

# GEORGE F. WHITE

RESIDENTIAL . COMMERCIAL . RURAL . DEVELOPMENT

Ebac Industrial  
Products Limited

## VALUATION REPORT

Ebac Ltd, St. Helens Industrial Estate  
Bishop Auckland, County Durham  
9 February 2022

**Prepared by**

James Carruthers MRCIS, George F White LLP  
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## 1.0 SUMMARY OF REPORT & VALUATION

- 1.1 The Subject Property consists of a manufacturing/production facility situated at St. Helens Industrial Estate near Bishop Auckland in County Durham.
- 1.2 The freehold interest in the Subject Property is to be valued for pension scheme administration purposes.
- 1.3 Taking into account all factors disclosed in this Report it is estimated that the Market Value of the Subject Property as at 9 February 2022 is in the region of **£750,000 (Seven hundred and fifty thousand pounds)**

## 2.0 TERMS OF REFERENCE

### 2.1 Instructions

Instructions were received from Graham Currie on behalf of The Trustees of Ebac Retirement Benefit Scheme on the 1 February 2022.

Instructions were accepted and confirmed by James Carruthers MRICS by letter dated 4 February 2022. A copy of this letter is attached as **Appendix A**. The Terms of Engagement set out the following:-

- i) General Assumptions,
- ii) Assumptions on extent of Valuer's investigations
- iii) Assumptions on sources of information relied upon
- iv) Restrictions on publication and exclusion of liability to parties other than the stated client.
- v) Property classification, Disclosure, Valuer's details and competence, basis of fee..

### 2.2 Addressee/Client/Other Intended Users

This report is prepared for The Trustees of Ebac Retirement Benefit Scheme.

### 2.3 Subject of the Valuation

The subject of the valuation is Ebac Industrial Products Ltd premises at St. Helens Industrial Estate, Bishop Auckland, County Durham, herein referred to as the Subject Property.

### 2.4 Interest valued and purpose of Valuation

The freehold interest of the Subject Property is to be valued for pension scheme administration purposes.

### 2.5 Basis of Value

The basis of value is Market Value, which is defined as:-

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

## 2.6 Valuation Date

The property is valued as at the date of inspection. The Subject Property was inspected on 9 February 2022.

## 2.7 Measurements

It is confirmed that all measurements have been taken in accordance with RICS Property Measurement 2<sup>nd</sup> Edition {incorporating RICS Code of Measuring Practice 6th Edition}, where applicable.

## 2.8 Sources of information relied upon

In preparing the valuation the Valuer has relied upon information provided by:-

- i) The Client;
- ii) Land Registry;
- iii) Durham County Council;
- iv) Valuation Office Agency;
- v) CoStar Commercial Property Database;

It is important to note that any information provided by the client will be deemed to be reliable and used by the Valuer unless agreed otherwise.

No documentary or verbal searches will be undertaken to confirm information provided other than those specifically mentioned in the Valuation Report.

## 2.9 Disclosure & Statement of Valuer Status

George F White LLP have had no prior involvement with the Subject Property.

The valuation has been carried out by James Carruthers MRICS in accordance with RICS Global Standards January 2022.

It is confirmed that James Carruthers MRICS is carrying out the valuation as an external Valuer, as defined by the RICS Valuation Global Standards January 2022.

It is confirmed that the Valuer has the knowledge, skills and understanding of carrying out valuations for the specified property type, to undertake the valuation competently.

## 2.10 Special Instructions

No special instructions were issued in respect of this valuation.

## 2.11 Special Assumptions

No special assumptions have been made in the preparation of this valuation.

## 2.12 Reservations or Departures

No reservations or departures from the initial instructions or from RICS Valuation Global Standards January 2022 have been required in respect of this valuation report.

## 2.13 General Assumptions and Extent of Investigations

Attention is drawn to the general assumptions and assumptions on extent of investigations in the terms of engagement contained within **Appendix A** of this report.

# 3.0 **DESCRIPTION**

## 3.1 Situation

The Subject Property is situated between the A688 and Maude Terrace public highways within St. Helens Industrial Estate near Bishop Auckland in County Durham.

The Subject Property is centred on Ordnance Survey grid reference NZ 19606 26931

The centre of Bishop Auckland is situated approximately 2 miles to the north of the Subject Property, which provides a range of services and facilities.

A Location Plan is enclosed within **Appendix B**

## 3.2 Property Description

The Subject Property extends across a total site area of 2.42 acres and is comprised of an extensive industrial production facility, primarily of steel frame construction with cavity brick elevations which have been over clad in part with profile metal sheet covering beneath a pitched profile metal sheet roof.

To the rear is a further warehouse of steel portal frame construction with elevations of both masonry brick construction and profile sheet cladding beneath a pitched profile sheet roof. A steel roller shutter door provides cargo access from the service yard/car-park.

The Subject Property also incorporates ancillary office accommodation arranged over two-stories, of brick masonry construction under a flat roof.

The Subject Property is understood to provide a total internal floor area of 36,545ft<sup>2</sup> (3,395m<sup>2</sup>).

A Site Plan of the Subject Property is enclosed within **Appendix C**

Photographs taken during the inspection of the Subject Property are enclosed within **Appendix D**

## 3.3 Access

The Subject Property is situated between the A688 and Maude Terrace public highways.

## 3.4 Tenure

The freehold interest in the Subject Property is held on Land Registry title DU164742.



The registered proprietor of this freehold interest is Ebac Limited.

The Subject Property has therefore been valued on the basis of this freehold interest.

Title documents for the Subject Property are enclosed within **Appendix E**

### 3.5 Tenancies

The Valuer has not been made aware of any tenancy agreements in place in respect of the Subject Property.

The Subject Property has therefore been valued on the basis of vacant possession.

### 3.6 Third Party Rights/Easements/Wayleaves

After consultation of the title documents for the Subject Property, the Valuer has been made aware of the following:-

The mines and minerals together with ancillary powers of working are excepted with provision for compensation in the event of damage caused thereby.

The land has the benefit of the rights granted by but is subject to the rights reserved by the Conveyance dated 16 August 1990 made between (1) The English Industrial Estates Corporation and (2) Ebac Limited.

The Conveyance dated 16 August 1990 referred to above contains a provision as to light or air.

The Valuer has not been made aware of any other third party rights in place in respect of the Subject Property.

### 3.7 Clawbacks/Restrictive Covenants

After consultation of the title documents for the Subject Property, the Valuer has been made aware of the following:-

A Conveyance of the land in this title dated 16 August 1990 made between (1) The English Industrial Estates Corporation and (2) Ebac Limited contains a reservations of a rentcharge as therein mentioned. The said Deed also contains covenants.

The Valuer has not been made aware of any other clawbacks or restrictive covenants in place in respect of the Subject Property.

### 3.8 Local Taxation

#### 3.8.1 Council Tax

The Subject Property does not incorporate any residential dwellings, as such no Council Tax is payable in respect of the Subject Property.

#### 3.8.2 Business Rates

The Subject Property is categorised as "Factory and premises" for Business Rates purposes. The payable authority is Durham County Council.

## 4.0 VALUATION FACTORS & CONSIDERATIONS

### 4.1 Condition

On inspection, the Subject Property appeared, cosmetically, in somewhat dated condition with localised areas of visible wear and tear throughout the property.

However the property appeared to be in reasonable structural repair, commensurate with its age and use, to remain fully capable of fulfilling its primary economic function as an industrial manufacturing facility.

### 4.2 Town Planning & Other Statutory Matters

#### 4.2.1 Planning

The Local Planning Authority is Durham County Council.

The Valuer has not been made aware of any planning history information in respect of the Subject Property.

The Valuer has not been made aware of any outstanding planning matters in respect of the Subject Property.

The Valuer has assumed there are no development proposals within the locality that would have a detrimental impact upon the valuation of the Subject Property.

#### 4.2.2 Highways

The Subject Property is situated between the A688 and Maude Terrace public highways and is also conveniently located for the A68 and A6072 routes.

#### 4.2.3 Fire Regulations

The Regulatory Reform (Fire Safety) Order affecting all non-domestic premises in England and Wales came into force on 1 October 2006. This new legislation has removed the requirement of Fire Certificates for non-domestic property. Now the person responsible for the premises will be required to carry out their own risk assessment to identify the fire precautions which are required to be in place.

To accompany the legislation the Government has developed specific information guides for each type of premises which sets out the guidance on the requirements and carrying out a Fire Risk Assessment.

We have not had sight of any Fire Risk Assessment, however the property has the benefit of a number of personnel fire exits, external fire assembly points, fire extinguishers and fire alarms positioned throughout the premises.

In light of which the Valuer does not consider there to be any material valuation considerations to arise from the fire regulations.

#### 4.2.4 Control of Asbestos at Work Act

The Control of Asbestos Regulations 2012 came into force on 6 April 2012. Under the regulations, if existing asbestos containing materials are in good condition and are not likely to be damaged, they may be left in place; their condition monitored and managed to ensure they are not disturbed.

Furthermore, parties responsible for the maintenance of non-domestic premises have a duty to manage any asbestos found within them, to protect anyone using or working in the premises from the risks to health that exposure to asbestos causes.

Any building or maintenance work in premises, or on plant or equipment that might contain asbestos, requires identification of where it is and its type and condition; an assessment of the risks, as well as managing and controlling these risks.

In the majority of cases, work with asbestos needs to be done by a licensed contractor. Where this is not the case, non-licensed asbestos work still requires effective controls and should nevertheless be carried out by suitably trained parties.

Additionally, since 6 April 2012 it has also been required that brief written records should be kept of non-licensed work, which has to be notified e.g. copy of the notification with a list of workers on the job, plus the level of likely exposure of those workers to asbestos.

On inspection of the Subject Property, there was no evidence of any asbestos in situ upon or within the Subject Property.

As such, the Valuer does not consider that there will be any material valuation considerations to arise from this Act.

#### 4.2.5 Equalities Act

The Equalities Act 2010 replaces The Disability Discrimination Act and covers the provision of goods, services or facilities to the public.

A service provider is under a duty to make reasonable adjustments where a disabled person is placed at a substantial disadvantage in comparison to a non-disabled person. This may involve making physical changes to the building and the steps required are subject to a reasonableness qualification will take into account things like effectiveness of the change how easily it can be done, cost and resources.

On the basis of the Valuer's inspection of the Subject Property, there are not considered to be any material valuation considerations to arise from this legislation.

#### 4.2.6 Offices, Shops and Railways Premises Act

The Offices, Shops and Railways Premises Act is a piece of legislation which seeks to ensure that the health, safety and welfare of those people employed to work in offices and shops is provided for.

From the inspection of the Subject Property there appeared to be adequate provision of welfare facilities including a number of wash-rooms and first aid room.

In light of which the Valuer does not consider there to be any material valuation considerations to arise from this legislation.

#### 4.2.7 Housing Acts

The Subject Property does not incorporate any residential dwellings.

Consequently the Housing Act legislation is not considered to be relevant to the valuation of the Subject Property.



#### 4.2.8 Statutory Designations

The Valuer has not been made aware of any statutory designations in place in respect of the Subject Property.

#### 4.2.9 Energy Performance Certificates

Under Regulations, dated 6th April 2008 the Government required an Energy Performance Certificate (EPC) to be produced for the property transactions including the sale, rent or construction of non-residential properties with floor-area in excess of 50sqm.

After consultation of the Government EPC Register, the Valuer is not aware of an Energy Performance Certificate having been prepared in respect of the Subject Property.

The Energy Act 2011 introduced legislation that makes it unlawful to rent a property which has an "F or G" energy efficiency rating, which has taken effect from 1 April 2018.

It would therefore be necessary to have an EPC prepared for the Subject Property prior to any disposal.

Furthermore, it is conceivable that in the future, the minimum energy efficiency rating could be made more stringent.

From a valuation perspective, sustainability is likely to be a long term issue and its relative importance will change over time. Our valuation provides our opinion of value at the valuation date based on market related factors at that date.

#### 4.2.10 Licences

The Valuer has not been made aware of any material valuation considerations to have arisen from matters relating to trade licenses in respect of the Subject Property.

### 4.3 Environmental Considerations

#### 4.3.1 Contamination

George F White LLP are not environmental specialists and therefore we do not carry out any scientific investigations of sites or buildings to establish the existence or otherwise of any environmental contamination, nor do we undertake searches of public archives to seek evidence of past activities which might identify potential for contamination.

The Valuer is not aware of any geo-technic survey having been commissioned in respect of the Subject Property to ascertain whether there are any environmental issues affecting the same.

In light of the above commentary, the Valuer is not able to accept any responsibility as to the possible latent infestations in the soil or any disease which might affect the property at any time in the future.

#### 4.3.2 Flood Risk

According to flood risk data sourced from the Environment Agency, the Subject Property is situated in a location which is deemed to have a Very Low Risk of flooding from fluvial and surface water sources.

A Very Low Risk is defined as a probability of less than 0.1% of an annual flood event occurring.

#### 4.3.3 Radon Gas

The Subject Property is situated in a location wherein 0%-1% of properties are designated as being at or above the UK Radon Gas Action Level.

#### 4.3.4 Invasive Species

On inspection, the Valuer was not made aware of the presence of any invasive plant species at the Subject Property.

### 4.4 Valuation Approach & Reasoning

#### 4.4.1 Market Factors

According to the latest RICS Commercial Market Survey; the results suggest conditions remain polarised across different portions of the real estate market. While already strong twelve-month projections were further upgraded in the industrial sector, offices and retail continue to struggle, with the situation not helped by the surge in Covid cases seen during the latest survey period.

During Q4, the headline net balance for occupier demand came in at +16%, similar to the reading of +18% returned previously. That said, across the three traditional sectors, only industrials posted a positive reading for tenant demand, with the net balance standing at +61%. Meanwhile, the comparable readings were -3% for offices and -21% for retail. With respect to offices, this latest figure marks a slight setback from a modestly positive trend cited in Q3 (+7%), with respondents pointing to the rapid spread of the omicron variant as a negative influence this quarter.

Turning to the rental outlook, respondents foresee a modest pick-up in prime office rents over the coming twelve months (+1%), while rents for secondary office space are anticipated to fall by around 3% (both similar reading to the Q3 results). Across the other market sectors, industrial rents are projected to rise by around +7% over the year head, the strongest expectations returned since this series was formed in 2014. On the same basis, secondary industrial rents are seen rising by 4%.

Expectations remain negative for retail, with prime rents envisaged falling by 3% while secondary rents expected to see a near 6% decline. From a broad regional perspective, the only noticeable differences from the national averages are seen in the office sector.

In the investment market, a headline net balance of +19% of respondents cited an increase in buyer enquiries during Q4, albeit this was mainly driven by the industrial sector (net balance +58%). Even so, there was a marginal pickup reported for offices (net balance +5%) meaning this indicator has been out of negative territory in each of the last two reports. The headline overseas enquiries metric was also in positive territory, albeit only modestly, for the third consecutive quarter.

Twelve-month capital value expectations continued to strengthen across both prime and secondary portions of the industrial sector. At the same time, prime office values are expected to see a small uplift although a negative trend is still anticipated for secondary. At the weaker end of the spectrum, retail capital value expectations remain negative across the board.

Looking more specifically at the regional industrial market; market conditions in County Durham have never been stronger. Vacancies have fallen steadily over the past several years and now sit near historic lows (3.3%) following multiple years of positive net absorption and limited speculative

development. County Durham's light construction pipeline, coupled with expectations of positive demand, means local industrial market dynamics remain stable and strong.

Amazon's recent arrival at Integra 61 is benefitting local logistics and courier firms, with deliveries to the online giant's fulfilment centres "eclipsing all supermarket distribution centres combined", according to Stiller Warehousing & Distribution. Drum Industrial Estate in Chester-le-Street has been a demand hotspot in recent months, with lettings to Lanchester Wines (65,000ft<sup>2</sup>) and Opal Kitchens (43,000ft<sup>2</sup>) of particular note.

Jade Business Park is also proving popular. The 155,000ft<sup>2</sup> first phase was 93% let as of early 2022 following lettings to ARGLA, Sumitomo and Power Roll.

Recent occupier market dynamics have pushed average rents up by 7.5% over the past 12 months, well above the submarket's historical growth rate (2.8%) and one of the strongest rates of expansion in the north of England. Asking rent hikes have been widespread across the county, with achieved rents ranging from less than £2 per ft<sup>2</sup> for older stock to £17 per ft<sup>2</sup> for more modern R&D-type space over the past 12 months or so. The rental tone at modern multi-let industrial estates like Mandale Park is around £6 per ft<sup>2</sup>.

The industrial sector's strengths continue to appeal to a wide mix of investors, with volumes in Durham constrained only by a lack of institutional-grade stock. Yields have compressed to 7.2%, reflecting the weight of capital chasing opportunities locally and across the wider Tees Valley & Durham market. Cromwell European REIT's acquisition of Thorn Lighting's Spennymoor facility for £32.3 million (a 6.2% yield) got 2022 off to a strong start, with investment for the year roughly equal to the annual volumes recorded from 2019–21.

#### 4.4.2 Methodology

The Subject Property has been valued using a combination of the Comparative and Investment methods of valuation.

The rationale behind the use of these valuation methods is explained in further detail in section 4.4.4 below

#### 4.4.3 Market Evidence

The market evidence the Valuer has relied upon in formulating their opinion of value for the Subject Property is set out in the schedule enclosed within **Appendix F**

#### 4.4.4 Rationale

As set out in section 3.5 above; the Subject Property is being valued on the basis of vacant possession.

To this end, the Subject Property has been valued using both the comparative and investment method of valuation in which recent rental and sale transactions within the locality have been analysed and weighted in conjunction with factors outlined in this report.

In assessing the value of this element of the property with vacant possession, the Valuer has sought to establish the appropriate Market Rent for the Subject Property, with which to also calculate the Market Value of the Subject Property; so as to reflect the conventions of the commercial property market through the application of an appropriate Years Purchaser multiplier.

From the available market evidence, it is apparent that the level of rental value achieved by other industrial premises of similar age, size, specification and condition as the Subject Property; has typically been in the region of £1.20 per ft<sup>2</sup> to £4.20 per ft<sup>2</sup>. Although, more recently within the local area, the apparent range has been much narrower, averaging at circa £2 per ft<sup>2</sup>.

Of the available comparables, the Valuer notes in particular the BA Custom Design premises, which are situated opposite the Subject Property, and which achieved a rent of £2.67 per ft<sup>2</sup> in 2017. The Valuer also notes the completed transactions at Merrington Lane Industrial Estate, where the units all commanded rents of £2 per ft<sup>2</sup>.

However, it should be noted that the BA Custom Design premises occupy a substantially smaller floor area than the Subject Property and are offers an industrial unit offering more modern building specification relative to that provided at the Subject Property. Whilst the Merrington Lane units have all recently been refurbished.

Nevertheless, the Subject Property continues to offer serviceable industrial accommodation, with the added amenity of an enclosed yard that may offer operational advantages not found at premises elsewhere. Furthermore, the continuing robust trends in evidence within the industrial sector of the commercial property market as at the valuation date, combined with the limited supply to the market of industrial units of similar scale all suggest that the Subject Property should remain capable of commanding a competitive rent in the market.

Consequently, taking the above factors into account in the context of prevailing rental values observed within the market; the Valuer is of the opinion that the rental value of the Subject Property lies in the region of £70,000 per annum. The rental value equates to £1.92 per ft<sup>2</sup> or thereabouts, which correlates with the level of rent achieved in recent times by other units of similar age and specification located at Skippers Lane Industrial Estate and Greenhills Business Park.

In assessing the market value of the Subject Property as at the valuation date, the Valuer has subsequently capitalised this estimated rental value in perpetuity using an appropriate Years Purchase multiplier.

The Valuer has considered it appropriate to use a Years Purchase multiplier of 11.76, reflecting a yield of 8.5%.

A yield of 8.5% is considered to be appropriate on the basis that market evidence relating to investment acquisitions of other industrial premises in the market suggests yields of 6% to 8.5% to be appropriate for premises of this asset class. As well as accounting for the fact that the Subject Property is more dated and of lower specification than many of the comparable premises. A potential investor might therefore have to settle for a less robust tenant covenant than may be the case for a number of the comparable properties given these circumstances of the property. Nevertheless, the robust market conditions within the industrial sector as at the valuation date should be sufficient to ensure that even premises of the age and specification found at the Subject Property perform in-line with the prevailing wider market trends.

It is also apparent from the available market evidence that industrial investment assets in the local region have required an average marketing period range from 4 – 30 months, averaging at circa 12 months.

The Valuer has therefore considered it appropriate to account for a similar void period in the valuation of the Subject Property.

The Valuer has therefore adopted an estimated void period of 12 months and for which an estimate has been provided as to the void costs that may reasonably incurred.

The Valuer has then made assumptions as to any reasonable costs deductions that a purchasing investor would make in acquiring the Subject Property to leave an opinion of value for the Subject Property net of any acquisition costs.

The Valuer's full opinion of value for the Subject Property is set out in section 5.0 below.

The Valuer's valuation calculations are provided for reference within **Appendix G**

The Valuer's opinion as to the capital value of the Subject Property as at the valuation date equates to approximately £20.52 per ft<sup>2</sup>.

Consequently, the Valuer's opinion of value for the Subject Property appears to correlate with other industrial values which have been achieved recently within the local area; where achieved values have ranged from £9 per ft<sup>2</sup> to £57 per ft<sup>2</sup>.

#### 4.5 Valuation Uncertainty

The outbreak of COVID-19, declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, has and continues to impact many aspects of daily life and the global economy – with some real estate markets having experienced lower levels of transactional activity and liquidity.

Travel restrictions have been implemented by many countries and "lockdowns" applied to varying degrees. Whilst restrictions have now been lifted in some cases, local lockdowns may continue to be deployed as necessary and the emergence of significant further outbreaks is possible.

The pandemic and the measures taken to tackle COVID-19 continue to affect economies and real estate markets globally. Nevertheless, as at the valuation date some property markets have started to function again, with transaction volumes and other relevant evidence returning to levels where an adequate quantum of market evidence exists upon which to base opinions of value. Accordingly, and for the avoidance of doubt, our valuation is not reported as being subject to 'material valuation uncertainty' as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards.

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

## 5.0 VALUATION

- 5.1 Taking into account all factors disclosed in this Report it is estimated that the Market Value of the Subject Property as at 9 February 2022 is in the region of **£750,000 (Seven hundred and fifty thousand pounds)**

## 6.0 RICS VALUER REGISTRATION SCHEME

- 6.1 It is confirmed that the valuation has been completed in accordance with the RICS Valuation Global Standards January 2022.
- 6.2 It is confirmed that the Valuer undertaking the report is an RICS Registered Valuer under the Valuer Registration Scheme.

**VALUATION**

EBAC LTD, ST. HELENS INDUSTRIAL ESTATE, DL14 9AL  
9 FEBRUARY 2022

**GEORGE F. WHITE**

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- 6.3 It is confirmed that the Valuer undertaking the report has sufficient local and regional knowledge of the market, and the skills and understanding to undertake the valuation competently.

Signed:



James Carruthers MRICS

Senior Associate / RICS-Registered Valuer

Date: 18 February 2022



## **APPENDIX A**

### **Letter confirming Terms of Engagement**

Arch 2, Westgate Road,  
Newcastle upon Tyne NE1 1SA

0333 920 2220  
georgefwhite.co.uk

Mr G Currie  
Ebac Ltd  
Ketton Way  
Aycliffe Industrial Park  
Newton Aycliffe  
County Durham  
DL5 6SQ

Extension: 3225  
Mobile: 07834 321481  
Email: jamescarruthers@georgefwhite.co.uk  
Our Ref: NCL400752/JPC/  
Your Ref:  
Date: 4 February 2022

Dear Graham

## **VALUATION OF INDUSTRIAL PREMISES AT ST HELEN'S TRADING ESTATE, BISHOP AUCKLAND, DL14 9DD**

I refer to our previous correspondence regarding the above matter and thank you for instructing George F White.

This letter sets out how George F. White will handle your valuation instruction and before we complete the valuation we are required by the RICS to confirm our terms of engagement. We therefore enclose Terms of Engagement, a copy of our Terms of Business together with our Client Identification Factsheet. We would be grateful if you could please read these carefully and of course we are more than happy to discuss any queries you may have.

The work which we will do for you will be carried out on the basis of this letter, the Terms of Engagement and the enclosed Terms of Business except as varied by either of us and subsequently confirmed in writing.

Where we are acting for you as an individual in your personal affairs (and not in a business capacity) the Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013 will apply to your engagement of our services. These require us to provide you with certain information when contracts are made. Your attention is drawn to the consumer provisions in clause 29 of the enclosed Terms of Business. If you have instructed us at a meeting away from our normal place of business you have cancellation rights and we cannot start work immediately unless you request us to do so specifically in writing. By signing this letter you are agreeing that:

1. Whilst I/we have the right to ask that you do not start work on my/our behalf until after the 14 day cancellation period; I wish you to commence work immediately.
2. I have requested work to begin on my instruction during the cancellation period and I will be liable for any fees, disbursements and applicable VAT you may charge me for work reasonably incurred during that period.
3. In the event that the work is completed by you during the 14 day cancellation period I will lose my right to cancel.

### **Who will handle your work?**

James Carruthers MRICS will be the Senior Associate in charge of your work. If he is not available then Carole Oswell will be happy to take a message for you. Full contact details are at the head of this letter.

## Scope of Work and Fees

The scope of work is to provide a valuation of Ebac Industrial Premises, St Helen's Trading Estate, Bishop Auckland, County Durham for strategic asset management purposes.

## Anticipated timescale

An inspection of the property has been arranged for 9 February 2022 and our written valuation report will be provided subsequently thereafter.

## How and when we intend to bill for this work

We will invoice for this work at the same time as we provide a completed valuation report and will carry out this work on a fixed fee basis for which our fee will be £1,125 plus disbursements and VAT and we will raise an invoice on completion of our valuation report. Details of our standard fee and expenses/disbursement rates are set out in the attached Terms of Business under clauses 6, 7 and 8.

We would be grateful if you could please sign both copies of this letter together with the enclosed Terms of Business, retaining one for your records and returning the other to us at your earliest convenience.

Yours faithfully



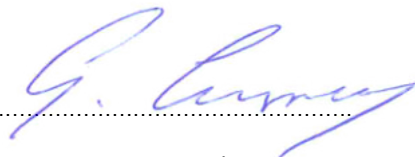
James Carruthers MRICS  
Senior Associate – Commercial Surveyor

For and on behalf of George F White LLP

I hereby accept the terms set out in this letter together with the accompanying Terms of Business and Terms of Engagement for Valuation

Mr G Currie

Signed .....



Print name ..... Graham Currie .....

Date ..... 17/02/22 .....

Client:	The Trustees of the Ebac Retirement Benefit Scheme
Other Intended Users	None
Purpose of Valuation:	For strategic asset management purposes
Subject of the Valuation (known as the subject property)	Ebac Industrial Premises, St Helen's Trading Estate, Bishop Auckland, County Durham
The Interest to be Valued	Freehold
Type of the subject property:	Industrial
Present use:	Industrial
Classification by client:	Owner Occupied
The basis of Valuation	<p>Market Value defined as</p> <p>"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion"</p> <p>Market Rental Value defined as:</p> <p>"The estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had acted knowledgeably, prudently and without compulsion".</p>
The Valuation Date(s)	Date of inspection being 9 February 2022
Disclosure	George F White have had no prior involvement with the subject property.
The Valuer carrying out the Valuation – Qualifications & Status	James Carruthers MRICS
Special Assumptions/Special Instructions/Reservations or Departures	None
General Assumptions	i) Unless stated otherwise it will be assumed that the subject property is Freehold, has good Title, and is available with Vacant Possession upon completion.

	<p>ii) Unless stated otherwise it will be assumed that the Title of the property is unburdened and free from all encumbrances or restrictions, save from those highlighted in this Report, and that the value will be unaffected by any matters revealed in a local search and replies to the usual enquiries or any statutory notice, and that neither the property nor its condition, nor its intended use, is or will be unlawful.</p> <p>iii) It should be noted that no allowance will be made within the Valuation in regard to taxation, VAT or marketing expenses.</p>
Assumptions and Extent of the Valuers Investigations in respect to structural condition, services, planning, contamination and environmental factors	<p>i) We will not carry out a building survey, nor will we inspected those parts of the property which are covered, unexposed or inaccessible and such parts will be assumed to be in good repair and condition. We cannot express an opinion about or advice upon the condition of uninspected parts and the valuation should not be taken as making any implied representations or statements about such parts. We will assume any building(s) are in good repair except for any defects noted.</p> <p>ii) It will be assumed that services to the subject property and any associated controls or software are in working order or free from defect except those specifically noted.</p> <p>iii) Unless stated otherwise it is assumed that the value of the property would have no greater value than its existing use value. It is assumed unless stated otherwise the subject property has all necessary statutory consents for its existing use, and there are no proposals or policies by statutory authorities which impact positively or adversely on the subject property's value.</p> <p>iv) We will not arrange for any investigation to be carried out to determine whether or not any deleterious or hazardous material has been used in the construction of the subject property, or has since been incorporated, and we will therefore be unable to report that the property is free from risk in this respect. For the purpose of this Valuation we will assume that such investigation would not disclose the presence of any such material to any significant extent. In undertaking our work, we will assume that no contaminative or potentially contaminative uses have ever been carried out in the subject property. We will not carry out any investigation into past or present uses, either of the property or of any neighbouring land, to establish whether there is any contamination or potential for contamination to the subject property from these uses or sites, and will therefore assume that none exist.</p>

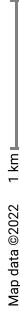
	<p>v) We will not carry out or arrange for any investigation into environmental factors of the subject property or surrounding area (e.g. historic mining activity, electricity transmission equipment) and will assume any such environmental factors will not affect the subject property's value, except those factors specifically noted in the valuation report.</p>
Sources of information relied on by Valuer	<p>i) Any information provided by the client will be deemed to be reliable and used by the Valuer unless agreed otherwise</p> <p>ii) No documentary or verbal searches will be undertaken to confirm information provided other than those specifically mentioned in the Valuation Report.</p>
Restrictions on publication and exclusion of liability to parties other than client	<p>i) Neither the whole, nor any part of the Valuation Report or any reference hereto may be included within any published document, circular or statement, or published in any way without the Valuer's written approval of the form and context in which it may appear.</p> <p>ii) This Valuation Report is provided for the stated purpose(s) and for the sole use of the named Client. It is confidential to the Client and his professional advisers, and the Valuer accepts no responsibility whatsoever to any other person.</p>
RICS Valuation Standards	The valuation is carried out in accordance with the RICS Global Valuation Standards 2022.
Statement of Valuer Competence	It is confirmed that James Carruthers MRICS has the knowledge, skills and experience of valuing properties of the type specified to undertake the valuation competently.
Basis of Fee	The fee for carrying out the valuation will be carried out on a fixed fee basis as per your letter of instruction of £1,125 together with disbursements and VAT at the prevailing rate. An invoice will be raised in this respect upon completion of the valuation.
Complaints Handling Procedure	<p>Our aim is to provide you with a service with which you are fully satisfied. If for any reason, you are not happy with the service, we should like to know about it and would hope to resolve any dissatisfaction promptly.</p> <p>Any complaints should first be raised with the Partner or Associate dealing with your work, and if you feel that this has not been</p>



	<p>satisfactorily dealt with, we will implement our complaints procedure which will be explained to you in detail at that point.</p> <p>A copy of the written complaint's procedure is available on request.</p>
Monitoring	<p>This valuation may be subject to monitoring under the Royal Institution of Chartered Surveyors' conduct and disciplinary regulations.</p>
Bank Panel Instructions	<p>These terms of engagement are provided to comply with RICS Global Valuation Standards 2022. In the case of a Bank Panel Instruction where George F White LLP have a service level agreement with the Client insofar as any of the instructions and assumptions conflict, the instructions and assumptions in that service level agreement will apply.</p>

## **APPENDIX B**

### **Location Plan**



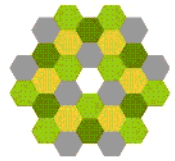
## **APPENDIX C**

### **Site Plan**

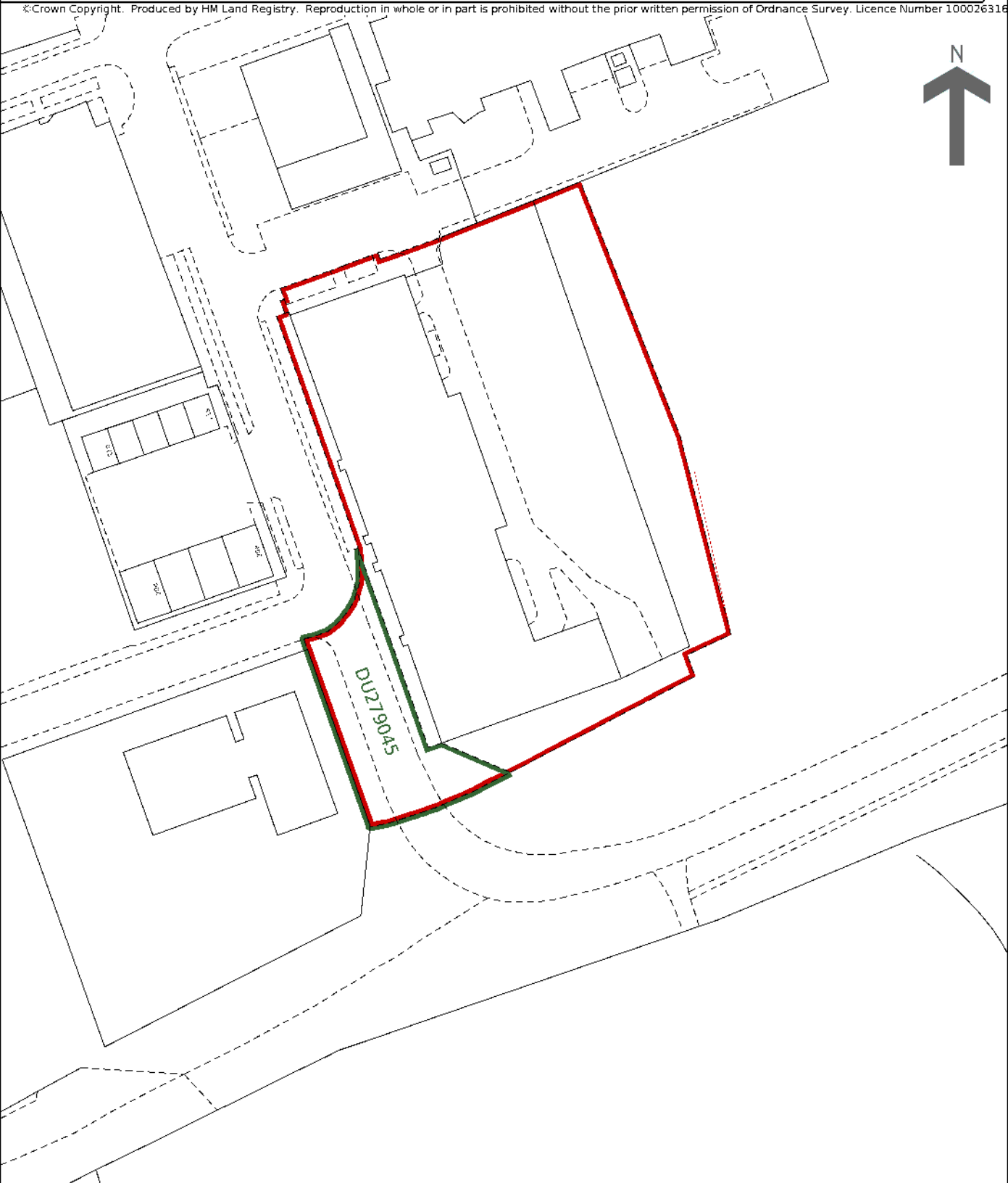
# HM Land Registry

## Current title plan

Title number **DU164742**  
Ordnance Survey map reference **NZ1926NE**  
Scale **1:1250**  
Administrative area **County Durham**



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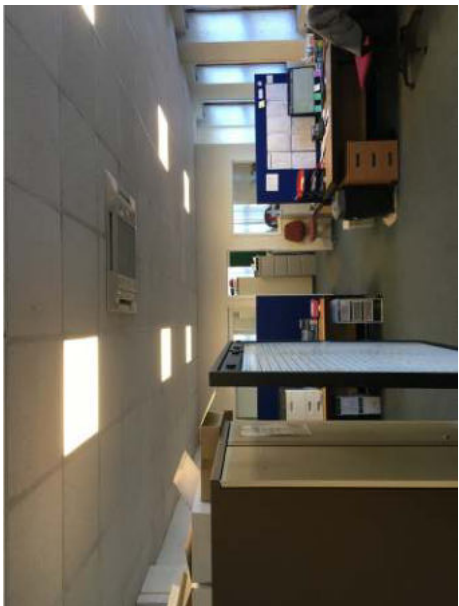
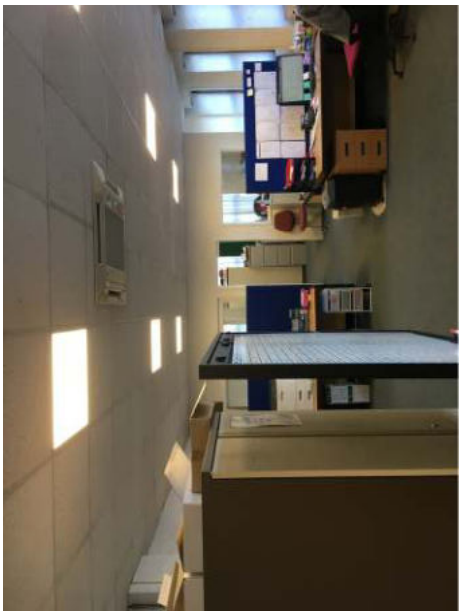
This is a print of the view of the title plan obtained from HM Land Registry showing the state of the title plan on 18 February 2022 at 15:04:15. This title plan shows the general position, not the exact line, of the boundaries. It may be subject to distortions in scale. Measurements scaled from this plan may not match measurements between the same points on the ground.

This title is dealt with by HM Land Registry, Durham Office.

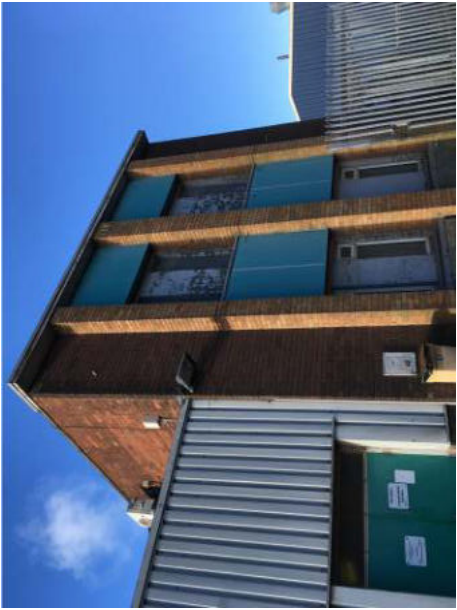
## **APPENDIX D**

### **Photographs**





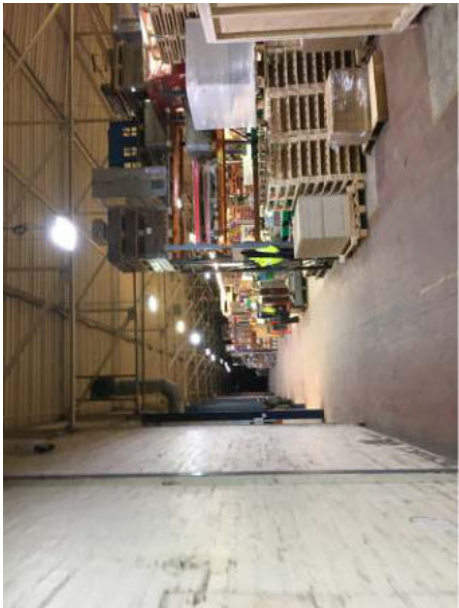
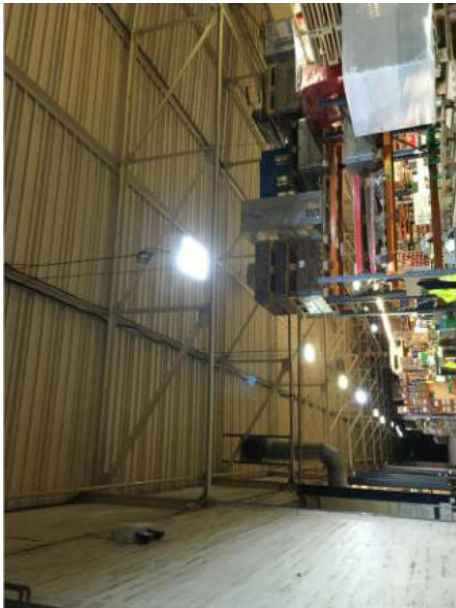








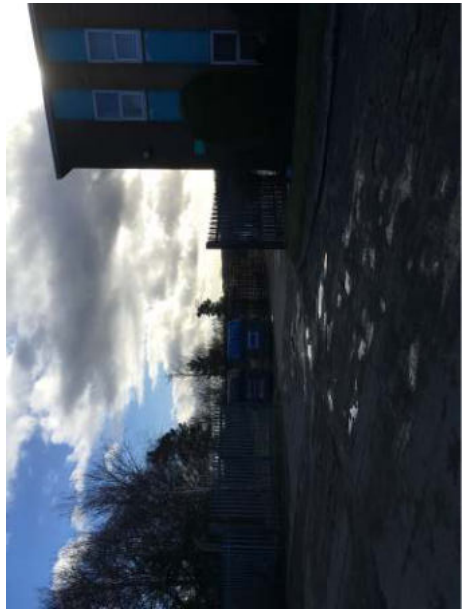
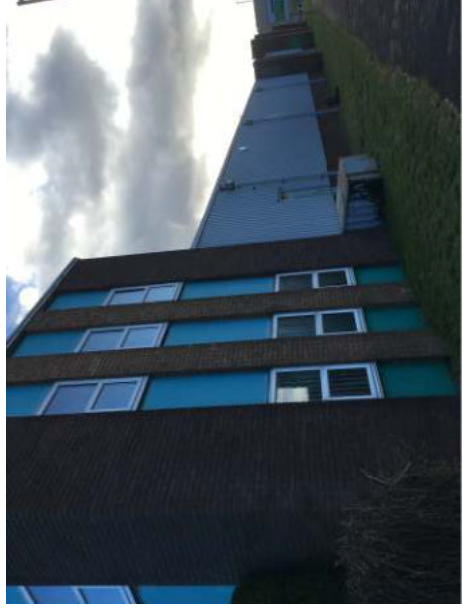














## **APPENDIX E**

### **Title Documents**

THIS IS A PRINT OF THE VIEW OF THE REGISTER OBTAINED FROM HM LAND REGISTRY SHOWING THE ENTRIES SUBSISTING IN THE REGISTER ON 11 FEB 2022 AT 15:41:17. BUT PLEASE NOTE THAT THIS REGISTER VIEW IS NOT ADMISSIBLE IN A COURT IN THE SAME WAY AS AN OFFICIAL COPY WITHIN THE MEANING OF S.67 LAND REGISTRATION ACT 2002. UNLIKE AN OFFICIAL COPY, IT MAY NOT ENTITLE A PERSON TO BE INDEMNIFIED BY THE REGISTRAR IF HE OR SHE SUFFERS LOSS BY REASON OF A MISTAKE CONTAINED WITHIN IT. THE ENTRIES SHOWN DO NOT TAKE ACCOUNT OF ANY APPLICATIONS PENDING IN HM LAND REGISTRY. FOR SEARCH PURPOSES THE ABOVE DATE SHOULD BE USED AS THE SEARCH FROM DATE.

THIS TITLE IS DEALT WITH BY HM LAND REGISTRY, DURHAM OFFICE.

TITLE NUMBER: DU164742

There is no application or official search pending against this title.

## A: Property Register

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

COUNTY DURHAM

- 1 (22.11.1990) The Freehold land shown edged with red on the plan of the above Title filed at the Registry and being Unit BT33/9 St Helens Industrial Estate, Bishop Auckland.
- 2 (22.11.1990) The mines and minerals together with ancillary powers of working are excepted with provision for compensation in the event of damage caused thereby.
- 3 (22.11.1990) The land has the benefit of the rights granted by but is subject to the rights reserved by the Conveyance dated 16 August 1990 referred to in the Charges Register.
- 4 (22.11.1990) The Conveyance dated 16 August 1990 referred to above contains a provision as to light or air.
- 5 (23.02.2005) The land edged and numbered in green on the title plan has been removed from this title and registered under the title number or numbers shown in green on the said plan.
- 6 (23.02.2005) A new title plan based on the latest revision of the Ordnance Survey Map has been prepared.

## B: Proprietorship Register

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

Title absolute

- 1 (22.11.1990) PROPRIETOR: EBAC LIMITED (Co. Regn. No. 01089991) of St Helen Trading Estate, Bishop Auckland, Co Durham DL14 9AL.

## C: Charges Register

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

- 1 (22.11.1990) A Conveyance of the land in this title dated 16 August 1990 made between (1) The English Industrial Estates Corporation and (2) Ebac Limited contains a reservations of a rentcharge as therein mentioned. The said Deed also contains covenants.

NOTE 1: The matters referred to in the Deeds dated 12 December 1938 and 23 January 1946 do not necessitate additional entries in the register

NOTE 2: Rentcharge registered under DU162450

Title number DU164742

## C: Charges Register continued

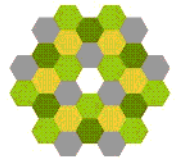
*NOTE 3: Copy Conveyance filed.*

End of register

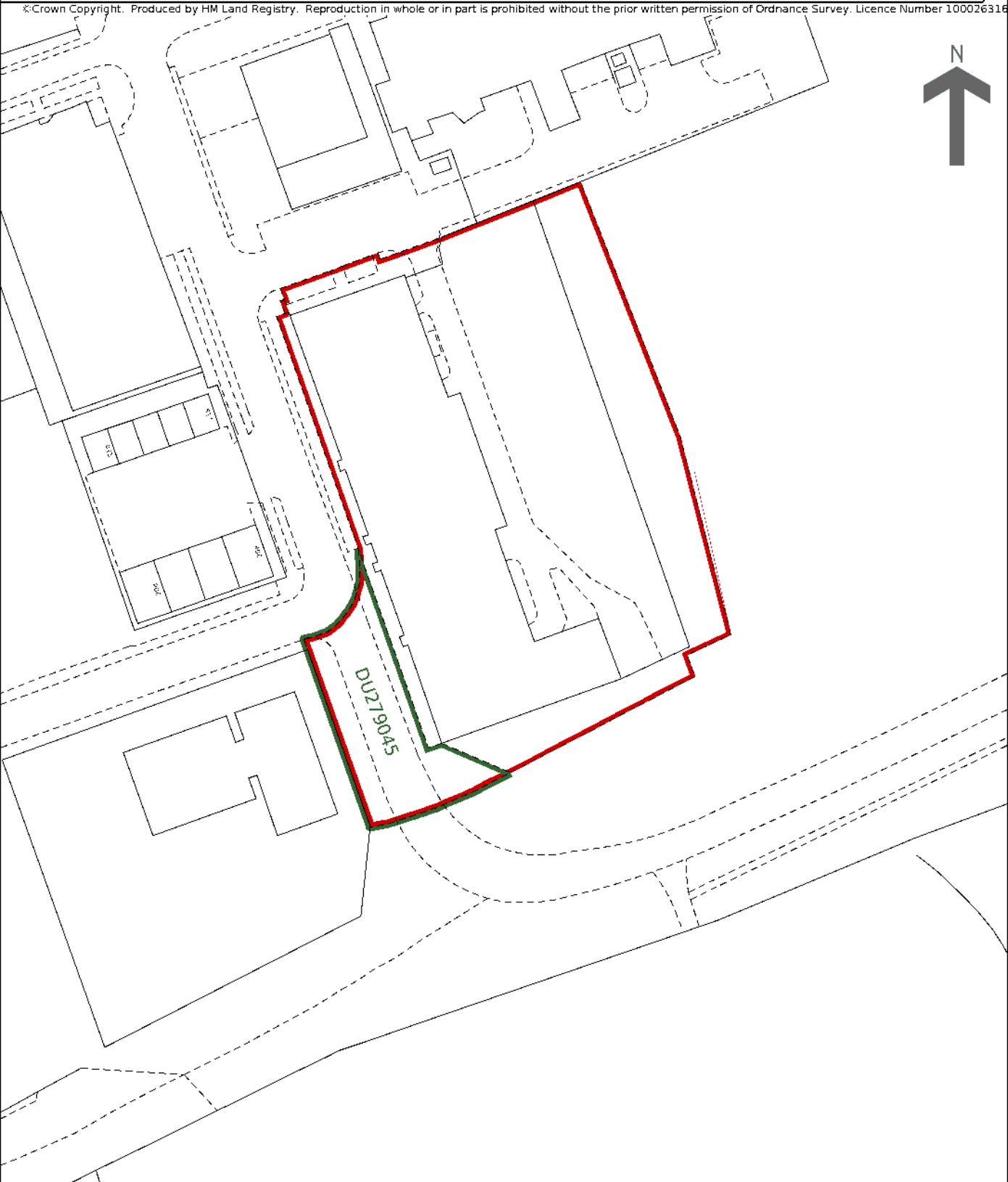
# HM Land Registry

## Current title plan

Title number **DU164742**  
Ordnance Survey map reference **NZ1926NE**  
Scale **1:1250**  
Administrative area **County Durham**



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This is a print of the view of the title plan obtained from HM Land Registry showing the state of the title plan on 18 February 2022 at 15:04:15. This title plan shows the general position, not the exact line, of the boundaries. It may be subject to distortions in scale. Measurements scaled from this plan may not match measurements between the same points on the ground.

This title is dealt with by HM Land Registry, Durham Office.

## **APPENDIX F**

### **Market Evidence**

**Market Evidence**

*Industrial Buildings*

Date	Name	Location	Value	Value Type	G.I.A (Sq. ft)	£/Sq. ft	Yield	Notes	Time on Market (months)
14-Dec-21	Thorn Lighting Premises, Merrington Lane Industrial Estate	Spennymoor	£7,600,000	Sale Price	132,877	£57.20	6%	Large scale industrial manufacturing facility acquired as an investment	-
2022	Chinatool Automotive Premises	Newton Aycliffe	£325,000	Guide Price - S\$TC	21,090	£15.41	10.83%	Industrial unit of brick and block construction with profile metal sheet cladding to elevations. Pedestrian access to the workshop is through the front double doors whilst there are two rear roller shutters 4.5m in height, accessed through the rear service yard. The ground floor provides warehouse, kitchen, mess room and WC facilities. The first floor incorporates four well-appointed offices with carpeted floors and tiled ceilings. The property is let on a FRI Lease to Chinatool Automotive Systems Ltd on a 12 year lease from April 2019 at a rent of £30,000 per annum.	20
27-Nov-20	1 Longfield Road	Bishop Auckland	£695,000	Sale Price	17,126	£40.58	7.30%	Investment acquisition of industrial premises generating annual rent of £55,000 per annum	4
06-Nov-20	Premo Fabrications Premises, Durham Way South	Newton Aycliffe	£1,830,000	Sale Price	85,388	£21.43	-	Freehold acquisition of large industrial manufacturing premises as an investment	
04-Jun-19	Evenwood Plant Premises	Evenwood Gate, Bishop Auckland	£1,100,000	Sale Price	116,226	£9.46	-	Investment acquisition of detached industrial/factory building of steel frame construction. Subject to long-term lease arrangement	-
01-Jun-19	Merrington View, Merrington Lane Industrial Estate	Spennymoor	£1,750,000	Sale Price	425,086	£4.12	9.05%	Investment acquisition of partially let industrial complex.	-
15-Dec-18	EOS Facades Premises, Heighington Lane	Newton Aycliffe	£1,370,000	Sale Price	46,889	£29.22	7.02%	Institutional Investment acquisition of steel portal frame construction with steel panel walls under a pitched metal roof arranged over ground and first floors offering industrial accommodation and ancillary offices within.	3.5
18-Sep-18	Whinbank Park Industrial Estate	Newton Aycliffe	£4,484,074	Apportioned Sale Price	115,045	£38.98	-	Investment acquisition of multi-let industrial estate	8
18-Sep-18		Newton Aycliffe	£967,951	Apportioned Sale Price	27,736	£34.90	-		
18-Sep-18		Newton Aycliffe	£59,317	Apportioned Sale Price	1,140	£52.03	-		
29-Mar-18		Bishop Auckland	£125,000	Sale Price	3,000	£41.67	-		
13-Dec-17	Unit 17, Nuns Close, South Church Enterprise Park	Bishop Auckland	£71,000	Sale Price	1,500	£47.33	-	Detached single storey block that has been reconfigured and refurbished. The units are of steel frame construction clad with insulated profile sheets with sky lights. Each unit has roller shutter door access, WC facilities and designated parking to the front. There is also a separate personnel door and each unit has gas blower heating	1
14-Sep-18	Millennium Way, Aycliffe Business Park	Newton Aycliffe	£1,200,000	Sale Price	30,664	£39.13	-	Investment acquisition of building of steel portal frame construction with brickwork to dado height and steel panelling above under a pitched metal roof arranged over ground and first floors offering industrial accommodation and ancillary offices within. The premises are predominantly ground floor warehouse with the office block being an integral block over two floors.	-
30 June 2018	Thorn Lighting Premises	Spennymoor	£6,000,000	Sale Price	138,865	£43.21	12.32%	Investment acquisition of let industrial premises	-
30 March 2018	Gestamp Tallent Premises, Units 1-3 St. Cuthberts Way,	Newton Aycliffe	£5,985,000	Sale Price	121,403	£44.36	6.50%	Investment acquisition of let industrial manufacturing complex	3
01 July 2017	Langton Business Centre	Newton Aycliffe	£1,664,195	Apportioned Sale Price	170,048	£9.79	14.96%	Investment acquisition of multi-let industrial estate	

**Market Evidence**

Date	Name	Location	Value	Value Type	G.I.A (Sq.ft)	£/Sq.ft	Notes	Time on Market (months)
27-May-21	Standard Works Premises	Bishop Auckland	£14,577	Annual Rental Value	4,300	£3.39	Single level detached production unit having steel lattice frame and north lit roof with corrugated cover. Offices to the side elevation are of brick construction. The property is located on Caroline Street, in an established industrial area. Let on FRI terms	4
06-Jul-20	Unit 10 Merrington Lane Business Park	Spennymoor	£202,500	Annual Rental Value	101,268	£2.00	Subdivided former Electrolux manufacturing unit of steel frame construction with concrete floors throughout with benefit of new 3 phase electricity supply. Let on 2 yr lease on FRI terms	43
01-Jul-20	Unit 9 Merrington Lane Business Park	Spennymoor	£55,000	Annual Rental Value	27,462	£2.00	Subdivided former Electrolux manufacturing unit of steel frame construction with concrete floors throughout with benefit of new 3 phase electricity supply. Let on 3 yr lease on FRI terms	4
30-Apr-20	Unit 5-6 Merrington Lane Business Park	Spennymoor	£145,000	Annual Rental Value	72,536	£2.00	Subdivided former Electrolux manufacturing unit of steel frame construction with concrete floors throughout with benefit of new 3 phase electricity supply. Let on 10 yr lease on FRI terms	40
24 January 2020	Unit 1, Skippers Lane Industrial Estate	Middlesbrough	£131,685	Annual Rental Value	68,586	£1.92	Single storey factory warehouse unit of steel portal frame construction. Access to the building is via three roller shutter loading doors to the front and a further small loading door to the side. There is a large tarmac surfaced car park area to the front	21
11-Dec-19	Unit 5, Greenhills Business Park, Enterprise Way	Spennymoor	£52,500	Annual Rental Value	27,196	£1.93	Recently refurbished warehouse/manufacturing unit, let on 5 year FRI terms	7
15-Apr-19	Unit 16, Avenue 3	Ferryhill	£10,500	Annual Rental Value	2,778	£3.78	Industrial/warehouse units of steel portal frame construction in brick/blockwork and profiled metal cladding, let on 3 year lease on FRI terms	18
15-Apr-19	Units 4A-4G, Dean And Chapter Industrial Estate	Ferryhill	£8,750	Annual Rental Value	2,500	£3.50	Industrial/warehouse unit let on FRI terms	10
01-Apr-19	Chinatool Automotive Systems Premises	Newton Aycliffe	£30,000	Annual Rental Value	21,090	£1.42	Industrial unit of brick and block construction with profile metal sheet cladding to elevations. Pedestrian access to the workshop is through the front double doors whilst there are two rear roller shutters 4.5m in height, accessed through the rear service yard. The ground floor provides warehouse, kitchen, mess room and WC facilities. The first floor incorporates four well-appointed offices with carpeted floors and tiled ceilings. The property is let on a FRI Lease to Chinatool Automotive Systems Ltd on a 12 year lease from April 2019 at a rent of £30,000 per annum.	-
11-Feb-19	Unit 11, Avenue 3	Ferryhill	£9,800	Annual Rental Value	2,454	£3.99	Industrial/warehouse units of steel portal frame construction in brick/blockwork and profiled metal cladding, let on FRI terms	12
30 July 2018	Suite 2, PC Henderson Building	Bowburn	£165,501	Annual Rental Value	94,572	£1.75	Industrial unit located in established industrial location, 1 mile from Junction 61 of the A1(M)	15
01-Jun-18	Unit 5, Catkin Way	Bishop Auckland	£47,250	Annual Rental Value	13,500	£3.50	Industrial facility let on FRI terms	25
26-Mar-18	Dabble Duck Industrial Estate	Shildon	£9,059	Annual Rental Value	2,013	£4.50	Industrial premises let on 3-year lease on FRI terms	10
01-Mar-18	Units 23-24 Nuns Close	Bishop Auckland	£12,000	Annual Rental Value	3,000	£4.00	Industrial accommodation from Durham County Council on a three year lease at £4 per sq ft. The first year is subject to a 12 month period at half-rent. Let on FRI terms	9
16-Nov-17	Custom Design BA Ltd premises, St Helen Industrial Estate	Bishop Auckland	£30,000	Annual Rental Value	11,257	£2.67	Industrial workshop facility let on 10 year lease on FRI terms	
11-Oct-17	Unit H, Hackworth Industrial Estate	Shildon	£14,955	Annual Rental Value	12,463	£1.20	Detached brick built industrial unit of brick construction under corrugated pitched roof. Let on 10-yr lease on FRI terms. Subject to tenant options to break in 2022 and 2025. 2-mth rent-free at commencement	2
09-May-16	Unit 1, Catkin Way	Bishop Auckland	£30,000	Annual Rental Value	11,023	£2.72	Ground floor industrial accommodation on a five-year lease. No incentives were agreed. The lease is subject to an option to break in year three. No rent reviews were agreed.	-

## **APPENDIX G**

### **Valuation Calculations**



**Valuation**

**Market Rent**

36,545	sq.ft @	£1.92	£70,000
<b>TOTAL MARKET RENT</b>			<b>£70,000</b>

**Market Value**

YP	Perpetuity	8.50%	11.76
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Gross Subtotal: £823,529  
Less

Void costs assuming 12 months vacancy			
<b>i) Business Rates:</b>			
		£63,000	RV
		0.512	SBR Multiplier
		= £32,256.00	per annum
	Less 3	months empty property rate relief	
		=	<b>£24,192</b>
<b>ii) Insurance:</b>			
		5%	of MR
		=	<b>£3,500</b> per annum
<b>iii) Services/Maintenance:</b>			
		7.5%	of MR
		=	<b>£5,250</b> per annum
<b>iv) Letting Costs:</b>			
		10%	of MR
		=	<b>£7,000.00</b>
<b>Total Void Costs =</b>		<b>£39,942</b>	

**Net Building Subtotal £783,587**

**Gross Property Value £783,587**

Less

Legal Fees	0.50%	£3,918
SDLT	3.66%	£28,679

<i>Purchase price bands (£)</i>	<i>Portion of Value</i>	<i>Percentage rate (%)</i>	
Up to 150,000	£150,000	0.00%	£0.00
Above 150,000 and up to 250,000	£100,000	2.00%	£2,000.00
Above 250,000+	£533,587	5.00%	£26,679.37

<b>Net Property Value</b>	<b>£750,990</b>
say	<b>£750,000</b>

£20.52 per sq.ft

