

VALUATION REPORT

in respect of;

**Folglade
Unit 9, Westside
Industrial Estate,
Jackson Street,
St Helens,
Merseyside,
WA9 3AT**

Prepared for:

**Mr E Chisnall
Folglade
Unit 9, Westside
Industrial Estate,
Jackson Street,
St Helens,
Merseyside,
WA9 3AT**

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1.0 Ordnance Survey Extract Scale 1:50,000

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3.0 Comparables

1.0 EXECUTIVE SUMMARY

- 1.1 We are of the opinion that the Market Value of the property, presented in good order, is in the region of **£225,000 (two hundred and twenty five thousand pounds sterling)**.
- 1.2 We are of the opinion that the Market Rental Value of the property is in the region of **£22,000 (twenty two thousand pounds sterling)**.

2.0 INSTRUCTIONS

- 2.1 Instructions were received from Mr E Chisnall to prepare a report and valuation for Folglade, unit 9, Westside Industrial Estate, Jackson Street, St Helens. The area to be valued is outlined on the plan attached in Appendix 2. Instructions were confirmed by our letter dated 26th March 2012.
- 2.2 We understand from the client that the report is required for pension fund purposes.

3.0 QUALIFICATIONS

This report has been prepared by Andrew Chinn MRICS, Director, for and on behalf Environ Property Consultants Limited.

4.0 INSPECTION

- 4.1 The property was inspected on 20th March 2012 by Andrew Chinn MRICS.
- 4.2 Weather conditions at the time of inspection were sunny and dry.

5.0 LOCATION

5.1. General

- 5.1.1 The property is situated in the town of St Helens in the county of Merseyside.
- 5.1.2 St Helens is situated between the cities of Liverpool and Manchester, and enjoys good access links to the M6 and M62 motorway.
- 5.1.3 According to the 2001 census, St Helens has a resident population of 176,843.

5.2 Detailed

- 5.2.1 The property is located in an established light industrial location, on the outskirts of St Helens Town Centre.
- 5.2.2 Nearby industrial units are similar in size and age.

5.3 **Communications**

5.3.1 **Road**

The nearest motorway access is junction 23 of the M6, at Haydock, which is approximately 4 miles east.

5.3.2 **Bus**

Nearby Jackson Street is a principal bus route.

5.3.3 **Rail**

St Helens Central Railway Station is 1/2 mile distant where local rail services are available.

5.3.4 **Air**

Liverpool John Lennon Airport is approximately 13 miles to the south.

5.4 **Plans**

Appendix 1 : Ordnance Survey Extract Plan, Scale 1:50,000
Appendix 2 : Scale Plan 1:1,250

6.0 **DESCRIPTION**

6.1 **General**

6.1.1 The property comprises a detached, industrial unit, with yard area to the side. The yard is subject to a lease, and has not been considered for the purpose of this valuation. It is thought to have been built around 1980.

6.1.2 The subject property provides a workshop area, offices, and mezzanine floor.

6.2 **Construction**

6.2.1 **Exterior**

Walls are of brick construction which are partly clad with profiled metal sheeting. The roof is clad with profiled metal sheeting which is supported on a steel portal frame. The roof covering is insulated.

6.2.2 **Interior**

To the workshop area, the floor is of a solid composition. Walls are of painted block.

To the offices, walls are of masonry construction with a hard plastered finish. The ceiling is also plastered and painted.

6.3 **Services**

- 6.3.1 We understand that mains water, electricity and drainage are connected to the property.
- 6.3.2 Lighting to the office area is by fluorescent strip fittings. Lighting to the warehouse appears to be installed to high pressure sodium fittings.
- 6.3.3 The offices are heated by hot water radiators. There is a gas warm air blower to the warehouse.
- 6.3.4 The warehouse benefits from 2 x no. 5 ton cranes.
- 6.3.5 Hot water is from a gas fired boiler.
- 6.3.6 Access to the warehouse is via two manual roller shutter doors – one to the front and one to the side.

7.0 ACCOMMODATION

7.1 Ground Floor

Workshop and offices GIA	:	569.86 m ²	(6,134 ft ²)
Mezzanine offices and ancillary GIA	:	116.27 m ²	(1,252 ft ²)
Total GIA	:	686.13 m ²	(7,386 ft ²)

7.2 Eaves Height

Warehouse	:	5.75 m	(10.5 ft)
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7.3 Office Content

The office content represents 18% of the gross internal floor area.

8.0 PROPOSALS

We are not aware of any adverse redevelopment proposals in the immediate vicinity.

9.0 CONDITION

- 9.1 The property is generally presented in good order and there were no significant items of disrepair noted.

10.0 TENURE

- 10.1 We have assumed that property is held by way of a freehold interest. We have further assumed that there are no unusual or onerous covenants, restrictions or encumbrances.

11.0 RATES

- 11.1 The property has been assessed for business rates purposes in the 2010 rating list as follow:

Workshop and Premises: £25,250

12.0 PLANNING

- 12.1 The relevant planning document is the St Helens Unitary Development Plan adopted 1998.
- 12.2 The site is unallocated within the development. In principle, the site as a whole would be considered for residential redevelopment. However, in isolation, the subject plot of land would not be suitable for redevelopment for a use other than industrial uses given the nature of the surroundings.

13.0 CONTAMINATION

- 13.1 The Local Authority will no longer answer informal enquiries relating to land contamination.
- 19.1 At the time of our inspections there were no signs of contamination.
- 13.3 For the avoidance of doubt, this valuation has been carried out on the basis that there was, and is, no contamination on site. If, however, it is established subsequently that contamination exists, or existed, at the property or in any neighbouring land or that the premises have been or are being put to a contaminative use, this might reduce the values now reported.

14.0 MARKET CONDITIONS

14.1 General

- 14.1.1 From figures released in March 2012, the unemployment rate was 8.4 per cent of the economically active population, up 0.1% on the quarter. The unemployment rate has not been higher since 1995.
- 14.1.2 UK gross domestic product (GDP) over the past few quarters has shown the UK economy to be generally flat lining, and given the backdrop of the Eurozone Sovereign debt crisis and decreasing global economic growth, the forecast for muted growth during 2012 remains.
- 14.1.3 CPI annual inflation stands at 3.6 per cent in January 2012, down from 4.2 per cent in December 2011. The largest downward

pressures to this change came from fuels & lubricants, products bought in restaurants & cafes, tobacco, vehicle maintenance & repair, the purchase of new vehicles and alcoholic beverages. Annual inflation has now fallen by 1.2 percentage points since November 2011; the only time there has been a larger fall over a period of two consecutive months was between October and December 2008.

14.1.4 The Bank of England base rate is currently 0.5%

14.1.5 There is still a severe restriction on the availability of finance from financial institutions, which is hampering the growth and recovery of the economy.

14.2 **Specific**

14.2.1 Demand for owner occupation of workshop units remains stronger than the rental and investment market. It is anticipated that a marketing period of 6-9 months would be required to dispose of such a unit.

14.2.2 Take up of industrial space remains stable within the North West compared to other regions such as Yorkshire and the Midlands which has seen take up fall during 2011.

14.2.3 Activity is mainly focused around prime areas such as north Manchester, Warrington and Trafford Park. Rental values for industrial units in these areas have been hardening with landlords incentives on new leases being less attractive than they have been in recent times.

15.0 **VALUATION CONSIDERATIONS**

15.1 **Advantages of the Subject Premises**

15.1.1 The property provides a good sized workshop, with a good proportion of the space being office content.

15.1.2 The property benefits from two 5 ton cranes.

15.1.3 Eaves height is good at 5.75m.

15.1.4 The workshop is heated.

15.1.5 The property is relatively modern and presented in good condition.

15.2 **Disadvantages of the Subject Premises**

15.2.1 There is no dedicated yard area, although there is adjacent land which is current leased and used as a yard area.

15.2.2 Motorway access is not particularly close.

16.0 VALUATION METHODOLOGY

- 16.1 In arriving at our opinion of value, we have had regard to comparable capital, rental and yield evidence. A schedule of comparables is attached at Appendix 3.
- 16.2 The comparable evidence has been adjusted to take into account the age, condition and quality of the subject property when compared to the comparable evidence. The property is superior, and adjustments upwards have been made for these factors. However, a discount has been made where appropriate for lack of yard area, and for the size of the unit.
- 16.3 Having made these adjustments, we have applied a rate of £32.50 per square foot to the measured floor area, with the mezzanine floor area capitalised at half of this rate.
- 16.4 In calculating the market rental value, similar adjustments have been made. We consider that the property would achieve in the region of £3.25/sq ft, with 50% of this rate applied to the mezzanine floor.

17.0 VALUATION

- 17.1 We are of the opinion that the Market Value, on the assumption that the property is in a good state of repair, is in the region of **£225,000 (two hundred and twenty five thousand pounds sterling)**.
- 17.2 We are of the opinion that the Market Rental Value of the premises in its' current condition is in the region **of £22,000 (twenty two thousand pounds sterling)**.

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SIGNED BY: Andrew Chinn MRICS on behalf of Environ Property Consultants Limited

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DATED