ROBERTS & ROBERTS

Chartered Surveyors • Property Agents & Valuers

The SK Property Specialists

# Valuation report relating to:

## LAND & BUILDINGS KNOWN AS

## PROPERTY ADDRESS

Property Photo

1.0 **INSTRUCTIONS & CLIENT**

1.1 To offer an opinion of value of the above mentioned property on the instructions of XXXX XXXXX in connection with a proposed purchase. A copy of the signed Terms of Engagement are appended herein.

1.2 We confirm that we carry Professional Indemnity Insurance on a per claim basis in respect of the service we are providing in the sum of £2,000,000.

2.0 **BASIS OF VALUATION**

2.1 **Market Value**

(a) Market Value being 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 arms length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

2.2 **Market Rent**

(b) Market Rent being 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.

2.3 **Insurance Reinstatement Cost Valuation**

(c) An Insurance Reinstatement Cost Valuation, calculated from build costs provided by the BCIS.

2.4 Our valuation has been prepared in accordance with the RICS Red Book i.e. the RICS Valuation – Global Standards, which incorporate the IVS, effective from 31$^{st}$ January 2020 and the UK National Supplement effective from 14$^{th}$ January 2019.

2.5 For the purpose of providing this report an inspection of the subject property was carried out on 26$^{th}$ February 2021 which is the date of our valuation.

3.0 **EXTENT OF INSPECTION AND INVESTIGATIONS**

3.1 We have carried out such inspections and investigations which are, in our professional judgement, appropriate and possible in the particular circumstances.

3.2 We have not carried out a building survey, nor have we inspected those parts of the property which are covered, unexposed or inaccessible, nor have we tested services within the property and such parts will be assumed to be in good repair and condition. We have not expressed an opinion about or advised upon the condition of uninspected parts and our report should not be taken as making any implied representation or statement about such parts.

3.3 We have not arranged for any investigation to be carried out to determine whether or not high alumina cement concrete or calcium chloride additive or any other hazardous or deleterious material have been used in the construction of this property, or have since been incorporated, and we have therefore been unable to report that the property is free from risk in this respect. For the purpose of our valuation we have assumed that such investigation would not disclose the presence of any such material to any significant degree.

3.4 We have not made formal enquiries of the relevant Local Planning Authority when preparing our valuation. Online enquiries of the Local Authority have been undertaken where possible in respect of any recent Planning Applications.

3.5 We have not carried out or commissioned site investigations or geographical surveys and therefore can give no opinion or assurance or guarantee that the ground has sufficient load bearing strength to support the existing construction or any other construction that may be erected upon it in the future.

3.6 We have not given any opinion or assurance or guarantee that there are no underground mineral or other workings beneath the site or in its vicinity or that there is no fault or disability underground which could or might affect the property or any construction thereon.

3.7 We have not investigated whether the site or adjoining sites have been in the past contaminated or are affected or have been affected by Japanese Knotweed. Our valuation has been prepared on the assumption that the land is not contaminated or is not affected by Japanese Knotweed or has otherwise been treated to the satisfaction of the relevant authorities unless stated to the contrary within our report.

3.8 We have not inspected roof voids or sub floor areas and cannot comment on further defects which may be revealed from an inspection of these areas.

3.9 Where appropriate we have assumed, unless we are specifically instructed to the contrary, that the property complies with the Factories Act 1961, The Offices, Shops and Railways Premises Act 1963, the Buildings Acts, the Defective Premises Act 1972, the Health and Safety at Work etc. Act 1974 and any other related legislation and regulations made thereunder.

3.10 No allowance will be made in our valuation in respect of rights obligations or liabilities arising under the Equality Act 2010 (previously the Disabilities Discrimination Act 1995 as amended in 2005). The Regulatory Reform (Fire Safety) Order 2005 or the Control of Asbestos Regulations 2006. We have assumed the property complies in all respects with all relevant statutory regulations and that there are no outstanding notices against the property/properties.

## 4.0 **ASSUMPTIONS**

4.1 In preparing our report, unless otherwise stated the following assumptions have been made which we 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;

b) that good title can be shown and that the property is 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 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;

d) that an inspection of those parts that have not been inspected would neither reveal material defects nor cause the Valuer to alter the valuation(s) materially;

e) that unless otherwise stated, that no contaminative or potentially contaminative uses have ever been carried out on the property and that there is no potential for contamination of the subject property from past or present uses of the property or from any neighbouring property;

f) that the tenure and tenancy details outlined within our report are correct;

g) that the property is constructed in accordance with valid Town Planning consents and Building regulations Approvals and that it complies with all relevant statutory or other notices in connection with the property or its present use;

h) we have taken no account of liability for taxation which may arise upon disposal of the property;

i) that all directions given throughout our report assume that the property is looked at facing the front elevation of the building;

j) that there are adequate rights of way over all adjoining land, roads, driveways and passageways for the purpose of access to the property and no unusual or onerous liabilities in respect of their maintenance.

**Special Assumption**

We have not reflected any Special Assumptions within our valuation report.

4.2 **Exclusion of Liability**

Our valuation is provided for the stated purposes and for the sole use of the named Client. It is confidential to the Client and the Client's professional advisers. The valuer accepts responsibility to the Client alone 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 that the Client. Any such parties rely upon the report at their own risk.

4.3 **Limits of Liability**

The Royal Institution of Chartered Surveyors recommends the use of liability caps to members as a way in which to manage the risk in valuation work. Our aggregate liability arising out of, or in connection with this valuation, whether arising from negligence, breach of contract, or any other cause whatsoever, shall in no event exceed ten times the fee agreed and documented within our Terms of Engagement. This clause shall not exclude or limit our liability for actual fraud and shall not limit our liability for death or personal injury caused by our negligence.

None of our employees, partners, directors or consultants individually has a contract with you or owes you a duty of care or personal responsibility. You agree that you will not bring any claim against such individuals personally in connection with our services. Any claims must be brought no later than two years after the date the claimant should have been aware of the potential claim and in any event, no later than four years after any alleged breach.

Liability for the report cannot be accepted until any and all payments due under these Terms are paid in full.

4.4 **Publication**

Neither the whole nor any part of the report or any reference to it may be included in any published document, circular or statement nor published in anyway without the Valuer's written approval of the form and context in which it may appear.

4.5 **Complaints Handling Procedure**

Roberts & Roberts (Property Consultants) Ltd operates a Complaints Handling Procedure that complies with RICS Rules of Conduct. A copy of this procedure is available upon request.

5.0 **THE PROPERTY**

5.1 **Description:** The subject property comprises a three storey mid terraced building comprising of a ground floor restaurant with basement storage and a first/second floor self-contained flat. The property is currently fully tenanted and held by the existing owner as an investment. The customer proposes to purchase the property, owner occupy the commercial part of the premises and continue to rent out the upper floor flat.

5.2 **Construction:** The building, which is believed to date from the early 1900's, is of three storey brick construction, set beneath a pitched slate covered roof. There is a rear two storey outrigger of similar brick construction, set beneath a pitched slate covered roof and a rear single storey extension of brick construction, set beneath a mono pitched slate covered roof.

Internal floors are of solid construction to the basement, a mixture of timber suspended and solid construction to ground floor and timber suspended construction to upper floors.

Window frames are a mixture of uPVC double glazed units and certain timber single glazed units. The shop front is of powder coated aluminum type protected by way of a galvanised steel roller shutter.

There is a first floor front bay which has a flat roof assumed to be covered with lead and a flat roof over the front sales area covered with mineral felt.

5.3 **Accommodation:** The property offers the following accommodation measured on a Net and Gross Internal Area basis in accordance with the RICS Professional Statement "RICS Property Measurement 2nd Edition May 2018".

| **Ground Floor** | | **m²** | **ft²** |
|---|---|---|---|
| Restaurant/Bar Area | (NIA) | 45.48 | 489.55 |
| WC | (NIA) | --- | --- |
| Kitchen | (NIA) | 20.83 | 224.27 |
| Rear Store | (NIA) | 7.37 | 79.35 |

| Basement | | m² | ft² |
|---|---|---|---|
| Store | (NIA) | 26.61 | 286.45 |
| **First Floor** | | **m²** | **ft²** |
| Living Accommodation Comprising Bedroom, Kitchen, Bath/WC and Separate WC | (GIA) | 57.87 | 623.00 |
| **Second Floor** | | **m²** | **ft²** |
| Living Accommodation Comprising 3 bedrooms and Landing | (GIA) | 40.03 | 430.89 |

5.4 **Services:** We have not carried out tests to services and have assumed for the purposes of this valuation report that all services within the property are functioning satisfactorily unless otherwise stated.

The property is connected to mains drainage and gas, wate rand electricity are connected from public supplies. There is no form of fixed space heating to the ground floor or basement accommodation. Space heating to the upper floor flat is provided by way of a gas fired central heating system.

Defects have been identified within a recently completed building survey on the property in respect of the electrical wiring and heating.

We have not been able to confirm when the electrical wiring and heating system was last tested. This information should be obtained from the current owner. If both and not been tested and certified within the course of the last two years then we would recommend that they be tested and certified prior to completion. If these tests reveal significant works required this could affect the valuation figures outlined within this report.

The fire alarm system does not appear to be working and we are concerned that as there appears to be four occupiers of the flat that it will be classed as a HMO and we do not feel it complies with the regulations covering houses in multiple occupation and specialist advice should be sought.

5.5 **External:** The extent of land and buildings to be valued is as outlined within plans appended to the rear of this report.

The property is pavement fronted onto XXXXXX Road and adjoined by similar retail premises. To the rear of the property is a small yard area enclosed within brick boundary walls beyond which is a communal passageway. We have assumed that there is an adequate right of way over this passageway for the purpose of ingress and egress to the subject property and no unusual or onerous liabilities or restrictions in respect of its maintenance or use. This should be verified by solicitors prior to completion.

Part of the rear store does not appear to form part of the title and this should be checked by solicitors.

5.6 **Location:** The subject property is located fronting onto XXXXXX Road close to its junction with XXXX Lane in XXXXXXXXXX. The property is located within a mixed commercial/residential location surrounded primarily by retail, bar and restaurant premises and close to high density housing.

## 6.0 CONDITION

6.1 Our instructions did not extend to the carrying out of a building survey and no account has been taken within our valuation of any defects that such a survey might reveal. We have not inspected those parts of the property covered, unexposed or inaccessible, we have not undertaken inspections of roof voids or sub-floor areas nor have we tested services.

6.2 At the time of our inspection the property was occupied and consequently stored items, fixtures, fittings and floor coverings limited our internal inspection. We were unable to gain access to the left elevation of the building and cannot therefore comment on further defects which may be revealed from an inspection of these areas.

6.3 The property overall has not been maintained to a particular high standard and whilst no significant items of disrepair were highlighted during the course of our inspection for valuation purposes which would in our opinion detrimentally affect either the marketability or value of the subject property to any significant degree.

6.4 A number of items of disrepair were highlighted during the course of our inspection for valuation purposes which require dealing with as part of a regular future maintenance programme.

The client has also obtained a building survey of the property which has highlighted a number of items of disrepair. The customer should make themselves aware of the cost of dealing with these prior to entering into a legal commitment to purchase the property.

a) Certain tagged, slipped and damaged slates were apparent to the main roof covering and these will require attention in due course.

b) The barge boards to the front dormer were in poor decorative order and we showing signs of decay and should be overhauled or replaced. At the same time these works are undertaken we would recommend that the valley gutter be checked to confirm its condition.

c) We were unable to make an inspection of the flat roof to the front first floor bay and this should be checked to confirm its condition in due course.

d) Damaged render was apparent to the apex of the front bay and this requires re-rendering in due course.

e) There is a damaged hopper to the downspout to the front elevation of the building and this requires replacement.

f) A leaking gutter was apparent to the left wall of the rear outrigger. This is causing dampness to the brickwork making it open jointed and covered with moss growth. The timber lintel above the window to this area is also badly decayed and requires replacing and this guttering requires replacing in due course.

g) Some vegetative growth was apparent to the rear chimney stack and this requires raking out and re-pointing in due course.

h) There is a timber constructed store to the rear of the property which has a mono pitched mineral felt covered roof. This is in poor order and requires either removal or re-building.

i) Guttering to the rear single storey extension is leaking and requires attention.

j) Decay was apparent to the rear door and door frame which requires overhaul.

k) There is a small sapling growing adjoining the rear door and this requires removal.

l) Some vegetative growth was apparent to rear gutters and these require clearing out in due course.

m) Brickwork to the rear elevation of the subject property is open jointed to certain areas and requires raking out and re-pointing in due course.

n) Certain windows to the rear of the property are boarded over. The frame beneath would appear to be badly decayed to one of them.

o) Slight bulging was evident to the rear wall of the rear outrigger however no remedial action is warranted at this stage.

p) Internally the ground floor accommodation has been refurbished to a reasonably high standard with no significant items of disrepair noted. Certain dampness was noticed to walls to the rear kitchen and rear store and further damp proofing works will be required in due course.

q) Certain springiness was evident to the timber floor of the rear kitchen which could indicate the presence of timber infestation, dry rot or decay.

r) There is some boarding within the kitchen area which may be of an asbestos based nature. If the property does not have an Asbestos Management Plan then we would recommend that one be undertaken in due course and any asbestos within the building dealt with in accordance with this report.

s) Certain dampness was evident within the basement area however it is capable of being used for basic storage at the present time.

t) As mentioned above if the electrical wiring, heating and fire alarm systems within the building have not been tested and certified over recent years then we would recommend that they be tested and certified prior to completion. If these tests reveal significant works required this could affect the valuation figures outlined within this report.

u) Decorations and fixtures and fittings to the upper floor flat are dated and the flat generally would welcome modernisation.

v) Deterioration to decorations was noted to the bathroom area which appears to have been caused by condensation and additional ventilation needs providing to this area in due course.

w) Damp penetration was noted adjoining the chimney breast to the second floor right bedroom. This would indicate that flashings to the chimney stack are in need of attention and this should be checked in due course.

x) Damp penetration was also evident to the ceiling of the front left bedroom.

y) Corrosion to the fire balcony was present to the second floor and checks should be undertaken to ensure that this is structurally sound.

z) Cracking to plasterwork was evident to the left wall of the left bedroom at second floor level. This should be re-plastered and redecorated in due course.

aa) Dampness was evident to walls to the rear store internally.

## 7.0 TENURE AND TENANCIES

7.1 We understand that the tenure of the property is freehold held under Title Number xxxxxx

7.2 We understand that the customer currently occupies the ground floor and basement accommodation on a 15 year lease with approximately 10 years unexpired term at a rental of £XX,000 per annum.

We have assumed that the upper floor self-contained flat is currently subject to an assured shorthold tenancy at a rental of £ and this should be confirmed by solicitors prior to completion.

7.3 We would advise the customer's solicitors verify the information outlined within paragraphs 7.1 and 7.2 above is correct. If this information is found to be incorrect then this may have a detrimental effect with regards to the valuation figures outlined within this report.

## 8.0 REPORT ON TITLE

8.1 We have not been provided with a Report on Title although, should one be provided, we will be happy to comment further by way of a side letter. It will be appreciated that we will reserve the right to amend the valuation figure until such a report has been provided.

## 9.0 TOWN PLANNING, DEVELOPMENT AND EPC

9.1 We have not inspected specific copies of planning or Building Regulations consents nor have we had sight of a Fire Risk Assessment or Asbestos Management Plan and would advise the customer's solicitors make the necessary checks in order to verify all relevant approvals and certificates are in place/have been obtained.

9.2 We have not made formal enquiries of the relevant Local Planning Authority when preparing our valuation. Online enquiries of the Local Authority have been undertaken where possible in respect of any recent Planning Applications.

9.3 The property has been valued on the basis that it has planning consent or established use falling within Classes E & C3 of the Town & Country Planning (Use Classes) Order 1987 as amended. Our valuation may not be valid if the above planning information is not correct.

9.4 We understand from the website of the Valuation Office Agency that the commercial part of the property is assessed for rating purposes at Rateable Value £XX,500.

9.5 We understand from the website of the Valuation Office Agency that the first floor self-contained flat is assessed for Council Tax purposes within Council Tax Band A.

9.6 We have been provided with the Energy Performance Certificate for the commercial part of the building, a copy of which is appended herein. This part of the property has an Energy Rating of E.

9.7 We have been provided with the Energy Performance Certificate for the first floor self-contained flat, a copy of which is appended herein. This Energy Performance Certificate expired in February 2019 and an new Energy Performance Certificate is required in due course. This part of the property had an Energy Rating of E.

## 10.0 CONTAMINATION, FLOOD RISK & PAST MINING ACTIVITY

10.1 Our enquiries have not revealed any contamination affecting the property or neighbouring property which would affect our valuation. Our inspection was only of a limited visual nature and we cannot give any assurances that previous uses on the site or in the surrounding areas have not contaminated sub-soils or ground waters. However, should it be established subsequently the premises have been or are being put to any contaminative use, this might reduce the valuation now reported.

10.2 The property is not located within an area of past mining activity.

10.3 The property is located within an area with a low probability of flooding.

## 11.0 VALUATION COMMENTRY

11.1 The subject property comprises a three storey mid terraced building comprising of a ground floor restaurant with basement storage and a first/second floor self-contained flat. The property is currently fully tenanted and held by the existing owner as an investment. The customer proposes to purchase the property, owner occupy the commercial part of the premises and continue to rent out the upper floor flat.

11.2 The subject property is located fronting onto Barlow Moor Road close to its junction with High Lane in Chorlton-cum-Hardy. The property is located within a mixed commercial/residential location surrounded primarily by retail, bar and restaurant premises and close to high density housing.

11.3 The property has been maintained to a fair standard both internally and externally however a number of items of disrepair were highlighted during the course of our inspection for valuation purposes and the customer should make themselves fully aware of the cost of undertaking these works prior to entering into a legal commitment to purchase the property.

11.4 We are concerned that the upper floor flat will be classed as a HMO and we feel substantial works in terms of Fire Regulations and escape will be required if it is proposed to continue to be let to a number of individuals.

11.5 Despite the ongoing pandemic we consider there will be a fair level of interest from the owner occupier and investment sectors of the property market in the subject property.

11.6 Certain prospective purchasers may be put off by the current restaurant use of the property bearing in mind the ongoing current pandemic and lock downs which are specifically affecting restaurant and bar premises. However subject to COVID being brought under control over the coming months we still consider there will be a reasonably healthy level of demand for this type of property over the coming year.

11.7 Due to ongoing pandemic we would anticipate that a fairly lengthy marketing period will be required to achieve a sale of the property at the valuation figures outlined within this report and if a more restricted marketing period were required to achieve a sale of the property then the value which could be achieved upon re-sale would inevitably be adversely affected.

11.8 The Brexit situation and current uncertainty regarding the Coronavirus is likely to cause some uncertainty in the market and this could affect marketability and value moving forward.

11.9 We can obviously only reflect comparable evidence which is available at the time of our valuation which is transactions that occurred prior to the Coronavirus pandemic. Sales and lettings may occur over the coming months that prove that capital and rental values of commercial property have fallen. However, this evidence is not available at the current time.

11.10 The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on 11$^{th}$ March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries.

11.11 Market activity is being impacted in many sectors. As at the valuation date, we consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement.

11.12 Our valuation is therefore reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation (of this property) under frequent review.

11.13 We are not aware of any unusual or onerous restrictions, encumbrances or outgoings, including covenants or easements affecting the subject property.

11.14 We confirm that the surveyor inspecting and valuing the subject premises is suitably qualified in accordance with the RICS Valuation – Global Standards, which incorporate the IVS, effective from 31$^{st}$ January 2020 and the UK National Supplement effective from 14$^{th}$ January 2019 and does have sufficient current local knowledge of the market for this type of property and the skills and understanding to undertake an unbiased and objective valuation in a competent manner.

11.15 We confirm that no conflict of interest arises as a result of our acceptance of the customer's instructions. We have not had any dealings with this property nor with the customer in the past. This valuation has been undertaken by Philip M Cooke

FRICS IRRV who is an RICS registered valuer who is an external valuer having acted with integrity, independence and objectivity.

12.0 **VALUATION**

12.1 All valuation figures contained within this report are stated in British Pounds Sterling (GBP)

12.2 In arriving at our opinion of value we have relied upon our knowledge of the local property market within this particular area and have reflected evidence of comparable sales and lettings of similar type properties as well as asking prices and rentals of properties currently being marketed. In interpreting this information we have used the market and income approach in arriving at our opinion of value.

12.3 The effective date of our valuation is the date of inspection which is the 26th February 2021.

12.4 We are of the opinion that the current Market Value (as defined within paragraph 2.1) of the property, taking into account the various assumptions made throughout this report, is in the sum of:-

**£ 275,000**
**(Two hundred & seventy five thousand pounds)**

12.5 We are of the opinion that the Market Rent of the property (as defined within paragraph 2.2) reflecting the current lease terms is in the sum of:-

| | | |
|---|---|---|
| **Restaurant** | **-** | **£ XX,000 per annum** |
| **Flat** | **-** | **£ XX,600 per annum** |

12.6 We would recommend a valuation for insurance/reinstatement purposes (including professional fees but excluding VAT, loss of rent and the cost of alternative accommodation for the reinstatement period) of in the sum of £540,000.

13.0 **QUALIFICATIONS**

13.1 This report has been prepared by Philip M Cooke FRICS IRRV.

13.2 This report has been prepared by a valuer ('the Employee') on behalf of Roberts and Roberts (Property Consultants) Limited a firm or company of valuers and surveyors ('the Employer'). The statements and opinions expressed in this report are expressed on behalf of the Employer, who accepts full responsibility for these.

13.3 Without prejudice and separately to the above, the Employee will have no personal liability in respect of any statements and opinions contained in this report, which shall at all times remain the sole responsibility of the Employer to the exclusion of the Employee.

13.4 In proceeding to rely upon the information or advice contained within this report the "client" accepts that the "employee" has no personal liability as stated above.

……………………………….FRICS IRRV
ROBERTS & ROBERTS
Chartered Valuation Surveyor

Dated this 3rd day of March 2021

*Our Ref: PMC/WAT/xxxxx*

*Property Images……*

**Front Elevation**

**Rear Elevation**