

Report and Valuation

**UNIT C2/C3
VIVARS INDUSTRIAL ESTATE
VIVARS WAY
SELBY
YO8 8BB**

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WalkerSingleton
Chartered Surveyors

Our Ref: PBA/CM/33511

VALUATION REPORT

for pension fund purposes

Subject Asset of this Valuation Report:

**Unit C2/C3 The Vivars Industrial Centre,
Canal Road
Selby
YO8 8BE**

Prepared for:

Moorfield Garage
Unit C Moorfield Industrial Estate
Moorfield Road
Yeadon
LS19 7BN

Surveyors:

Walker Singleton (Commercial) Ltd
Oak House
New North Road
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Paul B Andrew DipSurv, MRICS, IRRV (Hons)
RICS Registered Valuer

Email: paul.andrew@walkersingleton.co.uk
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Date: 3 November 2014



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COMMHO

Directors: S N Molloy FRICS FNARA MARLA; P M Diakiv DipSurv MRICS FNARA; D R Heap FRICS MCIArb IRRV (Hons) FNARA;
H M Eastwood; A M Chapman DipSurv MRICS.
Associates: P B Andrew DipSurv MRICS IRRV (Hons); J L O'Connor; R G Barker DipSurv MRICS; D C Hey BSc (Hons);
G A Foster BSc (Hons) MRICS; B Waites MARLA MNAEA.

Walker Singleton (Commercial) Ltd

Registered in England No 3351035. Registered Office: Property House, Lister Lane, Halifax, West Yorkshire, HX1 5AS. VAT Registration No 686 6644 77.

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1. SUMMARY and VALUATION

1.1 The Asset (subject of this valuation) comprises real estate at:

Address: **Unit C2/C3 The Vivars Industrial Centre**
Canal Road
Selby
YO8 8BE
referred to herein as 'the property'

1.2 BRIEF SUMMARY

1.2.1 Type of property

An industrial garage/workshop property.

1.2.2 Location

The subject property is situated on and forms part of the larger Vivars Industrial Centre which is located approximately 1/3 mile south east of Selby town centre with principal vehicular access derived off A1041 via Canal Road to the south.

1.2.3 Description

The subject property comprises a modern single storey industrial unit.

The unit which appears to have been constructed as two separate units but occupied as one provides an open plan workshop area with a minimum eaves height in the order of 6.25m and is served by three large roller shutter loading doors together with ancillary office and w.c provision.

1.2.4 Construction Type

The subject property comprises a single storey modern industrial unit being of steel portal frame construction with a part concrete block inner leaf and clad in part stone part insulated profile sheet metal cladding under a dual pitched insulated profile sheet metal roof incorporating Perspex roof-lights with a solid concrete floor throughout.

1.2.5 Age

We estimate the property was constructed in the early 2000s.

1.2.6 Planning Use

We have assumed the property benefits from all the necessary planning consents required for its current uses in Class B1, B2 & B8 of The Town and Country Planning (Use Classes) Order 1987 (as amended).

1.2.7 Floor Area

Total Gross Internal Floor Area is 333.68 m² (3,591 ft²)

1.2.8 Tenure

Freehold.

1.2.9 Overall Condition

Satisfactory for acquisition purposes.

1.2.10 Specialist Reports

None required.

1.2.11 Important issues and matters for further legal advice

Not applicable.

1.2.12 Market Factors

The economic outlook remains uncertain although recent economic data has been more positive and a number of commentators are predicting slow and modest growth over the short to medium term. Inflation has fallen below the Bank of England's target of 2% and this is likely to see interest rates remain at historically low levels.

However further significant cuts in public sector spending is likely to be required in the next Parliament and this in conjunction with a reduction in the growth of the Chinese and other eastern economies means that any recovery is likely to be fragile.

Demand for commercial property is showing signs of recovery particularly over the last two quarters. This may be as a result of increased confidence within the market place and an increased availability of mortgage products.

However the significant increases in values experienced in the South East and the Greater London area have not filtered through to the regional markets albeit anecdotally purchaser and tenant confidence has improved.

1.2.13 Valuation Date

3 November 2014

1.3 VALUATION FIGURES – Definitions of bases of valuation are set out in 2.4 below.

1.3.1 **Market Value**

We consider the property has a Market Value subject to vacant possession of £250,000 (Two Hundred and Fifty Thousand Pounds).

1.3.2 **Market Rent**

We are of the opinion that the property commands a Market Rent in the region of £17,600 per annum.

This assumes a standard assured modern commercial lease being for a term of years certain on a full repairing and insuring basis with the tenant responsible for all outgoings associated with the property to include utilities consumed, repairs, business rates and buildings insurance.

1.3.3 Insurance Reinstatement Cost Assessment

We consider the property has an Insurance Reinstatement Cost Assessment in the region of £223,000 (Two Hundred and Twenty Three Thousand Pounds).

2. INSTRUCTIONS AND TERMS OF ENGAGEMENT

2.1 INSTRUCTIONS

This report has been prepared following verbal instructions dated 30 October 2014 from Moorfield Garage and has been carried out by Paul B Andrew DipSurv MRICS IRRV (Hons) an external valuer who conforms to the requirements of the RICS Valuation – Professional Standards January 2014.

2.2 PURPOSE OF THE VALUATION

We have been asked to provide a valuation of the properties subject to a series of scenarios for secured lending purposes.

2.3 PRIVACY/LIMITATION ON DISCLOSURE OF VALUATION

This Report has been prepared for the purpose of the addressee only and no responsibility can be accepted to any third party for all or any part of the contents. Neither the whole nor any part of the Report nor any reference thereto may be included in any document, circular or statement without written approval first being obtained as to the form and context in which it will appear.

2.4 VALUATION BASES AND CURRENCY ADOPTED

All amounts expressing value are quoted in pounds sterling (GBP/£).

We have been requested to provide our opinion of:

Market Value

'The estimated amount for which 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 where the parties had each acted knowledgeably, prudently and without compulsion.'

Market Rent

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

2.5 INSURANCE REINSTATEMENT COST ASSESSMENT

An estimate for insurance purposes (which is given solely as a guide, as a formal estimate for insurance purposes can be given only by a Quantity Surveyor or other person with sufficient current experience of replacement costs) of the current reinstatement cost of:

- (a) the buildings in their present form (unless otherwise stated); or
- (b) buildings being constructed as proposed to be completed

each including the costs of clearance and professional fees, but excluding:

- (i) VAT (except on fees);
- (ii) loss of rent; and/or
- (iii) cost of alternative accommodation for the reinstatement period

2.6 SCOPE AND CONTENT OF INSPECTION AND REPORT

Please see our Terms of Engagement which are attached as an appendix. We draw particular attention to certain caveats and assumptions as follows:

- 2.6.1 The valuation will include normal landlord's fixtures and fittings but will exclude any specialist plant, machinery and equipment.
- 2.6.2 The valuations will exclude any additional value attributable to personal goodwill or the value of any fixtures and fittings, furnishings and equipment, except in the case of property which changed hands as a fully equipped trading entity where only personal goodwill is excluded.
- 2.6.3 No responsibility or liability will be accepted for the true interpretation of the legal position of the client or other parties.
- 2.6.4 We can confirm that we do not consider that there is a conflict of interest in providing this valuation having had no prior dealings with the property or the bank's customer within the last two years.
- 2.6.5 No allowance has been made for liability for taxation which may arise on disposal, whether actual or notional, e.g. VAT and Capital Gains Tax nor any costs of acquisition or realisation.
- 2.6.6 The valuer shall have regard to the apparent state of repair and condition of the property but shall be under no duty to carry out a structural survey nor to inspect those parts of the property which are covered, unexposed or inaccessible and such parts will be assumed to be in good repair and condition. The report will not purport to express an opinion about nor to advise on the condition of uninspected parts and should not be taken as making any implied representation or statement about such parts. The valuer shall be under no duty to arrange further testing of electrical heating or the services or equipment. The client should satisfy themselves in connection with any hidden cables or electrical equipment at the premises or in their immediate vicinity.

2.6.7 In compiling the report the following assumptions will be made which the valuer shall be under no duty to verify:

- a) that no deleterious or hazardous materials or techniques were used in the construction of the property or have since been incorporated and that the property does not suffer from any latent defects.
- b) that good title can be shown and that the premises are not subject to any unusual or especially onerous restrictions encumbrances or outgoings.
- c) that the property and its value are unaffected by any matters which would be revealed by a local or mining search and replies to the usual enquiries or by any statutory notice that neither the property nor its conditions nor its use nor its intended use is or will be unlawful.
- d) that inspection of those parts which have not been inspected would reveal neither material defects nor cause the valuer to alter the valuation materially.

2.6.8 The valuer shall be under no duty to make any recommendations in connection with the Control of Asbestos at Work regulations 2002.

2.7 SOURCES AND EXTENT OF INFORMATION

In preparing this report we have based our opinion on information supplied to us. We have only attempted to obtain verification where there appeared to be a risk of doubt.

Further investigation could prove such information provided to be erroneous which would have the effect of nullifying our valuations. We have stated the various sources of information relied upon under the various headings.

2.8 DATE OF VALUATION

The date of valuation is based upon an inspection of the premises dated the 3 November 2014.

The valuation reflects our opinion of value as at this date. Property values are subject to fluctuation over time as market conditions may change.

3. THE PROPERTY (SUBJECT OF THE VALUATION)

3.1 LOCATION

A copy of the location plan is attached as an appendix.

Selby is a market town with a population of approximately 13,000 located approximately 12 miles south of York and 20 miles east of Leeds city centre.

Principal access to the area is derived off junction 42 of the A1(M) motorway approximately 9 miles to the west and junction 34 of the M62 motorway approximately 7 miles to the south.

The subject property is situated on and forms part of the larger Vivars Industrial Centre which is located approximately $\frac{1}{3}$ mile south east of Selby town centre with principal vehicular access derived off A1041 via Canal Road to the south.

The property benefits from ease of access to local amenities including retail and public transport.

3.2 DESCRIPTION

The subject property comprises a modern single storey industrial unit.

The unit which appears to have been constructed as two separate units but occupied as one provides an open plan workshop area with a minimum eaves height in the order of 6.25m and is served by two large roller shutter loading doors which provide drive in access from the front forecourt/yard area with an additional smaller roller shutter loading door which provides access from the rear yard.

Block partitioning forms a reception area, disabled w.c provision and a private office with plastered walls and ceilings, Category II ceiling mounted lighting with security shutters to external windows and laminate flooring.

There is a first floor area above this accommodation which provides a canteen with w.c provision and a store room.

There is an additional mezzanine within the workshop being steel framed and timber boarded.

3.3 CONSTRUCTION

The subject property comprises a single storey modern industrial unit being of steel portal frame construction with a part concrete block inner leaf and clad in part stone part insulated profile sheet metal cladding under a dual pitched insulated profile sheet metal roof incorporating Perspex roof-lights with a solid concrete floor throughout.

3.4 AGE

We consider that the property was constructed in the early 1900s.

3.5 SITE

The site is shown for identification purposes only edged red in the attached copy from the Ordnance Survey.

The total site area is: 0.01 hectares (0.24 acres) approximately.

The site is essentially rectangular in shape and is reasonably level with a surfaced yard and car parking area fronting the estate road with provision for approximately 8 spaces.

There is a yard area to the rear which is bound by a steel palisade fence and is accessed from the estate road by way of a short surfaced roadway.

3.6 ACCOMMODATION

We have provided a summary of the accommodation below in Table 1. All measurements have been taken in compliance with The Royal Institution of Chartered Surveyors (RICS) Code of Measuring Practice (6th edition).

Table 1: Summary of Areas

Garage/workshop with reception and office	312.06 m ²	(3,359 ft ²)
First floor canteen area	21.62 m ²	(232 ft ²)
Mezzanine stores	- -	- -
Total Gross Internal Floor Area:	333.68 m²	(3,591 ft²)

Please note these measurements have been taken in metric and converted to the nearest imperial equivalent.

3.7 SERVICES

We have not tested any of the service installations.

The property is connected to the following mains services:

- Electricity
- Drainage
- Gas
- Water

The workshop area is heated by way of a floor mounted gas fired space heater whilst the offices are served by way of free-standing electric heaters.

4. LOCAL AUTHORITY AND STATUTORY ISSUES

Local Authority:

Selby District Council

4.1 RATING ASSESSMENT

The property has been assessed for Business Rates as follows;

Workshop & premises Rateable Value: £14,500

The Uniform Business Rate for 2014/2015 is 42.8 pence in the pound.

4.2 TOWN PLANNING

The property is situated within Policy Sel/7 area which promotes the development of land to the south of the railway including a mixture of commercial uses.

We have assumed the property benefits from all the necessary planning consents for its current uses in Class B1, B2 & B8 of the the Town & Country Planning (Use Classes) Order 1987 (as amended).

4.3 DEVELOPMENT/CHANGE OF USE

We are not aware of any potential development or change of use of the subject property or surrounding properties in the locality which would materially affect our valuation.

4.4 HIGHWAYS AND RIGHTS OF ACCESS

We understand from the tenant that the property has direct access off the adopted highway.

4.5 LICENCES

Not applicable.

4.6 THE FIRE REGULATORY REFORM (FIRE SAFETY) ORDER 2005

This legislation came into effect on 1st October 2006 and replaces most fire safety legislation. Fire authorities no longer issue Fire Certificates and those previously in force now have no legal status. Under this legislation the 'responsible person' must now carry out a 'Fire Risk Assessment' (or more particularly ensure one is carried out by a suitably qualified person). A Fire Risk Assessment is specific to an occupier and how the property is utilised rather than relating to the property itself. Lenders are advised to ensure that occupiers are required to obtain a Fire Risk Safety Assessment which should be kept under review.

The tenant was unable to confirm that a fire risk safety assessment had been undertaken.

4.7 HEALTH AND SAFETY

All occupiers should be aware that Health and Safety requirements differ greatly according to how the premises are used. We have not made enquiries to ascertain the appropriateness of the premises for their current/proposed use or to confirm compliance with regulations.

4.8 CONTROL OF ASBESTOS REGULATIONS 2006

In November 2002 the UK Government introduced the Control of Asbestos at Work Regulations 2002 which had the effect to require the owners and those occupiers of all UK commercial premises to have responsibility for maintenance of that building to produce an asbestos register. This asbestos register is to be made available for inspection by employees or trades people working on the site. The purpose of the order is to determine whether there are any asbestos containing

materials (ACMs) within the fabric of the building and if such materials are discovered to put in place a management programme for dealing with them.

The tenant was unable to confirm whether an asbestos register had been prepared.

4.9 EQUALITY ACT 2010 (DISABILITY DISCRIMINATION ACTS 1995 and 2005)

This legislation imposes obligations on service providers and employers to make reasonable provision for disabled people. We have not carried out an access audit and therefore we do not speculate as to whether any alterations/adaptations would be required by a service provider or employer.

This legislation particularly applies where fifteen or more people are employed or where customers or service users may require access to business premises.

ENVIRONMENTAL ISSUES

4.10 CONTAMINATION

An Environmental Site Assessment has not to our knowledge been undertaken.

There was no surface evidence of contaminative or deleterious materials used in the construction of the building and there are no particularly high risk land uses adjacent.

Our limited enquiries have not revealed any contamination affecting the property or neighbouring properties which would affect our valuation.

We understand from the tenant that the property was constructed approximately 10 years ago. We have specifically assumed that the appropriate ground investigations were undertaken at the time of development and that any issues identified were remediated prior to construction.

We would recommend that you obtain any documentation associated with this.

However, if it should be established subsequently that contamination exists at the property or any neighbouring land, or that the premises have been or are being put to any contaminative use this might reduce the values in our report.

4.12 FLOODING

The Environment Agency website indicates the property is identified as being situated within an area at significant risk of flooding.

Consideration should be given to the implications of owning a property likely to be affected by flooding and we have specifically assumed that buildings insurance including flood risk cover is available at normal policy premium rates.

4.13 ARCHAEOLOGICAL REMAINS

We saw no evidence of such remains but have not made enquiries.

Our opinion of value assumes no such remains exist but if you are concerned and your further prudent enquiries reveal new information, then this should be referred to us as the value could be affected.

4.14 INVASIVE VEGETATION (e.g. Japanese Knotweed) and TREES

We have not identified any Japanese Knotweed or any other particularly prevalent invasive species on the property.

4.15 RADON

Radon is a naturally occurring radioactive gas and is linked to increased incidences of lung cancer. The Ionising Radiations Regulations impose a duty on employers to protect workers from exposure to Radon. Further information may be obtained from The Health Protection Agency, www.hpa.org.uk.

In the event of the level of Radon at the property being discovered to be sufficiently high to require remedial works, significant costs could be incurred. For the purpose of our valuation, however, we have assumed that there are no such works necessary.

5. TENURE/TITLE

We have not been provided with a Report on Title.

We understand from your tenant that the property is freehold.

We have specifically assumed there are no unusual, onerous or restrictive encumbrances on title.

We understand that the existing tenancy will be extinguished upon acquisition and a new lease granted between Moorfield Garage and the Pension Fund.

6. ADDITIONAL COMMENTS AND RECOMMENDATIONS

6.1 GENERAL STATE OF REPAIR

We have not carried out a building or structural survey and, therefore, cannot make any comment regarding the structural stability of the building.

The general condition and state of repair of the building is reasonable taking into account the age, construction type and use to which the building is being put.

Other than vegetation growth to guttering there were no obvious immediate outstanding wants of repair required to the building.

We have taken into account the age and general condition of the buildings in arriving at our valuation.

6.2 ECONOMIC LIFE

In our opinion the property has a functional and economic life of at least 25 years providing that a routine scheme of maintenance is undertaken to the property as and when required.

6.3 MARRIAGE/SPECIAL PURCHASER VALUE

We do not consider that there is any hope, synergistic/marriage or special purchaser value attributable to the property now or likely to arise in the near future.

6.4 MARKET CONDITIONS and DEMAND

The economic outlook remains uncertain although recent economic data has been more positive and a number of commentators are predicting slow and modest growth over the short to medium term. Inflation has fallen below the Bank of England's target of 2% and this is likely to see interest rates remain at historically low levels.

However further significant cuts in public sector spending is likely to be required in the next Parliament and this in conjunction with a reduction in the growth of the Chinese and other eastern economies means that any recovery is likely to be fragile.

Demand for commercial property is showing signs of recovery particularly over the last two quarters. This may be as a result of increased confidence within the market place and an increased availability of mortgage/commercial loan products.

However the significant increases in values experienced in the South East and the Greater London area have not filtered through to the regional markets albeit anecdotally purchaser and tenant confidence has improved.

6.5 ANALYSIS

Our valuation has been arrived at by adopting the comparable method. However, the availability of direct comparable evidence is extremely limited.

In arriving at our valuation we have, therefore, had regard to lettings and sales of similar properties within the Selby area generally with suitable adjustments made to reflect the difference in location and nature of the subject premises.

We have obtained the following comparable evidence:

Unit 1a-1b Access 63, East Common Lane, Selby: A 15,200 ft² modern industrial unit with secure yard and 8m eaves sold in January 2014 at a price of £780,000 (£51.30 psf).

Unit 2 Bawtry Road, Industrial Estate, Selby: A 4,180 ft² steel portal frame industrial unit's lease was assigned in March 2011 with a passing rent of £22,000 per annum (£5.25 psf).

Escrick Business Park, Escrick, York: A 9,600 ft² modern steel portal frame industrial unit of similar construction to the subject property let in May 2013 at a rent of £53,000 per annum (£5.52 psf).

Unit G Escrick Business Park, Escrick, York: A 1,850 ft² modern industrial unit let in April 2013 at a rent of £16,743 per annum (£9.05 psf).

We are also aware of sales of similar sized units on the same estate albeit dating back to 2011/2012 at rates of £92/£93 psf.

Blackwoodhall Business Park, North Duffield: A 3,185 ft² steel frame industrial unit let in August 2012 at a rent of £15,989 per annum (£5.02 psf).

Mars, Hurricane Close, Sherburn in Elmet: A detached new build modern industrial unit with min eaves of 8.6 m extending to 27,060 ft² sold in September 2011 at a price of £1,449,875 (£53.58 psf).

Vivars Way, Selby: A 8,104 ft² industrial unit is currently on the market with Savills being of similar construction and quality to the subject property off an asking price of £395,000 (£48.75 psf) having been reduced from an initial asking price of £450,000 (£55 psf).

We understand that a sale has been provisionally agreed at a purchase price of £250,000 which equates to £69 psf excluding mezzanine accommodation.

We have spoken with local agents who have confirmed our own findings that there is a shortage of comparable evidence relating to sales of modern relatively small industrial units within the area and accordingly we have had to rely upon the valuer's experience and judgement more than would be usual.

This lack of comparable evidence particularly for sales of smaller units demonstrates a shortage of freehold opportunities within the area generally.

We consider that the smaller unit sizes between 1,000 – 3,000ft² can command a premium over and above that of larger units due in part to the increased demand and affordability of smaller units. We also consider that the price agreed reflects the quality of accommodation on offer and the generous yard and car parking provision.

Whilst towards the upper end of expectations we consider that the purchase price agreed at £250,000 is reasonable.

6.6 GENERAL REMARKS

The majority of modern industrial occupiers prefer good quality open span accommodation benefiting from a generous eaves height and a proportion of office accommodation together with a large secure yard area with the property

located in an established industrial location with ease of access to regional and main road networks.

In this respect the subject property has been specifically constructed in accordance with modern occupation criteria with the property providing good quality modern workshop accommodation together with ancillary office and generous yard provision.

There is a relative shortage of similar quality accommodation available for sale or to let within the local area and accordingly were it to become available in the near future we would anticipate a reasonable level of demand from prospective purchasers.

6.7 PROFESSIONAL INDEMNITY INSURANCE

We can confirm we hold adequate professional indemnity insurance on a per claim basis to cover the provision of this valuation report.

7. SIGNATURE AND DATE OF REPORT

The property was inspected on 3 November 2014 and the report prepared by Paul B Andrew DipSurv MRICS IRRV (Hons) an external valuer who has the relevant experience and knowledge of valuing this type of property.

We confirm that neither the firm nor the valuer have any conflict of interest in this matter.

Signed: 

Paul B Andrew DipSurv MRICS IRRV (Hons)
For and on behalf of Walker Singleton (Commercial) Ltd
Oak House
New North Road
Huddersfield
HD1 5LG

Signed: 

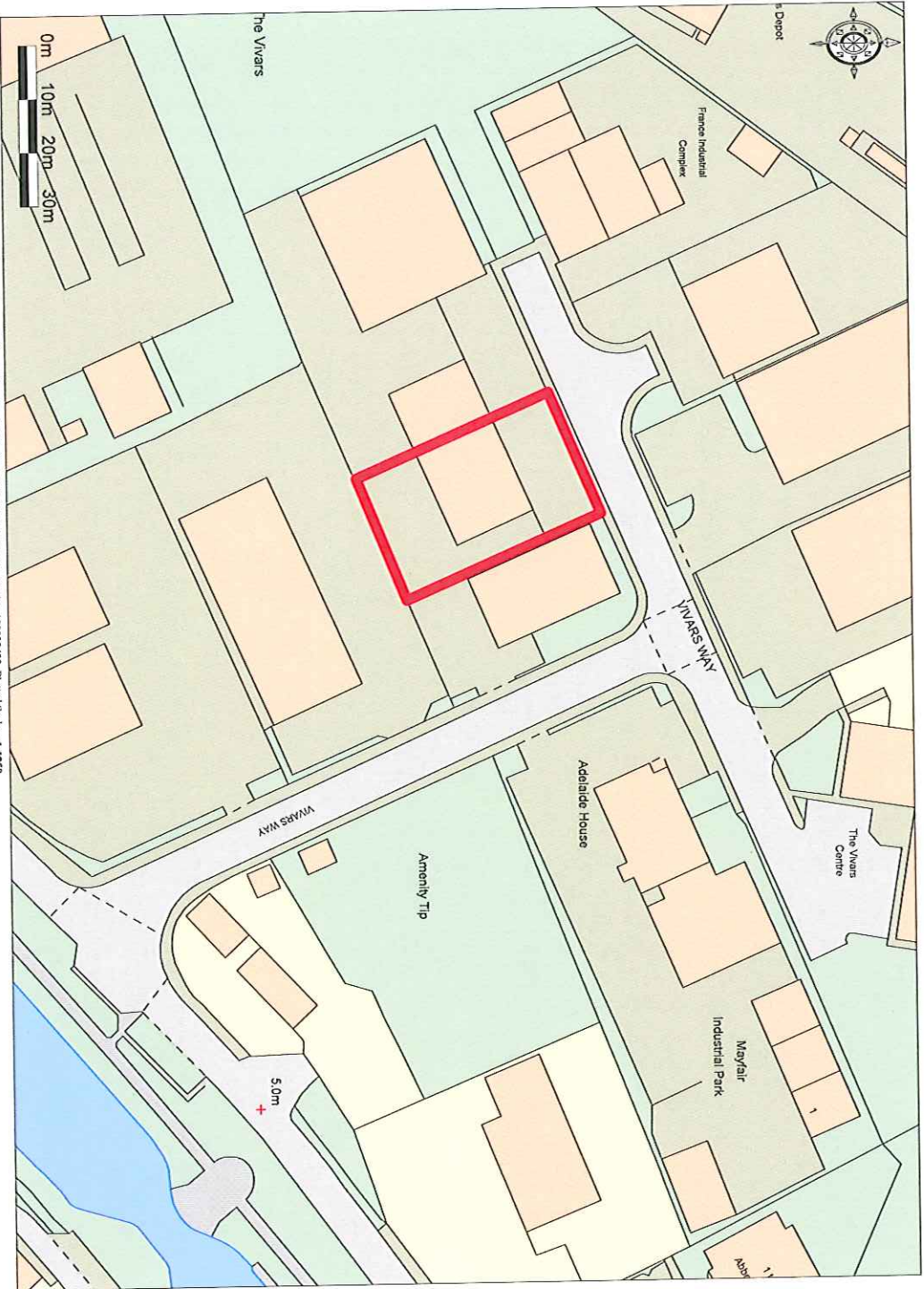
Steve N Molloy FRICS FNARA MARLA
For and on behalf of Walker Singleton (Commercial) Ltd
Oak House
New North Road
Huddersfield
HD1 5LG

Date of report: 3 November 2014

APPENDIX I

SITE PLANS





APPENDIX II

PHOTOGRAPHS

Unit C2/C3 Vivars Industrial Estate, Vivars Way, Selby



Unit C2/C3 Vivars Industrial Estate, Vivars Way, Selby



Unit C2/C3 Vivars Industrial Estate, Vivars Way, Selby



APPENDIX III
INSURANCE REINSTATEMENT
COST ASSESSMENT

Average prices

Insurance reinstatement cost assessment

[Download](#)

Project details

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Title Vivars Way, Selby

Base cost estimate

	Variable	Rate	Cost
Building estimate	312 m2	x £ 641 /m2	£199,992
Select alternative location	Selby (97; sample 12)		£193,992
Adjustments and additions			£ 0
Base cost estimate (sub total A)			£193,992

Renewal date

4Q 2014 (255; forecast) ▼

This is ▼ a day 1 policy

Adjustment (sub total B)

£193,992

Fluctuating price estimate

This will not ▼ be a fluctuating price contract?

Allowance

Allowance for professional fees, say	10%	£19,399
Allowance for demolition		£ 10000
VAT	0%	0
Sub total D		£29,399

Approximate reinstatement cost

Total £223,000

APPENDIX VI

TERMS OF ENGAGEMENT

Oak House, New North Road, Huddersfield, West Yorkshire, HD1 5LG

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WalkerSingleton
Chartered Surveyors

Our Ref: PBA/CM/33511
06 November 2014

Moorfield Garage
Unit C Moorfield Industrial Estate
Moorfield Road
Yeadon
LS19 7BN

Dear Sirs

UNIT C2/C3 VIVARS INDUSTRIAL ESTATE, VIVARS WAY, SELBY

We refer to your instructions of 30th October 2014 in which we were requested to prepare valuation advice in respect of the above industrial property, that is for secured lending purposes.

We confirm that we are external valuers, have no conflict of interest and are able to accept these instructions to prepare valuations on the above property.

In accordance with the Practice Statements in the RICS Valuation Standards, we are required to provide our Terms of Engagement and to have these accepted by the client prior to issue of the valuation. We would be pleased, therefore, if you would kindly date and sign the additional copy of these Terms of Engagement and return them to us.

CONDITIONS OF ENGAGEMENT

1. The valuation report shall be prepared in accordance with the RICS Valuation Standards.
2. Our fee for this service is **£600** plus VAT
3. The Valuer shall advise the client in writing as to the opinion of value of the freehold interest as specified by the client in subject property.
4. The valuation is required for secured lending purposes.
5. The date of the valuation will be 3rd November 2014
6. The value advised by the Valuer shall be



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Directors: S N Molloy FRICS FNARA MARLA; P M Diakiv DipSurv MRICS FNARA; D R Heap FRICS MCIArb IRRV (Hons) FNARA;
H M Eastwood; A M Chapman DipSurv MRICS.

Associates: P B Andrew DipSurv MRICS IRRV (Hons); J L O'Connor; R G Barker DipSurv MRICS; D C Hey BSc (Hons);
G A Foster BSc (Hons) MRICS; B Waites MARLA MNAEA.

Walker Singleton (Commercial) Ltd

Registered in England No 3351035. Registered Office: Property House, Lister Lane, Halifax, West Yorkshire, HX1 5AS. VAT Registration No 686 6644 77.



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Market Value (MV)

The estimated amount for which a property should exchange on the date of valuation 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.

Market Rental (MR)

The estimated amount for which a property, or space within a property, should lease (let) on the date of valuation between a willing lessor and a willing lessee on appropriate lease terms in an arm's-length transaction after proper marketing wherein the parties had acted knowledgeably, prudently and without compulsion.

Insurance Reinstatement Cost Assessment

An estimate for insurance purposes (which is given solely as a guide, as a formal estimate for insurance purposes can be given only by a Quantity Surveyor or other person with sufficient current experience of replacement costs) of the current reinstatement cost of:

- (a) the buildings in their present form (unless otherwise stated); or
- (b) buildings being constructed as proposed to be completed

each including the costs of clearance and professional fees, but excluding:

- (i) VAT (except on fees);
- (ii) loss of rent; and/or
- (iii) cost of alternative accommodation for the reinstatement period

7. In compiling the requested report, the following assumptions will be made:
 - 1) *Tenure Freehold/Leasehold*
 - 2) *Subject to the existing tenancies/Vacant possession*
 - 3) *Planning Permission for existing use*
 - 4) *Rights of way*
8. The valuation will include normal landlords fixtures and fittings, but will exclude any specialist plant, machinery and equipment.
9. The valuations will exclude any additional value attributable to personal goodwill or the value of any fixtures and fittings, furniture, furnishings and equipment except in the case of property which changes hands as a fully equipped, trading entity, where only personal goodwill is excluded.

10. No allowance has been made for liability for taxation which may arise on disposal, whether actual or notional e.g. VAT and Capital Gains Tax nor any costs of acquisition or realisation.
11. Subject to the following further conditions the Valuer shall carry out such inspections and investigations as are, in the Valuer's professional judgement, appropriate and possible in the particular circumstances and within the time limits specified by the client.
12. The Valuer shall, unless otherwise expressly agreed, rely upon information provided by the client or the client's legal or other professional advisors relating to tenure, tenancies and other relevant matters.
13. No responsibility or liability will be accepted for the true interpretation of the legal position of the client or other parties.
14. The Valuer shall have regard to the apparent state of repair and condition of the property, but shall be under no duty to carry out a structural survey, nor to inspect those parts of the property which are covered, unexposed or inaccessible and such parts will be assumed to be in good repair and condition. The report will not purport to express an opinion about, nor to advise upon the condition of uninspected parts and should not be taken as making any implied representation or statement about such parts. The Valuer shall be under no duty to arrange for the testing of electrical, heating or other services and equipment. The client should satisfy themselves in connection with any hidden cables or electrical equipment at the premises or in their immediate vicinity.
15. In compiling the report the following assumptions will be made, which the Valuer shall be under no duty to verify:
 - (a) that no deleterious or hazardous materials or techniques were used in the construction of the property or have since been incorporated and that the property does not suffer from any latent defects;
 - (b) that good Title can be shown and that the premises are not subject to any unusual or especially onerous restrictions, encumbrances or outgoing;
 - (c) that the property and its value are unaffected by any matters which would be revealed by a Local or Mining Search and replies to the usual enquiries, or by any Statutory Notice and that neither the property nor its condition, nor its use, nor its intended use is or will be unlawful; and
 - (d) that inspection of those parts which have not been inspected would neither reveal material defects nor cause the Valuer to alter the valuation materially.
16. The Valuer shall be under no duty to make any recommendations in connection with The Control of Asbestos at Work Regulations 2002.

17. **Environmental Matters, Contamination and Hazardous Substances.**

We are not aware of the content of any environmental audit or other environmental investigation or soil survey which may have been carried out on the property and which may draw attention to any contamination or hazardous substances, or the possibility of any such contamination or presence of hazardous substances.

In undertaking our work we have assumed that no contaminative or potentially contaminative uses have ever been carried out on the property and no hazardous substances are present. We have not carried out any investigation into past or present uses, either of the property or of any neighbouring land, to establish whether there is any contamination/hazardous substances, or potential for contamination to the subject property from these uses or sites and have therefore assumed that none exists. We shall however provide general observations which may assist in considering whether a detailed environmental audit should be commissioned where appropriate.

As from 1st April 2000 Local Authorities are required to determine the exact extent of land contamination in their areas to assist in the production of a precise National Register. For the purposes of this valuation we have assumed that, unless advised to the contrary, the subject premises will not be included on that Register. However, should it be established subsequently that contamination, seepage, or hazardous substances exists at the property or on any neighbouring land or that the premises have been or are being put to a contaminative use this might reduce the values now reported.

18. The Valuer shall provide to the client a report setting out the opinion of value of the relevant interest in the property. The report will be provided for the stated purpose and for the sole use of the named client. It will be confidential to the client and the client's professional advisors. The Valuer accepts responsibility to the client, that the report will be prepared with the skill, care and diligence reasonably to be expected of a competent Chartered Surveyor, but accepts no responsibility whatsoever to any parties other than the client. Any such parties rely upon the report at their own risk. Neither the whole nor any part of the report nor any reference thereto may be included in any published document, circular or statement nor published or reproduced in any way without the Valuer's written approval as to the form and context in which it will appear. In the event of a proposal to place the loan on the subject property in a syndicate, the client must notify the valuer, with a view to agreeing responsibility to the further named parties.
19. The client will pay to the Valuer the fee agreed. In addition the client will reimburse the Valuer the costs of all reasonable out of pocket expenses which may be incurred and pay the amount of any Value Added Tax on the fee and expenses.
20. In accordance with the RICS Rules of Conduct, Rule 7, Walker Singleton have a complaints handling procedure, a copy of which is available on request.



21. The valuation may be subject to monitoring under the conduct and disciplinary regulations of the RICS.

Yours faithfully

Walker Singleton (Commercial) Ltd