

Schedule 1



**GVA GRIMLEY &
BESPOKE PROPERTY GROUP**

THE HOUSING CORPORATION ECONOMIC APPRAISAL TOOL



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Version 1.3 (October 2007)



GVA GRIMLEY & BESPOKE PROPERTY GROUP

THE HOUSING CORPORATION ECONOMIC APPRAISAL TOOL

INPUT SHEET 1 - RESIDENTIAL MIX ASSUMPTIONS

Basic Site Details

Site Address 44-46 Yorkshire Street, Rochdale, OL16 1JW
 Site Reference Rochdale Metropolitan Borough Council
 Scheme Description

 Date 01.06.2022
 Site Area (hectares)
 Author & Organisation S106 Management Ltd
 Housing Corporation Officer

Residential Mix Assumptions

Affordable Housing Tenure 1: Social Rented

	Studio	1 Bed	2 Bed	3 Bed	4 Bed	Other	Other
Unit Size (sq m) - NIA							
Habitable Rooms per Unit							
Persons per Unit							
Total Number of Units							

Affordable Housing Tenure 2: Intermediate - Shared Ownership

	Studio	1 Bed	2 Bed	3 Bed	4 Bed	Other	Other
Unit Size (sq m) - NIA							
Habitable Rooms per Unit							
Persons per Unit							
Total Number of Units							

Affordable Housing Tenure 3: Intermediate - Discounted Market Sale

	Studio	1 Bed	2 Bed	3 Bed	4 Bed	Other	Other
Unit Size (sq m) - NIA							
Habitable Rooms per Unit							
Persons per Unit							
Total Number of Units							

Affordable Housing Tenure 4: Intermediate - Other Type of Shared Ownership / Shared Equity

	Studio	1 Bed	2 Bed	3 Bed	4 Bed	Other	Other
Unit Size (sq m) - NIA							
Habitable Rooms per Unit							
Persons per Unit							
Total Number of Units							

Affordable Housing Tenure 5:

Intermediate - Discounted Market Rented

	Studio	1 Bed	2 Bed	3 Bed	4 Bed	Other	Other
Unit Size (sq m) - NIA							
Habitable Rooms per Unit							
Persons per Unit							
Total Number of Units							

* Other = User-defined

Open Market Housing Type 1:

Proposed FLATS

	Studio	1 Bed	2 Bed	3 Bed	4 Bed	Other
Unit Size (sq m) - NIA						41.0909
Habitable Rooms per Unit						
Persons per Unit						
Total Number of Units						22

Open Market Housing Type 2:

	Studio	1 Bed	2 Bed	3 Bed	4 Bed	Other
Unit Size (sq m) - NIA						
Habitable Rooms per Unit						
Persons per Unit						
Total Number of Units						

Open Market Housing Type 3:

	Studio	1 Bed	2 Bed	3 Bed	4 Bed	Other
Unit Size (sq m) - NIA						
Habitable Rooms per Unit						
Persons per Unit						
Total Number of Units						

Open Market Housing Type 4:

	Studio	1 Bed	2 Bed	3 Bed	4 Bed	Other
Unit Size (sq m) - NIA						
Habitable Rooms per Unit						
Persons per Unit						
Total Number of Units						

Open Market Housing Type 5:

	Studio	1 Bed	2 Bed	3 Bed	4 Bed	Other
Unit Size (sq m) - NIA						
Habitable Rooms per Unit						
Persons per Unit						
Total Number of Units						

Total number of residential car parking spaces

Value of each residential car parking space

(Average value of all parking spaces)

GVA GRIMLEY & BESPOKE PROPERTY GROUP
THE HOUSING CORPORATION ECONOMIC APPRAISAL TOOL

INPUT SHEET 2 - RESIDENTIAL VALUE & COST ASSUMPTIONS

RESIDENTIAL VALUE ASSUMPTIONS

Base Value

Affordable Housing Tenure 1:

Social Rented

Type of Unit	Rent per Unit per Week (£)	Rent per Unit per Annum (£)
Studio		
1 Bed		
2 Bed		
3 Bed		
4 Bed		
Other		
Other		
Management Costs (% of rent)		(% of gross rent per annum)
Voids / bad debts (% of rent)		(% of gross rent per annum)
Repairs Fund (% of rent)		(% of gross rent per annum)
Yield (%)		(to capitalise the net rent)
	Start Month	End Month
Timing of Affordable Housing Tenure 1 Purchase Payment		(whole number, minimum c

Affordable Housing Tenure 2:

Intermediate - Shared Ownership

Type of Unit	Total Unit Capital Value (£ psm, NIA)	Rent per Unit per week of rented share (£)
Studio		£0
1 Bed		£0
2 Bed		£0
3 Bed		£0
4 Bed		£0
Other		£0
Other		£0
Owner-occupied share (%)		
Unsold Equity Rent Per Annum (%)		(Housing Corporation Limit of 2.75%)
Management Costs (% of rent)		(% of gross rent per annum)
Voids / bad debts (% of rent)		(% of gross rent per annum)
Repairs Fund (% of rent)		(% of gross rent per annum)
Yield (%)		(to capitalise the net rent)
	Start Month	End Month
Timing of Affordable Housing Tenure 2 Purchase Payment		(whole number, minimum c

Affordable Housing Tenure 3:

Intermediate - Discounted Market Sale

Type of Unit	Capital Value pre-discount (£ psm, NIA)
Studio	
1 Bed	
2 Bed	
3 Bed	
4 Bed	
Other	
Other	
% of Open Market Value	100.0%
	Start Month
	End Month

Timing of Affordable Housing Tenure 3 Purchase Payment	0	0	(whole number, minimum c
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Affordable Housing Tenure 4: Intermediate - Other Type of Shared Ownership / Shared Equity

Type of Unit	Total Unit Capital Value (£ psm, NIA)	Rent per Unit per week of rented share (£)	
Studio		£0	
1 Bed		£0	
2 Bed		£0	
3 Bed		£0	
4 Bed		£0	
Other		£0	
Other		£0	
Owner-occupied share (%)			
Unsold Equity Rent Per Annum (%)			
Management Costs (% of rent)			(% of gross rent per annum
Voids / bad debts (% of rent)			(% of gross rent per annum
Repairs Fund (% of rent)			(% of gross rent per annum
Yield (%)			(to capitalise the net rent)

	Start Month	End Month	
Timing of Affordable Housing Tenure 4 Purchase Payment			(whole number, minimum c

Affordable Housing Tenure 5: Intermediate - Discounted Market Rent

Type of Unit	Rent per Unit per Week (£)	Rent per Unit per Annum (£)	
Studio			
1 Bed			
2 Bed			
3 Bed			
4 Bed			
Other			
Other			
Management Costs (% of rent)			(% of gross rent per annum)
Voids / bad debts (% of rent)			(% of gross rent per annum)
Repairs Fund (% of rent)			(% of gross rent per annum)
Yield (%)			(to capitalise the net rent)

	Start Month	End Month	
Timing of Affordable Housing Tenure 5 Purchase Payment			(whole number, minimum c

Open Market Values

Open Market Housing Type 1:	Proposed FLATS	Capital Value (£ psm)	
Open Market Housing Type 2:	-	£2,091	
Open Market Housing Type 3:	-		
Open Market Housing Type 4:	-		
Open Market Housing Type 5:	-		

	Month	
Timing of First Open Market Housing Sale	16	(whole number, minimum c
Timing of Last Open Market Housing Sale	24	(whole number, minimum c

Overall Scheme End Date (this must be completed)

	Month	
Final End Date of Scheme - scheme built and fully let/sold	24	(whole number, minimum c

Social Housing Grant & Other Funding

Grant per unit (£)

Affordable Housing Tenure 1:	Social Rented
Affordable Housing Tenure 2:	Intermediate - Shared Ownership
Affordable Housing Tenure 3:	Intermediate - Discounted Market Sale
Affordable Housing Tenure 4:	Intermediate - Other Type of Shared Ownership / Shared Equity
Affordable Housing Tenure 5:	Intermediate - Discounted Market Rented

Timing of 1st Payment Timing of 2nd Payment

Timing Social Housing Grant Paid

	Value (£)	Timing of Payment
Other Sources of Funding for A/H (£) (could include RSL cross-subsidy from reserves)	£0	(whole number, minimum of 0, maximum of 60)

BUILDING COST, MARKETING COST & SECTION 106 ASSUMPTIONS

		Building Costs - Gross (£ / sq m)	Net to Gross Ratio for Building Costs (%)*
Affordable Housing Tenure 1:	Social Rented		
Affordable Housing Tenure 2:	Intermediate - Shared Ownership		
Affordable Housing Tenure 3:	Intermediate - Discounted Market Sale		
Affordable Housing Tenure 4:	Intermediate - Other Type of Shared Ownership / Shared Equity		
Affordable Housing Tenure 5:	Intermediate - Discounted Market Rentec		
Open Market Housing Type 1:	Proposed FLATS	£1,471	85%
Open Market Housing Type 2:	-		
Open Market Housing Type 3:	-		
Open Market Housing Type 4:	-		
Open Market Housing Type 5:	-		

* The ratio is typically 70% - 85% in blocks of flats to reflect the difference between GIA & NIA (ie common parts such as lifts, stairs, corridors etc) and 100% in houses which have no common parts

	Building Costs (£ / car parking space)
Residential Car Parking Building Costs (£ / car parking space)	
	% of Building Costs
Building Cost Fees % (Architects, QS etc)	10.00% (typically around 10%)
Building Contingencies (% of Building Costs)	10.00% (typically around 5% for ne

Section 106 Payments (£) *

Infrastructure / Public Transport
Community Facilities
Public Realm / Environment
Sustainability Issues
Others

Cost (£) Month of Payment

* This section excludes Affordable Housing section 106 payments

Site Abnormals (£)

Infrastructure Costs
Contamination Costs
Demolition Costs
Other Costs

Site Specific Sustainability Initiatives**

EITHER

Cost (£) Month of Payment

Building Cost Percentage Increase (if any)

Site Specific Sustainability Initiatives (%)**

OR

Wheelchair provision (%)
Code for Sustainable Homes (%)
Other (%)

%

** Only one sustainability initiatives box should have a value / percentage.

Subsidies (possibly EP Gap Funding)

Subsidies for infrastructure, remediation etc.

Amount (£) Month of Payment

OTHER COSTS

SITE ACQUISITION COSTS

Agents Fees (% of site value)
Legal Fees (% of site value)
Stamp Duty (% of site value)

%

(typically around 1%)
(typically around 0.75%)

Cost (£) Month of Payment

Other Acquisition Costs (£)

£15,000

FINANCE COSTS

Arrangement Fee (£)		
Interest Rate (%)	8.00%	(typically around 1.5% to 3
Misc Fees - Surveyors etc (£)		

Marketing CostsAffordable Housing Marketing Costs

	Cost (£)	Timing (month)
Developer cost of sale to RSL (£)		
RSL on-costs (£)		
Intermediate Housing Sales and Marketing (£)		

Open Market Housing Marketing Costs

Sales Fees (agents fees & marketing fees) - %	3.00%	(typically around 6%)
Legal Fees (per Open Market unit) - £	£1,000	(typically around £600 per i

BUILDING PERIOD

	Timing (month)	
Construction Start	1	(whole number, minimum of 0, maximum of 60)
Construction End	18	(whole number, minimum of 0, maximum of 60)

DEVELOPER'S 'PROFIT' (before taxation)

	% of Housing Capital Value	
Open Market Housing (%)	20.00%	(typically around 15%)
Affordable Housing (%)		(typically around 6%)

GVA GRIMLEY & BESPOKE PROPERTY GROUP THE HOUSING CORPORATION ECONOMIC APPRAISAL TOOL

INPUT SHEET 3 - COMMERCIAL & NON-RESIDENTIAL

OFFICE ASSUMPTIONS

Size of office scheme (gross sq m)	
Size of office scheme (net lettable sq m)	
Values	
Rent (£ psm)	
Yield (%)	
Purchaser's costs (% of value)	
Building Costs	
Office Building Costs (Gross, £ psm)	
Office Building Professional Fees (% of building costs)	
Building Contingencies (% of building costs)	
	Timing
Timing	(month)
Start of Building Period (month)	
End of Building Period (month)	
Timing of Letting / Sale (month)	
Letting, Advertising & Sale fees	
Letting fees (% of annual income)	
Advertising fees (% of annual income)	
Sale fees (% of sale price)	
Return for risk / profit (% of value)	

RETAIL ASSUMPTIONS

Size of retail scheme (gross sq m)	483
Size of retail scheme (net lettable sq m)	483
Values	
Rent (£ psm)	£235
Yield (%)	7.00%
Purchaser's costs (% of value)	5.75%
Building Costs	
Retail Building Costs (Gross, £ psm)	£1,254
Retail Building Professional Fees (% of building costs)	10.00%
Building Contingencies (% of building costs)	10.00%
	Timing
Timing	(month)
Start of Building Period (month)	1
End of Building Period (month)	18
Timing of Letting / Sale (month)	20
Letting / sale fees	
Letting (% of income)	10.00%
Advertising (% of annual income)	1.00%
Sale (% of sale price)	1.75%
Return for risk / profit (% of value)	17.50%

INDUSTRIAL ASSUMPTIONS

Size of industrial scheme (gross sq m)

Values

Rent (£ psm)

Yield (%)

Purchaser's costs (% of value)

Building Costs

Industrial Building Costs (Gross, £ psm)

Industrial Building Professional Fees (% of building costs)

Building Contingencies (% of building costs)

**Timing
(month)****Timing**

Start of Building Period (month)

End of Building Period (month)

Timing of Letting / Sale (month)

Letting / sale fees

Letting (% of income)

Advertising (% of annual income)

Sale (% of sale price)

Return for risk / profit (% of value)**LEISURE ASSUMPTIONS**

Size of Leisure scheme (gross sq m)

Size of Leisure scheme (net lettable sq m)

Values

Rent (£ psm)

Yield (%)

Purchaser's costs (% of value)

Building Costs

Leisure Building Costs (Gross, £ psm)

Leisure Building Professional Fees (% of building costs)

Building Contingencies (% of building costs)

**Timing
(month)****Timing**

Start of Building Period (month)

End of Building Period (month)

Timing of Letting / Sale (month)

Letting / sale fees

Letting (% of income)

Advertising (% of annual income)

Sale (% of sale price)

Return for risk / profit (% of value)

COMMUNITY USE ASSUMPTIONS

Size of Community-use scheme (gross sq m)
 Size of Community-use scheme (net lettable sq m)

Values

Rent (£ psm)
 Yield (%)
 Purchaser's costs (% of value)

Building Costs

Community-use Building Costs (Gross, £ psm)
 Community-use Building Professional Fees (% of building costs)
 Building Contingencies (% of building costs)

Timing

Start of Building Period (month)
 End of Building Period (month)
 Timing of Letting / Sale (month)

**Timing
(month)**

Letting / sale fees

Letting (% of income)
 Advertising (% of annual income)
 Sale (% of sale price)

Return for risk / profit (% of value)

GVA GRIMLEY & BESPOKE PROPERTY GROUP THE HOUSING CORPORATION ECONOMIC APPRAISAL TOOL

SUMMARY

Site Address 44-46 Yorkshire Street, Rochdale, OL16 1JW
 Site Reference Rochdale Metropolitan Borough Council
 Scheme Description
 Date 01.06.2022
 Site Area (hectares)
 Author & Organisation S106 Management Ltd
 Housing Corporation Officer

Housing Mix (Affordable + Open Market)

Total Number of Units	22	units
Total Number of Open Market Units	22	units
Total Number of Affordable Units	0	units
Total Net Internal Area (sq m)	904	sq m
Total Habitable Rooms	0	habitable rooms
% Affordable by Unit	0.0%	
% Affordable by Area	0.0%	
% Affordable by Habitable Rooms	-	
% Social Rented within the Affordable Housing	-	by number of units
% Social Rented within the Affordable Housing	#DIV/0!	by area
% Social Rented within the Affordable Housing	-	by habitable rooms
Total Number of A/H Persons	0	Persons
Total Number of Social Rented Persons	0	Persons
Total Number of Intermediate Persons	0	Persons
Total Number of Open Market Persons	0	Persons
Total Number of Persons	0	Persons
Site Area	0.00	hectares
Net Internal Housing Area / Hectare	-	sq m / hectare

Residential Values

Affordable Housing Tenure 1:

Social Rented

Type of Unit	Total Rent pa (£)	Yield (%)	Capital Value (£)
Studio	-	-	-
1 Bed	-	-	-
2 Bed	-	-	-
3 Bed	-	-	-
4 Bed	-	-	-
Other	-	-	-
Other	-	-	-
Total	-	-	-

Total Capital Value of Affordable Housing Tenure 1 £0

Affordable Housing Tenure 2:

Intermediate - Shared Ownership

Type of Unit	Capital Value (£ psm)	Total Floorspace (sq m)	Total Capital Value (£)
Studio	-	-	-
1 Bed	-	-	-
2 Bed	-	-	-
3 Bed	-	-	-
4 Bed	-	-	-
Other	-	-	-
Other	-	-	-
Total	-	-	-

Owner-occupied / rented % share -

Capital Value of owner-occupied part

-

Type of Unit	Total Rent pa (£)	Yield (%)	Capital Value (£)
Studio	-	-	-
1 Bed	-	-	-
2 Bed	-	-	-
3 Bed	-	-	-
4 Bed	-	-	-
Other	-	-	-
Other	-	-	-
Total	-	-	-

Total Capital Value of Affordable Housing Tenure 2

£0

Affordable Housing Tenure 3:

Intermediate - Discounted Market Sale

Type of Unit	Capital Value (£ psm)	Total Floorspace (sq m)	Total Capital Value (£)
Studio	-	-	-
1 Bed	-	-	-
2 Bed	-	-	-
3 Bed	-	-	-
4 Bed	-	-	-
Other	-	-	-
Other	-	-	-
Total	-	-	-

% of Open Market Value

100%

Total Capital Value of Affordable Housing Tenure 3

£0

Affordable Housing Tenure 4:

Intermediate - Other Type of Shared Ownership / Shared Equity

Type of Unit	Capital Value (£ psm)	Total Floorspace (sq m)	Total Capital Value (£)
Studio	-	-	-
1 Bed	-	-	-
2 Bed	-	-	-
3 Bed	-	-	-
4 Bed	-	-	-
Other	-	-	-
Other	-	-	-
Total	-	-	-

Owner-occupied / rented % share

-

Capital Value of owner-occupied part

-

Type of Unit	Total Rent pa (£)	Yield (%)	Capital Value (£)
Studio	-	-	-
1 Bed	-	-	-
2 Bed	-	-	-
3 Bed	-	-	-
4 Bed	-	-	-
Other	-	-	-
Other	-	-	-
Total	-	-	-

Total Capital Value of Affordable Housing Tenure 4

£0

Affordable Housing Tenure 5:Intermediate - Discounted Market Rented

Type of Unit	Total Rent pa (£)	Yield (%)	Capital Value (£)
Studio	-	-	-
1 Bed	-	-	-
2 Bed	-	-	-
3 Bed	-	-	-
4 Bed	-	-	-
Other	-	-	-
Other	-	-	-
Total	-	-	-

Total Capital Value of Affordable Housing Tenure 5 £0

TOTAL CAPITAL VALUE OF ALL AFFORDABLE HOUSING (EXCLUDING SHG & OTHER FUNDING) £0

Social Housing Grant

	Grant per unit (£)	Number of Units	Grant (£)
Social Rented	£0	0	£0
Intermediate - Shared Ownership	£0	0	£0
Intermediate - Discounted Market Sale	£0	0	£0
Intermediate - Other Type of Shared Ownership	£0	0	£0
Intermediate - Discounted Market Rentec	£0	0	£0
SHG Total	-	0	£0

Social Housing Grant per Affordable Housing Person -

Social Housing Grant per Social Rented Person -

Social Housing Grant per Intermediate Person -

TOTAL VALUE OF SOCIAL HOUSING GRANT £0

OTHER SOURCES OF AFFORDABLE HOUSING FUNDING £0

OTHER SUBSIDIES SUCH AS EP GAP FUNDING £0

TOTAL CAPITAL VALUE OF ALL AFFORDABLE HOUSING (INCLUDING SHG & OTHER FUNDING) £0

Open Market Housing

Type of Open Market Housing	Net Area (sq m)	Revenue (£ / sq m)	Total Revenue (£)
Proposed FLATS	904	£2,091	£1,889,993
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
Total	904	-	£1,889,993

TOTAL CAPITAL VALUE OF OPEN MARKET HOUSING £1,889,993

Car Parking

No. of Spaces	Price per Space (£)	Value
-	-	-

TOTAL VALUE OF CAR PARKING £0

TOTAL CAPITAL VALUE OF RESIDENTIAL SCHEME £1,889,993

Non-Residential Values

Office	£0	
Retail	£1,533,333	
Industrial	£0	
Leisure	£0	
Community-use	£0	£1,533,333

TOTAL CAPITAL VALUE OF NON-RESIDENTIAL SCHEME	£1,533,333
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TOTAL VALUE OF SCHEME	£3,423,326
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Residential Building, Marketing & Section 106 Costs

Affordable Housing Build Costs	£0	
Open Market Housing Build Costs	£1,568,511	£1,568,511

Cost Multipliers

Site Specific Sustainability Initiatives (%)**	0.0%	£0
Wheelchair provision (%)	0.0%	£0
Code for Sustainable Homes (%)	0.0%	£0
Other (%)	0.0%	£0

Residential Car Parking Build Costs	£0
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Total Building Costs	£1,568,511
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OTHER SITE COSTS

Building Contingencies	10.0%	£156,851
Building Cost Fees (Architects, QS etc):	10.0%	£172,536
Other Acquisition Costs (£)		£15,000

Section 106 Costs (£)

Infrastructure / Public Transport	£0
Community Facilities	£0
Public Realm / Environment	£0
Sustainability Issues	£0
Others	£0

Site Abnormals

Infrastructure Costs	£0
Contamination Costs	£0
Demolition Costs	£0
Other Costs	£235,276
Sustainability Initiatives	£0

Total Other Site Costs	£579,663
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Marketing (Open Market Housing ONLY)

Sales Fees:	3.0%	£56,700
Legal Fees (per Open Market unit):	£1,000	£22,000

Marketing (Affordable Housing)

Developer cost of sale to RSL (£)	£0
RSL on-costs (£)	£0
Intermediate Housing Sales and Marketing (£)	£0

Total Marketing Costs	£78,700
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Non-Residential Building & Marketing Costs**Building Costs**

Office	£0	
Retail	£666,250	
Industrial	£0	
Leisure	£0	
Community-use	£0	£666,250

Professional Fees (Building, Letting & Sales)

Office	£0	
Retail	£105,944	
Industrial	£0	
Leisure	£0	
Community-use	£0	£105,944

Total Non-Residential Costs	£772,194
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TOTAL DIRECT COSTS:	£2,999,068.73
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Finance (finance costs are only displayed if there is a positive residual site value)

Arrangement Fee	-
Misc Fees (Surveyors etc)	-
Agents Fees	-
Legal Fees	-
Stamp Duty	-
Total Interest Paid	-

Total Finance Costs	-
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Developer 'Profit'**Residential**

Open Market Housing Operating 'Profit	£377,999
Affordable Housing 'Profit'	£0

Non-residential

Office	£0	
Retail	£268,333	
Industrial	£0	
Leisure	£0	
Community-use	£0	£268,333

Total Operating Profit	£646,332
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Residual Site Value

SITE VALUE TODAY	-£385,273
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EXISTING USE VALUE	£480,000
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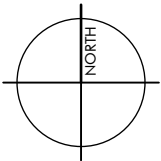
DIFFERENCE BETWEEN SITE VALUE AND EXISTING USE VALUE	-£865,273
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Checks:

Site Value as a Percentage of Total Scheme Value	-11.3%
Site Value per hectare	#VALUE!

Schedule 2

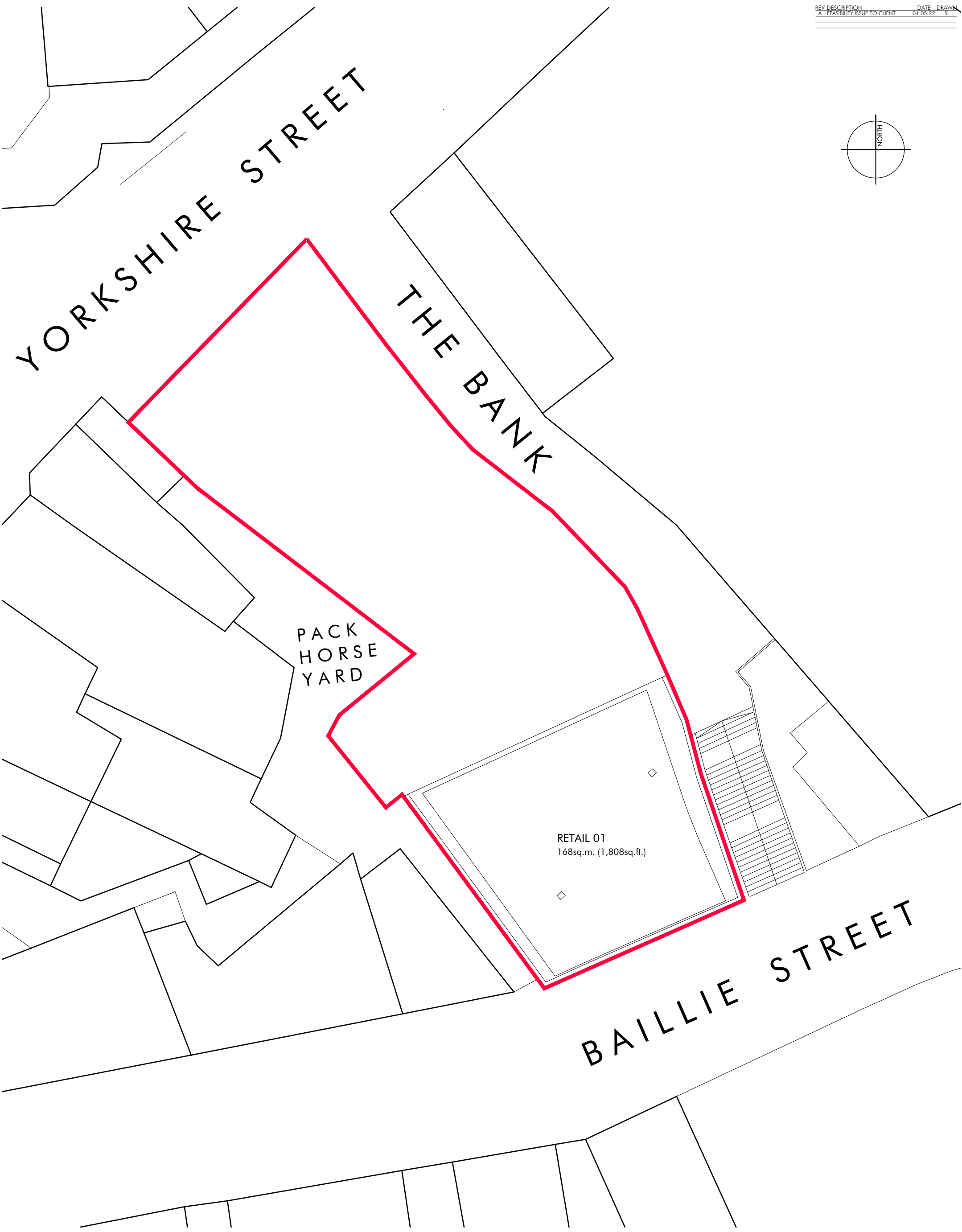
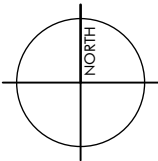
REV	DESCRIPTION	DATE	DRAWN
00	00-00-00	00-00-00	00



CHESHIRE	SURREY	SHEFFIELD	MANCHESTER	LIVERPOOL
Market Court 20-24 Church St Altrincham WA14 4DW 0161 929 7622	100 High St Esher Surrey KT10 9QJ 01372 203 335	Electric Works 3 Concourse Way Sheffield S1 2BJ 0114 250 7983	All Work and Social XYZ Building 2 Hardman Boulevard M3 3AQ 0161 929 7622	AvenueHQ 17 Mann Island Liverpool L3 1BP 0151 662 0122

44-46 YORKSHIRE STREET, ROCHDALE
CASSEL FLETCHER

PROPOSED BLOCK PLAN
DWG: 22017 (FE) 050 *
DATE: 04.05.22
SCALE: 1:500 @ A3
DRAWN: SI

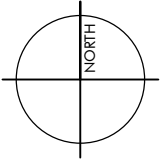


CHESHIRE	SURREY	SHEFFIELD	MANCHESTER	LIVERPOOL
Market Court 20-24 Church St Altrincham WA14 4DW 0161 929 7622	100 High St Esher Surrey KT10 9QJ 01372 203 335	Electric Works 3 Concourse Way Sheffield S1 2BJ 0114 250 7983	All Work and Social XYZ Building 2 Hardman Boulevard M3 3AQ 0161 929 7622	AvenueHQ 17 Mann Island Liverpool L3 1BP 0151 662 0122

44-46 YORKSHIRE STREET, ROCHDALE
CASSEL FLETCHER

BAILLIE STREET PROPOSED FLOOR PLAN
DWG: 22017 (FE) 099 A
DATE: 06.04.22
SCALE: 1:200 @ A3
DRAWN: EM

REV	DESCRIPTION	DATE	DRAWN
A	APARTMENT MIX AMENDED	07.04.22	EM
B	FEASIBILITY ISSUE TO CLIENT	04.05.22	SI
C	MINOR AMENDMENTS	08.06.22	SI



SCHEDULE OF ACCOMMODATION

BAILLIE STREET LEVEL

RETAIL 01 - 168 SQM (1,808 SQFT)

YORKSHIRE STREET LEVEL

RETAIL 02 - 39 SQM (419 SQFT)
RETAIL 03 - 64 SQM (688 SQFT)
RETAIL 04 - 52 SQM (560 SQFT)
RETAIL 05 - 48 SQM (516 SQFT)
RETAIL 06 - 54 SQM (581 SQFT)
RETAIL 07 - 58 SQM (624 SQFT)

APARTMENT 01 - (1 BED 1 PERSON) 39 SQM (419 SQFT)
APARTMENT 02 - (1 BED 1 PERSON) 39 SQM (419 SQFT)
APARTMENT 03 - (1 BED 1 PERSON) 39 SQM (419 SQFT)
BINS & CYCLE STORE + SPRINKLERS TANK ROOM 40SQM (430 SQFT)

FIRST FLOOR

APARTMENT 04 - (1 BED 1 PERSON) 40 SQM (430 SQFT)
APARTMENT 05 - (1 BED 1 PERSON) 39 SQM (419 SQFT)
APARTMENT 06 - (1 BED 1 PERSON) 39 SQM (419 SQFT)
APARTMENT 07 - (1 BED 1 PERSON) 39 SQM (419 SQFT)
APARTMENT 08 - (1 BED 1 PERSON) 39 SQM (419 SQFT)
APARTMENT 09 - (1 BED 1 PERSON) 39 SQM (419 SQFT)
APARTMENT 10 - (1 BED 1 PERSON) 39 SQM (419 SQFT)
APARTMENT 11 - (1 BED 1 PERSON*) 38 SQM (419 SQFT)
APARTMENT 12 - (1 BED 1 PERSON) 39 SQM (419 SQFT)
APARTMENT 13 - (1 BED 1 PERSON) 41 SQM (441 SQFT)
APARTMENT 14 - (1 BED 1 PERSON) 39 SQM (419 SQFT)
APARTMENT 15 - (1 BED 1 PERSON) 39 SQM (419 SQFT)

SECOND FLOOR (ROOF EXTENSION)

APARTMENT 16 - (1 BED 1 PERSON) 39 SQM (419 SQFT)
APARTMENT 17 - (1 BED 1 PERSON) 39 SQM (419 SQFT)
APARTMENT 18 - (1 BED 2 PERSON) 50 SQM (538 SQFT)
APARTMENT 19 - (1 BED 2 PERSON) 50 SQM (538 SQFT)
APARTMENT 20 - (1 BED 1 PERSON) 39 SQM (419 SQFT)
APARTMENT 21 - (1 BED 2 PERSON) 50 SQM (538 SQFT)
APARTMENT 22 - (1 BED 2 PERSON) 50 SQM (538 SQFT)

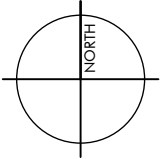
CHESHIRE	SURREY	SHEFFIELD	MANCHESTER	LIVERPOOL
Market Court 20-24 Church St Altrincham WA14 4DW 0161 929 7622	100 High St Esher Surrey KT10 9QJ 01372 203 335	Electric Works 3 Concourse Way Sheffield S1 2BJ 0114 250 7983	All Work and Social XYZ Building 2 Hardman Boulevard M3 3AQ 0161 929 7622	AvenueHQ 17 Mann Island Liverpool L3 1BP 0151 662 0122

44-46 YORKSHIRE STREET, ROCHDALE
CASSEL FLETCHER

YORKSHIRE STREET PROPOSED FLOOR PLAN
DWG: 22017 (FE) 100 C
DATE: 06.04.22
SCALE: 1:200 @ A3
DRAWN: EM

NOTE: DO NOT SCALE FROM THIS DRAWING	
REV	DESCRIPTION
A	APARTMENT THIS AMENDED
B	APARTMENT INTERNAL ADDED
C	WIP ISSUE TO CLIENT
D	FEASIBILITY ISSUE TO CLIENT

DATE	DRAWN
07-04-22	EM
11-04-22	EM
26-04-22	SI
04-05-22	SI

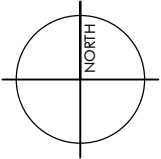


CHESHIRE	SURREY	SHEFFIELD	MANCHESTER	LIVERPOOL
Market Court 20-24 Church St Altrincham WA14 4DW 0161 929 7622	100 High St Esher Surrey KT10 9QJ 01372 203 335	Electric Works 3 Concourse Way Sheffield S1 2BJ 0114 250 7983	All Work and Social XYZ Building 2 Hardman Boulevard M3 3AQ 0161 929 7622	AvenueHQ 17 Mann Island Liverpool L3 1BP 0151 662 0122

44-46 YORKSHIRE STREET, ROCHDALE
CASSEL FLETCHER

PROPOSED FIRST FLOOR PLAN
DWG: 22017 (FE) 101 D
DATE: 06.04.22
SCALE: 1:200 @ A3
DRAWN: EM

REV	DESCRIPTION	DATE	DRAWN
A	APARTMENT MIX AMENDED	07-04-22	EM
B	FEASIBILITY ISSUE TO CLIENT	04-05-22	SI
C	MINOR AMENDMENTS	08-06-22	SI
D	FRONT DOOR ADDED TO APT 18	10-06-22	SI



CHESHIRE	SURREY	SHEFFIELD	MANCHESTER	LIVERPOOL
Market Court 20-24 Church St Altrincham WA14 4DW 0161 929 7622	100 High St Esher Surrey KT10 9QJ 01372 203 335	Electric Works 3 Concourse Way Sheffield S1 2BJ 0114 250 7983	All Work and Social XYZ Building 2 Hardman Boulevard M3 3AQ 0161 929 7622	AvenueHQ 17 Mann Island Liverpool L3 1BP 0151 662 0122

44-46 YORKSHIRE STREET, ROCHDALE
CASSEL FLETCHER

PROPOSED SECOND FLOOR PLAN
DWG: 22017 (FE) 102 D
DATE: 06.04.22
SCALE: 1:200 @ A3
DRAWN: EM

NOTE: DO NOT SCALE FROM THIS DRAWING		
REV	DESCRIPTION	DATE DRAWN
A	Add annotations	08-06-22 SI



PROPOSED LEFT SIDE ELEVATION
(THE BANK)

CHESHIRE	SURREY	SHEFFIELD	MANCHESTER	LIVERPOOL
Market Court 20-24 Church St Altrincham WA14 4DW 0161 929 7622	100 High St Esher Surrey KT10 9QJ 01372 203 335	Electric Works 3 Concourse Way Sheffield S1 2BJ 0114 250 7983	All Work and Social XYZ Building 2 Hardman Boulevard M3 3AQ 0161 929 7622	AvenueHQ 17 Mann Island Liverpool L3 1BP 0151 662 0122

44-46 YORKSHIRE STREET, ROCHDALE
CASSEL FLETCHER

PROPOSED SIDE ELEVATION 1
DWG: 22017 (FE) 200 A
DATE: 04.05.22
SCALE: 1:200 @ A3 DRAWN: SI

NOTE: DO NOT SCALE FROM THIS DRAWING		
REV	DESCRIPTION	DATE DRAWN
1	--	00-00-00 --



PROPOSED RIGHT SIDE ELEVATION
(PACK HORSE YARD)

CHESHIRE	SURREY	SHEFFIELD	MANCHESTER	LIVERPOOL
Market Court 20-24 Church St Altrincham WA14 4DW 0161 929 7622	100 High St Esher Surrey KT10 9QJ 01372 203 335	Electric Works 3 Concourse Way Sheffield S1 2BJ 0114 250 7983	All Work and Social XYZ Building 2 Hardman Boulevard M3 3AQ 0161 929 7622	AvenueHQ 17 Mann Island Liverpool L3 1BP 0151 662 0122

44-46 YORKSHIRE STREET, ROCHDALE
CASSEL FLETCHER

PROPOSED SIDE ELEVATION 2
DWG: 22017 (FE) 202 *
DATE: 08.06.22
SCALE: 1:200 @ A3
DRAWN: SI

NOTE: DO NOT SCALE FROM THIS DRAWING		
REV	DESCRIPTION	DATE DRAWN
1	00-00-00	00-00-00

ROOF LEVEL

SECOND FLOOR

FIRST FLOOR

GROUND FLOOR
YORKSHIRE STREET

BASEMENT
BAILLIE STREET

LOWER BASEMENT

0.00m



PROPOSED REAR ELEVATION
(BAILLIE STRET)



PROPOSED FRONT ELEVATION
(YORKSHIRE STREET)

CHESHIRE	SURREY	SHEFFIELD	MANCHESTER	LIVERPOOL
Market Court 20-24 Church St Altrincham WA14 4DW 0161 929 7622	100 High St Esher Surrey KT10 9QJ 01372 203 335	Electric Works 3 Concourse Way Sheffield S1 2BJ 0114 250 7983	All Work and Social XYZ Building 2 Hardman Boulevard M3 3AQ 0161 929 7622	AvenueHQ 17 Mann Island Liverpool L3 1BP 0151 662 0122

44-46 YORKSHIRE STREET, ROCHDALE
CASSEL FLETCHER

PROPOSED REAR & FRONT ELEVATIONS
DWG: 22017 (FE) 201 *
DATE: 01.06.22
SCALE: 1:200 @ A3
DRAWN: SI

REV	DESCRIPTION	DATE	DRAWN
A	Basement amended	08-06-22	SI

ROOF LEVEL

SECOND FLOOR

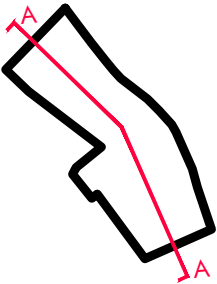
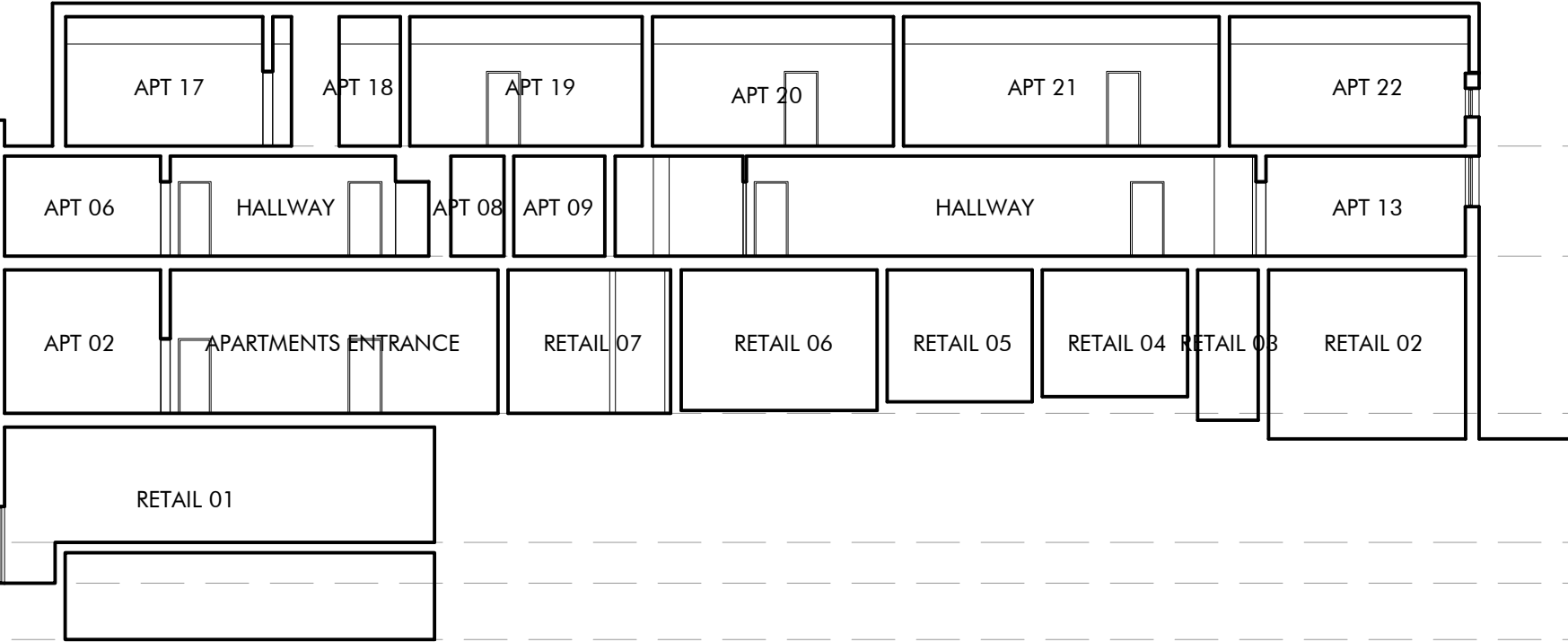
FIRST FLOOR

GROUND FLOOR
YORKSHIRE STREET

BASEMENT
BAILLIE STREET

LOWER BASEMENT

0.00m



CHESHIRE	SURREY	SHEFFIELD	MANCHESTER	LIVERPOOL
Market Court 20-24 Church St Altrincham WA14 4DW 0161 929 7622	100 High St Esher Surrey KT10 9QJ 01372 203 335	Electric Works 3 Concourse Way Sheffield S1 2BJ 0114 250 7983	All Work and Social XYZ Building 2 Hardman Boulevard M3 3AQ 0161 929 7622	AvenueHQ 17 Mann Island Liverpool L3 1BP 0151 662 0122

44-46 YORKSHIRE STREET, ROCHDALE
CASSEL FLETCHER

PROPOSED SECTION
DWG: 22017 (FE) 300 A
DATE: 01.06.22
SCALE: 1:200 @ A3
DRAWN: SI

Schedule 3

HOUSE PRICES IN

OL16 1JW

Change location

Who provides this information?

HM Land Registry



English and Welsh house price data is publicly available information produced by the HM Land Registry. This material was last updated on 13 June 2022.

House Prices around OL16 1JW

Sales of flats around OL16 1JW had an overall average price of £76,541 over the last year.

Overall, sold prices for flats around OL16 1JW over the last year were 45% down on the 2005 peak of £140,000.

[Read more](#)

Properties sold

Filter results

11 sold properties

Date sold ▼

Flat 12, St. Clements Court, 159, Sandy Lane, Rochdale, Greater Manchester OL11 5DY

Flat

£54,500

14 Jan 2022

£44,000

17 Jun 2002

No other historical records

Flat 9, St. Clements Court, 159, Sandy Lane, Rochdale, Greater Manchester OL11 5DY

Flat

£54,500

14 Jan 2022

£44,000

3 Apr 2002
(New Build)

No other historical records

Apartment 19, Falinge Manor Mews, Falinge Road, Rochdale, Greater Manchester OL12 6RU

Flat



£110,000 19 Nov 2021

£145,000 8 May 2006
(New Build)

No other historical records

38, Pegasus Court, Rochdale, Greater Manchester OL11 4EA

Flat



£94,000 19 Nov 2021

£140,000 29 Jul 2005

No other historical records

61, Pegasus Court, Rochdale, Greater Manchester OL11 4EA

Flat

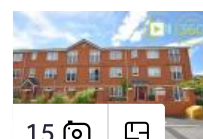


£75,000 3 Nov 2021

No other historical records

10, Jacob Bright Mews, Rochdale, Greater Manchester OL12 6JF

2 bed, flat



£110,000 30 Sep 2021

£114,950 7 Sep 2006

No other historical records

24, Pegasus Court, Rochdale, Greater Manchester OL11 4EA

Flat



£95,000 27 Aug 2021

£90,000 9 Mar 2018

£89,950 14 Apr 2000

116 Underwood, College Bank Way, Rochdale, Greater Manchester OL12

6UB

Flat



£35,000

20 Aug 2021

No other historical records

114, Park Road, Rochdale, Greater Manchester OL12 9BP

2 bed, flat



£65,000

13 Aug 2021

No other historical records

45, Pegasus Court, Rochdale, Greater Manchester OL11 4EA

Flat



£76,000

10 Aug 2021

No other historical records

15, Pegasus Court, Rochdale, Greater Manchester OL11 4EA

Flat



£72,950

30 Jun 2021

£84,950

7 Jun 2004

£59,750

4 Jun 1997



Find out how much your property is worth

The following agents can provide you with a free, no-obligation valuation. Simply select the ones you'd like to hear from.



Keenans Estate Agents
Rochdale

Andrew Kelly
Yorkshire Street



Revilo Homes Ltd
Rochdale



Barton Kendal Residential
Rochdale



Ryder & Dutton
Rochdale

Request agent valuation

[Get a valuation for a property in a different area](#)

Source acknowledgement: House price data produced by Land Registry.

This material was last updated on 13 June 2022. It covers the period from 1 January 1995 to 29 April 2022 and contains property transactions which have been registered during that period.

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If you have found an error with the data please contact [Her Majesty's Land Registry \(HMLR\)](#).

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Locations



Professional



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rightmove

OL16 1JW

×

+ 1 mile

▼

Filters (2) ▼

Flats For Sale in OL16 1JW, within 1 miles, including sold STC

☆ Save search

🔔 Create Alert

12 results

Highest Price ▼

Prioritise properties with...

+ Add keyword

1/14



FEATURED PROPERTY

£120,000

Offers in Excess of

JACOB BRIGHT MEWS, Shawclough, Rochdale OL12 6JF

Apartment | 🛏 2 | 🚿 1



📞 Call

✉ Contact

❤ Save





£1,160,000

Ann Street, Deeplish, OL11
Flat



SOLD STC

Added on 13/01/2021

Call **Contact**

Save



£165,000

4 Pegasus Court, Rochdale

Retirement Property |  2 |  1



SOLD STC

Added on 30/05/2022

 **Call**  **Contact**

 **Save**



£140,000

FALINGE MANOR MEWS, Falinge, Rochdale OL12 6RU

Apartment | 2 | 2



Added on 25/05/2022

Call Contact

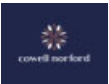
Save



£130,000

Dellar Fold, Dellar Street, Rochdale, Greater Manchester, OL12

Apartment | 2 | 1



SOLD STC

Added on 27/02/2022

Call Contact

Save





£125,000

Offers Over

Dewhirst Road, Syke, Rochdale, OL12

Apartment | 3 | 2

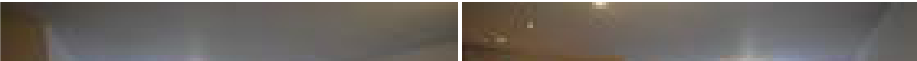


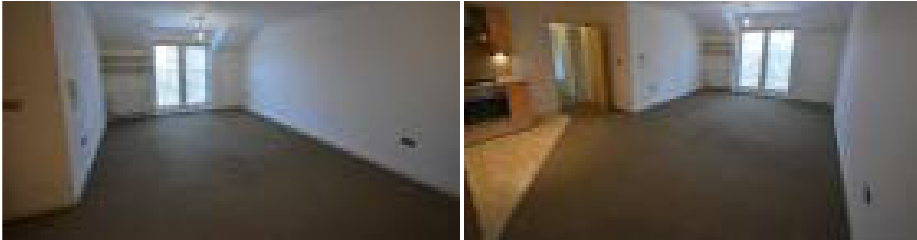
SOLD STC

Added on 31/03/2022

 **Call**  **Contact**

 **Save**





£120,000

Offers Over

PREMIUM
LISTING

Jacob Bright Mews, Whitworth, Rochdale, OL12 6JF

Apartment | 2 | 1

SOLD STC

Added on 06/12/2021

Call Contact

Save



£120,000

Offers in Excess of

JACOB BRIGHT MEWS, Shawclough, Rochdale OL12 6JF

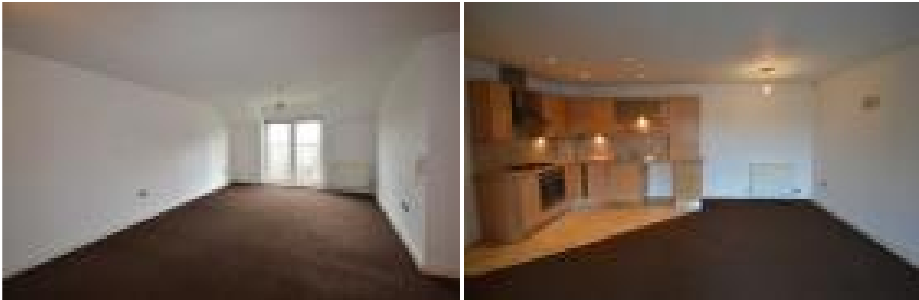
Apartment | 2 | 1

Added on 22/06/2022



 **Call**  **Contact**

 **save**



£120,000

Offers Over

PREMIUM
LISTING

Jacob Bright Mews, Whitworth, Rochdale, OL12 6JF

Apartment |  2 |  1

SOLD STC

Added on 06/12/2021

 **Call**  **Contact**

 **Save**



Andrew Kelly

BRITISH
PROPERTY
AWARDS
2022

GOLD WINNER

ESTATE AGENT
IN ROCHDALE

FIND OUT HOW MUCH
YOUR HOME IS WORTH

CLICK HERE TO GET IN TOUCH



£94,950

Pegasus Court, Bury Road, Oakenrod, Rochdale, OL11

Apartment | 1 | 1



Reduced on 11/05/2022

Call **Contact**

Save



£89,950

Guide Price

Scarr Drive, Rochdale, OL12

Flat | 1 | 1

Added on 22/05/2022

Call Contact

Save

strike



£88,500

Fixed Price

Falinge Road, Falinge, OL12

Flat | 1 | 1



SOLD STC

Reduced on 16/03/2022

Call Contact

Save



£80,000

Offers in Excess of

Pegasus Court, Bury Road, Rochdale, Greater Manchester, OL11

Apartment | 1 | 1



Added on 09/03/2022

Call Contact

Save

Previous

Page 1 of 1

Next

Sold House Prices

Nearby OL16 1JW

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Tech blog	
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Rightmove PLC	▼
Locations	▼
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Schedule 4

Panel

Valuation Report for loan security

Property Address:	44-46 Yorkshire Street, Rochdale, OL16 1JW.
Client Name:	Lendco Limited.
Client Address:	33 Gracechurch Street, London, EC3V 0BT.
Applicant	Noach Yisroel Fletcher & Shoshana Baya Fletcher / Cassel & Fletcher Construction Limited.
Valuation Firm:	Landwood Group.
VAS Panel Ref:	VP #51709
Report date:	16 March 2022
Inspection date:	09 March 2022
Valuation date	09 March 2022
Name of main signatory:	Amy Selfe
Name of counter signatory:	Richard Parkinson



Property Address

44-46 Yorkshire Street, Rochdale, OL16 1JW.

Key Facts
Brief location:

The property is located in Rochdale, a town in Greater Manchester which lies circa 5 miles north west of Oldham and 9 miles north east of Manchester. The subject is located in the pedestrianised town centre of Rochdale, on Yorkshire Street and is positioned directly opposite to Rochdale Exchange Shopping Centre. The surrounding area is predominantly retail with a combination of local and national covenants. Neighboring occupiers include a Greggs, Subway and Lloyds Bank.

Brief description:

The property comprises a substantial retail premises occupying a prominent corner position in the town centre of Rochdale. The building is set on a split-level site and is predominantly over two storeys but has a basement and a lower basement level. It is of brick construction incorporating an aluminum shop front to the ground floor and is set beneath a flat roof. The property is currently vacant and requires some works to bring it up to a higher standard.

Tenure:

Part Freehold Part Leasehold

Tenancies:

There is a lease in place until 2025, however the tenant has ceased trading and the property is vacant.

Total passing rent p.a.:

The average rent over the 5 years is £29,500p.a.

Total floor area:

13,111 sq ft 1,218.10 sq m

Total site area:

0.16 acres 0.06 hectares

Source of floor area:

Measured by Valuer

Basis of measurement:

GIA

Residential split of floor area:

N/a

Current sale details:

Under offer £400,000

Previous sale details:

Choose an item N/a

Photographs

Valuations (Select the basis of valuation, then insert the value. Insert N/A for unused cells)

Market Value (subject to existing tenancies)	£400,000	Market Rent	£32,000 pa
Estimated reinstatement cost:	£2,000,000		
Estimated sales period:	6-9 months	Estimated letting period:	6-12 months

Valuations based on special assumptions (Select the basis of valuation, then insert the value. Insert N/A for unused cells)

Market Value, subject to existing tenancy, special assumption 180 days	£400,000	Market Value, subject to existing tenancy, special assumption 90 days	£320,000
Market Value, special assumption vacant possession	£400,000	Market Value, special assumption vacant possession, 180 days	£400,000
Market Value, special assumption vacant possession, 90 days	£320,000	Select basis of valuation	N/a

Valuations – Other *(Insert N/A if not applicable)*

N/a N/a

Summary Diligence

Flooding risk (sea or river):	England - Very Low	Flooding risk (surface water):	England - High
EPC Rating(s): C	Insert rating(s)		
If residential, is the property over 18m	N/A	Is an EWS1 form required	N/A

Development / Refurbishment Proposals *(Insert N/A in all cells if there are no development or refurbishment proposals)*

	Not listed building as being of architectural or historical importance
Planning summary:	Positioned in the Rochdale Town Centre conservation area We assume the property operates within the relevant use class, which in this instance would be E under the Town & Country Planning (Use Classes) Order 1987 (as amended).

Have works started: N/A

Borrower's total construction costs:	N/a	Are these costs reasonable:	N/A
--------------------------------------	-----	-----------------------------	-----

Borrower's estimated time to complete proposed works:	N/A	Is the estimated time reasonable:	N/A
---	-----	-----------------------------------	-----

Other relevant comments:

Key Risks for the Lender

The leasehold title refers to a small yard to the side/rear of the property and there are 781 years remaining on the lease. We note from our enquiries with the Land Registry, we note that the lease is granted for 999 years from 1804 between (1) John Entwistle and (2) James Holt and the ground rent is £18p.a. We have continued on the basis that the ground rent has not substantially increased.

There appears to be a number of rights and restrictions on the title therefore we would recommend a report on title is obtained to ensure there are no matters that would impact the value of the property. In providing our figures, we have assumed this is not the case.

There is a lease in place until 2025 however the tenant ceased to trade during Covid and has not returned. At present, a peppercorn rent is payable until 28th March 2022 and the rent is set to increase to £37,500p.a. at the end of the month. However, given the current situation, it is unlikely that the current tenant will be able to pay the increased rent if they are not trading from the premises. The lease can be terminated within 1 months' notice by either party. Therefore, from an investment perspective, we do not believe the lease adds value to the property and we believe any purchaser would look to serve notice on the current tenant ASAP in order to refurbish and re-let.

Please note the property falls within an area that is at a high risk of flooding from surface water. We have assumed that adequate buildings insurance can be obtained to cover the risk of flooding however we would recommend this is checked as if this is not the case our valuation may be affected.

Please note there is a discrepancy in relation to the purchase price of the property. Whilst on site, we were advised by



your customer that the purchase price was £480,000, however we have made direct enquiries with the selling agent who have confirmed the purchase price is £400,000. We have continued on the basis that the purchase price is £400,000 as advised by WT Gunson.

Suitability for Loan Security

We are of the opinion the property does represent sustainable loan security in terms of saleability and use. Should the Bank be required to realise the asset we would not envisage any issues. We assume that the tenants/borrower will maintain the property in a reasonable state of repair.

Please note that this Executive Summary is a summary of the valuation report and should not be read in isolation to the full valuation report provided overleaf.

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Executive Summary



External Elevation



Rear Elevation

Property Address: 44-46 Yorkshire Street, Rochdale, OL16 1JW.

Date of Valuation: 9th March 2022.

Location: The property is located in Rochdale, a town in Greater Manchester which lies circa 5 miles north west of Oldham and 9 miles north east of Manchester. The subject is located in the pedestrianised town centre of Rochdale, on Yorkshire Street and is positioned directly opposite to Rochdale Exchange Shopping Centre. The surrounding area is predominantly retail with a combination of local and national covenants. Neighbouring occupiers include a Greggs, Subway and Lloyds Bank.

Description: The property comprises a substantial retail premises occupying a prominent corner position in the town centre of Rochdale. The building is set on a split-level site and is predominantly over two storeys but has a basement and a lower basement level. It is of brick construction incorporating an aluminium shop front to the ground floor and is set beneath a flat roof. The property is currently vacant and requires some works to bring it up to a higher standard.

Tenure: Freehold and Leasehold.

Valuation: MR: Market Rent - £32,000p.a.
MV: Market Value – subject to the existing tenancy £400,000.
MV: Market Value- with vacant possession £400,000

Valuation Issues/ action points:

- The leasehold title refers to a small yard to the side/rear of the property and there are 781 years remaining on the lease. We note from our enquiries with the Land Registry, we note that the lease is

granted for 999 years from 1804 between (1) John Entwistle and (2) James Holt and the ground rent is £18p.a. We have continued on the basis that the ground rent has not substantially increased.

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Our Ref: AS/SD/13076

16th March 2022

Lendco Limited
33 Gracechurch Street
London
EC3V 0BT

Dear Sirs

RE: 44-46 YORKSHIRE STREET, ROCHDALE, OL16 1JW

In accordance with your written instructions dated 8th March 2022 we have inspected the above property in order to advise you of its current market value for loan security purposes. The property is better described in the attached report and has been valued subject to the existing tenancy and with vacant possession.

The date of Inspection and Valuation is 9th March 2022.

This report was prepared by Amy Selfe, BSc (Hons), MRICS who is a corporate member and Registered Valuer of the Royal Institution of Chartered Surveyors. She has knowledge of this particular market and the skills and understanding to undertake the valuations competently.

The valuer acts as an external valuer and has no conflict of interest in the preparation of this report. Appropriate Professional Indemnity insurance is in place in respect of the service provided.

This valuation report has been prepared in accordance with our terms of engagement letter and terms of business attached to the rear of this report.

Valuation

The property will be valued on the following bases in accordance with the Practice Statements in the RICS Red Book Global Standards effective from 31 January 2022. We would advise that the assets have been valued on the following basis.

Landwood Group
Chartered Surveyors | Asset Managers | Auctioneers

Lancaster Buildings
77 Deansgate
Manchester
M3 2BW
0161 710 2010
landwoodgroup.com



Company No. 06655681
VAT Reg No. 939390681
Landwood Group is a trading name of
Landwood Commercial (Manchester) Limited

Market Rent (MR)

The estimated amount for which an interest in rental 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.

It is our considered professional opinion that the Market Rent at the date of this report is;

£32,000p.a. (Thirty-Two Thousand Pounds Per Annum Only)

We believe this would need to be on flexible terms.

Market Value (MV) – subject to existing tenancy

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.

The definition of Market Value is subject to the conceptual framework, settled by the International Valuation Standards Framework, paragraph 29.

It is our considered professional opinion that Market Value of the subject property as at the date of this report is;

£400,000 (Four Hundred Thousand Pounds Only)

Market Value (MV) subject to special assumption marketing constraint - 180 days

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.

The definition of Market Value is subject to the conceptual framework, settled by the International Valuation Standards Framework, paragraph 29.

It is our considered professional opinion that the Market Value based on the special assumption of marketing constraint of 180 days at the date of this report is;

£400,000 (Four Hundred Thousand Pounds Only)

Market Value (MV) subject to special assumption marketing constraint - 90 days

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.

The definition of Market Value is subject to the conceptual framework, settled by the International Valuation Standards Framework, paragraph 29.

It is our considered professional opinion that the Market Value based on the special assumption of marketing constraint of 90 days at the date of this report is;

£320,000 (Three Hundred and Twenty Thousand Pounds Only)

Market Value (MV) subject to special assumption of vacant possession.

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.

The definition of Market Value is subject to the conceptual framework, settled by the International Valuation Standards Framework, paragraph 29.

It is our considered professional opinion that the Market Value based subject to the special assumption of vacant possession as at the date of this report is;

£400,000 (Four Hundred Thousand Pounds Only)

Market Value of the Property assuming vacant possession, assuming a sale to be completed within 180 days;

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.

The definition of Market Value is subject to the conceptual framework, settled by the International Valuation Standards Framework, paragraph 29.

It is our considered professional opinion that the Market Value based subject to the special assumption of vacant possession with 180-day marketing period as at the date of this report is;

£400,000 (Four Hundred Thousand Pounds Only)

Market Value of the Property assuming vacant possession, assuming a sale by auction to be completed within 90 days;

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.

The definition of Market Value is subject to the conceptual framework, settled by the International Valuation Standards Framework, paragraph 29.

It is our considered professional opinion that the Market Value based on the special assumption vacant possession and of marketing constraint of 90 days at the date of this report is;

£320,000 (Three Hundred and Twenty Thousand Pounds Only)

Reinstatement Cost Assessment (RCA)

It is our considered professional opinion that the Reinstatement Cost Assessment as at the date of this report is;

£2,000,000 (Two Million Pounds Only)

This figure is for guidance only as we have not carried out a detailed survey, nor have we obtained detailed costings. Please refer to our terms of engagement letter which highlights the restrictions we place on an RCA valuation. We recommend you do not use this figure as the basis for insurance cover.

This advice has been prepared subject to and must be read in conjunction with the accompanying report and the Definitions and Reservations contained therein. All figures reported are exclusive of Value Added Tax.

The Report will be provided for the stated purpose(s) and for the sole use of the named Client. It will be 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 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 to it may be included in any published document, circular or statement nor published in any way without the Valuer's written approval of the form and context in which it may appear.

Yours faithfully



AMY SELFIE BSC (HONS) MRICS
RICS Registered Valuer (Membership No. 6506004)
SENIOR SURVEYOR

Email: amy.selfe@landwoodgroup.com



RICHARD J PARKINSON (Hons) DipSurv, MRICS, IRRV
RICS Registered Valuer (Membership No. 0092763)
DIRECTOR
LANDWOOD GROUP

Email: richard.parkinson@landwoodgroup.com

Introduction

We have been asked to undertake a valuation of the property on behalf of our clients for loan security purposes. Consequently, we have internally and externally inspected the property on 9th March. The weather on the day was overcast but dry.

Location

The property is located in Rochdale, a town in Greater Manchester which lies circa 5 miles northwest of Oldham and 9 miles north east of Manchester.

The subject is located in the pedestrianised town centre of Rochdale, on Yorkshire Street and is positioned directly opposite to Rochdale Exchange Shopping Centre. The surrounding area is predominantly retail with a combination of local and national covenants. Neighbouring occupiers include a Greggs, Subway and Lloyds Bank.

As the property is located in the town centre of Rochdale, vehicular access is restricted, however access to the town centre is reasonable via the road network and there are a number of car parks around the town centre which are within walking distance of the property. Access to the town centre is via a network of A roads leading from the M62 and M66 motorways. Rochdale train station is 1 mile from the property, but Rochdale Metrolink station is closer which is around half a mile from the subject property. In addition, there are a number of bus stops close by.

A location plan is attached at Appendix A to the rear.

Description

The property comprises a substantial retail premises occupying a prominent corner position in the town centre of Rochdale.

The building is set on a split-level site and is predominantly over two storeys but has a basement and a lower basement level. It is of brick construction incorporating an aluminium shop front to the ground floor and is set beneath a flat roof. Some of the windows to the first floor had been boarded and some had been filled in.

There is a lease in place until 2025, however the property is currently vacant and requires some works to bring it up to a higher standard (we refer to the occupancy position in further detail in a later section).

Internally the ground floor provides a large shop floor while the first floor provides former ancillary accommodation however this is now in poor condition and requires refurbishment. The basement provides a former stock/ storage room with a kitchenette and a WC, and the lower basement provides storage however access to this room was restricted during our visit.

The internal finish of the property is mixed with the ground floor being most recently occupied. The ground floor comprises wood-effect laminate flooring, suspended ceilings with strip lights, CCTV and air conditioning units. The walls were boarded and plastered to part but there were also some areas of exposed brick and plaster.

The first floor had been stripped out and had boarded floors and walls however there were also areas of exposed brick work. The basement has a solid floor with boarded walls and the lower basement has linoleum flooring and painted brick walls.

Internally the property fronts Yorkshire Street and to the rear, the property can be accessed from Baillie Street at the lower level.

Photographs are attached at Appendix B to the rear.

Site

The site is relatively rectangular in shape but is over a split level. The building occupies the majority of the site except from a small yard to the side/ rear. The site extends to 0.16 acres (0.06 hectares). There is no other outside space such as a car park however as the property is located in the town centre, we don't believe this is an issue.

Services

We understand the property has the benefit of mains sewerage and drainage, together with mains electricity and gas supplies, none of which have been tested for the purposes of this report. We have assumed that they are all in working order and free from defect.

The ground floor is heated/ cooled via wall mounted air conditioning units however the upper floors and basements have been stripped out and do not benefit from radiators or air conditioning. There is CCTV to the ground floor and externally around the premises.

Repair and Condition

We are not instructed to carry out a building or structural survey, and during our limited inspection we did not inspect any inaccessible areas. We are unable to confirm whether the property is free from urgent or significant defects or items of disrepair. Apart from any matter specifically referred to below, we have assumed that it is in sound order and free from structural faults, rot, infestation or other defects.

At the date of inspection, we noted that the building was generally in a reasonable state of repair commensurate with its age and use, although we did note that overall, it was in relatively poor internal condition.

The property is vacant and therefore requires some work to bring it up to a more reasonable level. There is currently a lease in place until 2025, however we note the tenant ceased trading due to covid and has not returned. The first floor appears to have been vacant for some time as it had been completely stripped out. As noted, there were areas of exposed brickwork and plaster on the walls throughout the property, the flooring had been removed to part, and the windows on the first floor had either been boarded or filled. In addition to this, we noted areas of damp and mould throughout the property.

We note it is your customer's intention to convert the first floor into flats, add another storey to create additional flats, and refurbish the ground floor and lower levels. We understand your customer wishes to retain the retail premises on the ground floor and convert the basement levels into a café which has separate direct access from Baillie Street.

We have not been provided with a breakdown of works but we anticipate any purchaser would factor in a large sum for the refurbishment of the property throughout, although we would highlight that this is subjective and relative to the end use of the property.

In addition, the roof is flat and flat roofs have shorter life span than a pitched roof. We are not aware of the age of the roof, but we believe a purchaser may factor in a sum for its replacement in the short to medium term.

Accommodation

In accordance with the International Measuring Practice and RICS Code of Measuring Practice, Sixth Edition we have undertaken a full measured survey of the property. We calculate the gross internal area to be as follows: -

Description	Sq. m	Sq.ft
Lower Basement	59.40	639
Basement	142.82	1,537
Ground	507.92	5,467
First Floor	507.92	5,467
TOTAL	1,218.10	13,111

We should point out that measurements have been taken with a Disto electronic measuring device, accurate +/- 5mm upto 60m.

Tenure/Tenancies

We have not been provided with any Land Registry entries/ Title documents/ Report on Title.

Online enquiries to the Land Registry confirm the following tenure information.

Address	Tenure	Title number	Proprietor	Price and date paid	Charge Holder
44 and 46 Yorkshire Street, Rochdale, OL16 1JW	Freehold	GM266186	Linden Oak Limited	£810,000 in October 2016	N/k
Land lying to the north of Baillie Street, Rochdale	Leasehold	GM266931	Linden Oak Limited		N/k

The leasehold title refers to a small yard to the side/rear of the property and there are 781 years remaining on the lease. We note from our enquiries with the Land Registry, we note that the lease is granted for 999 years from 1804 between (1) John Entwistle and (2) James Holt and the ground rent is £18p.a. We have continued on the basis that the ground rent has not substantially increased.

There appears to be a number of rights and restrictions on the title therefore we would recommend a report on title is obtained to ensure there are no matters that would impact the value of the property. In providing our figures, we have assumed this is not the case.

We have relied upon this information, but this must be checked by your legal advisers and no responsibility or liability will be accepted for the true interpretation of the clients' legal title in the property. In providing our valuation we have assumed a good and marketable title and that there are no unusual or onerous covenants, restrictions, encumbrances or outgoing and that all documentation is satisfactorily drawn. We would recommend a report on title is obtained and if any matters come to light as a result of your legal advisor's review of these issues, we request that these matters are referred back to us as this information may have an important bearing upon the values reported.

We are not aware of any unusual outgoing that would adversely affect our valuation of the Property and value assuming there are none.

We have not been provided with any information on liability for Chancel repairs. Chancel repair liability affects land within a Church of England parish with a medieval or pre-medieval church and there have been cases where Property owners with such liabilities have faced substantial repair liabilities. We have assumed that no such liability exists with the Property but reserve the right to amend our valuation, should further information on this matter be made available.

Tenancies

From our enquiries with the Land Registry, we understand the property was previously let to Poundworld from November 2015 to November 2025, however we have assumed this lease was terminated and has been superseded by the new lease.

We have been provided with a copy of the current lease to Worldwide Gifts Limited which is dated September 2020 and we summarise the main terms below:

Demise:	44-46 Yorkshire Street, Rochdale, OL16 1JW
Lease Date:	29 th September 2020
Landlord:	Linden Oak Limited
Tenant:	Worldwide Gifts Limited (trading as Essentials)
Rent:	Peppercorn rent from 29/09/2020 to 28/03/2022 £37,500p.a. from 29/03/2022 to 28/09/2022 £50,000p.a. from 29/09/2022 to 28/09/2023 £60,000p.a. from 29/09/2023 to 28/09/2025
Term:	5 years
Break:	Either the landlord or the tenant may terminate the lease by serving a Break Notice at any time on the other party with at least 4 weeks' notice.
Repairing Obligation:	The tenant must keep the property in good substantial repair and condition, ensure service media is kept in good working order and keep the property clean and tidy. The tenant is not to put the property in a better state than evidenced in the schedule of condition.
Alteration:	The tenant must not make any external, or structural alteration or addition to the property. Tenant must not make an internal non-structural alteration to the property without the landlord's consent which cannot be unreasonably withheld.
Alienation:	The tenant must not assign, underlet, part with or share possession the whole or part of the lease.
Insurance Provision:	Landlord to insure
Decorating	Decorate the interior and exterior of the property as often as necessary and also in the last 3 months before the termination date
User Clause	Class E under the Use Classes Order
Landlord and Tenant Act 1954	The lease is contracted out of the Act.

The average rent over the whole period would equate to £29,500p.a.

Whilst the lease is in place until 2025, we note from discussions with your customer that the tenant ceased to trade during Covid and has not returned. At present, a peppercorn rent is payable until 28th March 2022 and the rent is set to increase to £37,500p.a. at the end of the month. However, given the current situation, it is unlikely that the current tenant will be able to pay the increased rent if they are not trading from the premises.

We note that the lease can be terminated within 1 months' notice by either party. Therefore, from an investment perspective, we do not believe the lease adds value to the property and we believe any purchaser would look to serve notice on the current tenant ASAP in order to refurbish and re-let.

We have reviewed the schedule of condition attached to the lease and note that the first floor was in the same condition when the lease was signed and therefore the tenant is not responsible for putting it into reasonable repair.

We have undertaken a Companies House search on the tenant, and it appears that the company is in the process of being dissolved. We therefore believe it is unlikely a schedule of condition could be served in relation to the ground floor.

Statutory and Legal Matters

The Equality Act - came into force on 1 October 2010 and replaces the provisions of the Disability Discrimination Act 1995. The Act repeals and replaces existing discrimination laws and seeks to tackle inequality in the workplace.

In a property context, the Act imposes obligations on the owners or occupiers of commercial and residential premises to make reasonable physical adjustments to a building where a disabled person is put at a substantial disadvantage when compared to someone who is not disabled.

We consider it advisable for a property owner or occupier to undertake an audit and for any recommendations to be carried out so as to ensure the building complies, where necessary, with the aforementioned Act and to remove any potential liability which may arise as a result of any non-compliance.

We have assumed that the property complies with the relevant sections of the Equality Act 2010 unless otherwise stated therein.

Town Planning – from our informal, on-line enquiries at the planning department at Rochdale Council, we understand the property is:

- Not listed building as being of architectural or historical importance
- Positioned in the Rochdale Town Centre conservation area

Further to the above, we have found the following recent planning consent relating to the subject property:

- Reference number 01/A514, River Island, 44 Yorkshire Street- to install an internally illuminated sign and externally illuminated projected double sided box sign. This was granted in January 2002.
- Reference number 01/D39528- to install a new shop front, this was granted in January 2002 subject to conditions.
- Reference number 07/A5607, 46 Yorkshire Street- to install an illuminated sign and internally illuminated projected sign. This was granted in September 2007 subject to conditions.
- Reference number 07/D49597, 46 Yorkshire Street- to erect a new shop front and this was granted in September 2007 subject to conditions.
- Reference number 13/01283/ADV this is 44-46 Yorkshire Street- one internally illuminated sign to Yorkshire Street elevation and 2 non illuminated signs including various vinal and window signs to side elevation. This was granted in February 2014.

- Reference number 13/01282/FUL, this is 44-46 Yorkshire Street- new shop front and remedial works to north and east elevations of the building. This was granted subject to conditions in February 2014.

We assume the property operates within the relevant use class, which in this instance would be E under the Town & Country Planning (Use Classes) Order 1987 (as amended). In addition, we have not identified any other outstanding planning applications in the nearby areas that we believe would have a material impact on the value of the subject property.

Fire – The Regulatory Reform (Fire Safety) Order 2005 now addresses all fire safety legislation for non-domestic premises including the share areas of properties where several households live although in these circumstances it is likely that housing laws may also apply.

We have not been provided with a copy of a Fire Risk Assessment for the property and have assumed that the relevant requirements have been fully complied with.

We would therefore recommend that a Fire Risk Assessment be commissioned as a matter of course with any recommendations implemented. This Assessment should be subject to regular review in accordance with any physical changes to the property or the working practices undertaken therein.

Uniform Business Rates

All enquires have been made through the Valuation Office Agency Website as well as through the local authority who have confirmed the following:

Address	Description	RV
44-46 Yorkshire Street, Rochdale, OL16 1JW	Shop and premises	£93,000

Highways

The property fronts Yorkshire Street, which appears to be an adopted highway and therefore the local authority will be responsible for ongoing maintenance and repair.

We have assumed that there are no current highway proposals in the immediate vicinity likely to have a detrimental effect upon the property within the foreseeable future. In reporting our opinion of value, we have assumed that no third parties have any interests between the boundary of the subject and the adopted highway.

We would recommend that this is clarified by your solicitor and should the above not be the case, the valuation maybe affected.

VAT

We are unaware of the properties VAT status, however, should the property be opted for tax, we are of the opinion the property would remain appealing to purchasers and tenants alike.

Environmental Issues

We are not environmental experts and we have not carried out an environmental audit.

Contamination – Investigations into environmental matters would normally be commissioned from suitably qualified environmental specialists. We are not qualified to undertake these investigations, nor do we undertake searches of public archives to seek evidence of past activities which might identify potential for contamination.

Subject to the above, we have not been made aware of any uses conducted at the subject property that would give cause for concern as to possible environmental contamination.

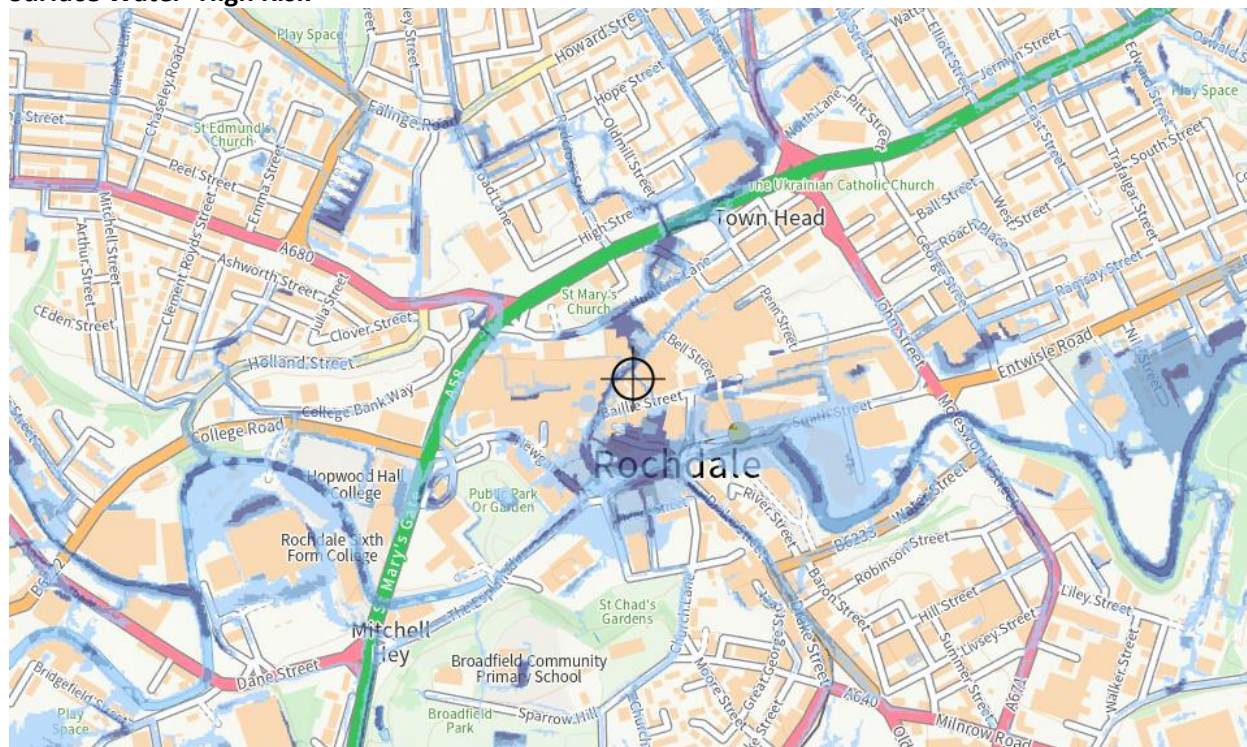
Energy Performance Certificated and Sustainability – All properties now require an Energy Performance certificate when bought, sold, built or rented. An EPC measures the asset rating of a building in relation to its energy performance. It is now unlawful to rent a property which has an 'F' or 'G' efficiency rating, and this may become more stringent in the future. The minimum allowable banding is therefore an 'E' rating.

We have had sight of an Energy Performance Certificate which shows a rating of C.

Flooding - We have used the website of the Environment Agency's Indicative Floodplain Maps to provide a general overview of the potential risk of flooding from rivers or the sea.

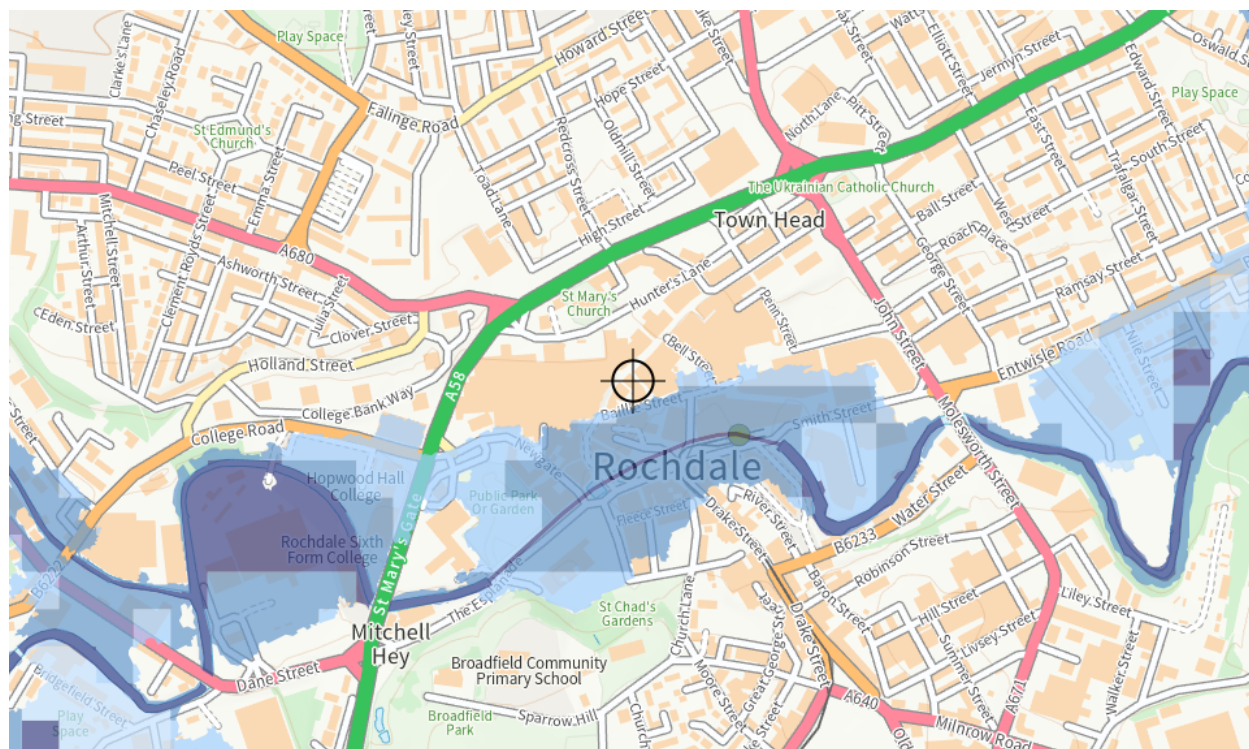
We show below an extract map from the Environment Agency's website showing the risks of flooding.

Surface Water- High Risk



Please note the property falls within an area that is at a high risk of flooding from surface water. We have assumed that adequate buildings insurance can be obtained to cover the risk of flooding however we would recommend this is checked as if this is not the case our valuation may be affected.

Rivers and the sea- Very low risk



Invasive Plants – Landwood Group are not qualified to undertake such investigations to establish the existence or otherwise of any invasive plant material.

Unless otherwise stated, our valuation assumes there are no issues concerning Japanese Knotweed or other invasive species present that may pose a threat to the fabric of the property.

Asbestos - The property is of an age and form of construction whereby asbestos containing materials may have been incorporated either within the building structure or the associated services although this cannot be confirmed within the limits of our inspection. This matter is therefore noted for your information only.

Asbestos as a material presents little or no hazard to health if maintained in a good condition. However, it should be noted that the maintenance of asbestos materials will require the use of specialist contractors, and the costs of this are considerably higher than the treatment of other types of building materials, and this can impact upon value.

Under the Control of Asbestos at Work Regulation 2002 (amended 2006 and 2012) an asbestos survey must be carried out any asbestos containing materials, their location and condition must be recorded in a register. A duty of care to ensure that any such materials are correctly managed falls upon whoever has a responsibility to repair and maintain the property.

We do not specifically inspect for ACMs. We have assumed there to be no significant asbestos containing materials present to the extent that they would affect the value or marketability of the property.

Air-Conditioning Refrigerant T22 - From 1 January 2015 it became illegal to use Hydrochloroflourocarbons (HCFCs), including R22 refrigerant gas, in air-conditioning systems. R22 is commonly used in air-conditioning systems pre-dating 2004. Any air-conditioning systems still using R22 will either require replacement or conversion to allow topping-up with an alternative legal refrigerant.

In undertaking our valuation, we have assumed that there is no R22 present although we recommend this be confirmed. If R22 is found to exist in existing air-conditioning plant, we recommend that further specialist advice is obtained in order to ascertain the likely costs associated with the renewal or upgrading of the system and whether this liability rests with the property owner or occupier.

Economic Life

We are of the opinion the projected useful life of the subject building is in excess of 25 years assuming maintenance and repairs.

Void Running Costs

We are of the opinion the approximate costs of holding the property, or any relevant part thereof vacant would be in the region of £70,000 to £80,000 per year. This would include any empty business rates, insurance, security and maintenance.

Market Commentary

The Bank of England's Monetary Policy Committee (MPC) sets monetary policy to meet the 2% inflation target, and in a way that helps to sustain growth and employment. At its meeting ending on 2 February 2022, the MPC voted by a majority of 5-4 to increase Bank Rate by 0.25 percentage points, to 0.5%. Those members in the minority preferred to increase Bank Rate by 0.5 percentage points, to 0.75%. The Committee voted unanimously for the Bank of England to begin to reduce the stock of UK government bond purchases, financed by the issuance of central bank reserves, by ceasing to reinvest maturing assets. The Committee also voted unanimously for the Bank of England to begin to reduce the stock of sterling non-financial investment-grade corporate bond purchases, financed by the issuance of central bank reserves, by ceasing to reinvest maturing assets and by a programme of corporate bond sales to be completed no earlier than towards the end of 2023 that should unwind fully the stock of corporate bond purchases.

The Committee's updated central projections for activity and inflation are set out in the accompanying February Monetary Policy Report. The projections are conditioned on a market-implied path for Bank Rate that rises to around 1½% by the middle of 2023.

Wholesale energy prices are assumed to follow their respective futures curves for the first six months of the projections and remain constant beyond that, in contrast to futures curves, which are downward sloping over coming years. There are material risks around this assumption.

Global and UK activity returned to their pre-Covid-19 (Covid) levels towards the end of last year. The emergence of the Omicron variant is expected to have depressed activity somewhat in December and January. But its economic impact is likely to be limited and of short duration, and UK GDP is expected to recover in February and March such that output returns to its pre-pandemic level once again by the end of the first quarter. The Labour Force Survey unemployment rate fell to 4.1% in the three months to November and is expected to fall further in the near term, to 3.8% in 2022 Q1.

Beyond the near term, UK GDP growth is expected to slow to subdued rates. The main reason for that is the adverse impact of higher global energy and tradable goods prices on UK real aggregate income and spending. As a result, the unemployment rate is expected to rise to 5% and excess supply builds to around 1% by the end of the forecast period.

Underlying earnings growth is estimated to have remained above pre-pandemic rates, and is expected to strengthen over the coming year, to around 4¾%. This is consistent with the results of the Bank's Agents' annual pay survey, with the tight labour market, and with some temporary upward pressure on wage settlements from higher price inflation.

Twelve-month CPI inflation rose from 5.1% in November to 5.4% in December, almost 1 percentage point higher than expected at the time of the November Report. Inflation is expected to increase further in coming months, to close to 6% in February and March, before peaking at around 7¼% in April. This projected peak is around 2 percentage points higher than expected in the November Report. The projected overshoot of inflation relative to the 2% target mainly reflects global energy and tradable goods prices. The further rise in energy futures prices meant that Ofgem's utility price caps were expected to be substantially higher at the reset in April 2022. Core goods CPI inflation is also expected to rise further, due to the impact of global bottlenecks on tradable goods prices.

In the February Report central projection, upward pressures on CPI inflation are expected to dissipate over time, as global energy prices are assumed to remain constant after six months, and as global bottlenecks ease and tradable goods prices fall back a little. Underlying wage growth is also projected to ease from 2023, as the labour market loosens gradually and inflation declines. Conditioned on the rising market-implied path for Bank Rate and the MPC's current forecasting convention for future energy prices, CPI inflation is projected to fall back to a little above the 2% target in two years' time and to below the target by a greater margin in three years.

In an alternative scenario that is conditioned on energy prices following forward curves throughout the forecast period and as set out in the February Report, excess supply is around ½ percentage point lower in the medium term than in the MPC's central projection, and CPI inflation is around ¾ percentage point below the 2% target in two- and three-years' time.

The MPC's remit is clear that the inflation target applies at all times, reflecting the primacy of price stability in the UK monetary policy framework. The framework also recognises that there will be occasions when inflation will depart from the target as a result of shocks and disturbances.

In the recent unprecedented circumstances, the economy has been subject to very large and repeated shocks. In particular, should recent movements prove persistent, the sharp rises in prices of global energy and tradable goods of which the United Kingdom is a net importer will necessarily weigh on UK real aggregate income and spending. This is something monetary policy is unable to prevent. The role of monetary policy is to ensure that, as such a real economic adjustment occurs, it does so consistent with achieving the 2% inflation target sustainably in the medium term, while minimising undesirable volatility in output.

Given the current tightness of the labour market and continuing signs of greater persistence in domestic cost and price pressures, the Committee judges that an increase in Bank Rate of 0.25 percentage points is warranted at this meeting.

Consistent with the MPC's guidance set out in the August 2021 Report, the Committee agrees at this meeting that the Bank of England should cease to reinvest any future maturities falling due from its stock of UK government bond purchases. This reflects the MPC's intention to reduce its holdings of government bonds in a gradual and predictable manner.

In addition, the Committee agrees that the Bank of England should cease to reinvest any maturities falling due from its stock of sterling non-financial investment-grade corporate bond purchases, and that it should initiate a programme of corporate bond sales to be completed no earlier than towards the end of 2023 that should unwind fully the stock of corporate bond purchases.

The decision to initiate the programme of corporate bond sales reflects the specific characteristics of the corporate bond market and the MPC's involvement in it and should not be taken as a signal regarding the commencement, scale or duration of any potential future UK government bond sales programme.

The Committee reaffirms that it will consider beginning the process of actively selling UK government bonds only once Bank Rate has risen to at least 1% and depending on economic circumstances at the time. The Committee also reaffirms its preference in most circumstances to use Bank Rate as its active policy tool when adjusting the stance of monetary policy.

The extent of any further tightening in monetary policy will depend on the medium-term prospects for inflation. The MPC judges that, if the economy develops broadly in line with the February Report central projections, some further modest tightening in monetary policy is likely to be appropriate in the coming months. The Committee continues to judge that there are two-sided risks around the medium-term inflation outlook, primarily from wage developments on the upside and from energy and global tradable goods prices on the downside. The Committee will update its assessment on the balance of the risks to medium-term inflation in light of the relevant data as they emerge.

Commercial Market Survey

Twelve-month expectations hit fresh highs for the industrial sector.

- **Outlook for values remains upbeat for industrials, data centres, multifamily and aged care facilities.**
- **Covid developments stifle the recovery in tenant demand across the office sector during Q4.**

- **But 64% of survey participants still feel office space is essential for a company to operate successfully.**

The Q4 2021 RICS UK Commercial Property Survey suggest conditions remain polarised across different portions of the real estate market. While already strong twelve-month projections were further upgraded in the industrial sector, offices and retail continue to struggle, with the situation not helped by the surge in Covid cases seen during the latest survey period.

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

Looking at the longer term, some additional questions were included to further examine structural changes sweeping the office sector as a result of the pandemic. Importantly, when asked if office space is still essential for a company to operate successfully, 66% of respondents replied 'yes', while 29% felt otherwise (the remaining 5% did not have an opinion). Alongside this, 76% of contributors report that they are seeing a relative increase in demand for flexible and more local workspaces compared to only 13% who replied negatively. When asked if space allocation per desk had increased in the wake of the pandemic, 69% reported that more space has been allotted to individual desks. Notwithstanding the general perception that offices are still essential for businesses, 87% of respondents also report seeing re-purposing of office space for other uses, with 15% highlighting that this is occurring in significant volumes.

Turning to the rental outlook, respondents foresee a modest pick-up in prime office rents over the coming twelve months (+1%), while rents for secondary office space are anticipated to fall by around 3% (both similar reading to the Q3 results). Across the other market sectors, industrial rents are projected to rise by around +7% over the year head, the strongest expectations returned since this series was formed in 2014. On the same basis, secondary industrial rents are seen rising by 4%. Expectations remain negative for retail, with prime rents envisaged falling by 3% while secondary rents expected to see a near 6% decline. From a broad regional perspective, the only noticeable differences from the national averages are seen in the office sector. Indeed, prime office rents in London and the south are expected to edge higher over the year to come, while the Midlands and the North exhibit flat projections.

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

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

For the alternative sectors covered by the survey, data centres, multifamily residential and aged care facilities all continue to return firmly positive capital value expectations, with a net balance of more than 50% of respondents projecting an uplift in each instance. For hotels, the reimposition of stricter travel restrictions internationally during the period in question took its toll on sentiment with capital value expectations for the year ahead slipping back from a positive reading of +14% in Q3 to stand at -2% in Q4.

Lastly, views on the current stage of the property cycle were similar to last quarter, albeit there was a marginal deterioration on account of the renewed uncertainty brought on by the pandemic. The largest share of respondents (39%) still sense the market is in the early phase of an upturn, slightly down on 46% taking this stance previously.

Marketability

The property provides a large retail premises positioned on a prominent corner position within Rochdale town centre conservation area. The property is in keeping with the area, which is home to a mixture of local and national retailers and Rochdale Exchange shopping centre is directly opposite to the subject.

The property is large, and we note it previously comprised two separate units which have now been converted into a single unit, arranged over basement levels, ground and first floor. The property is vacant and requires a refurbishment to bring it up to a more reasonable level. There is a lease in place until 2025 but the tenant has ceased to trade and has left the property vacant and untidy and there are also items of disrepair present such as damp and mould.

The level of expenditure required on the property depends on the buyer and their intentions. In the current market, we believe the property is too large for a single retail premises and we believe any purchaser is likely to factor in a sum for separating the units. We believe the property is likely to appeal mainly to investors who would be likely to split the unit into several smaller units and let individually.

The lease is subject to a peppercorn rent which is set to increase at the end of the current month, however as the tenant is not trading from the premises, it is unlikely they will be able to pay. Therefore, from an investment perspective the lease does not add any value to the property, particularly due to the fact that it can be terminated within 1 months' notice by either party. We believe any purchaser would look to serve notice on the current tenant in order to refurbish the premises and let out.

At present, the retail market is suffering, and the property is within a tertiary location within the Rochdale submarket. Vacancies for retail properties in Rochdale were under the 5-year average during the first quarter, but they were essentially unchanged from this time last year. The rate also comes in below the region's average. Meanwhile, rents have collapsed in the past year, falling by 5.5% which is the weakest performance observed for the past 5 years. As for construction, Rochdale does not appear to be facing a wave of supply pressure and the pipeline is relative empty. Retail properties trade with regularity in Rochdale, but deal flow fell short of the historical average in the past year. At £132/sq.ft. market pricing is considerably lower than the region's average pricing. Market rent is reported at £13.60/sq.ft. and market yield is reported at circa 7.6%.

Should the property become vacant, we are of the opinion a rental void period of 6-12 months would be appropriate to gain full occupancy. Should the property be placed on the open market for sale, we are of the opinion it is likely to achieve a sale within 6-9 months.

The outbreak of Covid 19 in early 2020 has resulted in various measures being taken to contain the virus. Lockdowns and restrictions had a significant effect on daily life, but the extent of the economic impact has not yet been fully felt due to the packages of support for UK businesses and households throughout this period still. Whilst the majority of this support has now come to an end, we do not feel that the full economic impact of the pandemic has yet been felt.

It is difficult at this stage to predict the potential impact on the property market but consumer confidence, demand and, therefore, prices, may decline. We will have to wait and see how this affects the lending market, but you need to be alert to the fact the market may be unstable and uncertain over the coming months. It is highly likely that this advice will change over the coming weeks.

We feel that the impact of Brexit is not yet known but we have not yet seen any evidence to suggest properties such as the subject are trading at lower levels than within the last 12 months or so. However, we are unable to confirm if Brexit will affect demand and property prices in the next few months and therefore draw your attention to the potential for market uncertainty.

Alternative Use/Development Opportunities

We consider the property will be utilised to its highest and best value once the refurbishment works have been completed.

SWOT Analysis

Strengths - Well located within the prime retail district of Rochdale and opposite the shopping centre - Large amount of footfall - Proximity to Metrolink - Prominent corner plot	Weaknesses - The property is currently in poor internal condition and requires a reasonable amount of expenditure - Flat roof may require replacement in the short to medium term
Opportunities - Future redevelopment / conversion subject to planning - Refurbishment - Split the unit and let smaller individual units	Threats - Retail market is struggling - Rochdale submarket is relatively poor - Covid-related uncertainty

Valuation

Approach and Reasoning – We have adopted the comparable method to consider both the rental value and market value of the property.

Market Rent

Approach – In assessing the Market Rent we have adopted the market approach to valuation which provides an indication of value by comparing the property with other similar properties for which price information is available. We have adjusted these comparables to reflect differences in age, size, condition, location and any other relevant factors.

In terms of Market Rent, we have reviewed recent lettings that have been achieved in the last two years. There has been a lack of comparable evidence within Rochdale town centre, so we have extended our search to include neighbouring towns such as Oldham and Heywood. We have obtained the following evidence:

Address	Size	Lease Date	Rent PA	£ PSF	Comments
82 Yorkshire Street, Rochdale OL16 1JU	3,901	Dec-21	£25,000	£6.41	A three storey retail premises let to Shoe Zone on a new 5-year lease with a mutual break option.
51-53 Yorkshire Street, Rochdale, OL16 1BT	2,010	Oct-21	£35,000	£17.41	This is a mid-terraced retail premises on the same street as the subject. A 1-year lease has been signed over the ground floor.
60-62 Market Street, Oldham OL2 8NH	4,253	Dec-20	£29,500	£6.94	A two-storey retail unit in the town centre of Oldham comprising a Tesco Express to the ground floor with office/ancillary accommodation above. Let to Tesco for a term of 15 years with a rent review every fifth year and a tenant break option in the tenth year.
31-33 Market Street, Heywood OL10 1HX	1,971	Oct-20	£15,100	£7.66	A ground floor retail unit with staff/office accommodation above. Parking and rear access/loading is available at the rear of the property. The property has been let to a local covenant for a term of 5 years. This property is positioned on the high street in Heywood.
5 Market Square, Royton Shopping Centre, Oldham OL2 5QD	1,312	Jan-21	£17,650	£13.45	Bodycare have renewed 1,312 sqft of retail space on a 5-year lease at an initial rent of £17,650pa.

64 Yorkshire Street, Rochdale OL16 1JP	1,170	Available	£26,400	£22.56	The property comprises a ground floor retail unit with ancillary accommodation to the first floor. It is available to let at a fixed price of £2,200 pcm. This property is on the same street as the subject property but is much smaller.
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The rental evidence from the comparables listed above range from circa £6-£22/sq.ft. however it is noted that the property at the higher end of this range has not yet achieved a letting. We would also point out that the subject property is much larger the comparables and therefore a lower price per square foot will be applied to allow for quantum.

On review of the evidence, we believe 82 Yorkshire Street is the most comparable to the subject as it is located on the same street as the subject and is of a similar layout and construction, although it is noted to be much smaller.

The subject property is large and occupies a prominent corner position on the street. The current lease has a peppercorn rent agreed until the end of the current month and then it is set to increase to £37,500p.a. rising to £50,000p.a after one year and rising to £60,000p.a. after a further year for two years. The rent-free period therefore equates to circa 18 months which we believe is reflective of the current retail climate. The average rent over the 5 year term is therefore £29,500p.a. which equates to £2.25/sq.ft.

The current average rent is below the comparable evidence, but we believe this is due to the large size of the property, in addition to the extended 18 month rent free period at the beginning of the lease. We would also highlight that the first floor is not useable space and therefore although the lease has been agreed over the whole building, it effectively does not include this space.

We note the current lease was agreed within the last two years and we believe it reflects the current retail market which has been declining for some time, particularly in tertiary locations such as Rochdale. We consider it is more likely that a purchaser would split the large unit into smaller units to let separately however at present the property is configured as a single unit and we have applied a rent to the overall square footage of the building. In providing our opinion on rent, we have considered that the first floor is not usable, and the basements levels are basic and therefore we have applied the following rents to each floor of the building:

Description	Sq.ft	Rent/sq.ft.	Rent p.a.
Lower Basement	639	£2	£1,278
Basement	1,537	£2	£3,074
Ground	5,467	£5	£27,335
First Floor	5,467	£0	£0
TOTAL	13,111		£31,687

This results in a total Market Rent of say **£32,000p.a.** (£2.45/sq.ft.) however we would expect the usual tenant incentives to be applied such as a rent-free period, which may affect the overall effective rent (as seen on the current lease). The overall rate per square foot is below the comparables, however we would reiterate that the first floor is not useable, and the basement levels are basic. We have applied £5/sq.ft. to the ground floor, which we feel sits within the evidence as the ground floor only is still larger than the comparables and does require some works before a tenant can commence trading.

We also believe for a property of this size, an extended marketing period of at least 6 months would be required. To achieve Market Rent, we believe flexible terms may be required and as such, an FRI lease of 5 years may not be achievable.

Market Value

Approach – In assessing the Market Value we have adopted the market approach to valuation which provides an indication of value by comparing the property with other similar properties for which price information is available. We have adjusted these comparables to reflect differences in age, size, condition, location and any other relevant factors.

In terms of capital values, we have identified the following comparables:

Address	Size	Sale Date	Sale Price	£ PSF	Comments
82 Yorkshire Street, Rochdale OL16 1JU	3,901	Dec-21	£232,000	£59.47	A three-storey retail unit to be let to Shoe Zone on a new 5-year lease from completion for £25,000 pa with a mutual break option. The sale price reflects a gross yield of 10.8%.
32 Yorkshire Street, Rochdale OL16 1JN	1,110	Nov-21	£90,000	£81.08	A three-storey retail unit arranged as a ground floor retail unit with ancillary/office accommodation above. Let to a local covenant for 5 years from 2017 at £17,000 pa.
80 Yorkshire Street, Rochdale OL16 1JU	1,663	Feb-20	£94,000	£56.52	A three-storey retail unit with basement comprising a ground floor retail unit with ancillary accommodation above. The property was let to a local covenant at the time of the sale on a 1-year license agreement at £10,000 pa but the tenants were due to vacate in March 2020.
64 Yorkshire Street, Rochdale OL16 1JP	1,170	Available	£199,000	£170.09	The property comprises a ground floor retail unit with ancillary accommodation to the first floor. It was occupied by TUI at the time of the sale, unit June 2021 at a rent of £23,750 pa. The asking price reflects a gross yield of 11.9%.

22 High Street, Oldham OL1 1JA	5,670	Sep-21	£430,000	£75.84	Comprising a double fronted retail unit arranged over ground and first floors with ancillary accommodation to the second floor and at basement level. The property is let to Cancer Research at £45,000 pa for 10 years from 2017 with a rent review/tenant break option in year five.
108 Yorkshire Street, Rochdale OL16 1JY	1,765	Oct-20	£100,000	£56.66	A vacant two storey (plus cellar) commercial building comprising a ground floor retail unit and first floor office space and staff kitchen / W.C. facilities.

We have had sight of retail properties in the area that have achieved a sale in recent years. We have noted several properties on Yorkshire Street that have sold recently, both as investments and with vacant possession. Generally retail properties are achieving between £55-£170/sq.ft. although it is noted that the comparables are much smaller than the subject and this is reflected in the price per square foot.

As mentioned, there is a lease in place over the subject property until 2025, however the tenant has ceased trading from the premises. The rent is stepped over the course of 5 years but until the end of the month a peppercorn rent has been agreed. We note the lease can be terminated by either party with 1 months' notice and therefore we do not believe the lease adds any value to the property. We believe a purchaser is likely to serve notice on the current tenant as soon as possible with a view to refurbishing the property and splitting it up into smaller units. We therefore believe any purchaser would consider the property on a vacant basis.

On review of the comparable evidence, we believe 108 Yorkshire Street is the most comparable to the subject as it was vacant at the time of the sale and is on the same street as the subject property. The property is in reasonable internal condition throughout although is slightly basic and we note that it is much smaller than the subject.

In addition to the above comparables we note the subject property has been on the market with joint agents WT Gunson and John D Wood for an asking price of £480,000. We have made direct enquiries with WT Gunson, and we understand the property was initially marketed in December 2021, however due to the proximity to Christmas a sign board was not erected until after Christmas and therefore enquiries were limited. Once marketing officially commenced in January 2022 the agent has reported that interest picked up and four offers were received in total. We understand the purchase price that has been agreed by your customers is £400,000 and we have been advised there was one offer over this level however your customers were in a better position, therefore the offer of £400,000 was accepted. The agent did not disclose the level of the other higher offer, but we do not believe it was substantially higher.

The purchase price of £400,000 equates to an overall price per square foot of circa £30/sq.ft.

This is below the range we have noted in our schedule of evidence, however we believe this is due to the size of the property to allow for quantum in addition to the internal condition requiring works to bring it up to a higher level.

Taking all factors into consideration we would report a Market Value of **£400,000**.

Sustainability of the Property as Banking Security

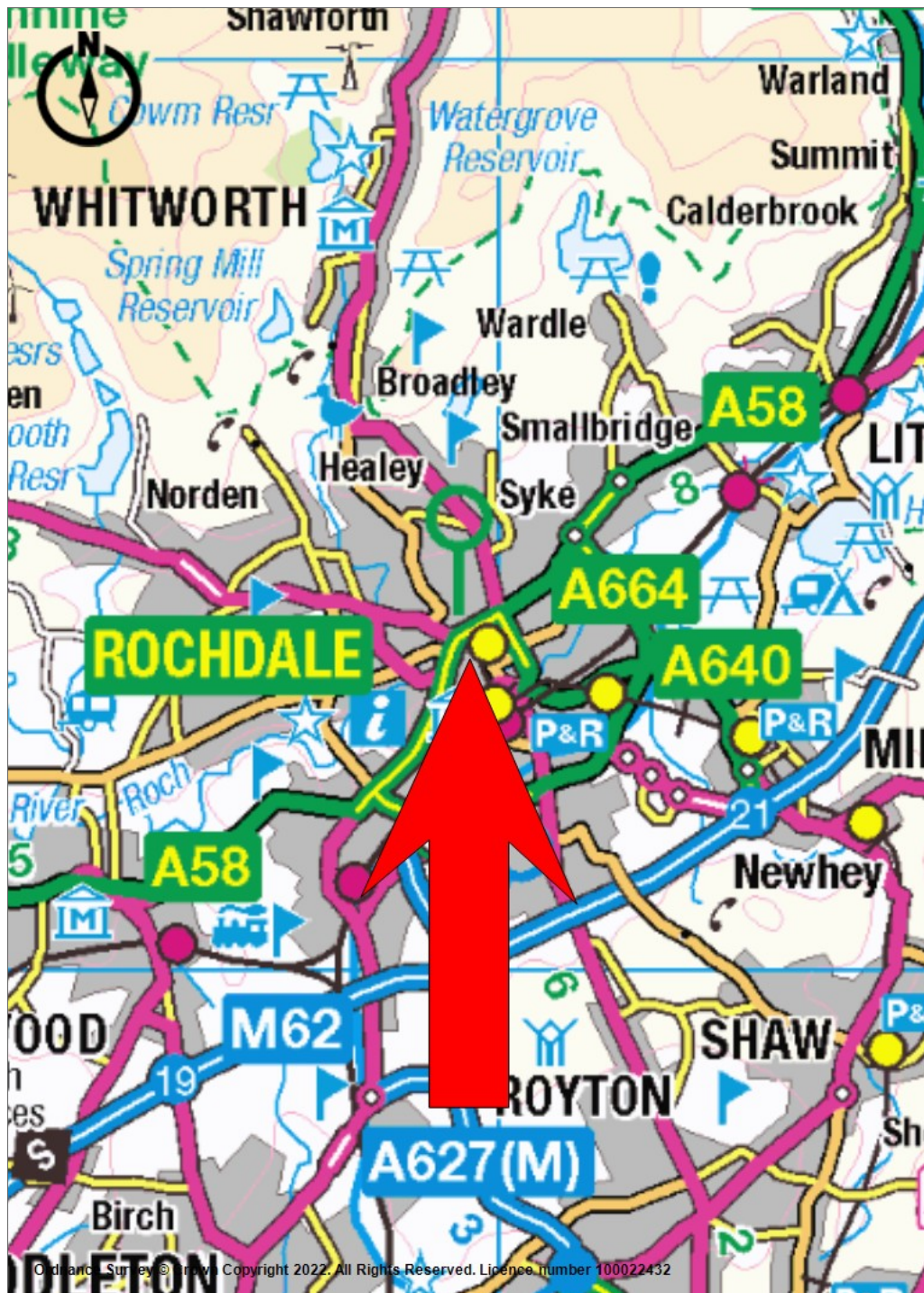
We are of the opinion the property does represent sustainable loan security in terms of saleability and use. Should the Bank be required to realise the asset we would not envisage any issues. We assume that the tenants/borrower will maintain the property in a reasonable state of repair.

Lenders Action Points

- The leasehold title refers to a small yard to the side/rear of the property and there are 781 years remaining on the lease. We note from our enquiries with the Land Registry, we note that the lease is granted for 999 years from 1804 between (1) John Entwistle and (2) James Holt and the ground rent is £18p.a. We have continued on the basis that the ground rent has not substantially increased.
- There appears to be a number of rights and restrictions on the title therefore we would recommend a report on title is obtained to ensure there are no matters that would impact the value of the property. In providing our figures, we have assumed this is not the case.
- There is a lease in place until 2025 however the tenant ceased to trade during Covid and has not returned. At present, a peppercorn rent is payable until 28th March 2022 and the rent is set to increase to £37,500p.a. at the end of the month. However, given the current situation, it is unlikely that the current tenant will be able to pay the increased rent if they are not trading from the premises. The lease can be terminated within 1 months' notice by either party. Therefore, from an investment perspective, we do not believe the lease adds value to the property and we believe any purchaser would look to serve notice on the current tenant ASAP in order to refurbish and re-let.
- Please note the property falls within an area that is at a high risk of flooding from surface water. We have assumed that adequate buildings insurance can be obtained to cover the risk of flooding however we would recommend this is checked as if this is not the case our valuation may be affected.
- Please note there is a discrepancy in relation to the purchase price of the property. Whilst on site, we were advised by your customer that the purchase price was £480,000, however we have made direct enquiries with the selling agent who have confirmed the purchase price is £400,000. We have continued on the basis that the purchase price is £400,000 as advised by WT Gunson.

Appendix A

44-46 Yorkshire Street, Rochdale, OL16 1JW



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Promap

● LANDMARK INFORMATION

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Plotted Scale - 1:75000. Paper Size – A4

LANDWOOD
GROUP

This map is for identification purposes only.

These are the notes referred to on the following official copy

The electronic official copy of the title plan follows this message.

Please note that this is the only official copy we will issue. We will not issue a paper official copy.

This official copy was delivered electronically and when printed will not be to scale. You can obtain a paper official copy by ordering one from HM Land Registry.

There is an/are application(s) pending in HM Land Registry and if we have only completed the mapping work for a pending application affecting the title concerned, such as a transfer of part:

- additional colour or other references, for example 'numbered 1', may appear on the title plan (or be referred to in the certificate of inspection in form CI), but may not yet be mentioned in the register
- colour or other references may also have been amended or removed from the title plan (or not be referred to in form CI), but this may not be reflected in the register at this stage.

This official copy is issued on 09 March 2022 shows the state of this title plan on 10 February 2022 at 09:10:48. It is admissible in evidence to the same extent as the original (s.67 Land Registration Act 2002).

This title plan shows the general position, not the exact line, of the boundaries. It may be subject to distortions in scale. Measurements scaled from this plan may not match measurements between the same points on the ground.

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H. M. LAND REGISTRY

NATIONAL GRID PLAN

SD 8913

SECTION

Y

GREATER MANCHESTER

ROCHDALE DISTRICT

Scale 1:1250



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TITLE No. GM 266136



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H. M. LAND REGISTRY

NATIONAL GRID PLAN

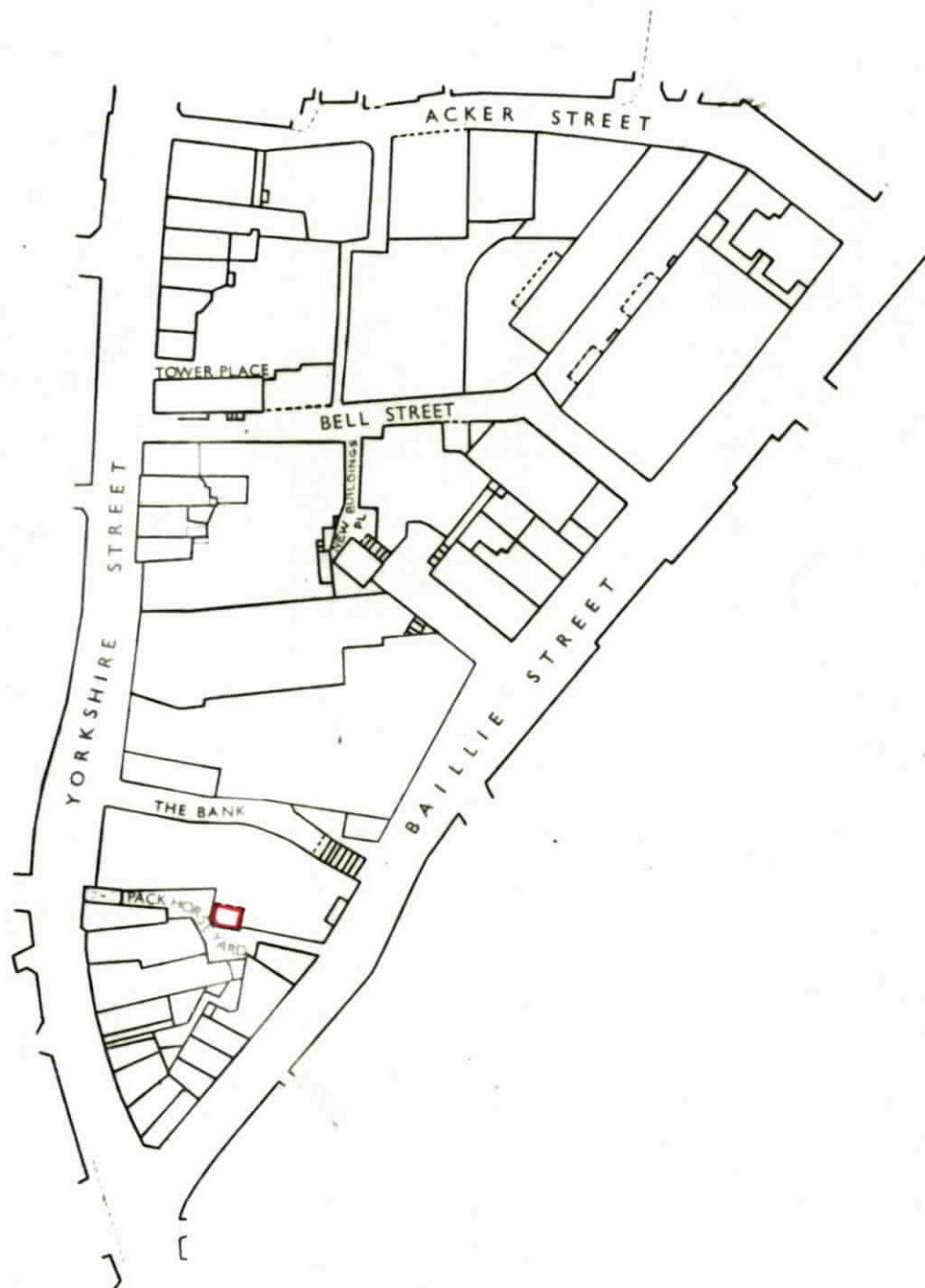
SD 8913

SECTION Y

GREATER MANCHESTER

ROCHDALE DISTRICT

Scale 1:1250



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TITLE No. GM 266931



Appendix B

44-46 Yorkshire Street, Rochdale, OL16 1JW



Front elevation



Side elevation

44-46 Yorkshire Street, Rochdale, OL16 1JW

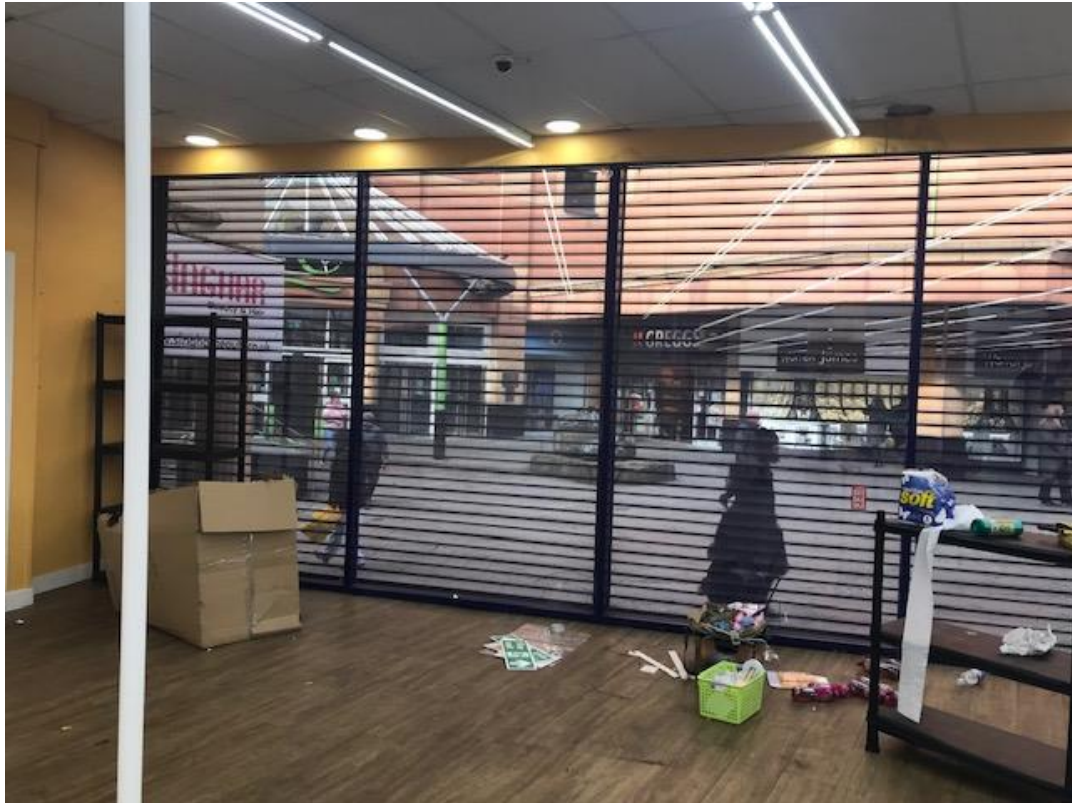


Rear/side yard



Side elevation

44-46 Yorkshire Street, Rochdale, OL16 1JW



Shop front



Ground floor sales area

44-46 Yorkshire Street, Rochdale, OL16 1JW



Ground floor shop floor



Basement

44-46 Yorkshire Street, Rochdale, OL16 1JW



First floor



Lower basement

44-46 Yorkshire Street, Rochdale, OL16 1JW



First floor



First floor

44-46 Yorkshire Street, Rochdale, OL16 1JW



Street view to the rear



Street view to the front

Appendix C

Date Sent: Tuesday 8th March 2022

Time: 17:10

Our Ref: VP#51709

Property Address:

44-46 Yorkshire Street
Rochdale
Lancashire
OL16 1JW

Good Morning,

Following on from recent communications, please take this as our formal instruction to carry out a valuation of the property detailed below on behalf of:

Lendco Limited

33 Gracechurch Street
London
EC3V 0BT

Please note that our client's requirements are attached. Please make sure all Lender requirements are adhered to, including their basis of valuation.

The Service Level Agreement (SLA) for this instruction is: 7 days from date of inspection

Should there be any reason that the SLA cannot be adhered to, VAS Panel should be notified immediately in order to keep our client informed of the delay in issuing the Report.

Your Report should be submitted electronically to VASReports@vas-group.co.uk no later than 12pm on the Report return date.

THE INSPECTION DATE MUST BE COMMUNICATED TO VAS PANEL WITHIN 24 HOURS OF INSTRUCTION

Kind Regards,

Team VAS





Full Property Details.pdf

Property Address

Address	44-46 Yorkshire Street, Rochdale, Lancashire, OL16 1JW
Country	England
Applicant Name	Noach Yisroel Fletcher & Shoshana Baya Fletcher
Applicant Company	Cassel & Fletcher Construction Ltd
Property Description	Please see attached The property comprises a substantial double storey retail premises with accommodation over ground floor, first floor, basement and sub-basement. The property is of brick construction beneath a flat roof. He will be looking to obtain planning to convert the upper part to residential and will then be refinancing with a development lender.

Property Details

Estimated Value	£480,000
Property Condition	Unknown
Number of tenants	1
Tenancy	Let
Tenure	Freehold

Valuation / Report Details

Report format requested	Full valuation - Single property / Land
Property Type	Commercial





Report Type	Red Book
Valuation Requirements	Market Values in line with lender instruction requirements

Loan Details

Loan Type	Bridging
Proposed Loan Charge	1st
Proposed Loan Amount	£360,000





Valuation Instructions

Introduction – You are instructed to provide a report and valuation of the Property for secured loan purposes in accordance with the RICS Valuation – Global Standards 2020 ‘the Red Book’.

The report is to be addressed to **Lendco** (the “Lender”) in accordance with the terms set out in this instruction letter. Your report and valuation may also be relied on by persons who now or at any future time hold or acquire any legal or equitable estate or interest in the loan or the security for the loan charged upon the Property.

You must retain a copy of the report and valuation including site notes / comparable evidence and also maintain for a period of six years following the date of your report and valuation. The Professional Indemnity Insurance Policy must be in your own name effected and maintained with an insurer approved by the Royal Institution of Chartered Surveyors providing you with full cover against your potential liabilities under your report and valuation including without limitation claims for breach of instructions and claims for professional negligence.

You will not do anything which might invalidate any Professional Indemnity Insurance Policy or to prejudice our entitlement thereunder. You will on request provide us with evidence of the existence and renewal of the Professional Indemnity Insurance Policy, the name of the insurer and proof of payment of the premium.

We never lend on security of property where we are aware that the borrower or any related or connected person uses or intends to use the property as a dwelling. Please report to us who is in occupation of the property and let us know immediately if you believe or suspect that that the borrower or any related or connected person uses or intends to use the property as a dwelling.

Please note that you are not our agent for any purpose, and you must not make any representation or warranty on our behalf or commit us to any obligation or liability.

Access – To arrange access to the Property please contact the client directly. Please provide details of any parts of the Property that were not inspected within your report.

Valuation Fee – VAS Panel will collect the valuation fee directly from the client and will pay your invoice 30 days from receipt of the completed valuation report.

Compliance – You must carry out your report and valuation in accordance the terms of this instruction letter. Where our instructions to you and your own terms of business conflict, our instructions to you will prevail. You must not sub-contract your duties and obligations under this agreement. In accepting this instruction, you also confirm that you hold professional indemnity insurance at a minimum level which is equal to the valuation you are providing.

In cases that have planning consent for the development of properties deemed to be of a specialist nature, please provide commentary on the existing use/base value of the property and consider alternative uses to support your valuation and assist us in our lending decision.

Basis of Valuations – Your report and valuation should be on the following basis. Please provide a valuation of the property based on its existing planning / condition **excluding** any ‘hope’ value or goodwill:

1. Market Value subject to, and with the benefit of, any existing leases or tenancies;
2. Market Value subject to, and with the benefit of, any existing leases or tenancies, assuming a sale by auction to be completed within 90 days;
3. Market Value subject to, and with the benefit of, any existing leases or tenancies, assuming a sale to be completed within 180 days;
4. Market Value of the Property assuming vacant possession;



5. Market Value of the Property assuming vacant possession, assuming a sale by auction to be completed within 90 days;
6. Market Value of the Property assuming vacant possession, assuming a sale to be completed within 180 days;
7. Current open market rental value of the Property as it stands and after completion of stated works;
8. Estimated Reinstatement Cost for fire insurance purposes, including site clearance costs and professional fees.

Content of report and additional matters – Below is a summary of our requirements:

- Executive Summary
- Provide commentary on whether the Property is suitable for loan security purposes.
- Details of tenant(s), including passing rent, lease start/expiry/break dates and any non-recoverable costs etc. For commercial tenancies provide strength of covenant, service charge issues etc.
- Tenure and principle terms of lease for leasehold properties.
- Carry out a full measurement of the property in line with the most recent RICS code of measuring practice.
- Local market conditions, including information on how the property fits into its local environment.
- Comparable sales evidence (with full details of address, sale dates, purchase price etc.). Note re similar properties currently on the market. Provide comparisons to the subject property.
- Valuation methodology including justification of value, calculations and residual appraisals on land with planning valuations.
- If the property is a development, we require information on build costs, comparison to BCIS indices and full commentary to support the build costs adopted within your valuation.
- Provide copies of relevant planning consents and documentation including approved drawings, Section 106 agreements etc. and commentary thereon.
- Specific commentary concerning access right to the different areas of the Property.
- Purchase history of the Property during the last 10 years. If the Property is on the market, please confirm the selling agent and include a copy of the sales particulars in the report.
- Lending risks both short and medium term.
- Residential element as a percentage of the land area.
- For new builds / conversions (last 10 years), please comment on the completion date, whether NHBC or similar certification would be required, the number of properties in the development and any recent sales.
- Commentary on any invasive vegetation, contamination, and/or hazardous substances identified upon inspection.
- Any additional reports required on the Property i.e. Ground Investigation Structural Survey, Asbestos Report etc.
- Council tax band / Rateable Value.
- Equality Act issues.
- The impact of MEES Regulations where the Property is situated in England or Wales; or Section 63 of the Climate Change (Scotland) Act 2009 where the Property is situated in Scotland
- More specifically, comment is required upon:



- The report must contain the EPC rating for the property/properties (or part of each property where separately assessed);
- The impact of these regulations on future cash flow (as a result of lease expiry profiles and EPC expiry profiles);
- Any additional capital or operational expenditure required to improve a sub-standard EPC rating, and the subsequent impact on Market Value (where applicable);
- Any implications on future Market Value or Market Rent

Please provide as appendices:

- Sufficient colour photographs of the street scene, exterior (front and rear) and interior of the Property.
- A general location map and a more detailed plan showing boundaries you have assumed for the Property.
- Land registry extract.

Report on Title - The Lender may require that its acting Solicitors arrange to send you a copy of their Report on Title in respect of the Property and obtain your written confirmation that nothing in the report on title has any effect on the valuation report you have provided to the Lender. Please respond to any such request by the acting Solicitors timely and without delay.

Sign Off - The report and valuation must be undertaken and signed by a qualified valuer with a minimum 2 years PQE. A qualified valuer must be both a member of the Royal Institution of Chartered Surveyors, MRICS/FRICS and an RICS registered valuer. The Lender requires all residential and commercial valuation reports (excluding short form residential templates) are to be countersigned by a Chartered Surveyor, MRICS/FRICS and an RICS registered valuer with a minimum of 5 years PQE.

Please send the Valuation Report with the VAS Executive Summary appended to the front of your report as a PDF to **VAS Panel** by email to **VASReports@vas-group.co.uk** Draft reports are not acceptable. Following provision of the Valuation Report, you should be prepared to discuss its contents with the Lender.

Appendix D

Our Ref: AS/13076

16th March 2022

Lendco Limited
33 Gracechurch Street
London
EC3V 0BT

Dear Sirs,

TERMS OF ENGAGEMENT FOR VALUATION SERVICES

ADDRESS OF PROPERTY : 44-46 YORKSHIRE STREET ROCHDALE OL16 1JW

We refer to your recent written instructions for the above matter; to prepare a valuation on the basis as set out below.

We are required to provide our conditions of engagement and to have these conditions of engagement accepted by yourself. Therefore, we would be pleased if you would sign the additional copy of this letter and return it to us as soon as possible. Our terms of engagement are to be read in conjunction with our standard terms of business.

We would confirm that our valuation will be prepared in accordance with the RICS Red Book Global Standards effective from 31 January 2022.

Purpose of Valuation

We understand this valuation report is required for the purpose of secured lending. The valuation may not be used for any other purpose without our express written consent.

Client

Our client for this instruction is Lendco Limited.

Landwood Group

Chartered Surveyors | Asset Managers | Auctioneers

Lancaster Buildings
77 Deansgate
Manchester
M3 2BW

0161 710 2010
landwoodgroup.com



Company No. 06655681
VAT Reg No. 939390681
Landwood Group is a trading name of
Landwood Commercial (Manchester) Limited

Property to be valued

Property Address	Tenure	Classification
44-46 Yorkshire Street Rochdale OL16 1JW	Freehold	Being purchased with a lease in place.

Status of valuer and disclosure of any conflicts of interest.

The valuation will be the responsibility of Amy Selfe, BSc (Hons), MRICS, who is a suitably qualified valuer who will be acting as an external valuer. The valuer has the knowledge, skills and understanding to undertake the valuation competently. Parts of the valuation may be undertaken by additional valuers within the firm.

We can confirm that the valuer has not had any material previous involvement with the subject property and we are in a position to provide an objective and unbiased opinion.

Subject of Valuation

We shall inspect the above mentioned property. We assume we will be shown all the legal boundaries. Unless this valuation is valuing the property as part of an operational entity, we will exclude trade fixtures, machinery, furnishings and other equipment from the valuation. We will assume the property will be in good condition, save for the defects we specifically note. The interest to be valued will be advised on site by the client or their customer as this information is not normally provided or known, on the day of the instruction. We have assumed the premises are freehold or long leasehold unless otherwise noted. If you are aware of the legal title of the property, please advise us in writing as soon as possible.

Date of Valuation

Unless specifically agreed otherwise, the date of valuation will be 9th March 2022.

Basis of Valuation

The property will be valued on the following bases in accordance with the Practice Statements in the RICS Red Book Global Standards effective from 31 January 2022.

Market Rent (MR)

The estimated amount for which an interest in real property, should be leased 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 each acted knowledgeably, prudently and without compulsion. We will assume lease terms within the valuation report, based on our experience.

Market Value (MV) subject to the special assumption of the existing tenancy

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.

The definition of Market Value is subject to the conceptual framework, settled by the International Valuation Standards Framework, paragraph 29.

Market Value (MV) subject to special assumption of vacant possession.

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.

The definition of Market Value is subject to the conceptual framework, settled by the International Valuation Standards Framework, paragraph 29.

Reinstatement Cost Assessment (RCA)

The reinstatement value is based on an estimation of the cost of re-building or re-instating the existing buildings as described within this report, on the basis of current construction costs, demolition costs, site clearance and professional fees but specifically excluding loss of rent and/or cost of alternative accommodation and VAT (except on fees).

Our assessment has been prepared upon the gross internal floor areas. A Day-one rebuilding cost has been provided for constructing a structure of a similar size, configuration and in modern equivalent materials to those originally utilised, and in accordance with current building regulations.

We have not included for any fixtures, fittings or specialist mechanical and electrical installations introduced by the occupier which we have assumed to be insured under a separate trade policy.

Allowance has been made for demolition and support to the adjoining premises, and professional and statutory fees, which will be applicable.

We would also draw your attention to the fact that no allowance has been made for VAT in any element of our valuations as it would be inappropriate to cover for this if the Company is VAT registered, nor have we allowed for loss of rent or the cost of alternative accommodation during the reinstatement period.

The declared values does not include for inflation both during the policy year and/or during the construction period should the insurable event occur towards the end of the policy year, as commercial insurance policies usually make due allowance and an adjustment for this factor which is reflected in the premiums payable.

As is our common practice, our valuation will be prepared in pounds sterling and will assume that the property is zero rated for Value Added Tax purposes and that the property is free of any borrowings, encumbrances or the like.

No allowance has been made for any liabilities for taxation whether actual or notional.

Extent of Investigation

Environmental Issues

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(ies) and which may draw attention to any

contamination or the possibility of any such contamination. In undertaking our work, we will assume that no contaminative or potentially contaminative uses have ever been carried out on the property(ies) unless otherwise stated in the valuation report. We will not carry out any investigation into past or present uses of either the property or of any neighbouring land to establish whether there is any potential for contamination.

Asbestos

Regulation 4 of the Control of Asbestos at Work Regulations 2002 (CAW), places a duty on building owners, tenants and any other parties who have a legal responsibility for the premises.

In brief, Regulation 4 requires duty holders to:

- a. take reasonable steps to find materials in premises which are likely to contain asbestos and to check their condition;
- b. presume that materials contain asbestos unless there is strong evidence to suppose they do not;
- c. produce a written record of the location and condition of asbestos and presumed asbestos-containing materials (ACMs), and to keep the record up to date; (a, b and c should have been done by the owners of the building, the management plan.)

In preparing this report we have assumed that the owner/tenant is aware of their responsibilities and that a management plan is supplied if deemed necessary.

Unless otherwise stated we have assumed there to be no significant asbestos containing materials present to the extent that they would affect the value or marketability of the property.

Air-Conditioning Refrigerant

From 1 January 2015 it became illegal to use Hydrochlorofluorocarbons (HCFCs), including R22 refrigerant gas, in air-conditioning systems. R22 is commonly used in air-conditioning systems pre-dating 2004. Any air-conditioning systems still using R22 will either require replacement or conversion to allow topping-up with an alternative legal refrigerant.

In undertaking our valuation we have assumed that there is no R22 present although we recommend this be confirmed. If R22 is found to exist in existing air-conditioning plant, we recommend that further specialist advice is obtained in order to ascertain the likely costs associated with the renewal or upgrading of the system and whether this liability rests with the property owner or occupier.

Fire Safety Regulations

Fire – The Regulatory Reform (Fire Safety) Order 2005 now addresses all fire safety legislation for non-domestic premises including the share areas of properties where several households live although in these circumstances it is likely that housing laws may also apply.

We have not been provided with a copy of a Fire Risk Assessment for the property and have assumed that the relevant requirements have been fully complied with.

We would therefore recommend that a Fire Risk Assessment be commissioned as a matter of course with any recommendations implemented. This Assessment should be subject to regular review in accordance with any physical changes to the property or the working practices undertaken therein.

The Equality Act - came into force on 1 October 2010 and replaces the provisions of the Disability Discrimination Act 1995. The Act repeals and replaces existing discrimination laws and seeks to tackle inequality in the work place.

In a property context, the Act imposes obligations on the owners or occupiers of commercial and residential premises to make reasonable physical adjustments to a building where a disabled person is put at a substantial disadvantage when compared to someone who is not disabled.

We consider it advisable for a property owner or occupier to undertake an audit and for any recommendations to be carried out so as to ensure the building complies, where necessary, with the aforementioned Act and to remove any potential liability which may arise as a result of any non-compliance.

We have assumed that the property complies with the relevant sections of the Equality Act 2010 unless otherwise stated therein.

Encumbrances

These valuations will be made as free from any borrowings, encumbrances or restrictions on title.

Allowances

Allowances will not be made in respect of any liability for taxation which may arise on disposal, whether that be actual or notional e.g. Capital Gains Tax/VAT. No allowance will be made for any costs on disposal or acquisition

State of Repair/Structural Condition

It should be noted that no structural survey of the building or service installations will be conducted and no specific comments will therefore be made in this regard.

We will not carry out a building survey, nor will we inspect woodwork or other parts of the properties, which are covered, unexposed or inaccessible and such parts will be assumed to be in good repair and condition. We will not carry out any type of ground condition survey. We are unable to report that the property is free from any structural fault, rot, infestation or defects of any other nature.

Our report will not purport to express an opinion about or to advise upon the condition of uninspected parts and should not be taken as making implied representation about such parts. Moreover, we reserve the right to amend our valuations should further investigation or survey reveal defects that may affect the value.

In particular, the valuers shall make the following assumptions and will be under no duty to verify the following:

- (a) that no hazardous or deleterious materials were used in the construction or have subsequently been incorporated in the properties and that it doesn't suffer from any latent defects;
- (b) that the results of any Local or Mining Search (including replies) or any Statutory notice, will not affect the value of the properties;
- (c) that good title can be shown and that the premises are not subject to any unusual or particularly onerous restrictions, encumbrances or outgoings;
- (d) that no Radon gas is present.

- (e) The premises comply with all relevant statutory requirements including fire and building regulations.
- (f) Our valuation assumes the property would, in all respects, be insurable against all usual risks including terrorism, ground instability, flooding and rising water table at normal, commercially acceptable premiums.

Minerals, timber, airspace

We do not value or attempt to value or take into account any potential income stream or other beneficial or detrimental effect or other factor related to undiscovered or unquantified mineral deposits, timber, airspace, sub-ground space or any other matter which would not be openly known in the market and considered to have value.

Reinstatement Cost assessments

A reinstatement cost assessment for insurance purposes is a specialist service and we can only provide an indication as a check against the adequacy of existing cover. Any indication given is provided for guidance only and must not be relied upon as the basis for insurance cover. If there is material difference between the existing cover and our assessment, then a full reinstatement valuation should be considered.

Fixtures and Fittings/Plant & Machinery

The valuation will take into account all items normally associated with the valuation of land and buildings to include:-

Fixed heating, lighting, water, electricity, gas and steam appliances not serving industrial or commercial processes, lifts and permanent structures to include fixed cranes (where they form an integral part of the building), suspended ceilings, sewers, drains, air conditioning (not solely used for computers or an item of plant or machinery), sprinkler systems, fixed partitioning.

All items associated with the process or not primarily serving the building are excluded unless otherwise specified. This includes: -

Cranes, hoists, structures forming part of process plant and machinery, air supplies or circuits serving industrial or commercial processes, all plant and machinery, tooling or other items not serving the building.

In the case of properties being sold and valued as an operational entity, all plant and equipment normally associated with that particular trade will be included within the valuation and are assumed to be owned free of any charge, lease, lien or finance agreement. We will further assume that all licences, fire certificates and other permissions needed for any trading related valuation are able to be transferred.

Nature and Source of Information to be relied upon

All information supplied to us whether it be by you or your third party advisors will be relied upon as being correct. No responsibility or liability will be accepted for the true interpretation of the legal position of the client or other parties.

This valuation will be prepared on the basis that full disclosure of all information and facts which may affect the valuation will be made available to us by the client and by any relevant third parties. We cannot accept any liability or responsibility in the event of the information provided being incomplete or incorrect.

We shall make informal enquiries of the local planning and highway authorities and also rely on information that is publicly published or available free of charge. Any information obtained will be assumed to be correct. No local searches will be instigated. Except where stated to the contrary, we shall assume that there are no local authority planning or highway proposals that might involve the use of compulsory purchase powers or otherwise directly affect the property. Written enquiries can take several weeks for a response and incur charges. We recommend that formal written enquiries should be undertaken by your solicitors who should also confirm the position with regard to any legal matters referred to in our valuations.

Plans accompanying valuations are for identification purposes only and must not be relied upon to define boundaries, title, or easements. The site is identified or outlined by reference to information given to us and /or our understanding of the extent of the site.

Our valuation will reflect our general appreciation of the financial status of tenants. We do not however carry out detailed investigations as to the financial standing of the tenants, except where specifically instructed, and assume, unless informed otherwise, that in all cases there are no significant arrears of payments and that they are capable of meeting their obligations under the terms of leases and agreements.

In the provision of our services we do not hold ourselves out to have expertise in assessing build costs. Where we are considering sites or buildings with development potential, we strongly recommend that you supply us with build cost and other relevant information prepared by a suitably qualified professional. In the absence of this, we may have regard to published build cost information. Build costs produced using this approach are not accurate and are used as average rebuild prices; any reliance which can be placed on our valuation in these circumstances is restricted. Specialist professional advice should be sought by you.

Where comparable information is included in our valuation it is often based on oral or internet based enquiries and its accuracy cannot always be assured. We have not inspected the comparables.

Description of Report

The valuation report provided will meet the mandatory terms of reporting (VPS3) unless it is agreed that excluded contents will be allowed ('departures'). Any agreed departures will be recorded and referred to in the valuation report.

This valuation is subject to and prepared in accordance with the RICS Valuation – Global Standards effective from 31 January 2020. As such, it may be investigated by RICS for the purposes of the administration of the institutions conduct and disciplinary regulations.

In the event of a proposal to place the loan (if applicable) on the subject property or properties, in a syndicate, the client must notify the valuer, with a view to agreeing responsibility to the further, named parties.

We are covered by professional indemnity insurance with a total sum insured of £2,000,000 in the aggregate excluding costs and expenses with unlimited round the clock reinstatements in line with the new RICS minimum terms and conditions. Our liability in respect of the work we will carry out for you will be limited to the amount of £2,000,000 cover and the practice, its directors and shareholders will not be liable for any loss in excess of this figure.

Any advice given to you is for and on behalf of Landwood Commercial (Manchester) Ltd and is not provided in an individual capacity. No personal duty is owed to you by any individual director of the company. It is accepted that the valuer who takes responsibility for the report has the appropriate knowledge and experience to undertake the valuation competently. You agree that you will not bring a claim against any such individuals personally in connection with our services.

The firm is registered for regulation by RICS and the firm has a complaints handling procedure, which complies with RICS Rules of Conduct for Firms, paragraph 7.

Confidentiality

This report is provided for the purposes as stated above and for the sole use of the above named client. It is confidential to that client and his professional advisors. The valuers accept responsibility to the client that the reports 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 person other than the client. Any such person relies on the report at his own risk. Neither the whole nor any part of these reports or any reference to them may be included in any published document, circular or statement nor published in any way without the Valuer's written approval of the form and context in which it may appear.

Value Added Tax

These valuations are made on the basis that the property is zero rated for Value Added Tax purposes.

Currency

The currency adopted is the British Pound Sterling

Fees

Out of pocket expenses and disbursements incurred by Landwood in carrying out this instruction will be deducted directly from any monies collected on the client's behalf, unless we have agreed to an alternative approach in writing.

Our Professional Fees for carrying out this instruction will be confirmed.

We require payment of our fees upon presentation of our invoice. We understand and will exercise our statutory right to claim interest and compensation for debt recovery costs under the existing late payment legislation if we do not receive payment in accordance with our payment terms.

I trust this letter clearly sets out the terms of our instruction.

Yours faithfully



AMY SELFIE BSC (HONS) MRICS
RICS Registered Valuer (Membership No. 6506004)
SENIOR SURVEYOR

Email: amy.selfe@landwoodgroup.com

We agree to the above

Name of Client

Signed by client or duly authorised signatory

Dated

GDPR 2018
Data Protection

Please see our website for our “Data Protection – Privacy Policy” which explains the use we make of personal data we receive in the course of our work.

Data Protection in Respect of Money Laundering Checks

Any personal data we receive from you for the purposes of our money laundering checks will be processed only for the purposes of preventing money laundering and terrorist financing, or as otherwise permitted by law or with your express consent.

You consent to us retaining such data for longer than the five year statutory period, unless you tell us otherwise.

Data Protection – Your Obligations

If you send us personal data about anyone other than yourself you agree that you will ensure you have any appropriate consents and notices in place to enable you to transfer that personal data to us, and so that we may use it for the purposes for which you provide it to us.

Keeping You Informed

Quite apart from your present concerns, we like to send present and past clients information that we think might be of interest to them. That can include bulletins about the state of the market, properties or publicity information about us and our services. Please indicate if you are happy to receive such information. You can change your mind at any time, so if you later want to opt out just let us know.

Please tick one box:

I am happy to receive such information	
I do not want to receive such information	

Terms of Business – September 2020

Standard Terms of Business for Valuation Services

PARTIES

(1) Landwood (Commercial) Limited (and its subsidiaries) incorporated and registered in England and Wales with company number 06655681 whose registered office is at South Central, 11 Peter Street, Manchester, M2 5QR, United Kingdom (The Landwood Group (LG)).

(2) The Client named in the Terms of engagement letter (Client)

1. Interpretation

The following definitions and rules of interpretation apply in this appointment:

Additional Services: any additional services which the Landwood Group agrees to provide in accordance with clause 5.

Fee: the fees for the Services and any Additional Services (if any) as set out in the Letter of Appointment.

Force Majeure Event: means any circumstance not within a party's reasonable control including, without limitation: acts of God, flood, drought, earthquake or other natural disaster; epidemic or pandemic; terrorist attack, civil war, civil commotion or riots, war, threat of or preparation for war, armed conflict, imposition of sanctions, embargo, or breaking off of diplomatic relations; nuclear, chemical or biological contamination or sonic boom; any law or any action taken by a government or public authority, including without limitation imposing an export or import restriction, quota or prohibition, or failing to grant a necessary licence or consent; collapse of buildings, fire, explosion or accident; any labour or trade dispute, strikes, industrial action or lockouts; any interruption or failure of utility service

Terms of engagement: the letter by the LG which sets out the details of the Client, the Services, and the Fee together with other details relating to the Services.

Services: The Services set out in the Terms of engagement letter and the Additional Services (if any).

VAT: value added tax imposed by the Value Added Tax Act 1994, or any similar tax in addition to or replacing it from time to time.

2. Appointment

2.1 The Client appoints the LG to carry out the Services, subject to these terms of business.

2.2 This appointment takes effect from the date when the LG begins performing the Services, regardless of the date of the terms of engagement.

2.3 This appointment consists of these LG Terms of Business and the Terms of Engagement letter.

2.4 LG shall deem the Client to have accepted these LG Terms of Business and the details set out in the Terms of engagement within 5 days of their issue unless the Client has notified us otherwise in writing.

3. Consultant's Obligations

3.1 LG warrants and undertakes that it shall comply with the terms of this appointment.

3.2 LG warrants and undertakes that it shall act with reasonable skill and care:

3.2.1. When performing the Services:

3.2.2. To comply with any Act of Parliament, any instrument, rule or order made under any Act of Parliament; and any regulation or bye-law of any local authority, statutory undertaker or public or private utility or undertaking that has any jurisdiction over the Services or with whose systems or property the Services is or will be connected.

4. Client's Obligations

4.1 The Client (or the client's customer, whether actual or prospective in the case of a lender) undertakes promptly to provide LG with all information, assistance and materials that LG may request from time to time to facilitate the proper and timely performance of the Services. The Client (or the customer or prospective customer) warrants that all information provided by it to be accurate and complete, and that it is entitled to provide the same to LG for its use without recourse to any third party.

4.2 The Client undertakes promptly to carry out all such actions and provide all such resources (if any) as may be required of the Client in the Terms of Engagement.

4.3 The Services are to be performed at the Clients customers premises (or premises which they are intending to lease/ buy), the Clients customer shall ensure that such personnel are allowed access to such premise upon reasonable prior notice during normal business hours and shall take full responsibility for the safety and security of LG's personnel whilst at such premises.

5. Remuneration

5.1 The payment terms set out in clauses 5.2 to 5.5 shall apply to all Services.

5.2 The Client shall pay the Fee, together with any agreed expenses and disbursements, which shall be LG's entire remuneration under this appointment. The gross fee including all agreed expenses will be noted in the terms of engagement letter.

5.3 The Client shall pay LG any VAT properly chargeable on the Services. Any amount expressed as payable to LG under this appointment is exclusive of VAT unless stated otherwise.

5.4 Payment shall be made within 30 days of the date of the Invoice.

5.5 LG reserves the right to charge interest and debt recovery costs in respect of any amounts not paid in accordance with clause 5.4. Interest will be calculated in accordance with the "Late Payment of Commercial Debts (Interest) Act 1998".

5.6 At the Client's discretion, acting reasonably, it may instruct LG to carry out any Additional Services. For the avoidance of doubt, LG shall only perform Additional Services on receipt of a written instruction to do so by the Client.

5.7 Any Fee payable by the Client in respect of Additional Services shall be included in the next invoice following performance of the Additional Services.

6. Limitation of liability – PLEASE READ THIS SECTION CAREFULLY

6.1 Without affecting any other limitation in this appointment, LG's liability under or in connection with this appointment shall be limited to £2,000,000 in the aggregate excluding costs and expenses with unlimited round the clock reinstatements. This limit shall apply however that liability arises including a liability arising by breach of contract, arising by tort (including the tort of negligence) or arising by breach of statutory duty.

Nothing in this appointment shall exclude or limit LG's liability for:

6.1.1. Death or personal injury caused by LG's negligence; or

6.1.2. Fraud or fraudulent misrepresentation.

6.2. None of LG's employees, directors or consultants individually has a contract with the Client or owes the Client a duty of care or personal responsibility. The Client agrees that it will not bring any claim against any such individuals personally in connection with the Services.

6.3 If the Client suffers loss as a result of LG's breach of contract or negligence, LG's liability shall be limited to a just and equitable proportion of the Client's loss having regard to the extent of responsibility of any other party. LG's liability shall not increase by reason of a shortfall in recovery from any other party, whether that shortfall arises from an agreement between the Client and them, difficulty in enforcement, or any other cause.

6.4 LG shall have no liability to the Client under this appointment in respect of loss of profits, loss of revenue or business, loss of goodwill or reputation or any other indirect or consequential losses.

6.5 The Services and any Material produced in connection with the Services are provided for the Client's benefit alone and solely for the purposes of the instruction to which it relates. The Services or any Material may not, without LG's written consent, be used or relied upon by any third party, even if that party pays all or part of LG's Fees, or is permitted to see a copy of the Materials LG create. If LG provides written consent for a third party to rely on the Services or the Materials, it may be subject to a further fee, and any such third party will be deemed to have accepted the terms and conditions set out in this appointment.

6.6 LG shall not be liable for any loss or damage suffered or incurred by the Client arising from LG's delay in performing or failure to perform the Services and/or any of its obligations under this appointment where such delay or failure results from a Force Majeure Event.

7. Copyright and Intellectual Property

7.1. LG owns all intellectual property rights (including copyright) relating to the Material it produces.

7.2. On payment of the Fee, LG grants to the Client an irrevocable, non-exclusive, non-terminable, royalty-free licence to copy and make full use of any Material prepared by, or on behalf of, LG for any purpose relating to the project or the property to which the Services relate.

7.3. Shall not be liable for use of the Material for any purpose other than that for which it was prepared and/or provided.

7.4. The Client may, at any time (whether before or after completion of the Services, or after termination of LG's engagement under this appointment), request a copy or copies of (some or all) the Material from LG. On the Client's payment of LG's reasonable charges for providing the copy (or copies), LG shall provide the copy (or copies) to the Client.

8. Confidentiality

8.1. Each party undertakes that it shall not at any time disclose to any person any confidential information concerning the business, affairs, customers, clients or suppliers of the other party or of any member of the group of companies to which the other party belongs, except as permitted by clause 8.2.

8.2. Each party may disclose the other party's confidential information:

8.2.1. To its employees, officers, representatives, contractors, sub-contractors or advisers who need to know such information for the purposes of exercising the party's rights or carrying out the party's obligations under or in connection with this appointment. Each party shall ensure that its employees, officers, representatives, contractors, sub-contractors or advisers to whom it discloses the other party's confidential information comply with this clause 8; and

8.2.2. As may be required by law, to a court of competent jurisdiction or any governmental or regulatory authority.

8.3. No party shall use any other party's confidential information for any purpose other than to exercise its rights and perform its obligations under or in connection with this appointment.

9. Anti-Money Laundering

9.1. LG operate an anti-money laundering policy in compliance with the Money Laundering Regulations 2007 and the Money Laundering Regulations 2017, The Proceeds of Crime Act 2002, The Terrorism Act 2000 and subordinate legislation. LG may require the Client to provide information (including proof of identity or income) from time to time to enable LG to verify the Client's identity. For the avoidance of doubt this may require us to request and retain information relating to the directors and the "beneficial owners" of the Client, as is required under the legislation.

9.2. Any failure to provide such information within 7 days of such a request shall give LG the right to terminate this appointment.

10. Bribery Act

10.1. In order to comply with the Bribery Act 2010, either party must inform the other if it becomes aware of any person (employee, agent, intermediary, contractor, private individual, commercial organisation or public official) connected (in any way) with this Appointment having committed an offence under the Bribery Act 2010 (or any equivalent legislation).

10.2. LG reserves the right to terminate this appointment should it reasonably believe that a breach or likely breach of the Bribery Act 2010 (or any equivalent legislation) has occurred.

11. Data Protection

As a result of LG's relationship with the Client, LG may collect or retain personal data about the Client. If the Client is a company, this may include information about the Client's employees, officers, or shareholders. If the Client is a person, this may include information about the Client's family members. LG will only use such data for the purposes of providing the Services, or for related purposes such as updating Client records, money laundering compliance and other legal and regulatory compliance, and we may need to disclose this information to appropriate persons in relation to such matters.

In providing any personal data to LG, the Client confirms that the Client has informed the individuals concerned and obtained any necessary consent to the transfer to LG and for LG's use of their data for these purposes.

12. Professional Indemnity Insurance

12.1. LG shall maintain professional indemnity insurance to cover its liabilities arising out of this appointment for a period beginning on the date of this appointment and ending 6 years after the date of completion of the Services provided that such insurance is available at commercially reasonable rates and terms with reputable insurers lawfully carrying on insurance business in the UK.

12.2. Whenever the Client reasonably requests, LG shall send the Client a broker letter/certificate to evidence that LG's professional indemnity insurance is in force.

13. Complaints

In the event that the Client has a complaint the Client shall be entitled to have access to the complaints handling procedure maintained by LG which contains a dispute resolution process as required by the Royal Institution of Chartered Surveyors (RICS) rules of conduct (details of which are available on request from LG on request).

14. Unoccupied Premises or Properties

LG accepts no liability or responsibility for the security, maintenance or repair of, or for any damage to any premises or properties to which the Services relate. The Client shall take all necessary action to protect such premises or property and to ensure that they have adequate insurance cover in place.

15. Joint and Several Liability

If at any time the Client shall consist of more than one person, the obligations on the Client under this appointment shall be enforceable against each of them on a joint and several bases.

16. Notice

A notice given to a party under or in connection with this Appointment shall be in writing and delivered by hand or by recorded delivery post to the address recorded at the start of this Appointment (if being delivered to LG) or the address set out in the Letter of Appointment (if being delivered to the Client) or such other address as the other party may specify from time to time by written notice to the other.

17. Liability Period

Neither party shall commence any legal action against the other under this appointment after six years from the date of completion of the Services.

18. Third Party Rights

Except in relation to clause 6.5, a person who is not a party to this appointment shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this appointment.

19. Entire Agreement

19.1. This appointment constitutes the entire agreement between the parties and supersedes and extinguishes all previous discussions, correspondence, negotiations, drafts, agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to its subject matter.

19.2. Each party agrees that in entering this appointment it does not rely on, and shall have no remedies in respect of, any statement, representation, assurance or warranty (whether made innocently or negligently) that is not set out in this appointment.

19.3. Each party agrees that it shall have no claim for innocent or negligent misrepresentation or negligent misstatement based on any statement in this appointment.

19.4. No variation to this appointment will be binding unless agreed in writing by both parties.

19.5. Nothing in this clause shall limit or exclude any liability for fraud.

20. Governing Law and Jurisdiction

This appointment and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the law of England and Wales and each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with the appointment.