14,02%
Warehouse	11 492	705	**8,48%**	81	(500)	7 310	6,90%	**6 839**	595	10,93%	9,16%
Manufacturing											
Parkings											
Total	**13 387**	**913**	**8,78%**	**79**	**(583)**	**8 723**	**6,90%**	**8 160**	**610**	**11,15%**	**9,94%**
TOTAL Rented	**13 387**	**913**	**8,78%**	**79**	**(583)**	**8 723**	**6,90%**	**8 160**	**610**	**11,15%**	**9,94%**
TOTAL Vacant	**0**	**-**		**-**	**-**	**-**	**6,90%**	**-**	**-**		

5.4. Discounted Cash Flow Methodology

Year	1	2	3	4	5	6	7	8	9	10
Index ICC / Expenses Inflation	1,25%	1,50%	1,70%	1,75%	1,75%	1,75%	1,75%	1,75%	1,75%	1,75%
Index ILAT	1,40%	1,50%	1,60%	1,65%	1,65%	1,65%	1,65%	1,65%	1,65%	1,65%
Index ILC	1,50%	1,60%	1,65%	1,65%	1,65%	1,65%	1,65%	1,65%	1,65%	1,65%
Market Rental Growth	0,50%	1,00%	1,50%	1,50%	1,50%	1,50%	1,50%	1,50%	1,50%	1,50%
Maintenance										
CAPEX *	200 334	42 667	64 000	64 000						

*** The CAPEX retained come from the Technical Due Diligence carried out by Arcadis, dated 13 April 2018 (Vendor Capex retained and adjusted according to comments).**

Analysis by Discounted Cash Flow - K€

Year	1	2	3	4	5	6	7	8	9	10
Gross Rents	616	516	915	948	964	980	996	1 013	1 030	1 048
Rent Free Period/Additionnal Rent	(81)	(97)	(53)							
Indemnities received/paid										
Costs (vacancy, NR, doubtful)	(189)	(178)	(51)	(47)	(48)	(49)	(50)	(51)	(52)	(52)
Capex/Maintenance	(202)	(44)	(66)	(68)						
Reletting works										
Marketing fees		(58)	(32)							
Total Acquisition Costs										11 392
Remaining Rent Free Period to deduct										
Transfer costs										(907)
Free Cash Flows	**145**	**140**	**713**	**833**	**916**	**931**	**947**	**963**	**979**	**11 481**

Discount Rate - Cash Flow	**9,50%**	**Doubtful Debtors**	0,00%	% rent/year	**Letting Fees**	15,00%	% Headline Rent
Discount Rate - Resale Value	**9,50%**	**NR Charges**	5,00%	% rent/year	**Broker's Fees**	1,75%	% Resale Value
Discount Rate - CAPEX	**9,50%**	**Permanent Void**	0,00%	% rental area	**DCF Duration**	10	years

DCF method conclusion

Main Use	**RESALE ASSUMPTIONS AND CONCLUSION**						**Market Value**	**Purchaser's Costs**	**Market Value**	
	Fixed Period	Reversion	**Cap Rate**	Basis of Capitalisation	Resale Value € excl.	€ excl./sq m	K€ Incl.		€ exclusive	€/sq m
Office	1,1	5,5%	**10,00%**	226	2 080	1 097	1 600	6,90%	1 496 926	790
Warehouse	3,1	3,8%	**8,50%**	776	8 405	731	7 186	6,90%	6 722 384	585
Manufacturing										
Parkings										
Total	**2,6**	4,2%	**8,84%**	**1 002**	**10 490**	**784**	**8 786**	**6,90%**	**8 220 000**	**614**

5.5. Conclusion of Market Value

Methodology	Market Value inclusive	Purchaser's Costs	Market Value exclusive		Net Initial Yields *				
	€ inclusive		€ exclusive	€ excl./sq m	Net Passing	Net Headline	Net Potential	Theoretical	Net Headline on MV Rented
Capitalisation	8 723 000	6,90%	8 160 000	610	11,15%	11,15%	11,15%	9,94%	11,15%
DCF	8 786 000	6,90%	8 220 000	614	11,07%	11,07%	11,07%	9,87%	11,07%

*Net Initial Yields **

Passing Net Initial Yield : (Passing Net Rent - NR Charges) / MV incl

Net Headline Yield : (Net Headline Rent - NR Charges) / MV incl.

Potential Net Initial Yield : (Net Headline Rent + MR of vacant areas - NR Charges) / MV incl.

Theoretical Initial Yield : (Market Rent - NR Charges) / MV incl.

Rounded Market Value

We are of the opinion that the Market Value of the freehold interest in the above Subject Property, as at 30 June 2018, subject to the existing tenancies, assumptions and comments in this Valuation Report and the Appendices, is:

Methodology Retained DCF

Market Value incl. Purch' costs	8 787 000	€ inclusive	656	€/sq m
Purchaser's Costs	6,90%			
Market Value excl. Purch' cost	**8 220 000**	**€ exclusive**	**614**	**€/sq m**

Net Headline Yield	11,07%
Net Headline Yield (on rented MV	11,07%
Net Potential Yield	11,07%
Net Reversionary Yield	9,87%

6. Vacant Possession Value

We have undertaken the valuation of the building under the special assumption that it is fully vacant (Vacant possession Value).
This methodology consists of capitalising the potential net income at an appropriate yield deducting losses reflecting the marketing and incentives necessary to relet the property

Tenant	Marketing Void	Vacancy cost	Rent Free Period	Discount / Premium to Market Rent	Reletting Works	Yield Applied	Potential Income Capitalised	Total Discounted Losses (void, works, rent free, fees)	Gross VPV	Net VPV	
	months	€/sq m	months	%	€/sq m		€	€	€ incl.	€ excl.	€/sq m excl.
Vacant 1	24	31	3			10,00%	2 084 500	(529 967)	1 554 533	1 454 194	767
Vacant 2	15	31	3			8,50%	708 882	(137 078)	571 805	534 897	399
Vacant 3	15	31	3			8,50%	7 579 510	(1 318 676)	6 260 834	5 856 720	577
TOTAL							10 372 892	(1 985 720)	8 387 172	7 845 811	586

OPEX / CAPEX details and other indemnities / revenues

Maintenance Works (Budget on 0 years not discounted)	-	€ excl. VAT
CAPEX // Major Repairs (Budget on 10 years not discounted)	371 000	€ excl. VAT

Conclusion

MAIN USE	Lettable Area sq m	Basis of Capitalisation	Yield Applied	Potential Income capitalised	Discounted Losses/Excess of income	Major Works / CAPEX / Perm. Void & Glob. NR	Market Value inclusive K€	Purchaser's Costs	Market Value exclusive K€	Market Value excl. € excl./sq m	Rever -sionary yield ***
Office	1 895	208	10,00%	2 085	(530)	(135)	1 420	6,90%	1 328	701	13,95%
Warehouse	11 492	705	8,50%	8 288	(1 456)	(819)	6 014	6,90%	5 626	490	11,13%
Manufacturing											
Parkings											
Total	13 387	913	8,80%	10 373	(1 986)	(954)	7 433	6,90%	6 954	519	11,67%

7. Estimated Reinstatement Cost

We have prepared our assessment of the reinstatement cost of the building assuming the reinstated building will be identical to existing structural conditions, save for the land, but taking into account all taxes, work costs, technical fees and miscellaneous fees.

This estimation does not take into account the developers margin.

Land Area	63 681	sq m	Basement parkings	0	units
Total Lettable Area	13 387	sq m			
Gross / Net ratio	92,5%				
SHON (net constructed area)	14 472	sq m SHON			

Reconstruction Cost - Floor Area	571	€/sq m SHON	8 260 000	€ excl.
Land Development	7,50%	Const. Costs	619 500	€ excl.
Fiscal Conditions (taxes, royalties, charges etc.)	4,00%	Const. Costs	330 400	€ excl.
Technical Fees (MOE, BET, Insurance)	10,00%	Const. + Gridding	887 950	€ excl.
Financial Fees	2,50%	Total Const. Costs	252 446	€ excl.
Reinstatement Cost	**715**	**€/sq m SHON**	**10 350 000**	**€ excl.**

We assume that any VAT is recoverable and we do not retain any loss of rent or allow for inflation during the reconstruction period.

An estimated reinstatement cost is our assessment of the cost of reinstating the property at the date of valuation. We have not been provided with the actual construction costs, but have estimated these overall costs based on our knowledge of similar buildings.

The figures set out in this valuation sheet are our assessment of the cost of reconstructing the property. They include an allowance for demolition, removal of debris, temporary shoring, statutory and professional fees which are likely to be incurred on reconstruction, but exclude any allowance for VAT. If you are unable to recover VAT, or can recover part only, you should advise your insurers and increase the Base Sum Insured appropriately. The figures make no allowance for loss of rent during the rebuilding period, nor for inflation, nor the cost of dealing with any contamination which may be present and have to be dealt with prior to reconstruction. The assessment does not provide advice in respect of terrorist damage cover and you should consult with your insurers in respect of this.

We have assumed that the reinstated building and its use will be similar to that existing, and the reinstated building will be to the original design, in modern materials, using modern techniques to modern standards.

We have considered the extent and nature of the building but our assessments have been undertaken as part of our normal valuation exercise. We have not carried out a formal reinstatement cost assessment through a Building Consultancy company. Our assessment should be treated as a guide only and should not be relied upon. It should be used for comparative purposes only against the borrower's proposed reinstatement cover.

Should any discrepancies arise, a formal reinstatement cost assessment should be commissioned.

8. Photos

Warehouse building

Office building

Light industrial building

Office areas

Warehouse positive cooled areas

Light industrial areas

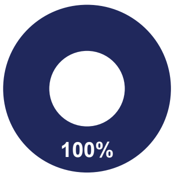
Valuation Summary

Futuropolis

Address	**Futur, 6, rue Maryse Hilsz**		
ZIP-Town	31500 - Toulouse	**Hub/Market**	Toulouse
Completion Date	1990		
Main Use	Office		

Project Type	**Valuation Report**	
Inspection Date	20/06/2018	
Valuer	Valentin Dahan	
Land Area	4 558	sq m
Tenure	Freehold equivalent	

Share of the area by nature



Rating	
Macro Location	4
Micro Location	3
Building Quality	4
Condition	3
Lettability	3
Marketability (sale	3
Overall rating	**3**
Loan Security	**medium**

Total Lettable Area		**2 321 sq m**		
Occupancy Rate		**70%**		
Remaining Duration (WALB / WALT)		**2 / 5,6 years**		
Main Tenant		**Rhone Alpes Qualité**		
Number of Leases		**9**		
Estimated marketing period		**12 months**		
Net Headline Rent	K€/year excl.	**189**	**81**	€/sq m/yr excl.
Net Potential Rent	K€/year excl.	**248**	**107**	€/sq m/yr excl.
Market Rental Value	K€/year excl.	**247**	**106**	€/sq m/yr excl.

SWOT ANALYSIS

Strengths

- Good location within the perimeter of the Toulouse ring road, in an office district in the Toulouse Metropole.
- Located close to the ring road with direct highway access.
- The asset is part of a larger business centre named Futuropolis, along with an other building.
- The asset appears to be in good condition and the common space has recently been renovated.

Weaknesses

- Building located in a secondary office zone for Toulouse.
- Low remaining fixed term period.
- High vacancy rate of 30% on the asset.
- The building is no longer under the ten year guarantee.

Opportunities

- Construction of numerous new residential building in districts next to the asset.
- The vacant areas are small office spaces, which are in demand in Toulouse's office market.

Threats

- The marketing period for vacant areas could be long as the asset is in competition with assets that have been entirely renovated.

VALUATION METHOD CONCLUSION

Methodology	**Market Value**			**CAPEX not discounted (Deducted) €**	Purchaser's Costs	**Net Initial Yields ***				
	€ inclusive	**€ exclusive**	€ excl /sq m			Net Passing	Net Headline	Net Potential	Theoretical	Net Headline on MV Rented
Capitalisation	2 852 000	**2 668 000**	**1 150**	**120 420**	6,90%	6,29%	6,29%	8,25%	8,22%	7,46%
DCF	2 925 000	**2 736 000**	**1 179**		6,90%	6,14%	6,14%	8,05%	8,02%	7,22%

** : Passing Net Initial Yield : (Passing Net Rent - NR Charges) / MV incl.*

Net Headline Yield : (Net Headline Rent - NR Charges) / MV incl.

Theoretical Initial Yield : (Market Rent - NR Charges) / MV incl.

MARKET VALUE CONCLUSION

Market Value incl. Purch' costs	**2 925 000**	€ inclusive	1 260	€ incl./sq m
Purchaser's Costs	6,90%			
Market Value excl. Purch' costs	**2 736 000**	€ exclusive	1 179	€ excl./sq m

Net Headline Yield	**6,14%**
NIY on rented MV	**7,22%**
Net Potential Yield	**8,05%**
Net Reversionary Yield	**8,02%**

Additional Valuation	Market Value		General Assumptions			
	€ exclusive	€ excl./sq m	Void Period months	Rent Free months	Capitalisation Yield	Construction Costs €/sqm SHON
Vacant Possession Value	**2 137 000**	**921**	12	5	7,50%	
Estimated Reinstatement Cost	**4 635 000**	**1 797**				1 500,00

1. Property Presentation

Aerial View

Cadastral Matrix

Designation

The property primarily used as office is situated :

Futur, 6, rue Maryse Hilsz - 31500 Toulouse

Cadastral References

Section 826 AI n°308 and 309

Land Area 4 558 sq m

Tenure

The asset is held freehold and is located within the scope of an allotment. We have not been provided with any documentation related to an owners' free syndicate ("Association Syndicale Libre" ASL). The asset is also subject to a right of way of pipeline for the benefit of the City of TOULOUSE. There are also easements related to the development zone and to the allotment, which are quite usual in such a zone.

Location & Environment

The asset is located in Toulouse, a city in the Haute-Garonne department, in the Occitanie region of south western France. Toulouse is located 242 km from Montpelier and 246 km from Bordeaux, along the developed route that connects the Atlantic and the Mediterranean coasts.

Toulouse is the largest city in the Toulouse Metropole. The municipality and urban area populations have approximately 472 000 and 1 330 000 inhabitants, respectively.

More precisely, the asset is located in the eastern side of the city, next to the Toulouse ring road, in a development zone called "ZAC de la Grande Plaine", 7 km away from the centre and 5.6 km from the A61 highway.
The vicinity is made of offices (with tenants like Veolia, Fiducial, Vinci Energies and Pôle Emploi), the scientific cultural centre specialised in Space: "La Cité de l'Espace," and residential areas.

Consequently, the asset is located inside the perimeter of the Toulouse ring road, in an identified office zone.

The asset is one of two buildings which constitute the Futuropolis business centre at 6, rue Maryse Hilsz.

Transport & Access

The area benefits from good accessibility:
- Easy access from the Toulouse ring road (1.6 km).
- Easy access by bus line: 37.
- Airport Toulouse Blagnac located 21 km south of the property.
- Montaudran train station (TER) located 3.8 km south east of the asset.

The city of Toulouse does not have metro stations in this district; the only public transport access available is via bus.

Exterior view

Parking

Exterior Description

The asset is an two-storey office building on a plot of land that is irregular in shape. It was built in 1990.
The structure is a concrete frame construction with a glass façade. The roof is made of bituminous felt covering.
The external areas are made of asphalt.
There are 69 external car parking spaces and several grass areas.

Internal Layout

The asset is an office building. All office areas present the same specifications : mineral suspended ceilings with inset lighting, suspended acoustic tiled ceilings, painted walls, carpeted or wooden flooring, a heating system, and intercom systems for access. Some office areas benefit from access to an external terrace. The office spaces have been sub-divided into smaller sized units which are appropriate for the market needs of Toulouse.
The common area benefits from a mineral suspended ceiling with inset lights, tiled floors and toilets.

The property has a total office area of of 2,321 sq m.

Contamination and Diagnosis Conclusion

Potential Sources of Soil and Water Contamination	: Low
Site Sensitivity	: Low/Moderate
Risk Assessment	: Low
Environmental certifications	: None

Other Environmental Issues

None

General Environmental Conclusion

No environmental issues likely to affect future saleability of site and/or value for redevelopment have been identified.

General Condition

The property appears to have been well maintained with regard to its age, use and construction. Common areas were refurbished in 2015.
During the course of our inspection, we did not notice any apparent defects.

Town Planning

According to the Town Planning Documents (PLU document "Plan Local d'urbanisme") for the city of Toulouse, last modified on the 2nd December 2016, the property is located in the urban zone UGb.
The main characteristics and regulations for the zone are as follows:

- Maximum footprint (Emprise au sol) : not regulated.
- Maximum height of buildings: not regulated.
- Plot Ratio (“Coefficient d’Occupation des Sols”) : not regulated
- Parking spaces: the number of car parking spaces should be in line with the use of the asset.

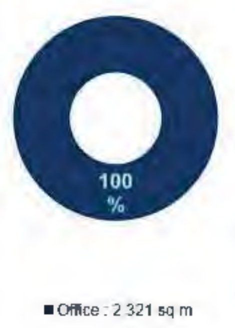
2. Area Schedule

Area Typology	Total Area sq m lettable	Total Area Share	Occupied Area sq m lettable	Vacant Area sq m lettable	Occupancy Rate
Office	2 321	100,0%	1 636	685	70%
Warehouse	–		-	-	
Manufacturing	–		-	-	
Other	–		-	-	
Parking int.	-		-	-	
Parking ext.	-		-	-	
TOTAL	2 321	100,0%	1 636	685	70%
ICR / Base Area	*2 321*	*sq m*			

Area Source Documents

For the purpose of this valuation we have been provided with lettable areas of the property, sent by EASTD LL Secured, in the "Property Use by Tenant" and "Financing Rent Roll" Excel files, undated. We have not undertaken measurements of the property. Following our site visit, we have come to the conclusion that the areas provided seem to correspond to the inspected property. Should the surface areas differ from the provided surface areas, we reserve the right to alter our valuation accordingly.

Share of the area by nature



Occupancy by area typology

3. Rental Situation

Tenancy Schedule

Tenants	Floor	Main Use	AREA SCHEDULE						LEASE DURATION				INDEXATION	
			Office sq m	Warehouse sq m	Manufacturing sq m	Other sq m	Parking Internal/ External units	TOTAL sq m	Lease type	Lease Start	Next Break Option	Lease End	Next Indexation Date	Current Index
Etablissement Eloi Pernet	GF	Office	224					224	Com. L	07/10/14	06/10/20	06/10/23	07/10/18	LAT
Vacant Unit	GF	Office	161					161		01/07/19	30/06/22	30/06/28		LAT
Vacant Unit	GF	Office	175					175		01/07/19	30/06/22	30/06/28		LAT
Rhone Alpes Qualité	GF	Office	422					422	Com. L	15/03/15	14/03/21	14/09/24	15/03/19	LAT
PLURIFINANCES	GF	Office	100					100	Com. L	03/04/17	02/04/19	02/04/26	03/04/19	LAT
Vacant Unit	GF	Office	175					175		01/07/19	30/06/22	30/06/28		LAT
Lounce	GF	Office	148					148	Com. L	01/01/18	31/12/20	31/12/26	01/01/19	LAT
Vacant Unit (Permanent)	GF	Office	174					174		01/03/60	28/02/63	28/02/69		LAT
INFORSUD	GF	Office	258					258	Com. L	01/08/09	31/07/19	31/07/19	01/08/18	LAT
LDI CONSEIL	GF	Office	65					65	Com. L	15/12/17	14/12/20	14/12/26	15/12/18	LAT
ELITE PATRIMOINE	GF	Office	116					116	Com. L	01/01/18	31/12/20	31/12/26	01/01/19	LAT
Club Inter Enterprises	GF	Office	97					97	Com. L	01/07/07	30/09/19	30/09/19	01/07/18	LAT
ALTUS GROUP	GF	Office	206					206	Com. L	10/01/17	09/01/20	09/01/26	10/01/19	LAT
TOTAL			2 321				0 / 0	2 321						
TOTAL Rented			1 636	-	-	-	0 / 0	1 636						
TOTAL Vacant			685	-	-	-	0 / 0	685	Vacancy Rate		30%			

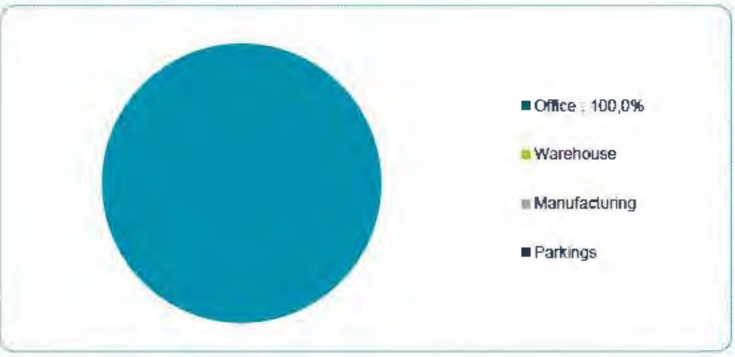
Management of Charges and Analysis of Net Rent

Tenants	Gross Passing Indexed Rent	Gross Headline Indexed Rent	NON-RECOVERABLE CHARGES (€/YEAR) *					TOTAL Non Recoverable	NET HEADLINE RENT **		Additional Rent	
			Property Tax	Office Tax	Insu rance	Major Repairs (art. 606)	Mgmt Fees				Current Amount	End Date
	€/yr excl.	€/yr excl.						€/sq m/yr	€/yr excl.	€/sq m/yr	€/yr excl.	
Etablissement Eloi Pernet	25 263	25 263	T	T	T	T	T		25 263	113		
Vacant Unit									–			
Vacant Unit									–			
Rhone Alpes Qualité	47 479	47 479	T	T	T	T	T		47 479	113		
PLURIFINANCES	11 150	11 150	T	T	T	T	T		11 150	112		
Vacant Unit									–			
Lounce	17 020	17 020	T	T	T	T	T		17 020	115		
Vacant Unit (Permanent)									–			
INFORSUD	31 084	31 084	T	T	T	T	T		31 084	120		
LOI CONSEIL	7 475	7 475	T	T	T	T	T		7 475	115		
ELITE PATRIMOINE	13 340	13 340	T	T	T	T	T		13 340	115		
Club Inter Enterprises	13 183	13 183	T	T	T	T	T		13 183	136		
ALTUS GROUP	22 969	22 969	T	T	T	T	T		22 969	112		
									–			
									–			
TOTAL	**188 963**	**188 963**							**188 963**	**81**		

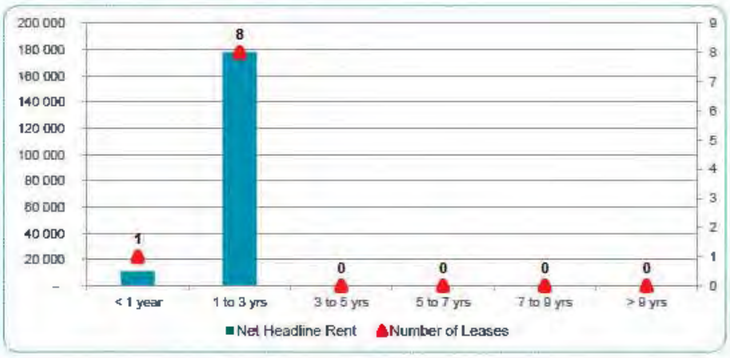
* T = "Tenant" => charges entirely recoverable

** Net Headline Rent not taking into account the global NR charges retained for the property (5,00% of passing rent per year)

Net Passing Rental income's share by Main Use



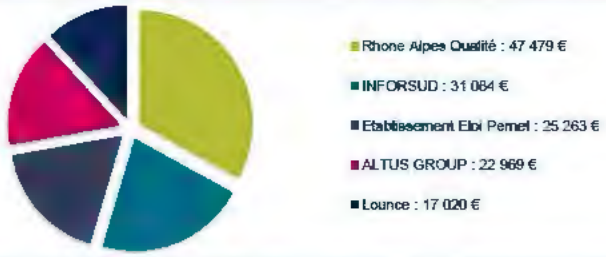
State of Remaining Fixed Term (WALB)



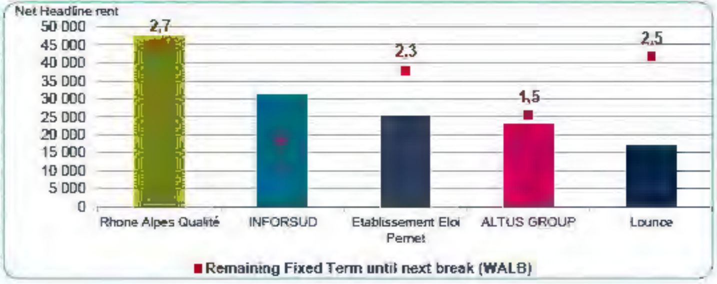
Lease Incentives

Tenants	STEPPED RENTS						RENT FREE PERIOD						Indemnities € / Part. W	
	Start Date 1	Step Rent 1 €/yr	Start Date 2	Step Rent 2 €/yr	Start Date 3	Step Rent 3 €/yr	Start Date 1	Initial Duration months	Start Date 2	Duration 2 months	Start Date 3	Duration 3 months	Date	Amount Paid or Received € excl.
Etablissement Eloi Pernet														
Vacant Unit														
Vacant Unit														
Rhone Alpes Qualité														
PLURIFINANCES														
Vacant Unit														
Lounce														
Vacant Unit (Permanent)														
INFORSUD														
LDI CONSEIL														
ELITE PATRIMOINE														
Club Inter Entreprises														
ALTUS GROUP														

TOP 5 Tenants



State of Remaining Fixed Term (WALB)



4. Asset Positioning

Local Rental Market

The urban area of Toulouse counts 1 330 000 inhabitants and 584 000 employees, mainly in the aeronautics sector. Considering its population, Toulouse is the 4th largest city in France and welcomes approximately 90 000 students. The office market is mainly focused in the city centre and in Blagnac. Secondary office markets include Borderouge, Balma Gramont, La Plaine, Labège, Parc du Canal, Bordelongue, Basso Cambo and Saint Martin Ramassiers.

The office asset market in the Toulouse Metropole area represents nearly 4.4 million sq m. The take-up in 2017 reached 163,000 sq m, which represents a slight decrease since 2016, but is 18% higher than the ten year average for the zone. At the same time, supply has continued to increase since the end of 2012 up to the end of 2017, from 200,000 sq m to more than 240,000 sq m.
The vacancy rate has reached 4.9 % and the new office availability totals about 19 000 sq m.

The prime rental value in the city centre sector is 260 €/sq m, excluding taxes and 170 €/ sq m excluding taxes in the Blagnac sector.
In La Plaine, the rental values for offices are between 155 €/sq m excluding taxes for new premises, and € 135 €/sq m excluding taxes for recent premises.

The subject building subject is located in La Plaine and is an old property. We can assume that market rent is lower than the one attained by more recent office assets.

Comparable Rental Transactions

Quality compared to subject property: ▲ Above ▼ Below ▬ Equivalent

Address	Date		Owner	Tenant	Area sqm	Fixed Period	Rent €/sqm	Comments
11 rue du Pic Mégal - 31240 Toulouse - Offices	11/2015	▼	NC	Private landlord	144	NC	105	Office located in the northern suburbs of Toulouse in an old building.
5 avenue Joliot-Curie - 31000 Toulouse - Offices	04/2018	▲	NC	FORMATION CONTINUE EN BIOLOGIE MEDICAL	106	NC	120	Office located outside of the perimeter of the Toulouse ring road, next to Empalot.
24 avenue Marcel Dassault - 31500 Toulouse - Offices	06/2015	▲	NC	EUROVIA M DI-PYRENEES	424	NC	121	Office located within the perimeter of the Toulouse ring road, very close to the subject asset.
78 chemin des Sept Deniers - 31200 Toulouse - Offices	05/2018	▲	NC	ETS PUB FONCIER D OCCITANIE	137	NC	121	Office located outside of the perimeter of the Toulouse ring road, next to Purpan and Blagnac, in an identified office area.

Comparable Rental Supply

Address	Type		Area sqm	Divisibility sqm	Office€/sqm	Warehouse	Parking €/sqm	Comments
La Plaine - 31500 Toulouse	Offices	▲	154	154	130		NC	Asset located in the La Plaine zone that presents a renovated area of 154 sq m in an old building with good specifications.
Zone d'activité Sud - Balma	Offices	▬	746	746	120		NC	Asset located in the city of Balma, outside of the perimeter of the Toulouse ring road, but in an identified office zone.
La Plaine - 31500 Toulouse	Offices	▬	1457,1	205	110		NC	Asset located in the La Plaine zone. Office area on the ground floor of a one-storey property. Office in a very good condition with good specifications.
-	Offices			NC				

Investment Market

Since 2015, the corporate real estate investment market has stabilised at over €25 billion, even reaching close to €28 billion in 2017. With €3.9 billion invested over the course of Q1 2018, the current year already seems to be keeping pace with the last 3 years.
Toulouse's investment volume continued to increase in 2017, with a total of €600 million invested. This good performance is mainly due to a qualitative rental market in the area. The office investment volume has also substantially increased since 2016, by reaching € 262 million in 2017 vs. € 121 million in 2016.
Prime office yields in Toulouse are subject to compression and for December 2017, the yield stood at 5.00 % vs. 4.50 % in December 2016. We can compare these yields against prime yields in Lyon, Lille and Marseille, which stand respectively at 3.90%, 4.25% and 4.55%. However, these decreases are confined to exceptional assets located in prime locations, such as in the city centre and in Blagnac, which are let to good tenants with an important fixed term period.
The subject property is located in a small market and has a risky tenancy schedule. Therefore, the expected yield should include a large risk premium.

Comparable Investment Transactions

Address	Date	Purchaser	Seller	Sale Price € excl.	€ excl /sq m	Published Yield	Area sqm- (sqm)	Comments
Saint Ex Office - 42, chemin de l'Espeissière - 31000 Toulouse	01/12/2018	Epargne Foncière	NC	10 700	2,8	6,00%	3 850	Asset next to the airport Toulouse Blagnac, in the Airbus office zone. Asset developped by Bouygues Immobilier. Acqusition in VEFA (under construction). Asset entirely let to In Situ.
Toulouse Borderouge - ZAC de Borderouge - 31200 Toulouse	01/11/2016	Groupama Gan RE M (OPCI GGP1)	SARL Borderouge Les Amarantes 2013	12 980	2,9	6,06%	4 503	Acquisition in VEFA (under construction). Asset entirely let to Credit Agricole Immobilier. Consists of a two storey building with HQE certification.
Elipsys - 8-10 rue des 36 ponts - 31000 Toulouse	01/10/2015	La Francaise REM (3 SCPI)	CFA Midi-Pyrénées	13 673	3,2	6,80%	4 245	Acquisition in VEFA (under construction) with a commercialisation rate of 65%. Asset located in Saint Michel, close to the centre with 6 year fixed term leases.

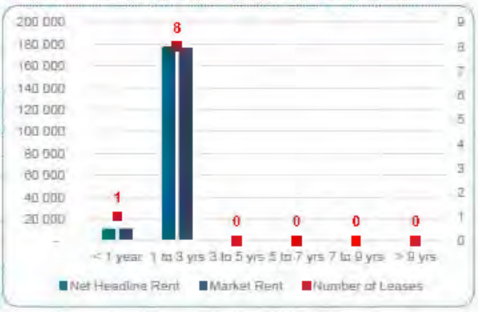
5. Property Valuation

5.1. Market Rent

Tenants	MARKET RENTAL VALUE (€ excl.)								NET HEADLINE RENT		Theoretical Reversion
	Office	Warehouse	Manufacturing	Other	Internal Pk	ICR	Total Excl.		Total Excl.		
	€/sq m/yr	€/sq m/yr	€/sq m/yr	€/sq m/yr	€/u/year	€/sq m/yr	€/yr	€/sq m/yr	€/yr	€/sq m/yr	MR / Rent
Etablissement Eloi Pernet	115						25 760	115	25 263	113	2,0%
Vacant Unit	115						18 515	115			N/A
Vacant Unit	115						20 125	115			N/A
Rhone Alpes Qualité	115						48 530	115	47 479	113	2,2%
PLURIFINANCES	115						11 500	115	11 150	112	3,1%
Vacant Unit	115						20 125	115			N/A
Lounce	115						17 020	115	17 020	115	
Vacant Unit (Permanent)											N/A
INFORSUD	115						29 670	115	31 084	120	-4,5%
LDI CONSEIL	115						7 475	115	7 475	115	
ELITE PATRIMOINE	115						13 340	115	13 340	115	
Club Inter Entreprises	115						11 155	115	13 183	136	-15,4%
ALTUS GROUP	115						23 690	115	22 969	112	[illegible]
TOTAL	106						246 905	106	188 963	81	30,7%
TOTAL Rented	115						188 140	115	188 963	116	-0,4%
TOTAL Vacant	86	-	-	-	-	-	58 765	86			

Main Use	Number of Leases	Usable Areas	Net Headline Rent		Market Rental Value		Theoretical Reversion
		sq m / units	€/year excl.	€/sq m/yr	€/year excl.	€/sq m/yr	MR / Rent
Office	9	2 121	188 963	81	246 905	106	30,7%
Warehouse							
Manufacturing							
Parkings							
TOTAL	9	2 121	188 963	81	246 905	106	30,7%

Potential loss/earning of rent at future lease break options



5.2. General Assumptions (at Renewal / Departure / Letting)

In our valuation, we have retained the following assumptions in case of renewal or departure at the next potential tenant breaks.

Tenants	Potential Date of Departure	Proba-bility of departure %	Tenant Departure Assumptions				Tenant Renewal Assumptions				
			Reletting work	Void Period	Rent-Free Period	Fixed Period	Reversion at Lease End	Renewal Base *	Reversion Captured at Renewal	Rent-Free Period	Fixed Period
			€/sq m	months	months	years				months	years
Etablissement Eloi Pernet							0,5%	MR	0,5%	3	3
Vacant Unit				12	5	3	-0,2%	MR	-0,2%		
Vacant Unit				12	5	3	-0,2%	MR	-0,2%		
Rhone Alpes Qualité							0,5%	MR	0,5%	3	3
PLURIFINANCES							2,2%	MR	2,2%	3	3
Vacant Unit				12	5	3	-0,2%	MR	-0,2%		
Lounce							-1,5%	MR	-1,5%	3	3
Vacant Unit (Permanent)				500	5	3		MR			
INFORSUD	31/07/19	100%	75	12	5	3	-5,3%	MR	-5,3%		
LDI CONSEIL							-1,6%	MR	-1,6%	3	3
ELITE PATRIMOINE							-1,5%	MR	-1,5%	3	3
Club Inter Enterprises	30/09/19	100%	75	12	5	3	-17,2%	MR	-17,2%		
ALTUS GROUP							1,8%	MR	1,8%	3	3

* MR : Market Rent / LIR : Last Indexed Rent

5.3. Capitalisation Methodology

Tenant	Remaining Fixed Term	Capitalised Income Type	Basis of Capitalisation	Yield Applied	Income Capitalised	Compensation / Losses	Gross Market Value	Market Value Exclusive before Capex and Structural Void		Net Initial Yield	Rever- -sionary Yield
	years		K€/year excl.		K€	K€	K€ Incl.	**K€ Excl.**	**€ excl./sq m**		
Etablissement Eloi Pernet	2,3	Market Rent	**26**	7,00%	368	(6)	362	**338**	**1 510**	6,99%	7,12%
Vacant Unit	-	Market Rent	**19**	7,25%	255	(35)	220	**206**	**1 278**	-	8,42%
Vacant Unit	-	Market Rent	**20**	7,25%	278	(38)	239	**224**	**1 278**	-	8,42%
Rhone Alpes Qualité	2,7	Market Rent	**49**	7,00%	693	(13)	680	**637**	**1 508**	6,98%	7,13%
PLURIFINANCES	0,8	Market Rent	**12**	7,00%	164	(4)	161	**150**	**1 502**	6,94%	7,16%
Vacant Unit	-	Market Rent	**20**	7,25%	278	(38)	239	**224**	**1 278**	-	8,42%
Lounce	2,5	Market Rent	**17**	7,00%	243	(2)	241	**225**	**1 522**	7,07%	7,07%
Vacant Unit (Permanent)	-	Market Rent	**-**	7,25%	-	(131)	- 131	**- 123**	**- 707**	-	-
INFORSUD	1,1	Market Rent	**30**	7,25%	409	(69)	341	**319**	**1 235**	9,12%	8,71%
LDI CONSEIL	2,5	Market Rent	**7**	7,00%	107	(1)	106	**99**	**1 522**	7,07%	7,07%
ELITE PATRIMOINE	2,5	Market Rent	**13**	7,00%	191	(2)	189	**177**	**1 522**	7,07%	7,07%
Club Inter Enterprises	1,3	Market Rent	**11**	7,25%	154	(24)	130	**122**	**1 256**	10,13%	8,57%
ALTUS GROUP	1,5	Market Rent	**24**	7,00%	338	(8)	331	**310**	**1 503**	6,94%	7,16%
TOTAL	**2,0**		**247**	**7,10%**	**3 478**	**(372)**	**3 107**	**2 906**	**1 252**	**6,08%**	**7,95%**

OPEX / CAPEX details and other indemnities / revenues

Maintenance Works (Budget on 10 years not discounted)	-	€ excl. VAT
CAPEX // Major Repairs (Budget on 10 years not discounted)	**120 420**	€ excl. VAT
Landlord's Contribution to Tenant's Works // Indemnities to Tenants	-	€ excl. VAT
Indemnities paid by Tenants to Landlord // Other Revenues	-	€ excl. VAT

Capitalisation Method Conclusion

Main Use	Lettable Area sq m	Basis of Capitalisation	Yield Applied	Discounted Losses/Excess of income	Perm. Void & Glob. NR	Market Value inclusive K€	Purchaser's Costs	Market Value exclusive K€	Market Value excl.	Net initial yield	Rever -sionary yield
Office	2 321	247	**7,10%**	(10)	(134)	2 852	6,90%	**2 668**	1 150	6,29%	8,22%
Warehouse											
Manufacturing											
Parkings											
Total	**2 321**	**247**	**7,10%**	**(10)**	**(134)**	**2 852**	**6,90%**	**2 668**	**1 150**	**6,29%**	**8,22%**
TOTAL Rented	**1 636**	**188**	**7,05%**	**(10)**	**(134)**	**2 406**	**6,90%**	**2 251**	**1 376**	**7,46%**	**7,43%**
TOTAL Vacant	**685**	**59**	**7,25%**	**-**	**-**	**446**	**6,90%**	**418**	**610**		**15,27%**

5.4. Discounted Cash Flow Methodology

Year	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**
Index ICC / Expenses Inflation	1,25%	1,50%	1,70%	1,75%	1,75%	1,75%	1,75%	1,75%	1,75%	1,75%
Index ILAT	1,40%	1,50%	1,60%	1,65%	1,65%	1,65%	1,65%	1,65%	1,65%	1,65%
Index ILC	1,50%	1,60%	1,65%	1,65%	1,65%	1,65%	1,65%	1,65%	1,65%	1,65%
Market Rental Growth	0,50%	1,00%	1,50%	1,50%	1,50%	1,50%	1,50%	1,50%	1,50%	1,50%
Maintenance										
CAPEX *	47 975	15 275	28 760	23 410	5 000					

*** The CAPEX retained come from the Technical Due Diligence carried out by Arcadis, dated 13 April 2018 (Vendor Capex retained and adjusted according to comments).**

Analysis by Discounted Cash Flow - K€

Year	1	2	3	4	5	6	7	8	9	10
Gross Rents	191	213	246	256	260	264	268	273	277	281
Rent Free Period/Additionnal Rent		(25)	(17)			(7)	(13)	(9)	(12)	
Indemnities received/paid										
Costs (vacancy, NR, doubtful)	(49)	(39)	(25)	(23)	(24)	(24)	(25)	(25)	(25)	(26)
Capex/Maintenance	(48)	(16)	(30)	(25)	(5)					
Reletting works		(27)								
Marketing fees		(9)	(6)							
Total Acquisition Costs										3 660
Remaining Rent Free Period to deduct										
Transfer costs										(314)
Free Cash Flows	**93**	**97**	**167**	**208**	**231**	**233**	**231**	**239**	**240**	**3 600**

Discount Rate - Cash Flow	**7,75%**	**Doubtful Debtors**	0,00%	% rent/year	**Letting Fees**	15,00%	% Headline Rent
Discount Rate - Resale Value	**7,75%**	**NR Charges**	5,00%	% rent/year	**Broker's Fees**	2,50%	% Resale Value
Discount Rate - CAPEX	**7,75%**	**Permanent Void**	7,50%	% rental area	**DCF Duration**	10	years

DCF method conclusion

Main Use	**RESALE ASSUMPTIONS AND CONCLUSION**						**Market Value**	**Purchaser's Costs**	**Market Value**	
	Fixed Period	Reversion	**Cap Rate**	Basis of Capitalisation	Resale Value € excl.	€ excl./sq m	K€ Incl.		€ exclusive	€/sq m
Office	1,1	10,2%	**7,00%**	256	3 345	1 441	2 925	6,90%	2 736 464	1 179
Warehouse										
Manufacturing										
Parkings										
Total	**1,1**	10,2%	**7,00%**	**256**	**3 345**	**1 441**	**2 925**	**6,90%**	**2 736 000**	**1 179**

5.5. Conclusion of Market Value

Methodology	Market Value inclusive	Purchaser's Costs	Market Value exclusive		Net Initial Yields *				
	€ inclusive		€ exclusive	€ excl./sq m	Net Passing	Net Headline	Net Potential	Theoretical	Net Headline on MV Rented
Capitalisation	2 852 000	6,90%	2 668 000	**1 150**	6,29%	6,29%	8,25%	8,22%	7,46%
DCF	2 925 000	6,90%	2 736 000	1 179	6,14%	6,14%	8,05%	8,02%	7,22%

*Net Initial Yields **

Passing Net Initial Yield : (Passing Net Rent - NR Charges) / MV incl

Net Headline Yield : (Net Headline Rent - NR Charges) / MV incl

Potential Net Initial Yield : (Net Headline Rent + MR of vacant areas - NR Charges) / MV incl

Theoretical Initial Yield : (Market Rent - NR Charges) / MV incl

Rounded Market Value

We are of the opinion that the Market Value of he freehold interest in the above Subject Property, as at 30 June 2018, subject to the existing tenancies, assumptions and comments in this Valuation Report and the Appendices, is:

Methodology Retained DCF

Market Value incl. Purch' costs	2 925 000	€ inclusive	1 260	€/sq m
Purchaser's Costs	6,90%			
Market Value excl. Purch' cost	**2 736 000**	**€ exclusive**	**1 179**	**€/sq m**

Net Headline Yield	6,14%
Net Headline Yield (on rented MV	7,22%
Net Potential Yield	8,05%
Net Reversionary Yield	8,02%

6. Vacant Possession Value

We have undertaken the valuation of the building under the special assumption that it is fully vacant (Vacant possession Value).
This methodology consists of capitalising the potential net income at an appropriate yield deducting losses reflecting the marketing and incentives necessary to relet the property.

Tenant	Marketing Void	Vacancy cost	Rent Free Period	Discount / Premium to Market Rent	Reletting Works	Yield Applied	Potential Income Capitalised	Total Discounted Losses (void, works, rent free, fees)	Gross VPV	Net VPV	
	months	€/sq m	months	%	€/sq m		€	€	€ incl.	€ excl.	€/sq m excl.
Vacant 1	12	58	5		75	7,50%	343 467	(65 312)	278 155	260 201	1 162
Vacant 2	12	58	5		75	7,50%	246 867	(46 943)	199 924	187 020	1 162
Vacant 3	12	58	5		75	7,50%	268 333	(51 025)	217 309	203 282	1 162
Vacant 4	12	58	5		75	7,50%	647 067	(123 042)	524 024	490 200	1 162
Vacant 5	12	58	5		75	7,50%	153 333	(29 157)	124 176	116 161	1 162
Vacant 6	12	58	5		75	7,50%	268 333	(51 025)	217 309	203 282	1 162
Vacant 7	12	58	5		75	7,50%	226 933	(43 152)	183 781	171 919	1 162
Permanent Void 8	500	58				7,50%		(127 751)	- 127 751	-119 505	- 687
Vacant 9	12	58	5		75	7,50%	395 600	(75 225)	320 375	299 696	1 162
Vacant 10	12	58	5		75	7,50%	99 667	(18 952)	80 715	75 505	1 162
Vacant 11	12	58	5		75	7,50%	177 867	(33 822)	144 045	134 747	1 162
Vacant 12	12	58	5		75	7,50%	148 733	(28 282)	120 451	112 676	1 162
Vacant 13	12	58	5		75	7,50%	315 867	(60 063)	255 803	239 292	1 162
TOTAL							3 292 067	(753 751)	2 538 316	2 374 477	1 023

OPEX / CAPEX details and other indemnities / revenues

Maintenance Works (Budget on 10 years not discounted)	-	€ excl. VAT
CAPEX // Major Repairs (Budget on 10 years not discounted)	120 420	€ excl. VAT

Conclusion

MAIN USE	Lettable Area sq m	Basis of Capitalisation	Yield Applied	Potential Income capitalised	Discounted Losses/Excess of income	Major Works / CAPEX / Perm. Void & Glob. NR	Market Value inclusive K€	Purchaser's Costs	Market Value exclusive K€	Market Value excl. € excl./sq m	Rever -sionary yield ***
Office	2 321	247	7,50%	3 292	(754)	(254)	2 284	6,90%	2 137	921	10,27%
Warehouse											
Manufacturing											
Parkings											
Total	2 321	247	7,50%	3 292	(754)	(254)	2 284	6,90%	**2 137**	921	10,27%

7. Estimated Reinstatement Cost

We have prepared our assessment of the reinstatement cost of the building assuming the reinstated building will be identical to existing structural conditions, save for the land, but taking into account all taxes, work costs, technical fees and miscellaneous fees.

This estimation does not take into account he developers margin.

Land Area	4 558	sq m	Basement parkings	0	units
Total Lettable Area	2 321	sq m			
Gross / Net ratio	90,0%				
SHON (net constructed area)	2 579	sq m SHON			

Reconstruction Cost - Floor Area	1 500	€/sq m SHON	3 868 333	€ excl.
Land Development	4,00%	Const. Costs	154 733	€ excl.
Fiscal Conditions (taxes, royalties, charges etc.)	2,50%	Const. Costs	96 708	€ excl.
Technical Fees (MOE, BET, Insurance)	10,00%	Const. + Gridding	402 307	€ excl.
Financial Fees	2,50%	Total Const. Costs	113 052	€ excl.
Reinstatement Cost	**1 797**	**€/sq m SHON**	**4 635 000**	**€ excl.**

We assume that any VAT is recoverable and we do not retain any loss of rent or allow for inflation during the reconstruction period.

An estimated reinstatement cost is our assessment of the cost of reinstating the property at he date of valuation. We have not been provided with the actual construction costs, but have estimated these overall costs based on our knowledge of similar buildings.

The figures set out in this valuation sheet are our assessment of the cost of reconstructing he property. They include an allowance for demoli ion, removal of debris, temporary shoring, statutory and professional fees which are likely to be incurred on reconstruction, but exclude any allowance for VAT. If you are unable to recover VAT, or can recover part only, you should advise your insurers and increase he Base Sum Insured appropriately. The figures make no allowance for loss of rent during the rebuilding period, nor for infla ion, nor the cost of dealing with any contamination which may be present and have to be dealt with prior to reconstruction. The assessment does not provide advice in respect of terrorist damage cover and you should consult with your insurers in respect of this.

We have assumed that the reinstated building and its use will be similar to that exis ing, and the reinstated building will be to he original design, in modern materials, using modern techniques to modern standards.

We have considered the extent and nature of the building but our assessments have been undertaken as part of our normal valuation exercise. We have not carried out a formal reinstatement cost assessment through a Building Consultancy company. Our assessment should be treated as a guide only and should not be relied upon. It should be used for comparative purposes only against the borrower's proposed reinstatement cover.

Should any discrepancies arise, a formal reinstatement cost assessment should be commissioned.

8. Photos

Exterior view

Exterior view

Parking

Common area

Office floor

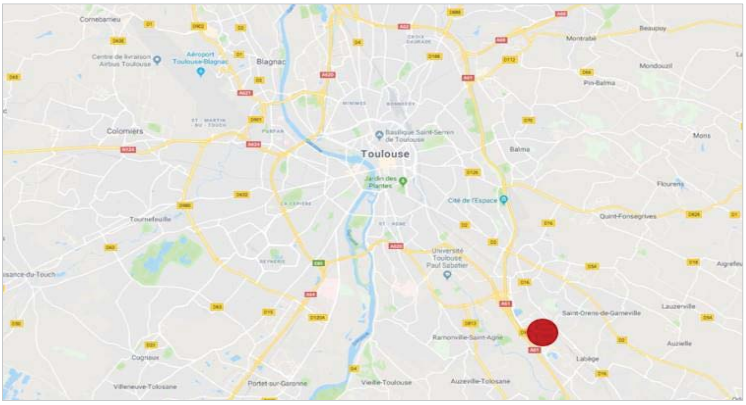
Office floor

Valuation Summary

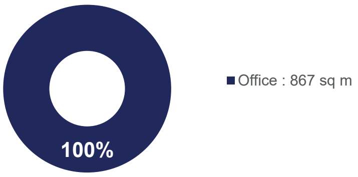
Agora

Address	**Agora, Rue Jean Bart**		
ZIP-Town	31670 - Labege	**Hub/Market**	Toulouse
Completion Date	1990		
Main Use	Office		

Project Type	**Valuation Report**	
Inspection Date	20/06/2018	
Valuer	Valentin Dahan	
Land Area	6 484	sq m
Tenure	Freehold/Co-Ownership	



Share of the area by nature



Rating	
Macro Location	4
Micro Location	3
Building Quality	2
Condition	3
Lettability	3
Marketability (sale	3
Overall rating	**3**
Loan Security	**medium**

Total Lettable Area		**867 sq m**		
Occupancy Rate		**67%**		
Remaining Duration (WALB / WALT)		**1,3 / 3,3 years**		
Main Tenant		**TIME DESIGNA**		
Number of Leases		**6**		
Estimated marketing period		**15 months**		
Net Headline Rent	K€/year excl.	**63**	**73**	€/sq m/yr excl.
Net Potential Rent	K€/year excl.	**89**	**103**	€/sq m/yr excl.
Market Rental Value	K€/year excl.	**90**	**104**	€/sq m/yr excl.

SWOT ANALYSIS

Strengths

- Good location in Labège within an identified office zone.
- Located close to the ring road with direct highway access.
- The asset is part of a larger business centre named Agora.
- The asset appears to be in quite good condition.

Weaknesses

- Low remaining fixed term period.
- High vacancy rate of 30% on the asset.
- The building is no longer under the ten year guarantee.
- A part of the property is held in co-ownership (Building 2).

Opportunities

- Land available next to the asset which could host new office buildings and reinforce the attractiveness of the zone.
- The vacant areas are small office spaces which are in demand on Toulouse's office market.

Threats

- The marketing period for vacant areas could be long as the asset is in competition with new and entirely renovated assets.

VALUATION METHOD CONCLUSION

Methodology	**Market Value**			**CAPEX not discounted (Deducted) €**	Purchaser's Costs	**Net Initial Yields ***				
	€ inclusive	**€ exclusive**	€ excl /sq m			Net Passing	Net Headline	Net Potential	Theoretical	Net Headline on MV Rented
Capitalisation	979 000	**916 000**	**1 057**	**92 537**	6,90%	6,10%	6,10%	8,65%	8,77%	7,36%
DCF	1 003 000	**938 000**	**1 082**		6,90%	5,95%	5,96%	8,44%	8,56%	7,12%

** : Passing Net Initial Yield : (Passing Net Rent - NR Charges) / MV incl.*

Net Headline Yield : (Net Headline Rent - NR Charges) / MV incl.

Theoretical Initial Yield : (Market Rent - NR Charges) / MV incl.

MARKET VALUE CONCLUSION

Market Value incl. Purch' costs	**1 003 000**	€ inclusive	1 157	€ incl./sq m
Purchaser's Costs	6,90%			
Market Value excl. Purch' costs	**938 000**	€ exclusive	1 082	€ excl./sq m

Net Headline Yield	**5,95%**
NIY on rented MV	**7,12%**
Net Potential Yield	**8,44%**
Net Reversionary Yield	**8,56%**

Additional Valuation	**Market Value**		General Assumptions			
	€ exclusive	€ excl./sq m	Void Period months	Rent Free months	Capitalisation Yield	Construction Costs €/sqm SHON
Vacant Possession Value	683 000	788	15	5	7,75%	
Estimated Reinstatement Cost	1 731 000	1 797				1 500,00

1. Property Presentation

Aerial View

Cadastral Matrix

Designation

The property primarily used as office is situated :

Agora, Rue Jean Bart - 31670 Labege

Cadastral References

BI n°14 and 12

Land Area 6 484 sq m

Tenure

Building 1 : Full ownership. Building 2 : Co-ownership.
The asset is located within the perimeter of a development zone known as the "Zone Améganement Concertée d'HERS" which is part of an Association Syndicale Libre" (ASL). We have not been provided with the organic regulations for this zone and associations.

Location & Environment

The asset is located in Labège, in the Haute-Garonne department, which is part of the Occitanie region in south western France. Labège is 12 km away from Toulouse, 242 km from Montpellier, and 246 km from Bordeaux, and is situated along the well developed route that connects the Atlantic and the Mediterranean coasts.

The city is part of Toulouse Metropole. The municipality of Labège counts 4 277 inhabitants and the urban area population of the Toulouse Metropole has about 1 330 000 inhabitants.

More precisely, the asset is located in the southern suburbs of Toulouse, on the northern side of Labège within the perimeter of a development zone called "Zone d'Aménagement Concertée d'Hers" and part of the tertiary zone "Labège Innopole". Consequently, the asset is located in an urban location in a fully built-out commercial park which runs adjacent to the A61/A62 highway. Labège Innopole was created during the eighteenth and is mixed use zone (offices, retails and activity). The tertiaries park in the zone reaches 287 000 sq m and most of the offer consist of old assets.

The vicinity is made up of offices (with tenants like CNPP Région Sud-Ouest, Mediane Ingénieurerie, Advency and Tead), a building being demolished, and the shopping centre Labège 2.

Transport & Access

The area benefits from good accessibility:
- Easy access from the Toulouse ring road (3.3 km).
- Airport Toulouse Blagnac is located 20,7 km north of the property.
- Labège Village train station (TER) located 4.1 km south east of the asset.

The city of Toulouse does not have metro stations in this district; the only public transport available is the bus.

Exterior view building 1

Parking

Exterior Description

The property comprises two stand-alone office buildings, situated on a plot of land that is irregular in shape. Each building has two storeys and internally divided office space.
The buildings were developed in the early 1990s and feature a concrete frame structure with a concrete finish and glass façades. The roof is made of bituminous felt covering.
The external areas are made of asphalt.
There are 49 external car parking spaces and several grass areas.

Internal Layout

The property comprises two office buildings. All offices areas present the same specifications : mineral suspended ceilings with inset lighting, suspended acoustic tiled ceilings, painted walls, carpeted or wooden flooring, a heating system and intercom systems for access. Some office areas benefit from an access to an external terrace. The office spaces have been sub-divided into smaller sized units, appropriate for the market needs of the Toulouse Metropole.
The common area benefits from mineral suspended ceilings with inset lighting, tiled flooring and toilets.

The property has a total office area of 867 sq m.

Contamination and Diagnosis Conclusion

Potential Sources of Soil and Water Contamination	: Low
Site Sensitivity	: Low/Moderate
Risk Assessment	: Low
Environmental certifications	: None

Other Environmental Issues

The site is located in an area with a high risk of flooding.

General Environmental Conclusion

No current, historical, or potential sources of contamination have been identified on the subject site or in the surrounding area. However, the site is located in a high flood risk area that could negatively impact the property in the event of a flood.
Ensure that appropriate flood mitigation measures are considered for the site.

General Condition

The property appears to have been quite well maintained with regard to its age, use and construction.
During the course of our inspection, we did not notice any apparent defects.

Town Planning

According to the Town Planning Documents ("Plan Local d'urbanisme" - PLU) for the city of Labège, last modified on the 3rd of July 2017, the property is located in the urban zone Innopole UE.
The main characteristics and regulations for the zone are as follows:

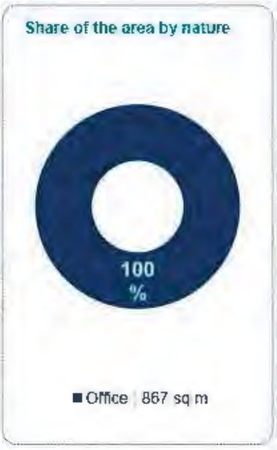
- Maximum footprint (Emprise au sol) : not regulated.
- Maximum height of buildings: not regulated.
- Plot Ratio (“Coefficient d’Occupation des Sols”) : not regulated.
- Parking spaces for office spaces: 1 car parking space for 80 sq m of office area.

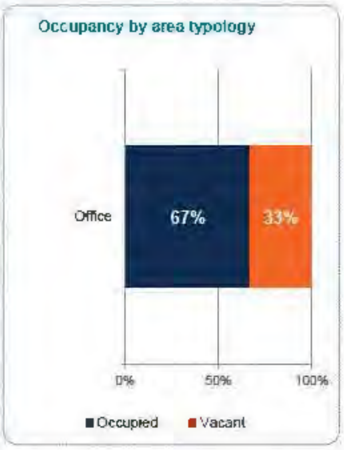
2. Area Schedule

Area Typology	Total Area		Occupied Area	Vacant Area	Occupancy Rate
	sq m lettable	Share	sq m lettable	sq m lettable	
Office	867	100,0%	583	284	67%
Warehouse	–		-	-	
Manufacturing	–		-	-	
Other	–		-	-	
Parking int.	-		-	-	
Parking ext.	-		-	-	
TOTAL	867	100,0%	583	284	67%
ICR / Base Area	*867*	*sq m*			

Area Source Documents

For the purpose of this valuation we have been provided with lettable areas of the property, sent by EASTD LL Secured, in the "Property Use by Tenant" and "Financing Rent Roll" Excel files, undated. We have not undertaken measurements of the property. Following our site visit, we have come to the conclusion that the areas provided seem to correspond to the inspected property. Should the surface areas differ from the provided surface areas, we reserve the right to alter our valuation accordingly.


Share of the area by nature


Occupancy by area typology

3. Rental Situation

Tenancy Schedule

Tenants	Floor	Main Use	AREA SCHEDULE						LEASE DURATION				INDEXATION	
			Office sq m	Warehouse sq m	Manufacturing sq m	Other sq m	Parking Internal/ External units	TOTAL sq m	Lease type	Lease Start	Next Break Option	Lease End	Next Indexation Date	Current Index
Validapro Europe	GF	Office	122					122	Com. L	01/07/14	30/06/20	30/06/23	01/07/18	LAT
Vacant Unit	GF	Office	93					93		01/07/19	30/06/22	30/06/28		LAT
BPS INVESTISSEMENT	GF	Office	82					82	Com. L	01/02/16	31/01/19	31/01/25	01/02/19	LAT
AZ Concept	GF	Office	77					77	Com. L	01/03/10	28/02/19	28/02/19	01/03/19	LAT
ATOM SOLUTIONS	GF	Office	64					64	Com. L	01/07/16	30/06/19	30/06/25	01/07/18	LAT
HESLYOM	GF	Office	85					85	Com. L	01/11/15	14/03/21	14/03/21	01/11/18	LAT
Vacant Unit (Permanent)	GF	Office	45					45		01/03/60	28/02/63	28/02/69		LAT
TIME DESIGNA	GF	Office	153					153	Com. L	01/04/09	31/03/19	31/03/19	01/04/19	LAT
Vacant Unit	GF	Office	146					146		01/10/19	30/09/22	30/09/28		LAT
TOTAL			867				0 / 0	867						
TOTAL Rented			583	-	-	-	0 / 0	583						
TOTAL Vacant			284	-	-	-	0 / 0	284		Vacancy Rate	33%			

Valuation Date 30/06/2018
Report Date 03/09/2018

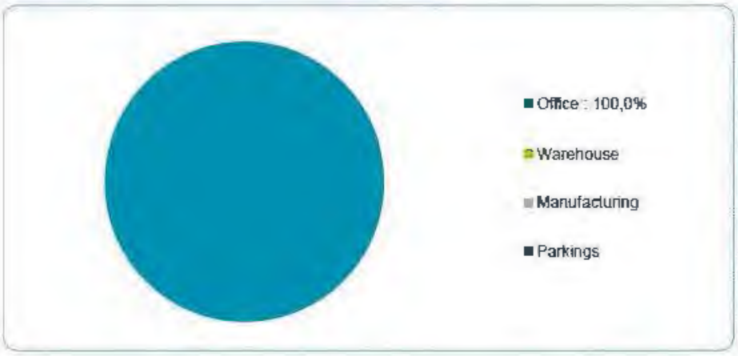
Management of Charges and Analysis of Net Rent

Tenants	Gross Passing Indexed Rent €/yr excl.	Gross Headline Indexed Rent €/yr excl.	NON-RECOVERABLE CHARGES (€/YEAR) *					TOTAL Non Recoverable €/sq m/yr	NET HEADLINE RENT **		Additional Rent	
			Property Tax	Office Tax	Insurance	Major Repairs (art. 606)	Mgmt Fees		€/yr excl.	€/sq m/yr	Current Amount €/yr excl.	End Date
Validapro Europe	12 200	12 200	T	T	T	T	T		12 200	100		
Vacant Unit									-			
BPS INVESTISSEMENT	8 354	8 354	T	T	T	T	T		8 354	102		
AZ Concept	9 409	9 409	T	T	T	T	T		9 409	122		
ATOM SOLUTIONS	7 119	7 119	T	T	T	T	T		7 119	111		
HESLYOM	9 640	9 640	T	T	T	T	T		9 640	113		
Vacant Unit (Permanent)									-			
TIME DESIGNA	16 146	16 146	T	T	T	T	T		16 146	106		
Vacant Unit									-			
									-			
									-			
TOTAL	**62 867**	**62 867**							**62 867**	**73**		

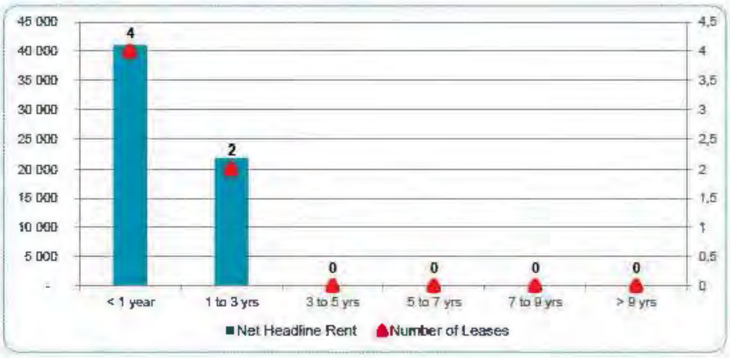
* T = "Tenant" => charges entirely recoverable

** Net Headline Rent not taking into account the global NR charges retained for the property (5,00% of passing rent per year)

Net Passing Rental income's share by Main Use



State of Remaining Fixed Term (WALB)

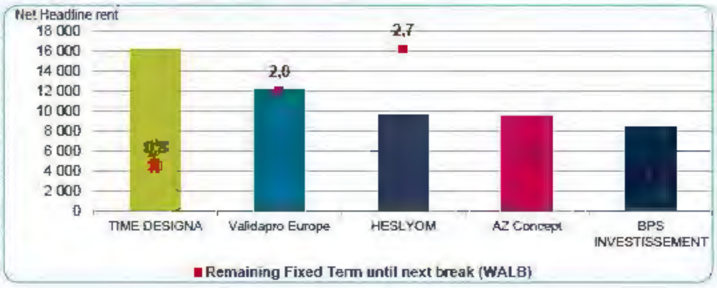


Lease Incentives

Tenants	STEPPED RENTS						RENT FREE PERIOD						Indemnities € / Part. W	
	Start Date 1	Step Rent 1 €/yr	Start Date 2	Step Rent 2 €/yr	Start Date 3	Step Rent 3 €/yr	Start Date 1	Initial Duration months	Start Date 2	Duration 2 months	Start Date 3	Duration 3 months	Date	Amount Paid or Received € excl.
Validapro Europe														
Vacant Unit														
BPS INVESTISSEMENT														
AZ Concept														
ATOM SOLUTIONS														
HESLYOM														
Vacant Unit (Permanent)														
TIME DESIGNA														
Vacant Unit														

TOP 5 Tenants

State of Remaining Fixed Term (WALB)



4. Asset Positioning

Local Rental Market

The city of Toulouse counts 1 330 000 inhabitants and 584 000 employees, mainly in the aeronautics sector. Considering its population, Toulouse is the 4th largest city in France and welcomes approximately 90 000 students. The office market is mainly focused in the city centre and in Blagnac. Secondary office markets include Borderouge, Balma Gramont, La Plaine, Labège, Parc du Canal, Bordelongue, Basso Cambo and Saint Martin Ramassiers.

The office asset market in the Toulouse Metropole area represents nearly 4.4 million sq m. The take-up in 2017 reached 163,000 sq m, which represents a slight decrease since 2016, but is 18% higher than the ten year average for the zone. At the same time, supply has continued to increase since the end of 2012 up to the end of 2017, from 200,000 sq m to more than 240,000 sq m.
The vacancy rate has reached 4.9 % and the new office availability totals about 19 000 sq m.

The prime rental value in the city centre sector is 260 €/sq m, excluding taxes and 170 €/ sq m excluding taxes in the Blagnac sector.

In Labège, the rental value for offices is between 140 €/sq m excluding taxes for new premises and € 190 €/sq m excluding taxes for recent premises.

The subject property is located in Labège, and is an old property.

Comparable Rental Transactions

Quality compared to subject property: ▲ Above ▼ Below ▬ Equivalent

Address	Date		Owner	Tenant	Area sqm	Fixed Period	Rent €/sqm	Comments
11 rue du Pic Mégal - 31240 Toulouse - Offices	11/2015	▼	NC	Private landlord	144	NC	105 €/sq m	Office located in the northen suburbs of Toulouse in an old building.
5 avenue Joliot-Curie - 31000 Toulouse - Offices	04/2018	▲	NC	FORMATION CONTINUE EN BIOLOGIE MEDICAL	106	NC	120 €/ sq m	Office located out of the perimeter of the Toulouse ring road, next to Empalot.
24 avenue Marcel Dassault - 31500 Toulouse - Offices	06/2015	▲	NC	EUROVIA M DI-PYRENEES	424	NC	121 0/sq m	Office located within the perimeter of the Tououse ring road, next to "Cité de l'Epace" in the identified La Plaine office zone.
78 chemin des Sept Deniers - 31200 Toulouse - Offices	05/2018	▲	NC	ETS PUB FONCIER D OCCITANIE	137	NC	121 €/sq m	Office located outside of the perimeter of the Toulouse ring road, next to Purpan and Blagnac in an identified office area.

Comparable Rental Supply

Address	Type		Area sqm	Divisibility sqm	Office€/sqm	Warehouse	Parking €/sqm	Comments
Diagonal - Rue Marco Polo - 31670 Labege	Offices	▲	4391 sq m	500 sq m	130 €/sq m		NC	Entirely renovated property with good visibility from the highway. Total area of 4 391 sq m, divisible into 500 sq m office units. New fan system. Car parking spaces available (around 150).
31670 - Labege	Offices	▬	30,77 sq m	30,77 sq m	124 €/sq m		NC	Office area available on the ground floor of an asset that is part of the Innopole. Old offices in good condition, with one car parking space.
31670 - Labege	Offices	▬	45 sq m	45 sq m	100 €/sq m		NC	Office area available on the ground floor of an asset that is part of the Innopole. Old offices in good condition with two car parking spaces.
31670 - Labege	Offices	▼	270 sq m	270 sq m	95 €/sq m		NC	Office area available in an asset that is part of the Innopole. Old offices in good condition. Comprises 4 offices, 1 kitchen, 2 open spaces and technical premises.

Investment Market

Since 2015, the corporate real estate investment market has stabilised at over €25 billion, even reaching close to €28 billion in 2017. With €3.9 billion invested over the course of Q1 2018, the current year already seems to be keeping pace with the last 3 years.
Toulouse's investment volume continued to increase in 2017, with a total of €600 million invested. This good performance is mainly due to a qualitative rental market in the area. The office investment volume has also substantially increased since 2016, by reaching € 262 million in 2017 vs. € 121 million in 2016.
Prime office yields in Toulouse are subject to compression and for December 2017, the yield stood at 5.00 % vs. 4.50 % in December 2016. We can compare these yields against prime yields in Lyon, Lille and Marseille, which stand respectively at 3.90%, 4.25% and 4.55%. However, these decreases are confined to exceptional assets located in prime locations, such as in the city centre and in Blagnac, which are let to good tenants with an important fixed term period.
The subject property is located in a small market and has a risky tenancy schedule. Therefore, the expected yield should include a large risk premium.

Comparable Investment Transactions

Address	Date	Purchaser	Seller	Sale Price € excl.	€ excl /sq m	Published Yield	Area sqm- (sqm)	Comments
Saint Ex Office - 42, chemin de l'Espeissière - 31000 Toulouse	01/12/2018	Epargne Foncière	NC	10 700 k€ HT HFA		6,00%	3 850 sq m	Asset next to the Toulouse Blagnac airport, in the Airbus office zone. Asset developped by Bouygues Immobilier. Acqusition in VEFA (under construction). Asset entirely let to In Situ.
Toulouse Borderouge - ZAC de Borderouge - 31200 Toulouse	01/11/2016	Groupama Gan RE M (OPCI GGP1)	SARL Borderouge Les Amarantes 2013	12 980 k€ HT HFA		6,06%	4 503 sq m	Acquisition in VEFA (under construction). Asset entirely let to Credit Agricole Immobilier. Consists of a two storey building with HQE certification.
Elipsys - 8-10 rue des 36 ponts - 31000 Toulouse	01/10/2015	La Francaise REM (3 SCPI)	CFA Midi-Pyrénées	13 673 k€ HD HFA		6,80%	4 245 sq m	Acquisition in VEFA (under construction) with a commercialisation rate of 65%. Asset located in Saint Michel, close to the centre with a 6 year fixed term lease.

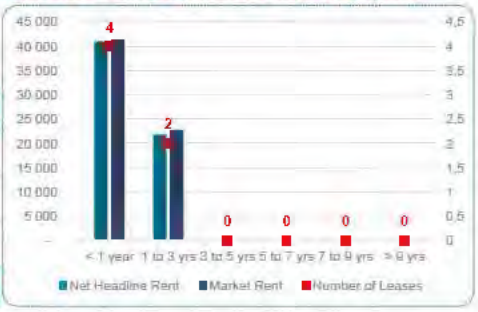
5. Property Valuation

5.1. Market Rent

Tenants	MARKET RENTAL VALUE (€ excl.)								NET HEADLINE RENT		Theoretical Reversion
	Office	Warehouse	Manufacturing	Other	Internal Pk	ICR	Total Excl.		Total Excl.		
	€/sq m/yr	€/sq m/yr	€/sq m/yr	€/sq m/yr	€/u/year	€/sq m/yr	€/yr	€/sq m/yr	€/yr	€/sq m/yr	MR / Rent
Validapro Europe	110						13 420	110	12 200	100	10,0%
Vacant Unit	110						10 230	110			N/A
BPS INVESTISSEMENT	110						9 020	110	8 354	102	8,0%
AZ Concept	110						8 470	110	9 409	122	-10,0%
ATOM SOLUTIONS	110						7 040	110	7 119	111	-1,1%
HESLYOM	110						9 350	110	9 640	113	-3,0%
Vacant Unit (Permanent)											N/A
TIME DESIGNA	110						16 830	110	16 146	106	4,2%
Vacant Unit	110						16 060	110			N/A
TOTAL	104						90 420	104	62 867	73	43,8%
TOTAL Rented	110						64 130	110	62 867	108	2,0%
TOTAL Vacant	93	-	-	-	-	-	26 290	93			

Main Use	Number of Leases	Usable Areas	Net Headline Rent		Market Rental Value		Theoretical Reversion
		sq m / units	€/year excl.	€/sq m/yr	€/year excl.	€/sq m/yr	MR / Rent
Office	6	867	62 867	73	90 420	104	43,8%
Warehouse							
Manufacturing							
Parkings							
TOTAL	6	867	62 867	73	90 420	104	43,8%

Potential loss/earning of rent at future lease break options



Valuation Date 30/06/2018
Report Date 03/09/2018

5.2. General Assumptions (at Renewal / Departure / Letting)

In our valuation, we have retained the following assumptions in case of renewal or departure at the next potential tenant breaks.

Tenants	Potential Date of Departure	Proba-bility of departure %	Tenant Departure Assumptions				Tenant Renewal Assumptions				
			Reletting work	Void Period	Rent-Free Period	Fixed Period	Reversion at Lease End	Renewal Base *	Reversion Captured at Renewal	Rent-Free Period	Fixed Period
			€/sq m	months	months	years				months	years
Validapro Europe							8,1%	MR	8,1%	3	3
Vacant Unit				12	5	3	-0,2%	MR	-0,2%		
BPS INVESTISSEMENT							6,8%	MR	6,8%	3	3
AZ Concept							-9,7%	MR	-9,7%	3	3
ATOM SOLUTIONS							-3,1%	MR	-3,1%	3	3
HESLYOM							-4,9%	MR	-4,9%	3	3
Vacant Unit (Permanent)				500	5	3		MR			
TIME DESIGNA	31/03/19	100%	75	12	5	3	4,6%	MR	4,6%		
Vacant Unit				15	5	3		MR			

* MR : Market Rent / LIR : Last Indexed Rent

5.3. Capitalisation Methodology

Tenant	Remaining Fixed Term years	Capitalised Income Type	Basis of Capitalisation K€/year excl.	Yield Applied	Income Capitalised K€	Compensation / Losses K€	Gross Market Value K€ Incl.	Market Value Exclusive before Capex and Structural Void K€ Excl.	€ excl./sq m	Net Initial Yield	Rever- -sionary Yield
Validapro Europe	2,0	Market Rent	**13**	7,00%	192	(7)	184	**173**	**1 414**	6,62%	7,28%
Vacant Unit	-	Market Rent	**10**	7,25%	141	(21)	120	**112**	**1 208**	-	8,52%
BPS INVESTISSEMENT	0,6	Market Rent	**9**	7,00%	129	(5)	124	**116**	**1 415**	6,73%	7,27%
AZ Concept	0,7	Market Rent	**8**	7,00%	121	(1)	120	**112**	**1 454**	7,86%	7,08%
ATOM SOLUTIONS	1,0	Market Rent	**7**	7,00%	101	(1)	100	**93**	**1 456**	7,15%	7,07%
HESLYOM	2,7	Market Rent	**9**	7,00%	134	(1)	132	**124**	**1 457**	7,28%	7,06%
Vacant Unit (Permanent)	-	Market Rent	**-**	7,25%	-	(43)	- 43	- **40**	- **887**	-	-
TIME DESIGNA	0,8	Market Rent	**17**	7,00%	240	(44)	196	**184**	**1 201**	8,22%	8,57%
Vacant Unit	-	Market Rent	**16**	7,25%	222	(39)	183	**171**	**1 170**	-	8,79%
TOTAL	**1,3**		**90**	**7,07%**	**1 279**	(162)	**1 117**	**1 045**	**1 205**	**5,63%**	**8,10%**

OPEX / CAPEX details and other indemnities / revenues

Maintenance Works (Budget on 10 years not discounted)	**17 925**	€ excl. VAT
CAPEX // Major Repairs (Budget on 10 years not discounted)	**74 612**	€ excl. VAT
Landlord's Contribution to Tenant's Works // Indemnities to Tenants	-	€ excl. VAT
Indemnities paid by Tenants to Landlord // Other Revenues	-	€ excl. VAT

Capitalisation Method Conclusion

Main Use	Lettable Area sq m	Basis of Capitalisation	Yield Applied	Discounted Losses/Excess of income	Perm. Void & Glob. NR	Market Value inclusive K€	Purchaser's Costs	Market Value exclusive K€	Market Value excl.	Net initial yield	Rever -sionary yield
Office	867	90	**7,07%**	(8)	(45)	979	6,90%	**916**	1 056	6,10%	8,77%
Warehouse											
Manufacturing											
Parkings											
Total	**867**	**90**	**7,07%**	**(8)**	**(45)**	**979**	**6,90%**	**916**	**1 056**	**6,10%**	**8,77%**
TOTAL Rented	**583**	**64**	**7,00%**	**(8)**	**(45)**	**812**	**6,90%**	**759**	**1 302**	**7,36%**	**7,51%**
TOTAL Vacant	**284**	**26**	**7,25%**	**-**	**-**	**168**	**6,90%**	**157**	**552**		**17,61%**

5.4. Discounted Cash Flow Methodology

Year	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**
Index ICC / Expenses Inflation	1,25%	1,50%	1,70%	1,75%	1,75%	1,75%	1,75%	1,75%	1,75%	1,75%
Index ILAT	1,40%	1,50%	1,60%	1,65%	1,65%	1,65%	1,65%	1,65%	1,65%	1,65%
Index ILC	1,50%	1,60%	1,65%	1,65%	1,65%	1,65%	1,65%	1,65%	1,65%	1,65%
Market Rental Growth	0,50%	1,00%	1,50%	1,50%	1,50%	1,50%	1,50%	1,50%	1,50%	1,50%
Maintenance	17 925									
CAPEX *	24 460	30 306	17 721	2 125						

*** The CAPEX retained come from the Technical Due Diligence carried out by Arcadis, dated 13 April 2018 (Vendor Capex retained and adjusted according to comments).**

Analysis by Discounted Cash Flow - K€

Year	1	2	3	4	5	6	7	8	9	10
Gross Rents	59	74	91	92	94	96	98	100	102	103
Rent Free Period/Additionnal Rent	(2)	(15)	(5)			(4)	(2)	(2)		
Indemnities received/paid										
Costs (vacancy, NR, doubtful)	(27)	(18)	(8)	(8)	(8)	(8)	(9)	(9)	(9)	(9)
Capex/Maintenance	(43)	(31)	(18)	(2)						
Reletting works		(12)								
Marketing fees		(7)								
Total Acquisition Costs										1 356
Remaining Rent Free Period to deduct										
Transfer costs										(117)
Free Cash Flows	**- 12**	**- 9**	**60**	**82**	**86**	**85**	**87**	**89**	**93**	**1 334**

Discount Rate - Cash Flow	**7,75%**	**Doubtful Debtors**	0,00%	% rent/year	**Letting Fees**	15,00%	% Headline Rent
Discount Rate - Resale Value	**7,75%**	**NR Charges**	5,00%	% rent/year	**Broker's Fees**	2,50%	% Resale Value
Discount Rate - CAPEX	**7,75%**	**Permanent Void**	5,19%	% rental area	**DCF Duration**	10	years

DCF method conclusion

Main Use	**RESALE ASSUMPTIONS AND CONCLUSION**						**Market Value**	**Purchaser's Costs**	**Market Value**	
	Fixed Period	Reversion	**Cap Rate**	Basis of Capitalisation	Resale Value € excl.	€ excl./sq m	K€ Incl.		€ exclusive	€/sq m
Office	1,3	8,9%	**7,00%**	95	1 239	1 430	1 003	6,90%	938 006	1 082
Warehouse										
Manufacturing										
Parkings										
Total	**1,3**	8,9%	**7,00%**	**95**	**1 239**	**1 429**	**1 003**	**6,90%**	**938 000**	**1 082**

5.5. Conclusion of Market Value

Methodology	Market Value inclusive	Purchaser's Costs	Market Value exclusive		Net Initial Yields *				
	€ inclusive		€ exclusive	€ excl./sq m	Net Passing	Net Headline	Net Potential	Theoretical	Net Headline on MV Rented
Capitalisation	979 000	6,90%	916 000	1 057	6,10%	6,10%	8,65%	8,77%	7,36%
DCF	1 003 000	6,90%	938 000	1 082	5,95%	5,96%	8,44%	8,56%	7,12%

*Net Initial Yields **

Passing Net Initial Yield : (Passing Net Rent - NR Charges) / MV incl

Net Headline Yield : (Net Headline Rent - NR Charges) / MV incl.

Potential Net Initial Yield : (Net Headline Rent + MR of vacant areas - NR Charges) / MV incl.

Theoretical Initial Yield : (Market Rent - NR Charges) / MV incl.

Rounded Market Value

We are of the opinion that the Market Value of he freehold interest in the above Subject Property, as at 30 June 2018, subject to the existing tenancies, assumptions and comments in this Valuation Report and the Appendices, is:

Methodology Retained DCF

Market Value incl. Purch' costs	1 003 000	€ inclusive	1 157	€/sq m
Purchaser's Costs	6,90%			
Market Value excl. Purch' cost	**938 000**	€ exclusive	1 082	€/sq m

Net Headline Yield	5,95%
Net Headline Yield (on rented MV	7,12%
Net Potential Yield	8,44%
Net Reversionary Yield	8,56%

6. Vacant Possession Value

We have undertaken the valuation of the building under the special assumption that it is fully vacant (Vacant possession Value).
This methodology consists of capitalising the potential net income at an appropriate yield deducting losses reflecting the marketing and incentives necessary to relet the property.

Tenant	Marketing Void	Vacancy cost	Rent Free Period	Discount / Premium to Market Rent	Reletting Works	Yield Applied	Potential Income Capitalised	Total Discounted Losses (void, works, rent free, fees)	Gross VPV	Net VPV	
	months	€/sq m	months	%	€/sq m		€	€	€ incl.	€ excl.	€/sq m excl.
Vacant 1	15	73	5		75	7,75%	173 161	(41 011)	132 150	123 621	1 013
Vacant 2	15	73	5		75	7,75%	132 000	(31 262)	100 738	94 235	1 013
Vacant 3	15	73	5		75	7,75%	116 387	(27 565)	88 822	83 089	1 013
Vacant 4	15	73	5		75	7,75%	109 290	(25 884)	83 406	78 023	1 013
Vacant 5	15	73	5		75	7,75%	90 839	(21 514)	69 325	64 850	1 013
Vacant 6	15	73	5		75	7,75%	120 645	(28 573)	92 072	86 129	1 013
Permanent Void 7	500	73				7,75%		(40 303)	- 40 303	-37 701	- 838
Vacant 8	15	73	5		75	7,75%	217 161	(51 432)	165 730	155 032	1 013
Vacant 9	15	73	5		75	7,75%	207 226	(49 079)	158 147	147 939	1 013
TOTAL							1 166 710	(316 622)	850 088	795 218	917

OPEX / CAPEX details and other indemnities / revenues

Maintenance Works (Budget on 10 years not discounted)	17 925	€ excl. VAT
CAPEX // Major Repairs (Budget on 10 years not discounted)	74 612	€ excl. VAT

Conclusion

MAIN USE	Lettable Area sq m	Basis of Capitalisation	Yield Applied	Potential Income capitalised	Discounted Losses/Excess of income	Major Works / CAPEX / Perm. Void & Glob. NR	Market Value inclusive K€	Purchaser's Costs	Market Value exclusive K€	Market Value excl. € excl./sq m	Rever -sionary yield ***
Office	867	90	7,75%	1 167	(317)	(120)	731	6,90%	683	788	11,76%
Warehouse											
Manufacturing											
Parkings											
Total	867	90	7,75%	1 167	(317)	(120)	731	6,90%	**683**	788	11,76%

7. Estimated Reinstatement Cost

We have prepared our assessment of the reinstatement cost of the building assuming the reinstated building will be identical to existing structural conditions, save for the land, but taking into account all taxes, work costs, technical fees and miscellaneous fees.

This estimation does not take into account he developers margin.

Land Area	6 484	sq m	Basement parkings	0	units
Total Lettable Area	867	sq m			
Gross / Net ratio	90,0%				
SHON (net constructed area)	963	sq m SHON			

Reconstruction Cost - Floor Area	1 500	€/sq m SHON	1 445 000	€ excl.
Land Development	4,00%	Const. Costs	57 800	€ excl.
Fiscal Conditions (taxes, royalties, charges etc.)	2,50%	Const. Costs	36 125	€ excl.
Technical Fees (MOE, BET, Insurance)	10,00%	Const. + Gridding	150 280	€ excl.
Financial Fees	2,50%	Total Const. Costs	42 230	€ excl.
Reinstatement Cost	**1 797**	**€/sq m SHON**	**1 731 000**	**€ excl.**

We assume that any VAT is recoverable and we do not retain any loss of rent or allow for inflation during the reconstruction period.

An estimated reinstatement cost is our assessment of the cost of reinstating the property at he date of valuation. We have not been provided with the actual construction costs, but have estimated these overall costs based on our knowledge of similar buildings.

The figures set out in this valuation sheet are our assessment of the cost of reconstructing he property. They include an allowance for demoli ion, removal of debris, temporary shoring, statutory and professional fees which are likely to be incurred on reconstruction, but exclude any allowance for VAT. If you are unable to recover VAT, or can recover part only, you should advise your insurers and increase he Base Sum Insured appropriately. The figures make no allowance for loss of rent during the rebuilding period, nor for infla ion, nor the cost of dealing with any contamination which may be present and have to be dealt with prior to reconstruction. The assessment does not provide advice in respect of terrorist damage cover and you should consult with your insurers in respect of this.

We have assumed that the reinstated building and its use will be similar to that exis ing, and the reinstated building will be to he original design, in modern materials, using modern techniques to modern standards.

We have considered the extent and nature of the building but our assessments have been undertaken as part of our normal valuation exercise. We have not carried out a formal reinstatement cost assessment through a Building Consultancy company. Our assessment should be treated as a guide only and should not be relied upon. It should be used for comparative purposes only against the borrower's proposed reinstatement cover.

Should any discrepancies arise, a formal reinstatement cost assessment should be commissioned.

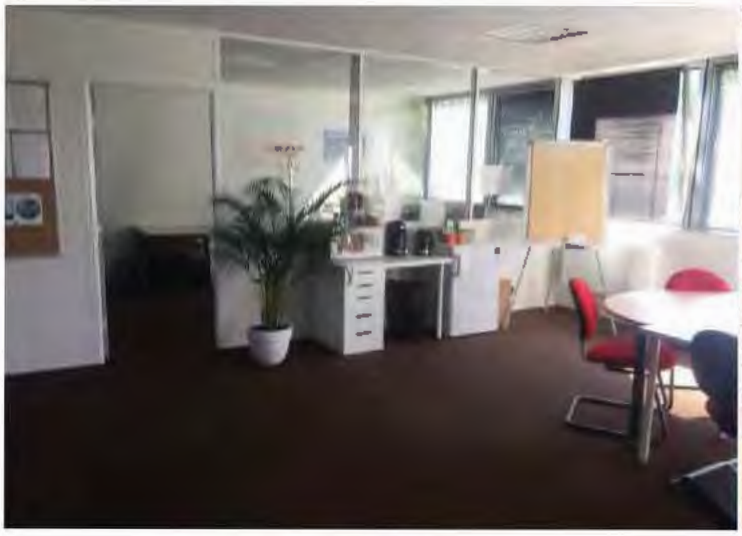
8. Photos

Exterior view building 2

Exterior view building 1

Parking

Office area



Office area

Common part