

Fairhurst Buckley.

VALUATION REPORT

Address of Property

8 Talbot Road
Old Trafford
Manchester
M16 0PF

Prepared For

MacPherson Pension Scheme
Greenacres
Off London Road
Adlington
Cheshire
SK10 4NQ

Inspection Date: **1st June 2023**

Report Dated: **7th July 2023**

Prepared by:

Andy Riches BSc MRICS
RICS Registered Valuer
Associate Director

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EXECUTIVE SUMMARY

PROPERTY	8 Talbot Road, Old Trafford, Manchester, M16 0PF
CLIENT	MacPherson Pension Scheme



PURPOSE OF VALUATION	Revaluation for pension scheme
BASIS OF VALUATION	Market Value and Market Rent
TENURE	Leasehold
MARKET VALUE	£190,000 (One Hundred and Ninety Thousand pounds)
MARKET RENT	£18,000 (Eighteen Thousand Pounds)
VALUATION DATE	1 st June 2023

MacPherson Pension Scheme
Greenacres
Off London Road
Adlington
Cheshire
SK10 4NQ

Valuation of 8 Talbot Road, Old Trafford, Manchester, M16 0PF

1. Instructions

Appointment

We refer to the Terms of Engagement dated 17th May 2023 to provide you with a valuation of the above property.

We have made relevant enquiries and now have pleasure in reporting to you.

We confirm that:

- Fairhurst Buckley acts in the capacity of External Valuer in connection with this instruction.
- The valuation date is 1st June 2023
- This Report and Valuation have been prepared in accordance with VPGA1 and VPGA15 of the Royal Institution of Chartered Surveyors RICS Valuation – Global Standards 2022 also more commonly known as the “Red Book”, and UK VPGA 1 UK National Supplement, effective from 14th January 2019.
- This Report and Valuation reflect the Assumptions, Limitations and Regulatory Information contained within this Report unless specifically stated otherwise.
- We confirm that Fairhurst Buckley has a Quality Management System which complies with ISO9001:2015.
- Fairhurst Buckley holds appropriate professional indemnity insurance for this Valuation instruction. We confirm the current limit of indemnity offered to you is £2,000,000 on any one claim.

Conflict of Interest

We confirm that we have had no involvement with the property, or with any party connected with the property, which would influence value in any way.

Valuer

The valuation will be carried out by Andy Riches, BSc, MRICS, RICS Registered Valuer, who will be acting as an external valuer. We confirm that the valuer will act with independence, integrity and objectivity, and has sufficient current local and national knowledge of the particular market, as well as appropriate skills, qualifications, experience and understanding for the purposes of this instruction. The report will be signed on behalf of Fairhurst Buckley Limited. The valuer has been carrying out Registered Valuations since 2013 although he has over 30 years' experience as a qualified Chartered Surveyor.

Inspection

The property was inspected and measured 1st June 2023 by Andy Riches BSc, MRICS, RICS Registered Valuer and Associate Director of Fairhurst Buckley.

Reliance upon Provided Information

We have relied upon the following information for the purpose of reporting to you:

- Measurements of the property taken on site
- An internal and external inspection of the premises
- Land Registry title information and plan
- Lease and tenancy information provided by the client
- Discussions with Fairhurst Buckley's agency team and other local agents active in the market, for the purposes of obtaining comparable evidence
- Use of online transactional data

2. Bases of Valuation

Valuation Definitions

Market Value (MV), which is defined in the RICS Valuation – Global Standards 2022 (and UK National Supplement), published by The Royal Institution of Chartered Surveyors, as:

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

Further, no allowance is made for any costs of sale or any liability for taxation, including VAT, which may arise on disposal.

Market Rent is defined in IVS 104 paragraph 40.1 as:

‘The estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.’

Assumptions

In accordance with our Terms of Engagement, we confirm that, in order to provide our opinion of Market Value of the property, it has been necessary to make the following assumptions:

Assumptions Relating to Condition and Repair

Unless specifically instructed to carry out a separate building survey, or commission a test of service installations, our valuation will assume that:

- except for any defects specifically noted in our report, the property is in good condition;
- no construction materials have been used that are deleterious, or likely to give rise to structural defects;
- no hazardous materials are present;
- all relevant statutory requirements relating to use or construction have been complied with; and
- any services are fully operational and free from impending breakdown or malfunction.

We shall, however, reflect the general condition noted during the course of our valuation inspection and any defects or hazards of which we become aware of in the course of our investigations. Any matters that we consider material to the valuation will be referred to in our report.

Assumptions Relating to Ground Conditions and Environmental Risks

Unless provided with information to the contrary, our valuation will assume that:

- there are no archaeological remains on or under the land which could adversely impact on value;
- the property is not adversely affected by any form of pollution or contamination; and
- there is no abnormal risk of flooding.

We shall, however, comment on any factors discovered during the course of our valuation enquiries that could affect the market perception of risks caused by these factors.

Assumptions Relating to Title and Tenancies

We shall rely upon information provided by you or your solicitor relating to title, boundaries and related matters. We will not commission a formal legal search and will assume the information provided to be accurate, up-to-date and complete.

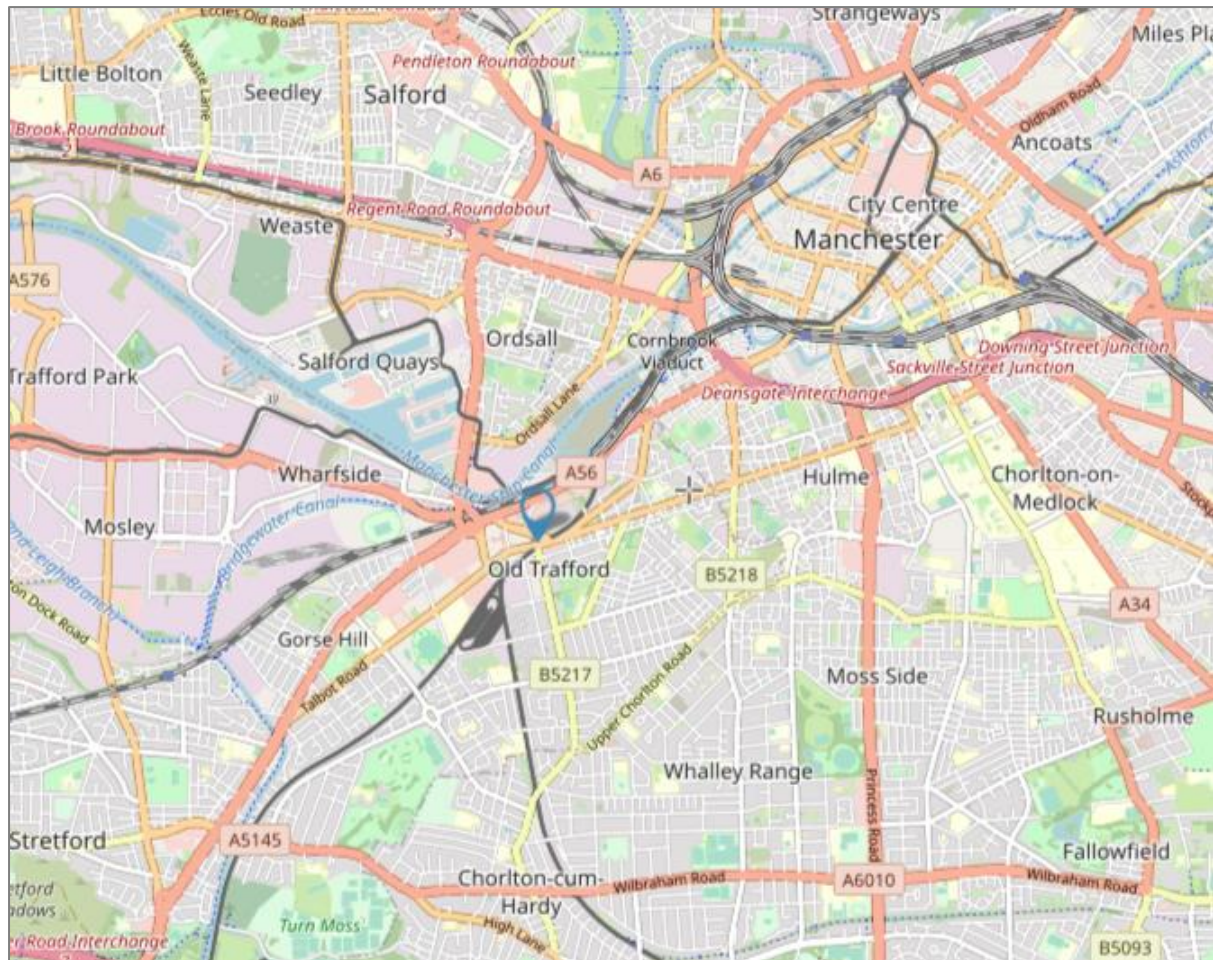
We shall assume the subject interest is unencumbered and free from any unduly onerous or unusual easements, restrictions, outgoings, covenants or rights of way and that it is not affected by any local authority proposals.

Special Assumptions

The Valuation is subject to the following special assumptions:-

- The valuation date will be the 1st June 2023
- The valuation reflects the existing lease – details outlined in **S20 - Tenancies**

3. Location



The property fronts Talbot Road (A5014), at the junction with Seymour Grove, within the district of Old Trafford, an inner-suburb of the Manchester urban area, situated approx. 1.5 miles southwest of Central Manchester. It sits on a busy junction, opposite Trafford Bar Metrolink tram station.

The immediate area has a mixed-use character, made up of housing and apartments, as well as an array of commercial and retail uses, including local (tertiary) shops and takeaways, and offices.

Old Trafford, which forms part of Trafford, one of the 10 Metropolitan Boroughs of Greater Manchester, is home to both the Old Trafford cricket and football stadiums, both situated within 1 mile of the property and which are major generators of footfall and potential retail trade in the area.

The surrounding area is likely to see change and development in the future, with a number of high-profile developments and urban regeneration schemes proposed to meet future housing demand.

4. Site

The site is shown below, for identification purposes only, outlined in red on the attached copy extract from the Title Plan – see **19. Tenure**.



The property adjoins the pavement of Talbot Road to the front, although the title plan indicates that the property includes a small forecourt.

There is a driveway to the left hand side which provides access to the rear, where there is an area which could provide potential car parking, although at the time of inspection the rear was covered in building materials.

5. Description



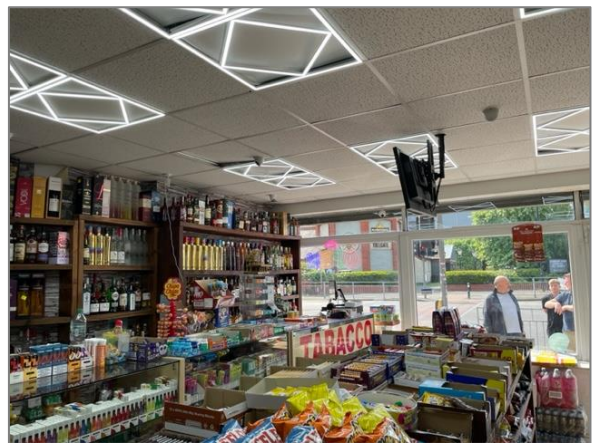
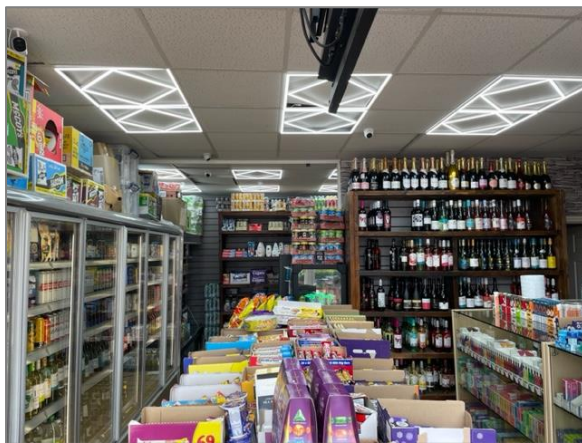
The property comprises a two storey, end-terraced building, with shop premises to the ground floor and basement and self-contained office accommodation to the first floor. It is held as an investment, with current annual income of £10,800 generated from a lease of the ground floor and basement and with potential to increase the rental income following the letting of the vacant 1st floor space.

Probably built circa 1900, the property is of conventional construction, the principal elements being part solid, part cavity brick elevations and pitched roof, clad in slate. The shop front has a timber frame, but windows elsewhere have been replaced in uPVC, incorporating double glazed units.

6. Accommodation

Ground Floor

Small retail area, with roller-shutter to shop front, fitted out with ceramic tiled floor and suspended ceiling, incorporating LED lighting panels. Small rear lobby and WC.



First Floor

Ground floor entrance hall and staircase, leading to first floor landing, two centrally heated office rooms and shower room/WC



Basement

Storage accommodation



The following floor areas have been calculated from measurements taken on site:

	Sq. M.	Sq. Ft.
Ground Floor Sales	41.51	447
Basement Storage	48.55	523
First Floor office	40.21	433
TOTAL (Net internal)	130.27	591

7. Services

Mains electricity, gas, water and drainage appear to be connected to the property.

The property is served by a gas fired central heating system, with radiators to both ground and first floors.

It is noted that the services to both floors are combined and investment will be required to split the services before the first floor can be let independently.

8. Condition

We have not inspected those parts of the property covered, unexposed or inaccessible, nor have we tested drains or other services and no allowance has been made in our valuation for any defects or deficiencies to these areas. For the purpose of this valuation, we have assumed that they are all operating satisfactorily, and no allowances have been made for replacement or repair (unless otherwise stated below).

The ground floor and basement accommodation is quite basic, but considered functional for the current purpose as a retail unit. The first floor has benefited from past refurbishment and is fairly well presented.

Externally, some of the principal elements of the building fabric require routine maintenance, and the rear yard, which is full of building material, requires clearing before it can be used for car parking.

9. Town Planning

We have searched the Trafford Metropolitan Borough Council Planning Authority website and we have not found any live planning applications or recent consents that are likely to have any significant impact on the subject property.

It is noted that the adjoining site to the right of the property, situated at the junction of Talbot Road and Chester Road, was the subject of a major development, comprising a 21 storey residential tower, which received planning refusal last year. It is likely that a follow-up application for a less intensive development will be made and this demonstrates the potential of the area for redevelopment.

We have assumed the property and its value are unaffected by any matters which will be revealed by a local search and replies to the usual enquiries, or by any statutory notice, and that neither the property nor its condition, nor its present or intended uses, are or will be unlawful.

10. Rating and Council Tax

We have made reference to the Gov.uk website to establish the rateable assessment of the property. It appears to be subject to the following rateable assessments:

Address	Description	2023 RV
Ground Floor – 8 Talbot Road	Shop and Premises	£7,100
8A Talbot Road	Offices and Premises	£4,550

11. Hazardous & Deleterious Materials

Asbestos

We have not had sight of Management, Demolition or Refurbishment Asbestos Surveys. Given the age of the building, it is possible that asbestos has been used in its construction, or in subsequent building works. If an asbestos report is not available we would recommend a survey is undertaken by a suitably qualified surveyor prior to any work being undertaken. If potential Asbestos Containing Material (ACM) is identified and is in good condition and undisturbed, the Health & Safety Executive recommends that a management plan is formulated whereby it is regularly inspected, steps taken to keep disturbance at a minimum and only removed if it is in a poor condition or at risk of damage.

Our valuation is provided on the assumption that the property is free from the presence of asbestos containing material.

12. Contamination and Environmental Matters

Contamination

We have not been instructed to commission a formal audit in respect of the subject site in relation to the potential presence of contamination. Our brief enquiries have provided no evidence that there is a significant risk of contamination affecting the property or neighbouring property which would affect our valuation.

We noted no obvious contaminative uses above ground upon inspection and that none of the immediately surrounding property appeared to be being put to a current use which would be likely to result in contamination. However, we would stress that we have not carried out, nor are we qualified to carry out, an Environmental Audit. Our comments are, therefore, merely a guide and should not be relied upon. If you require confirmation of the position, we strongly recommend that an initial Environmental Audit is carried out. If those further investigations were to reveal contamination, then this might reduce the value/s now reported.

Masts and Lines

The property does not include, nor is it adjacent to, telecommunications base stations, masts or high voltage overhead transmission lines.

Contaminative Species

We did not note the presence of Japanese Knotweed or other contaminative species during the course of our inspection and have not been advised that any are present at the subject.

Ground Conditions

We have not carried out or commissioned a site investigation or geographical or geophysical survey and we can give no assurance that the ground has sufficient load bearing strength to support either existing structures or any other structure which may be erected in the future.

13. Flood Risk

Property matters relating to flooding are principally two-fold: first, the risk of a property flooding given its proximity to the water course and, second, the risk created by heavy rainfall where the provision and proximity of drain and sewer facilities, in light of the amount of surrounding development and extent of hard surfaces, are inadequate; this accounts for approximately half of UK flooding.

Flood Risk from Surface Water

We have made enquiries of the Environment Agency website, which identifies the subject as being within an area that is classed as having a **Very low risk** of flooding rivers or seas, which means that, each year, this area has a chance of flooding of less than 0.1% each year.

Flood Risk from Rivers and Sea

We have also checked the Environment Agency website, which identifies the subject as being within an area that is classed as having a **Very low risk** of flooding rivers or seas, which means that, each year, this area has a chance of flooding of less than 0.1% each year.

14. Fire, Health & Safety and Other Legislation

Fire Risk Assessment

We have assumed that Fire Risk Assessment has been undertaken will continue to be reviewed and updated if there are any alterations to the premises or changes to work practices or use of the premises.

General Legislation

For the purpose of this Report, we have assumed that the property complies with current fire regulations, building regulation controls, employment regulations, defective premises and health and safety legislation.

15. Discrimination

The ground floor accommodation appears to comply with the requirements of the Equality Act 2010, so far as access is concerned. However, the first floor and basement accommodation is only accessible via a staircase.

Property owners and occupiers have a duty to make reasonable adjustments to a property to enable access to all areas for disabled people. What constitutes 'reasonable' is open to interpretation and economic viability. It is unlikely that alterations to allow assisted access to the first floor and basement accommodation would be forced upon the owner or occupier of this property at the present time.

16. Sustainability

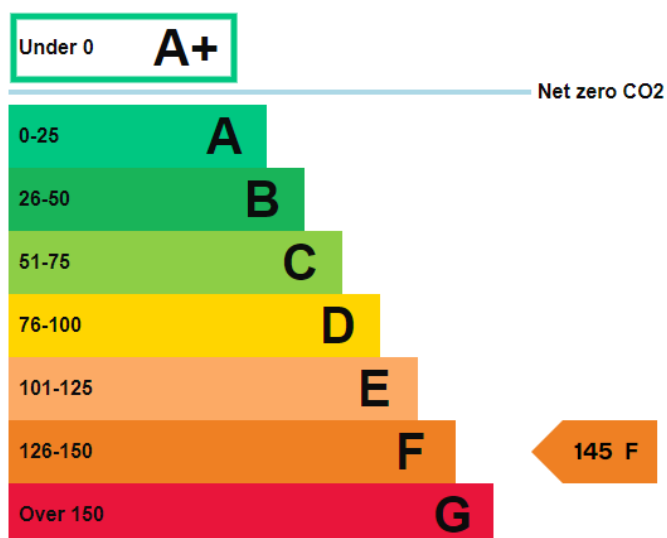
Energy Performance Certificate

The Minimum Energy Efficiency Standard Regulations (MEES Regulations), which came into force in April 2018, make it unlawful for a landlord to let buildings (Domestic or non-domestic) that do not comply with the minimum required energy efficiency standard, which the Regulation set at an "E" rating on a valid EPC. By April 2023 minimum energy efficiency standards (MEES) will be extended to cover all leases, including existing leases but only if the property has a valid EPC on the relevant date. Of significance is the proposal to raise the minimum standard to "C" by April 2025 for new leases and by April 2028 for existing leases. It is likely that significant investment will be required for many older properties to meet this standard, to enable lawful continuance of a letting.

Following a search of the government Energy Performance Certificate (EPC) website it would appear that the property previously had an EPC certificate, but this expired 16th May 2022. The EPC rating was 'F' – as per the graphic below – which is below the minimum requirement and, consequently, the continued letting of the property since 1st April 2023 contravenes MEES Regulations. Steps should be taken as soon as possible to renew the EPC certificate. In order to meet the minimum 'E' rating, improvement works are likely to be required.

Energy rating and score

This property's current energy rating is F.



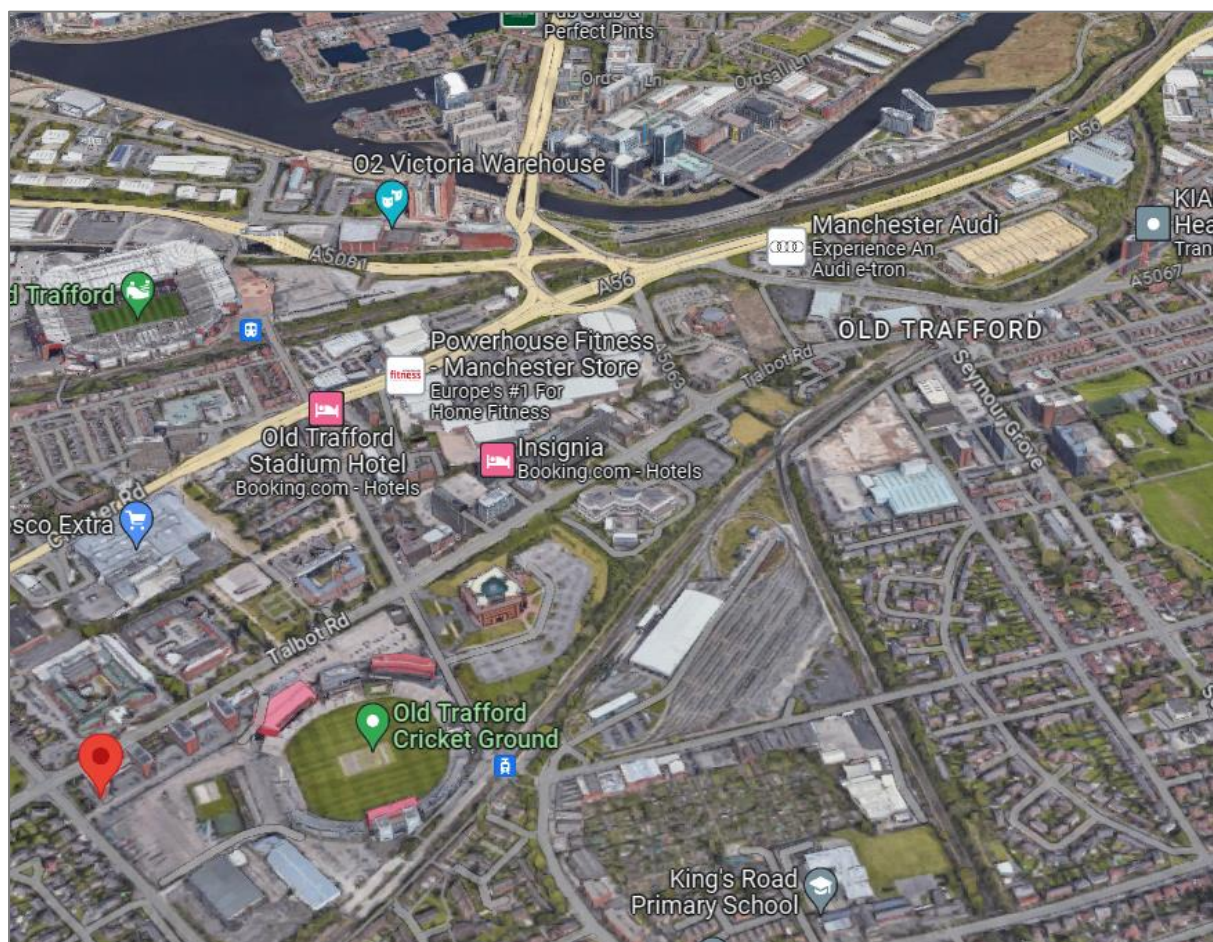
17. Macro Market Commentary

- The political and economic landscape of the United Kingdom has changed dramatically in the last 12 months, with the resignation of Prime Minister Boris Johnson in July 2022, the death of Queen Elizabeth II in September and the resignation of Boris Johnson's replacement as Prime Minister Liz Truss after 45 days in office, to be replaced by former Chancellor Rishi Sunak.
- The resignation of Liz Truss was preceded by a 'mini budget' on the 23rd September with new policies announced to boost economic growth and mitigate the effect of inflation. This package of measures, which amounted to £45 billion of unfunded tax cuts, unsettled financial markets and investors, resulting in a drop to the value of Sterling to its lowest level against the US Dollar and a sell off of Long-dated Gilts, forcing the Bank of England to take emergency measures, including the purchase around £65 billion of Long-dated Gilts to help prevent re-pricing.
- As a result of the 'mini budget' and longer-term negative factors, including the Covid outbreak and the war in Ukraine, the UK economy currently faces a £50 billion 'fiscal hole' in its finances which will need to be rebalanced in the coming years, with experts predicting a rise in taxation and a cut in funding of public services will be required over the medium term.
- The latest UK inflation figures for May show inflation tracking at 8.7%, which was unchanged from the previous month. It was widely forecast that inflation would fall sharply by the end of the year, although it has remained stubbornly high, prompting the Bank of England to raise interest rates by 0.5% to 5% last month.
- This economic uncertainty is beginning to be reflected in the property investment market which has become unsettled and dysfunctional as a result of the wider economic uncertainty. This has seen investment yields increase by approximately 1.5%, with a corresponding reduction in asset values, even for the previously strong performing industrial market (although these comments relate to prime investment property).
- Despite the uncertainty, property markets more dependent on locally driven factors and demand are likely to be less impacted and cash investors may benefit from opportunities to capitalise on the current disquiet in the market. The smaller (sub £1 million) lot size end of the market has remained largely unaffected so far, but this could change depending on the length and severity of the forecast recession. The effect of higher borrowing costs also presents a realistic threat to property values.

18. Micro Market Commentary

- Rental levels and demand for retail property in Greater Manchester's periphery town centres have decreased in recent years, with some town centres having gone into decline. However, local and suburban shops have performed better and have not experienced the same decline in rental levels and demand.
- It is difficult to assess the Old Trafford commercial property market in isolation, as it does not have a commercial centre or focal point and is quite spread out and fragmented and comprises an array of different property types and classes, as well as exceptional influences of the Old Trafford cricket and football stadia.
- Despite a negative adjustment in the prime property investment market, local purchaser demand has been upheld so far, with buyers still keen to invest in well let property investments. It is possible that the increased cost of borrowing will cool the market, but there is no sign of a significant shift in sentiment at the present time.

The land use make up of the local area is varied.



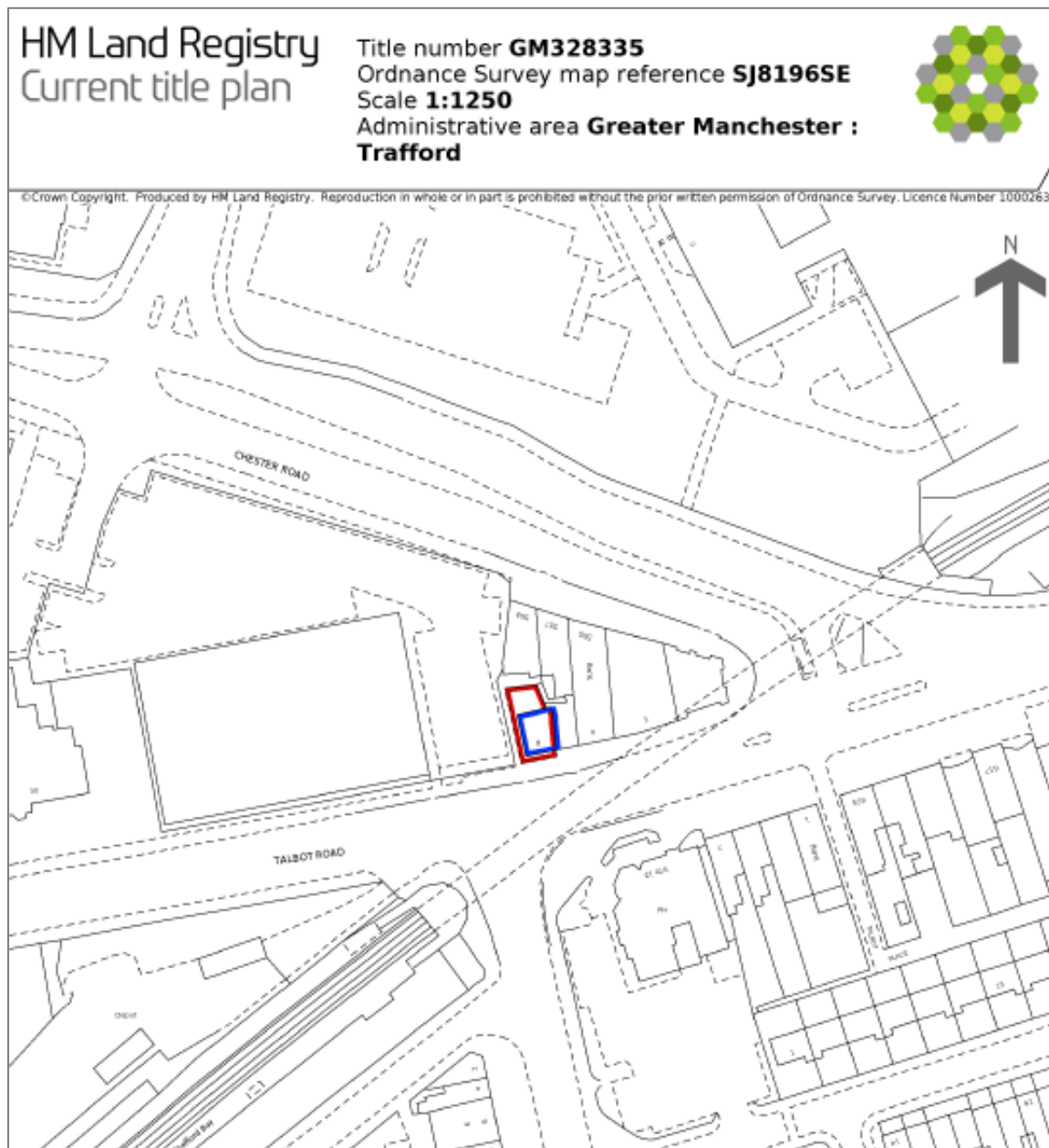
19. Tenure

The tenure of the property is leasehold, held under title number GM328335.

The Land Registry extract shows that the lease is for a term of 930 years from 26th May 1903 and is subject to an annual rent charge of £30.

We confirm that we have not had sight of a report on title. However, upon receipt of a copy, we would be pleased to confirm whether there are any issues likely to have any impact on the value of the property.

Land Registry title plan:



20. Tenancies

The property is held as an investment and is subject to an occupational lease, the principal terms are as follows:

Lease precis for 8 Talbot Road, Old Trafford, Manchester, M16 0PF	
Date of Lease:	19 th June 2018
Landlord:	Andrew Ronald MacPherson, Deborah MacPherson and WM Pension Trustee Services Limited as Trustees of the Wensley Mackay Personal Pension for A R MacPherson and D MacPherson
Tenant:	Mr Jaginder Singh
Demise:	Ground Floor and Basement of 8 Talbot Road, Old Trafford, Manchester, M16 0PF
Term:	10 years from 1 st June 2018
Commencing rent:	£8,400pa
Passing Rent:	£10,800pa
Rent Payment Interval:	Monthly
VAT:	Not payable but reserved in lease
Review Dates:	1 st June 2021 and 3 yearly thereafter
Rent Review Clause:	Review to the greater of the passing rent or market rent. The clause contains the usual assumptions and disregards and time is not of the essence
Service Charge:	The tenant must pay a fair proportion of the landlord's costs for providing the Services, including maintaining and repairing the exterior of the building, including the main structure, walls and roof.
Break Option	The landlord or tenant had the option to break the lease at the end of year 3 subject to giving 3 months' notice
Tenant's Covenants:	
Repairs	To keep the property in good repair
Internal Decs:	Tenant to decorate every 5 th year and in the last year of the term.
External Decs:	Tenant to decorate every 3 rd year and in the last year of the term.
Alienation:	Assignment or sub-letting of the whole with Landlord consent. Sub-letting of part permitted. Any underletting to be outside of the Landlord and Tenant Act 1954
Alterations:	Internal alterations and alterations to shop front permitted with landlord's consent
User Clause:	Retail use within A1 of the Town and Country Planning (Use Classes) Order 1987
Insurance:	Insurance rent payable to cover a fair proportion of the cost to the landlord of insuring the building payable on demand.

Landlord's Covenants:	
Quiet enjoyment	Yes
Services	To provide the Services – including cleaning and maintaining the exterior and structure
Insurance	Buildings Insurance maintained by landlord and a fair proportion of the cost can be recovered from the tenant
Sections 24-28	Included – the tenant is protected under the Landlord and Tenant Act 1954

21. Valuation Considerations

The valuation appraisal reflects the various merits and defects, strengths and weaknesses of the property including the following:

- The property comprises a prominently situated shop, adjoining a busy road junction, standing opposite Trafford Bar Metrolink station and in close proximity to the Old Trafford cricket and football stadiums. It is well placed for businesses able to benefit from passing trade and those able to capitalise on trade generated by the various events taking place at the football and cricket grounds.
- In general, ignoring days when events are held at the cricket and football grounds, footfall is low in the area and, as the property is located on the opposite side of a busy road to other shops and facilities in the area, the site is not considered suitable to businesses requiring pedestrian traffic.
- The property is held as an investment, the ground floor retail unit being subject to a lease producing an annual income of £10,800, subject to a further uplift in June 2024, when the lease contains provision for a rent review.
- There is potential to increase the rental income through the letting of the first floor and we would anticipate good demand for this accommodation if let with some of the car parking provision to the rear. It is difficult to assess the exact rental value of the first floor, but we estimate that a rental of between £7,000 and £8,000 pa should be achievable as an office with car parking. The valuation reflects the need for cosmetic improvement to the first floor and the need to divide services between the ground and first floors.
- The lack of a valid EPC certificate for the ground floor and basement contravenes MEES Regulations. Steps should be taken to renew the EPC certificate. In order to meet the minimum 'E' rating, improvement works are likely to be required and a higher standard 'C' rating will be required by 2025. It might be possible to delay the

EPC for the ground floor until the lease is renewed, but a valid EPC will be needed before the first floor is let. We have allowed for the probable cost of improvements to heating, lighting and insulation to achieve the required rating.

- The lease of the ground floor shop is drawn on internal repairing terms, although with service charge provision, enabling the landlord to re-charge a fair proportion of the cost of maintaining the structure and external building fabric to the ground floor tenant. This means that the landlord must incur and endure approx 50% of the cost of external maintenance and repair, which is unattractive from a property investment perspective.
- The property occupies a site which has definite redevelopment potential, allied to the adjoining, larger site, situated at the junction of Talbot Road and Chester Road. We have not reflected this in the valuation as any development potential would be dependent on the exact development proposed and a need to combine the property with adjoining land and buildings.

22. Valuation Methodology

We have adopted the investment method of valuation to arrive at Market Value. We have used sales and rental data from various retail property investments to establish an appropriate all risk yield (multiplier). The all risk yield has been adjusted to reflect the quality of the investment, encompassing the various merits and defects listed above, principally, security of income and potential for rental growth, underpinned by likely tenant covenant strength, lease length, rent and location. The all risks yield also reflects the landlord's obligation to maintain the exterior and structure of the property.

Having regard to the comparable evidence, we believe that the passing rent for the shop is representative of the current market rent of the property. We estimate a rent of between £7,000 and £8,000 for the first floor, following investment to split the services and improve the EPC rating, giving a total rental value of approx. £18,000pa. The valuation has been arrived at by applying a yield of 9%. We have allowed an amount of £10,000 for the alterations and improvements.

23. Valuation

We are of the opinion that the **Market Value** of the leasehold interest of the property at the valuation date, is:

£190,000
(ONE HUNDRED AND NINETY THOUSAND POUNDS)

24. Costs

Whilst the valuation makes allowance for purchaser's/investor's costs, including legal fees and stamp duty, no allowance has been made in our valuation for any vendors' costs or taxation (actual or notional), nor have any allowances been made for any grants or incentives to which a purchaser may be entitled.

25. Value Added Tax

Our Valuation is exclusive of VAT unless otherwise stated.

26. Valuation Uncertainty

We have considered the implications of RICS Global Valuation Practice Application 10 (VPGA10) in relation to matters which may give rise to material valuation uncertainty and the RICS User Guide: Reflecting uncertainty in valuations for investment purposes.

When considering valuation uncertainty, we have taken account of the following factors which may impact on the property's valuation:

Economic, financial and political uncertainty

Economic conditions are best described as volatile and uncertain at the present time, due to various domestic and international factors and pressures – see S17 - Macro Market Commentary. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case.

Physical uncertainty

We have looked at this and, whilst information we have obtained shows that the building is not located close to mine shafts and, therefore, unlikely to suffer from subsidence, issues such as pluvial flooding cannot be ruled out with 'absolute certainty', even though flooding information for the area provided by the Environment Agency gives the risk as "very low".

Occupational uncertainty

The property is occupied by way of a 10 year lease which expires in June 2028, therefore, having 5 years unexpired. However, the first floor is currently vacant with an income void and we estimate a minimum period of 6 months for the property to be prepared for letting and a tenant found.

27. Limitation of Liability/Publication

Neither the whole nor any part of this Valuation Report, nor any reference hereto, may be included in 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.

Such publication of or reference to this Valuation Report may not be made unless it contains a sufficient contemporaneous reference to the Special Assumptions or departure(s) from the Royal Institution of Chartered Surveyors' Valuation – Global Standards 2022 and UK VPGA 8 and UKVPGA 10 of the 2018 UK National Supplement.



.....
Nigel R Blyth BSc.(Hons) MRICS
RICS Registered Valuer
Managing Director
Fairhurst Buckley



.....
Andy Riches BSc. MRICS
RICS Registered Valuer
Associate Director
Fairhurst Buckley

Date: 7th July 2023

APENDIX A

TERMS OF ENGAGEMENT

17th May 2023

Macpherson Pension Scheme
Greenacres
Off London Road
Adlington
Cheshire
SK10 4NQ

Dear Sirs

Valuation of 8 Talbot Road, Old Trafford, Manchester, M16 0PF

Valuation Terms of Engagement

I write in relation to your instructions to carry out a valuation of the above property.

As required by the RICS Valuation – Global Standards 2022 Red Book and the 2018 UK National Supplement, effective from the 14th January 2019 I am obliged to write and confirm the following key matters which form the terms of our engagement to undertake the valuation work on your behalf.

Identification and Status of the Valuer

The valuation will be carried out by Andy Riches BSc MRICS, RICS Registered Valuer, who will be acting as an external valuer. We confirm that the valuer will act with independence, integrity and objectivity, and has sufficient current local and national knowledge of the particular market, as well as appropriate skills, qualifications, experience and understanding for the purposes of this instruction. The report will be signed on behalf of Fairhurst Buckley. The valuer has been carrying out Registered Valuations since 2013 when registration was first introduced although has many years previous valuation experience.

Identification of the Client and any other Intended Users

The report is to be generated for the benefit of name of the Macpherson Pension Scheme. Please note that any reproduction or public reference to the valuation or report will require our prior written consent.

Identification of the Assets to be Valued

Property known as **8 Talbot Road, Old Trafford, Manchester, M16 0PF**

Valuation Currency

All values will be reported in United Kingdom Pounds Sterling (£)

Purpose of the Valuation

Revaluation for pension scheme.

Bases of Value Adopted

Market Value which is defined by VPS 4, paragraph 4 in the RICS Valuation – Global Standards 2022 (and UK National Supplement), published by The Royal Institution of Chartered Surveyors, as:

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

Market Rent is defined in IVS 104 paragraph 40.1 as:

‘The estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.’

Valuation Date

The valuation date will be the date of inspection.

Nature and Extent of Investigation

Inspections and investigations will be carried out to the extent necessary to produce a valuation which is professionally adequate for its purpose. Where valuations have to be made on restricted information, the nature of the restrictions will be set out in this letter and the report.

Nature and Source of the Information to be relied on

- Measurements and observation undertaken during the inspection of the property
- Land Registry title information and plans

- Discussions with local agents active in the market, for the purposes of obtaining comparable evidence
- Information provided by the client

Assumptions

Assumptions Relating to Condition and Repair

Unless specifically instructed to carry out a separate building survey, or commission a test of service installations, our valuation will assume that:

- except for any defects specifically noted in our report, the property is in good condition;
- no construction materials have been used that are deleterious, or likely to give rise to structural defects;
- no hazardous materials are present;
- all relevant statutory requirements relating to use or construction have been complied with; and
- any services, together with any associated computer hardware and software, are fully operational and free from impending breakdown or malfunction.

We shall, however, reflect the general condition noted during the course of our valuation inspection and any defects or hazards of which we become aware of in the course of our investigations. Any matters that we consider material to the valuation will be referred to in our report.

Assumptions Relating to Ground Conditions and Environmental Risks

Unless provided with information to the contrary, our valuation will assume that:

- there are no archaeological remains on or under the land which could adversely impact on value;
- the property is not adversely affected by any form of pollution or contamination; and
- there is no abnormal risk of flooding.

We shall, however, comment on any factors discovered during the course of our valuation enquiries that could affect the market perception of risks caused by these factors.

Assumptions Relating to Title and Tenancies

We shall rely upon information provided by you or your solicitor relating to title, boundaries and related matters. We will not commission a formal legal search and will assume the information provided to be accurate, up-to-date and complete.

We shall assume the subject interest is unencumbered and free from any unduly onerous or unusual easements, restrictions, outgoings, covenants or rights of way and that it is not affected by any local authority proposals.

Special Assumptions

The Valuation is subject to the following special assumptions:-

- The valuation date will be the date of inspection.
- The valuation will reflect the current tenancy

Format of Report

When reporting we will comply with the requirement for minimum content of RICS Valuation – Global Standards VPS 3.2 VPGA 8. The report will be made available in hard copy form (if requested) along with a pdf emailed version.

Restrictions on Use, Distribution or Publication

The report is intended for the use of the addressee only and no further distribution or publication is permitted without prior consent from Fairhurst Buckley Limited.

Fees

A fixed fee of £750 + VAT inclusive of all disbursements has been agreed.

Regulation by RICS

Fairhurst Buckley is registered for regulation by RICS. Please note that our files may be subject to monitoring under the institution's conduct and disciplinary regulations.

We are committed to providing a high level of service. In the event that you have any concerns about any aspects of our work, please do not hesitate to contact Nigel Blyth of this office. Details of our Complaints Procedure are available upon request.

We confirm that Fairhurst Buckley has a quality management system which complies with ISO9001:2015.

Attached is a copy of our standard Terms of Business, which should be read in conjunction with these Terms of Engagement. I should be pleased if you could sign and return a copy of these to me as soon as possible. In the event that we do not receive your written confirmation of your instruction, your continuing instructions in this matter, in the absence of any written objection, will amount to your acceptance of the Terms of Engagement and our standard Terms of Business.

If this letter does not correctly set out your instructions to us, please advise me by return.

Yours faithfully



Andy Riches BSc. MRICS
RICS Registered Valuer
Associate Director
Fairhurst Buckley

I/we agree Fairhurst Buckley's Terms of Business and the Terms of Engagement, set out in this letter to you and instruct Fairhurst Buckley Limited to make any supplies agreed accordingly

Signed..... On behalf of.....

Date.....

Enc: Fairhurst Buckley's Terms of Business