

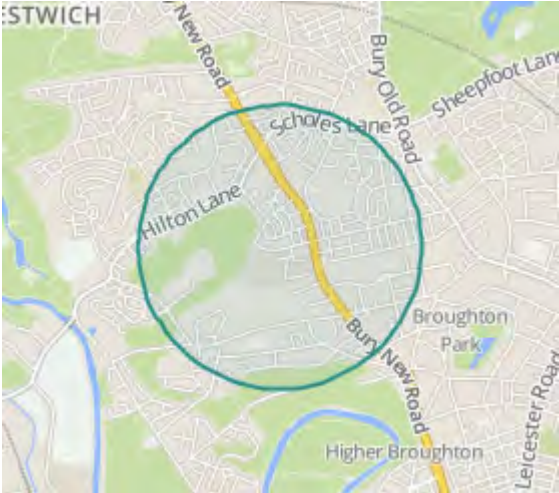
APPENDIX C:

M25 9WS

Search

House Prices around M25 9WS

Sales of semi-detached properties around M25 9WS had an overall average price of £347,679 over the last year.



Explore the map view →

Who provides this information?

English and Welsh house price data is publicly available information produced by the HM Land Registry. This material was last updated on 8 December 2023.

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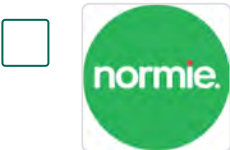
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Properties sold

Filter:

Within ½ mile

Last 1 year

Semi-detac...

All tenures

23 sold properties

Date sold

6, Bland Road, Prestwich, Manchester, Greater Manchester M25 9WL

4 bed, semi-detached

£458,377

24 Aug 2023

Freehold

£220,000

17 May 2013

Freehold

No other historical records

4, West Meade, Prestwich, Manchester, Greater Manchester M25 0JD

Semi-Detached

£310,000

24 Aug 2023

Freehold

No other historical records

42, Sandy Lane, Prestwich, Manchester, Greater Manchester M25 9NA

4 bed, semi-detached

£365,000

11 Aug 2023

Leasehold

No other historical records

10, Hilton Crescent, Prestwich, Manchester, Greater Manchester M25 9NQ

4 bed, semi-detached

£390,000

31 Jul 2023

Freehold

£317,500

7 Feb 2020

Freehold

£71,950

31 May 2001

Freehold

64, Kings Road, Prestwich, Manchester, Greater Manchester M25 0LN

Semi-Detached

£210,000	22 Jun 2023	Freehold
----------	-------------	----------

£210,000	15 Oct 2012	Freehold
----------	-------------	----------

No other historical records

18, Lichfield Drive, Prestwich, Manchester, Greater Manchester M25 0HX

3 bed, semi-detached

£307,500	1 Jun 2023	Freehold
----------	------------	----------

£148,000	5 Aug 2006	Freehold
----------	------------	----------

No other historical records



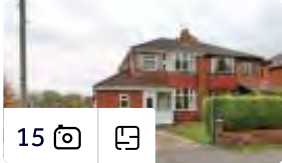
36, Agecroft Road East, Prestwich, Manchester, Greater Manchester M25 9RT

3 bed, semi-detached

£300,000	26 May 2023	Freehold
----------	-------------	----------

£290,000	23 Sep 2021	Freehold
----------	-------------	----------

£58,500	27 Mar 1998	Freehold
---------	-------------	----------



23, Sedgley Park Road, Prestwich, Manchester, Greater Manchester M25 0BJ

3 bed, semi-detached

£260,000	28 Apr 2023	Freehold
----------	-------------	----------

No other historical records



13, Lancaster Drive, Prestwich, Manchester, Greater Manchester M25 0HZ

Semi-Detached

£500,000	27 Apr 2023	Freehold
----------	-------------	----------

No other historical records



73, Cavendish Road, Salford, Greater Manchester M7 4NQ

4 bed, semi-detached

£395,000	25 Apr 2023	Freehold
----------	-------------	----------

No other historical records



4, Headlands Drive, Prestwich, Manchester, Greater Manchester M25 9YF

3 bed, semi-detached

£202,000	5 Apr 2023	Leasehold
----------	------------	-----------

£41,000	22 Feb 2002	Leasehold
---------	-------------	-----------

No other historical records



27, Sedgley Park Road, Prestwich, Manchester, Greater Manchester M25 0BJ

3 bed, semi-detached

£240,000	27 Mar 2023	Freehold
----------	-------------	----------

No other historical records



different lender, to suit your mortgage needs and circumstances.

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House prices near M25 9WS

[House prices in BL9](#)

[House prices in M24](#)

[House prices in M27](#)

[House prices in M9](#)

[House prices in M8](#)

[House prices in M6](#)

[House prices in M26](#)

60, Vine Street, Salford, Greater Manchester M7 3PG

3 bed, semi-detached

£385,00010 Mar 2023Freehold

No other historical records



2, Travers Street, Salford, Greater Manchester M7 3DN

4 bed, semi-detached

£285,0003 Mar 2023Leasehold

£195,0005 May 2017Leasehold

£174,95019 Dec 2014 (New Build)Leasehold



90, Scholes Lane, Prestwich, Manchester, Greater Manchester M25 0AU

4 bed, semi-detached

£490,00028 Feb 2023Freehold

No other historical records



7, Castlemoor Avenue, Salford, Greater Manchester M7 3PR

Semi-Detached

£200,00024 Feb 2023Freehold

No other historical records



5, Sedgley Avenue, Prestwich, Manchester, Greater Manchester M25 0LS

3 bed, semi-detached

£310,50021 Feb 2023Freehold

£161,2003 Feb 2015Freehold

No other historical records



21, Albert Avenue, Prestwich, Manchester, Greater Manchester M25 0LY

Semi-Detached

£450,00020 Feb 2023Freehold

£202,5004 Jul 2014Freehold

£26,00012 Feb 1999Freehold



112, Nevile Road, Salford, Greater Manchester M7 3PL

3 bed, semi-detached

£370,00013 Feb 2023Freehold

No other historical records

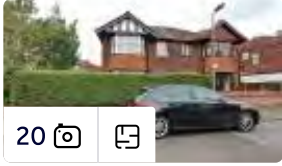


19, Norwood Avenue, Salford, Greater Manchester M7 3PW

3 bed, semi-detached

£357,2502 Feb 2023Freehold

No other historical records



16, Queens Drive, Prestwich, Manchester, Greater Manchester M25 0HQ

Semi-Detached

£403,000

31 Jan 2023

Freehold

No other historical records

26, Moorside Road, Salford, Greater Manchester M7 3PJ

4 bed, semi-detached

£500,000

30 Jan 2023

Freehold

No other historical records

6, Sandy Lane, Prestwich, Manchester, Greater Manchester M25 9RZ

3 bed, semi-detached

£308,000

13 Jan 2023

Freehold

£140,500

18 Jul 2014

Freehold

No other historical records

50

15

← Previous

Page 1 of 1

Next →

Source acknowledgement: House price data produced by Land Registry.

This material was last updated on 8 December 2023. It covers the period from 1 January 1995 to 31 October 2023 and contains property transactions which have been registered during that period.

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4/5

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APPENDIX D:

£/M2 STUDY

Description: Rate per m2 gross internal floor area for the building Cost including prelims.

Last updated: 30-Dec-2023 07:27

Rebased to Bury (97; sample 16)

MAXIMUM AGE OF RESULTS: DEFAULT PERIOD

Building function (Maximum age of projects)	£/m² gross internal floor area						Sample	
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest		
New build								
843. Supported housing								
Generally (15)	1,851	952	1,540	1,733	2,046	3,752	130	
Single storey (15)	2,193	1,333	1,721	2,122	2,282	3,752	13	
2-storey (15)	1,855	961	1,533	1,686	2,119	3,266	42	
3-storey (15)	1,711	952	1,532	1,632	1,889	2,542	45	
4-storey or above (15)	1,900	1,157	1,521	1,756	1,951	3,609	27	
843.1 Supported housing with shops, restaurants or the like (15)	1,778	1,124	1,483	1,681	1,937	2,944	36	

New Build, Construction

ESTIMATED CONSTRUCTION DURATION

The estimated construction duration from Start on Site to Construction Completion is 84 weeks
(this is an average for the project as described below).

The 90% confidence interval for this estimate is 66 to 106 weeks.

Individual projects will take more or less time than the average: the 90% prediction interval for individual projects is 53 to 132 weeks.

The estimate is based on the following project details:

Contract value: £7,500,000 at 1Q 2024 (389; forecast) prices and UK mean location level

Building function: Sheltered housing

Procurement: Design and build

Selection of contractor: Single stage tendering

Client organisation: Private

APPENDIX E:

**Former Fairways Lodge
Non-Recoverable Outgoings**

Council Tax Calculation	Per Annum	Per Month	Units	Total/Month
1 Bed Apartment - Band C	£1,937.37	£161.45	31	£5,004.87
2 Bed Apartment - Band D	£2,179.56	£181.63	21	£3,814.23
			52	£8,819.10

Average Unit Cost per Month **£169.60**

Service Charge		Per Month	Units	Total/Month
1 Bed Apartment	£2,579.60	£214.97	31	£79,967.57
2 Bed Apartment	£3,869.40	£322.45	21	£81,257.48
			52	£161,225.05

Average Unit Cost per Month **£258.37**

Costs				
Service Charge	Council Tax	Electricity	Total pcm	
£258.37	£169.60	£ 15.00	£442.97	171825610

Sales PRD	1 Bed	2 Bed	Total	Reducing Balance		Apartments		NRO	
	8,990,000	8,190,000	17,180,000			52			
0	2,697,000	2,457,000	5,154,000	£	12,026,000	36.40	70.00%	£	16,124.17
1	337,125.00	307,125.00	644,250.00	£	11,381,750	34.45	66.25%	£	15,260.37
2	337,125.00	307,125.00	644,250.00	£	10,737,500	32.50	62.50%	£	14,396.58
3	337,125.00	307,125.00	644,250.00	£	10,093,250	30.55	58.75%	£	13,532.78
4	337,125.00	307,125.00	644,250.00	£	9,449,000	28.60	55.00%	£	12,668.99
5	337,125.00	307,125.00	644,250.00	£	8,804,750	26.65	51.25%	£	11,805.19
6	337,125.00	307,125.00	644,250.00	£	8,160,500	24.70	47.50%	£	10,941.40
7	337,125.00	307,125.00	644,250.00	£	7,516,250	22.75	43.75%	£	10,077.60
8	337,125.00	307,125.00	644,250.00	£	6,872,000	20.80	40.00%	£	9,213.81
9	337,125.00	307,125.00	644,250.00	£	6,227,750	18.85	36.25%	£	8,350.01
10	337,125.00	307,125.00	644,250.00	£	5,583,500	16.90	32.50%	£	7,486.22
11	337,125.00	307,125.00	644,250.00	£	4,939,250	14.95	28.75%	£	6,622.43
12	337,125.00	307,125.00	644,250.00	£	4,295,000	13.00	25.00%	£	5,758.63
13	224,750.00	204,750.00	429,500.00	£	3,865,500	11.70	22.50%	£	5,182.77
14	224,750.00	204,750.00	429,500.00	£	3,436,000	10.40	20.00%	£	4,606.90
15	224,750.00	204,750.00	429,500.00	£	3,006,500	9.10	17.50%	£	4,031.04
16	224,750.00	204,750.00	429,500.00	£	2,577,000	7.80	15.00%	£	3,455.18
17	224,750.00	204,750.00	429,500.00	£	2,147,500	6.50	12.50%	£	2,879.32
18	224,750.00	204,750.00	429,500.00	£	1,718,000	5.20	10.00%	£	2,303.45
19	224,750.00	204,750.00	429,500.00	£	1,288,500	3.90	7.50%	£	1,727.59
20	224,750.00	204,750.00	429,500.00	£	859,000	2.60	5.00%	£	1,151.73
21	224,750.00	204,750.00	429,500.00	£	429,500	1.30	2.50%	£	575.86
22	224,750.00	204,750.00	429,500.00	£	-	0.00	0.00%	£	-
23			-	£	-	0.00	0.00%	£	-
24			-	£	-	0.00	0.00%	£	-
25									
26									
27									
28									
29									
	8,990,000	8,190,000	17,180,000					£	168,152.02

APPENDIX F:

Prepared for:

McCARTHY STONE
Life, well lived

Valuation Report

Property: Fairways Lodge, George Street,
Prestwich, M25 9WS

5 February 2024

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General Principles & Assumptions for the Provision of Valuation Services

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Appendix Three	Location Plan
Appendix Four	Title Plan Extract
Appendix Five	Photographs
Appendix Six	Residual Valuation

EXECUTIVE SUMMARY

Address Fairways Lodge, George Street, Prestwich, M25 9WS (*hereinafter in this Report to be referred to as 'the Property'*)

Inspection Date 12 September 2023

Reporting Valuer Richard Moreton BSc (Hons) MRICS
Registered Valuer No: 1161504

The Property



Type

Hotel with development potential.

Location

The Property is located in Prestwich a popular town approximately four miles north west of Manchester City Centre.

Description

The Property comprises a 40 bedroom hotel within a two storey building. In addition to the bedrooms the hotel has conference and banqueting facilities, a restaurant, leisure centre (with squash courts) and a bar..

Tenure

We understand the Property is held Freehold (Title Number GM232244).

Tenancies

We understand that Fairways Lodge Limited are occupying the Property on a lease which expired on 30 March 2023. We understand that they are holding over on the previous terms with a rent of £300,000 per annum.

Factors Affecting Value

Strengths

- Popular location within Prestwich.
- Established hotel business.
- Site has development potential subject to planning.

Weaknesses

- The tenant of the hotel is holding over on their existing lease and could vacate within three months.
- The Property does not currently have consent for alternative use.
- Continued high inflation and interest rate increases is putting downward pressure on property values.

Valuation Approach

We have valued the Property using the market and cost approach.

Valuations

Market Value on Special Assumption (Existing Use Value)
£2,800,000 (Two Million Eight Hundred Thousand Pounds).

Market Value
£3,300,000 (Three Million Three Hundred Thousand Pounds).

Information Relied Upon

We have relied upon information provided in the Instruction Letter, the relevant Local Authority's planning database and online Tax records, as well as information provided by the McCarthy & Stone including rental information, and information provided by various estate agents, including tenancy details and comparable evidence details.

Occupational and Investor Demand

In our opinion, there would be a reasonably good level of investor/purchaser demand for the Property, whether made available for letting or sale. The subject location is a well-established residential area.

Volatility of Capital and Rental Performance

There is an element of market uncertainty being caused by recent economic turmoil, high inflation and interest rate increases which has led to certain levels of volatility in both the capital and the rental markets nationally. Notwithstanding this, general property fundamentals are good, and we estimate the Property would broadly perform in line with other similar properties in the same locality.

Planning and Other Pertinent Issues

We have assumed that any development works undertaken are in accordance with full planning permission and/or building regulations, whilst also benefiting from warranties to an acceptable standard approved by the Council of Mortgage Lenders.

We have not been provided with environmental or ground condition reports, and have assumed no contamination exists, thus the Property is suitable for occupation and/or development. We have further assumed that there will be no additional as yet unidentified costs incurred due to damage of any of the subject building as at the Valuation Date.

INTRODUCTION

Report Date 5 February 2024

Addressee McCarthy & Stone
Unit 1 Edward Court
Altrincham
WA14 5GL

FAO: Abby Blakeley

Our Reference 140553

The Property Fairways Lodge, George Street, Prestwich, M25 9WS

Valuation Date 5 February 2024

Valuer Credentials *Reporting Valuer:*

Richard Moreton BSc (Hons) MRICS
Registered Valuer No: 1161504

Counter Signatory:

Phil Winckles BSc (Hons) MRICS
Registered Valuer No. 1206251

We are acting as External Valuers.

Inspection Date The Property was externally and internally inspected on 12 September 2023 by Richard Moreton BSc (Hons) MRICS. We were able to inspect all of the Property for the purposes of our Valuation, except the attic spaces and roof voids.

Purpose and Bases of Valuation

To provide our opinion of value for Internal Reporting purposes associated with a proposed purchase and the assessment of viability for planning.

Our Valuation is reported in Pounds Sterling.

The bases of Valuation are as follows, and these are defined the Definitions and Basis of Valuation section of this Report:

- Market Value (Special Assumption of Existing Use Value)
- Market Value (Alternative Use Value)

Instructions

Acting in accordance with your emailed instructions of 8 September 2023 (Copy at Appendix One), the agreed scope and details of which are set out in our Letter of Engagement of 13 September 2023 (Copy at Appendix Two), we have assessed the Property in order to advise you of our opinion of value of its Freehold interest .

We confirm that this Valuation is prepared in accordance with the November 2021 edition of the RICS Valuation – Professional Standards (incorporating the International Valuation Standards) – Global and UK edition published by The Royal Institution of Chartered Surveyors, effective from 31 January 2022. We confirm that in this respect we are acting as External Valuers and are qualified as asset Valuers as defined in the Standards.

This Valuation Report is provided for the stated purpose and for the sole use of McCarthy & Stone. It is confidential to you and your professional advisors, and we accept no responsibility whatsoever to any third party.

Neither the whole nor any part of this Report 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.

We confirm that we have no current, recent or prospective fee earning involvement with the Property, the client, or any party connected with this transaction.

Economic Uncertainty

There was significant economic turmoil following the previous Chancellor's mini budget, announced on 23 September 2022. The Bank of England has continued to increase interest rates over recent months as part of its monetary policy, seeking to address inflationary pressures. Rates are likely to continue on an upward trajectory and there may be a more sustained policy of interest rate rises and other forms of economic stabilisation intervention by the Bank of England. The situation has impacted certain sectors of the property market, and this may continue. Whilst there has been a change of Chancellor, a reversal of most proposals in said mini budget and a new Prime Minister, which appears to have stabilised the market somewhat, there remains a level of uncertainty in the short-to-medium term. As yet, there has been no direction from the RICS regarding Material Valuation Uncertainty declarations; however, we would strongly recommend that, whilst the economic situation remains uncertain, you keep this valuation under constant review.

Special Assumptions

You have asked us to value on the Special Assumption that any alternative use is disregarded. This basis of valuation could otherwise be considered as analogous to Existing Use Value (EUV) as defined by RICS Guidance Note - Financial Viability in Planning.

Existing Use Value is defined by the National Planning Policy Framework as "The value of land in its existing use, with no expectation of that use changing in the foreseeable future (based on Valuation of development property, RICS guidance note). PPG paragraph 015 advises specifically that the EUV excludes hope value from any assessment of the existing use value. International Valuation Standards 104 paragraph 150.1 defines current/existing use as 'the current way an asset, liability, or group of assets and/or liabilities is used.'" Accordingly, we have adopted this as our Special Assumption under Existing Use Value.

For the purpose of the valuation, we would consider the Special Assumption as a reasonable assumption to adopt for the valuation purpose and can be formulated using market facing information and/or reasoned arguments. For any other valuation purpose, this Special Assumption would require further justification as you should note that if the Special Assumption were not adopted, then our approach to the valuation and subsequent opinion of Market Value would be materially different.

A Special Assumption either assumes facts that differ from the actual facts existing at the Valuation Date or that would not be made by a typical market participant in a transaction on the Valuation Date.

PROPERTY REPORT

1.0 Location

The Property is located in Prestwich, a town in the Metropolitan Borough of Bury, approximately four miles north west of Manchester City Centre, eight miles west of Oldham and five miles south of Bury. It has a population of approximately 31,507 (2021 Census).

Road communications are good with Junction 17 of the M60 Motorway being one mile north of the town. The A56 Bury New Road runs through the centre of the town and provides access to Manchester City Centre to the south and Bury and the M60 to the north. Public transport links are also good with a regular bus service running along Bury New Road and Prestwich Metrolink Station is in the town centre also.

The town has a reasonable retail offering with national multiples such as Costa, Marks & Spencer, Tesco, KFC, Aldi, Superdrug and Iceland present amongst local businesses trading as salons, bars, restaurants, cafes etc.

Heaton Park to the east of the town and Phillips Park to the west provide a large amount of public green space and there are smaller parks such as St Marys Park and St Marys Flower Park closer to the town centre.

The subject Property is situated in a predominantly residential area approximately one mile south of Prestwich town centre. Detached, semi-detached and terraced housing is all provided in the vicinity. To the west of the Property is Prestwich Golf Club and to the south and east of the Property is a new residential development by Bellway. Slightly further afield to east is a small industrial/trade counter estate with tenants such as The Paintshop, Howdens and Toolstation.

The approximate location of the Property is indicated in red on the attached Land Registry Plan and map extract for identification purposes only (Copies at Appendices Three and Four).

2.0 Description

The Property currently comprises a two storey building of brick construction with a part flat part shallow pitched profile metal clad roof.

It is currently being occupied as a hotel and leisure club and has 40 bedrooms together with conference and banqueting facilities, a restaurant, bar and leisure centre with six squash courts.

The Property appeared to be in reasonable internal condition with some of the bedrooms being recently refurbished. The general specification of the bedrooms was carpet covered floors, painted plaster walls and ceilings, double glazed windows, air conditioning and en-suite bathrooms.

The bar and function room areas were well maintained and recently redecorated and has a similar specification with carpet or laminate covered floors, painted plaster walls and ceilings and air conditioning.

Externally there is a large car park for approximately 100 vehicles.

Site

The Property occupies a site that is irregular in shape, and according to the Ordnance Survey, extends to approximately 0.62 hectares (1.54 acres).

Services

Whilst we have neither undertaken specific tests nor a full or partial survey of the services, we assume that the Property is/the completed development will be fully, connected to all mains services including electricity, gas, water and foul and surface water drainage.

Photographs

Please refer to our inspection photographs (Copy at Appendix Five).

3.0 Accommodation

We have measured the Property in accordance with the Royal Institution of Chartered Surveyors Code of Measuring Practice (6th Edition) and report a Gross Internal floor area of 3,505.3 sq m (37,730 sq ft).

4.0 Condition

We would specifically refer you to our Letter of Engagement, where it has been agreed that we would not carry out a structural survey. However, during the course of our inspection, we noted that the Property generally appeared to be in reasonably good internal and external condition.

We understand that the Property is let on full repairing and insuring terms, passing on the liability to repair and maintain to the tenant, but this will not extend to putting the Property into any better condition than at the outset of the tenant's lease.

Our opinion of value is based on the assumption that no major expenditure would be required to rectify any wants of repair, and we reserve the right to revise our figures should this prove to not be the case.

5.0 Tenure

Whilst we have not been provided with a Report on Title, we understand from online Land Registry information that the Property is owned Property is held Freehold (Title Number GM232244), and we have assumed for the purposes of this Valuation that the Title is unencumbered and free from any onerous or restrictive covenants.

We have assumed that that the proposed subject flats may each be able to be sold off on 125-year leases at assumed ground rents of a peppercorn. We furthermore assume that a properly constituted management company will be set up before sales commence.

We recommend the above information is checked, and we are informed should there be any discrepancies, as this may affect our opinion of values reported.

6.0 Tenancies

We understand that Fairways Lodge Limited are occupying the Property on a lease which expired on 30 March 2023. We understand that they are holding over on the previous terms with a rent of £300,000 per annum.

We recommend the above information is checked, and we are informed should there be any discrepancies, as this may affect our opinion of values reported.

7.0 Statutory Enquiries

Planning

The Property is located in Greater Manchester.

Local planning policy is governed by Bury Borough Council.

The Adopted Bury Unitary Development Plan sets out the existing policies used to determine Planning applications. A new Local Plan is currently being implemented for Bury, and once finalised will replace the adopted UDP. This Local Plan will cover the period up to 2035.

We have made online enquiries of the planning department, which discloses no recent planning applications / the following planning application/s registered against the Property.

The above planning information has been obtained from the Local Authority website. This is not an official planning search, and the planning permission can only be ratified by such. Therefore, this is a guide only produced within the time constraints and general constraints of this report.

We have assumed for the purposes of our Report that the Property falls within Use Class C1 (Hotel).

We have also assumed for the purpose of our Report that any conversion and/or development works that have been undertaken in relation with the Property, comply with all planning consents, conditions and/or building regulations.

Bury Council planning policy states that on schemes of 10-24 dwellings a 10% affordable housing contribution will be required and on schemes of 25 plus dwellings a 25% affordable housing contribution will be required. It is specified that affordable houses must be discounted by a minimum of 30% against the Market Value.

The Property is not in a Conservation Area and is not Listed.

Registration / Licenses

We have not been provided with a copy of the appropriate alcohol licence for the Property. We have assumed the relevant documentation is in place, however, this should be confirmed to us if not the case. In the event that this information cannot be supplied we should be informed, and we reserve the right to amend our Valuation accordingly.

Variable Outgoings

We are not aware of any unusual outgoings 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.

Highways

The official position regarding Highways can only be obtained by submission of a formal search via the relevant Highways Authority. This search would advise if the road serving the Property is adopted and whether there are any proposals to alter highways in the vicinity of a particular Property. A fee is payable for this service and there is likely to be a delay in receiving any response. As such, we have not carried out an official search for the purposes of this report and have assumed for the purpose of this valuation that George Street is an adopted highway, maintained at the public's expense and no onerous costs of maintenance will be placed upon the Tenant/s or Freeholder, to and from which it is assumed the Property has, and all units in the proposed development when completed are to have, full unencumbered access. We are not aware of any highway proposals in the immediate vicinity that are likely to have a material effect on the value of the Property, nor of the proposed development when completed.

Community Infrastructure Levy (CIL)

Bury Council does not currently have an adopted Community Infrastructure Levy (CIL).

This and the other points above should be checked and we must be informed if any assumptions are incorrect as this may affect our opinion of value reported.

8.0 Environmental Matters

Contamination

We have not been provided with an environmental report in respect of the Property, nor have we carried out any physical tests or investigations to determine the presence or otherwise of pollution or contamination in the Property or any neighbouring land or property (including ground water).

Our inspection did not reveal any visible signs of contamination affecting the Property or neighbouring property which would affect our Valuation. In view of the location of the Property within a predominantly residential location, we consider that the risk of contamination is low. However, should it be established subsequently that contamination exists at the Property, or on any neighbouring land, or that the premises have been or are being put to any contaminative use, this might reduce the values now reported.

Flooding

Our enquiries of the Environment Agency website in this regard reveal that the Property is situated outside the zone of extreme flood, in Flood Zone 1 for planning and development purposes. This means there is less than a 0.1 per cent (1 in 1000) chance of flooding by a river or sea occurring each year. The majority of England falls within this area. It should, however, be noted that reference to the Environmental Agency website for the purposes of establishing the likelihood that the Property may or may not suffer from flooding is indicative only. Fisher German LLP has not carried out any detailed investigations with regards to past or potential flooding issues which may affect the Property or the surrounding area.

Energy Performance Certificates & Sustainability

Property owners are required to produce an Energy Performance Certificate (EPC) when properties are either sold or let. EPCs give information on a building's energy efficiency on a sliding scale from 'A' (very efficient) to 'G' (least efficient), as well as making recommendations as to how to improve these ratings.

The Energy Act 2011 stipulates that, as of 1 April 2018, a property with an Energy Efficiency Rating below Band E (Bands F and G), will not be able to be let until improvements have been carried out to improve the Energy Efficiency Rating at or above band E, unless they are exempt.

The online Non-Domestic EPC Register does not contain, nor have we been provided with, an (up-to-date) EPC rating for the Property. As such, our Valuation is based on the assumption that the Property will meet the minimum requirements laid down by the legislation and that there will be no adverse impact on value and marketability. It is recommended that an EPC is commissioned immediately.

We assume the proposed scheme will be built in accordance with the latest guidelines governing new-build developments.

Proposed Changes to EPC Regulations

Notwithstanding, the current EPC assessment of the Property under the prevailing legislation, the government have proposed various changes to domestic and non-domestic EPC requirements. The changes being proposed are part of the Minimum Energy Performance of Buildings Bill, which is currently making its way through parliament and is not yet enshrined in law. The Bill will be debated in the House of Commons and House of Lords over the coming months, during which time its contents could be altered. At the end of this process, the final bill will go to a vote which will decide whether it becomes law.

Our understanding of the current proposals is that, in its 2019 consultation the government proposed that the minimum energy efficiency standard should increase to band B by 2030 for non-domestic properties. This was confirmed in the Energy White Paper in December 2020. The requirement for band B will increase the proportion of the non-domestic rented stock which is currently sub-standard from around 10% to around 85%, giving the Regulations much wider reach. The government views this as necessary because the building stock is responsible for such a large proportion of the UK's carbon emissions.

Landlords will be required to achieve band B in two stages by means of two "compliance windows".

First compliance window

- By 1 April 2025 - landlords must submit a valid EPC for every let property to a new online PRS compliance and exemptions database. This starts the clock for the first two-year compliance window
- By 1 April 2027 - unless the existing EPC is band C or above, landlords must obtain another EPC to show that they have improved the building to band C, or have achieved the highest EPC band that a cost-effective package of measures will deliver. In the latter case they must also register a valid exemption.

Second compliance window

- By 1 April 2028 - landlords must submit a valid EPC to the same online PRS database (the consultation seems to suggest they must do so even if the EPC submitted at the beginning of the first compliance window is still valid). This starts the clock for the second compliance window
- By 1 April 2030 - unless the existing EPC is band B or above, landlords must obtain another EPC to show that they have improved the building to band B or have achieved the highest band that a cost-effective package of measures will deliver. As before, in the latter case they must also register a valid exemption.

This is intended to make it easier for local authorities to enforce the MEES Regulations, because they will be able to identify which properties are compliant, which properties need to be improved or to have a valid exemption registered and, by elimination, which properties have not complied with the requirement to submit a valid EPC.

Notwithstanding the foregoing, for properties within the A to E bands, the methods of assessment have evolved over the period since energy performance standards were introduced. Accordingly, rating may have changed since their certificates were issued. For such properties, it is therefore advisable to obtain the opinion of an expert as to whether the building would still comply with the minimum standard if they were re-certified under the current methodology.

Accordingly, we have not only considered the current EPC assessment of the Property in arriving at our opinions of value, we have also considered the potential impact on marketability driven by the proposed changes in the legislation.

Air Conditioning Inspection

Following the European Directive on the Energy Performance of Buildings, air conditioning systems with an effective rated output of more than 12kw must be inspected by an accredited inspector, with the first inspection date based on when the system was first installed. The resulting report provides information about the efficiency of the system and advice as to how its effectiveness may be improved.

Systems with an output of over 250kw should have been inspected by 4 January 2009. Also, when the person in charge of the system changes, if a report is not provided then the new person is required to have the system inspected within three months of handover.

Our valuation is prepared on the assumption that any equipment has been inspected and appropriately managed on this basis.

Invasive Plants

We have not undertaken any detailed inspection of the Property for the presence of Japanese Knotweed or any other invasive plant species. Japanese Knotweed is more easily identifiable during the spring/summer periods and is less identifiable during the autumn/winter due to die back. It can typically be found near a railway embankment or sloping ground, close to a water source or other source or pathway. Whilst invasive plant species were not immediately visible to us during our inspection, we cannot confirm that none exist, either at, above or beneath ground level. We cannot give a guarantee as to the presence of invasive plant species on the subject or any neighbouring land.

Mining

The Property is located in coal mining reporting area. We would recommend your Solicitor requests a coal mining report as part of their Report on Title, and our Valuation assumes that appropriate insurance is available at a commercial rate to cover this risk.

Radon

The Property is not situated in an area that could be affected by radon gas.

Deleterious Materials

Due to the age of the Property, it is possible that asbestos and/or other deleterious materials such as high alumina cement concrete, woodwool shuttering or calcium chloride, may be present within the fabric of the building, whether incorporated in its original construction and/or subsequent alteration. We recommend that, if any asbestos is present, this is removed under controlled conditions if it were to become damaged, or works are carried out in its vicinity.

9.0 Equality Act 2010

The Equality Act 2010 came into effect on 1 October 2010 and replaces previous legislation concerning discrimination, much of which was contained within the Disability Discrimination Act. Under the new Act the duty falls on service providers and property owners not to discriminate against a disabled person by not providing a service on the same terms as which it is provided to others or subject a person to any other detriment.

Reasonable steps must be taken to avoid discrimination and may include changing physical characteristics of a building, such as adding access ramps or handrails on stairways, if alternative service provisions are still believed to disadvantage the disabled person.

Due to the many issues facing disabled individuals, we are not able to comment fully on all matters relating to the Equality Act 2010. In order to properly assess what steps if any need to be taken to ensure that the property is compliant with the Act, we recommend that an Access Audit is undertaken so that any deficiencies are correctly identified. Once completed we would be happy to comment on the likely effect, if any, on the property's value. In the absence of a suitable report we have assumed that there are no issues that negatively affect the value of the property reported here.

10.0 Asbestos at Work Regulations

Obligations encompassed within the Control of Asbestos Regulations 2012, require that owners and occupiers of buildings manage asbestos within their buildings. This may involve having an asbestos survey undertaken and maintaining a register of any asbestos containing materials.

We have not been informed of whether or not a full survey or register has yet been prepared and recommend that confirmation should be sought from the conveyance that an asbestos inspection report has been obtained and that any required management plan has been implemented.

11.0 Factors Affecting Value

Location

Location in the popular town of Prestwich approximately four miles north of Manchester City Centre.

The Property is situated in a predominantly residential location.

To the immediate south and east of the Property is a residential development in the final stages of completion by Bellway.

Property

The Property provides a 40 bedroom hotel with conference, banquet and leisure facilities.

The configuration of the Property is slightly unusual in nature with it being built around six squash courts in the centre of the building.

The Property provides a car park for approximately 100 vehicles.

Planning

There is no planning consent for alternative use at present.

Tenure

The Property is held Freehold which is preferred by owners, lenders and developers.

Existing Tenancies

We understand that Fairways Lodge Limited are occupying the Property on a lease which expired on 30 March 2023. We understand that they are holding over on the previous terms with a rent of £300,000 per annum.

12.0 Current Market Commentary

General Commentary

Throughout 2023, UK and European governments have continued to lower inflation rates, which by October 2022 had reached a 41 year high of 11.1%. This initial surge in inflation was largely attributed to three economic shocks:

- The ongoing war in Ukraine

- A burgeoning energy crisis
- A rise in firms' costs

These events led to the UK, as a net-importer of goods, rapidly increasing consumer prices.

Over the last year, the UK economy has faced significant structural changes, with low growth and inflation rates still significantly above the Bank of England's 2% target. However, despite the ONS reporting no growth in the economy during Q3 of 2023, inflation rates in October 2023 were significantly below their peak, with annual rate of inflation standing at 4.6%. The Bank of England predicts the annual rate for 2024 will be 3.1%.

Europe has been tasked, throughout 2023, with restoring price stability. Within the UK energy and food prices, which rampantly rose following Putin's illegal invasion of Ukraine, have fallen. Lower wholesale energy prices have been the main driver of this lower inflation and have been reflected in the Government's decision to lower the Energy Price Guarantee cap (EPG) in October 2023 to £1,923 per year. This measure will last until March 2024.

Food prices, whilst, higher, year-on-year at the end of Q2 2023 than the previous year, have started to decline with the British Retail Consortium (BRC) reporting a decrease in rates from 6.9% in August 2023 to 6.2% in September of the same year. It is believed that, throughout 2024, the price and demand for staples, such as sugar, coffee, corn and soyabeans, will according to an agribusiness bank, continue to decline. The prices of wheat, however, face uncertainty – due to dry weather conditions in wheat growing countries – as we enter 2024.

Lower income households, who pay the largest proportion of their income on household goods, continue to feel the inflationary squeeze. The Trussel Trust, reported a 16% year-on-year increase in the use of their foodbanks from April -September 2022, with over 1.5 million emergency food parcels handed out in this period. Consumer Scotland conducted a study, which illustrated that in August 2023 UK households in the lowest quintile faced a higher rate of inflation (6.9%) than those within the highest quintile (5.9%).

The speed of disinflation has varied across countries. The UK's rate of annual rate of inflation for 2023, at 4.6% is recorded as being higher than comparable economies with Germany recording 3%, the Eurozone 2.9% and the US 2.1%. The reasons attributed for this include the UK's position, in contrast to the US, as a net importer of goods. It, additionally, in the aftermath of the pandemic and Brexit has had a shortage of workers coupled with higher labour costs, causing an elevation of prices within the services sector.

The Bank of England, in its response to inflation, has raised interest rates in 14 consecutive intervals from 0.1% in December 2021 to 5.25% in August 2023. The rates, which have remained static in September and November 2023 are not predicted by economists to fall until June 2024. It is expected that they will remain the same when reviewed again in December 2023.

The impact has been severe on many households, with higher interest rates resulting in higher household borrowing costs. The additional costs which households will expect to pay on monthly mortgage re-payments has depended on the varying increases in their mortgages. During 2023,

57% of fixed rate mortgages were due for renewal, with homeowners, on a 2% fixed rate mortgage, likely to experience significant increases in their monthly re-payments.

Interest rates have additionally likely caused for there to be a decrease in borrower activity, with Octane Capital, stating that 669,500 mortgages will likely have been secured by the end of 2023: an 11% year-on-year decline. The subdued activity will likely change providing national house prices fall by 2%, wages increase, and mortgage rates hit the 4.5% rate which Zoopla predict by Q4 next year. Whilst house prices have fallen within the southeast, it is likely they will continue to fall on a national basis, as the number of properties for sale, has reached a five-year high.

With inflation falling, The Autumn Statement (22 November 2023) was largely focused on growing the economy and reducing debt. It, set out plans to reduce Class 1 employee National Insurance contribution (NIC) from 12% to 10%, increase the national living wage to £11.44 an hour, and additionally lower the age at which the higher basic living wage, would come into effect from 23 to 21.

Additionally, it reflected the government's commitment to unlocking business investment with a view to obtaining long-term economic growth. It announced measures including: a simplification and improvement of R&D tax reliefs circa. £280 million, reforming the planning system to reduce the time for new projects coming to the grid and establishing business Investment Zones in Greater Manchester, West Midlands and East Midlands as well as extending tax reliefs for these zones from five to ten years.

Despite the measures, laid out in greater detail within the statement, to boost business development by £14 billion, the long-term success of the measures will, likely be dependent on the result of the general election, due to take place in 2024.

Residential

Economic climate

Three economic shocks form the backdrop to the current economic climate:

- The Pandemic – initially led to a shortage of products and services, but evolved rapidly as restrictions eased and vaccines were rolled out. There was a sudden switch to high demand for products and services that started a trend of price rises (inflation).
- The war in Ukraine – Russia's invasion of Ukraine created another significant geopolitical shock. The underlying impact globally is that food and energy prices rose rapidly, driven trading/market uncertainties and actual supply constraints of primary materials such as coal and wheat.
- Labour supply imbalance – Resulting from the Pandemic and Brexit there became a shortage in the number of people available for work in the UK. There are two key elements to this, the cost of hiring and the impact of wage inflation. Employing people is generally one of the largest costs incurred by businesses and this meant prices were increases to off-set.

Against this economic backdrop, in Q4 2023 the economy is generally shaped still by inflationary pressures and also the Bank of England monetary policy aimed at getting inflation under control and back towards the long-term 2% target.

The Bank of England's monetary policy has been to increase interest rates. This is seen as the most effective way of influencing spending in the economy, and therefore inflation. Since 01 2023 there have been incremental (0.25% to 0.5%) rate increases on a monthly basis until August, where 5.25% was reached.

At the start of Q4 2023 inflation dropped to 6.7%, and interest rates have remained stable at 5.25% (unchanged since August 2023), but this is still significantly higher than the 0.25% rates at the start of 2022.

Oil prices have been steadily falling since October 2022 with a current year-on-year decrease of 24.7% (between start of Q4 2022 and Q4 2023). Many households this year will be protected from inflated prices by a price cap of £1,923 per which is forecast to remain at a similar level through 2024.

The annual inflation of food prices has risen 12.2% in the year to September, although has fallen slightly since May, when they were at 19.5% higher. The same basket of goods now costs significantly more.

However, the squeeze on households has been slightly offset by the 7.8% growth in regular pay between April and June: which the ONS note to be the highest since records begun in 2021, but in real terms there is still an imbalance where the long-term trend is that inflation out-strips wage growth by approx. 1.5%.

In terms of residential property, demand from property buyers has significantly fallen in the 12 months following the mini budget - announced by former Prime Minister Liz Truss and former Chancellor Kwasi Kwarteng in September 2022- setting out a series of tax cuts planned to be funded by an estimated £50bn in borrowing. This announcement triggered economic and political chaos. The Autumn of 2022 was a turning point for homeowners who, until Kwasi Kwarteng's mini-budget were faced with less housing supply and were actively looking to close deals before mortgage levels rose.

The stamp -duty holiday, combined with a desire for more space and the savings commuters had amassed whilst working from home, fuelled this demand. However following the mini-budget the tide turned : many lenders withdrew their mortgage offers and homeowners on fixed rate mortgages were faced with increased monthly mortgage re-payments.

Housing Market

Rishi Sunak and Jeremy Hunt took over from Liz Truss in October 2022 and did a volte face on many of the reforms. During this time, the nil rate band for SDLT increased from £125,000 to £250,000-, and first-time owners were additionally exempt from SDLT on the first £425,000 of their purchase price.

The hiking of the Bank of England's base rate of interest from 0.1% to 5.25% in a bid to tackle inflation, has had the biggest impact on the housing market. In August 2023, the Bank of England made the 14th consecutive rise to interest rates, which has directly contributed to, mortgages becoming more difficult and expensive to obtain. CBRE have noted that, the number of mortgages in 2023 were 30% below the pre- budget level. They believe that, many banks have cut their fixed rate mortgages during this time.

Unsurprisingly, demand for purchasing a new property has been low throughout 2023, in relation to supply – marking a sharp contrast to 2021 and 2022 when prices rose as demand outgrew supply. Surveyors throughout 2023 have, according to the RICS, noted that there have been more price falls than at any other time since 2009.

This is backed by Nationwide's national figures which illustrate a 5.3% annual national decline in house prices: equalling approx. £14,000 per home (October 2023). However, there has been regional variations as data reflects a 6.3% fall in the South-West and only a 2.2% fall in the North-West.

Additionally, there have been price variations in price declines across London boroughs, with Merton seeing the largest annual price decline at -6.7% and Kensington and Chelsea's prices only dropping by an average of 0.8%. Other boroughs, notably Camden has seen an annual price increase of 1.8%. (Data October 2023)

Savills notes that another trend this year has been the divergence between houses and flats, with house prices holding up better than flats across every region within London. They've noted that the prices of flats, which are more dependent upon mortgage debt, have fallen across all Prime London locations. This trend is mirrored nationwide as, almost half of all agents have ranked 1-2 bed flats as being in the least demand.

Similarly, there is a divergence in the performance of properties within the prime London housing market. In Prime Central London, where, half of all properties do not have a mortgage against them and where equity rich buyers do not require mortgages, the economic climate has had less of an impact. Indeed, JLL noted that, in the City of Westminster, 44% of all sales in Q1 and Q2 of the year were in cash. The decline in homes above £10 million for instance, was only a 0.8% annual decline. However, for family homes in Southwest and West London at less than £2 million, there is evidence to suggest that buyers have been impacted by higher interest rates as homes in this category have declined by 6.7% in the last year.

Leasehold Reform

Legislation has also favoured investors. Leasehold Reform (Ground Rent) Act 2022 has been fully implemented to now, as of April 2023, include retirement properties. The act, put an end to the ground rents for new, qualifying, long residential leasehold properties (of over 21 years) in England and Wales. Under the act, only "one peppercorn per year" can be charged for new residential leases and no money can legally be charged for ground rent on leases which are regulated by the act. This is likely to reduce the uncertainty which some long leaseholders and investors may have felt upon purchasing leasehold property.

The reforms are, likely to extend further. In May 2023 the Housing Minister Rachel MacLaren noted that her "Department are working flat out to bring forward further leasehold reform." This is likely to include: reforming the process of enfranchisement valuation for extending a lease or buying a freehold, abolishing marriage value, giving leaseholders of flats and houses the same rights to extend their lease agreements. The government are, unable to comment as to when these changes will be brought into effect.

New supply

However, housebuilders, throughout 2023 to October, have adopted a more defensive strategy as they face the double threat of both high build and borrowing costs. According to the BCIS, build costs have risen by 24% since 2020 and labour costs are up by 10%. As housebuilders, notably Crest Nicholson, Berkely, Barratt and Bellway have contracted their growth and build plans, building

product availability has started to improve, which has started to result in a lower level of inflation in materials. Knight Frank, believe that manageable build costs could encourage investors and developers, who with reduced margins will likely be incentivised to take new or stalled projects forward.

Rental Market

Over the course of 2023, there has been a diminished rental property supply, and an increased demand for properties, as consumers turn to the rental market due to properties being harder to buy.

Throughout the year, landlords, faced with increased mortgage costs have been enticed to sell their properties as the profitability of their businesses have taken a hit due to the compounded effect of an end to mortgage interest rate relief in 2020 and the higher mortgage rates.

The lack of supply coupled with wider inflation, has pushed up rents throughout the year, especially for those with inflation linked tenancy agreements. August 2023 marked the 27th month in a row when annualised rental prices have grown at a rate of more than 5%, according to Hamptons, with the cost of an average tenancy now being more than 9.9% higher than it was a year ago.

Rightmove data indicates that, rental increases, however, still vary throughout the country, with the average London rent being 12.1% higher than this time last year, whilst those in Wales have only seen a year-on-year increase of 5.9%. There is, additionally, evidence to suggest that these rents will continue to incrementally rise as rents in Q3 of 2023 are 0.03% higher than they were in Q2 of the same year.

Soaring average two year fixed mortgage rates, they currently stand at 6.5% (October 2023), are likely to continue to deter people from buying new homes, despite a more positive economic landscape. Many people are unable to borrow money. In this way, small positive changes, such as an indication that energy prices - which have caused for there to be a decline in people's spending ability- are showing signs of decreasing and an average annual growth rate in regular pay of 7.8% in June -August 2023, are unlikely to encourage consumers to spend on property. Indeed, until, mortgage rates get below 4.5% Zoopla believe there will still be caution in the market.

Local Market Commentary

Prestwich is a popular town four miles north of Manchester City Centre. Land Registry data in the twelve months to October 2023 shows a price decrease of -3.50% for all residential stock in the Bury area taking the average house price to £233,647. For the M25 Post Code area the average price for houses this year to July 2023 is £296,864. Average prices in the M25 post code area are detailed below:

House Type	Average Price (to October 2023)
Detached	£468,957
Semi-detached	£302,090
Terraced	£259,131

13.0 Marketability

We consider that the most appropriate method of sale for the Property would be by private treaty as a development opportunity prior to commencement of building works. It would be beneficial to market the Property once the planning application has been approved. If the Property were marketed without planning consent a range of offers are likely to be received with many being on a subject to planning basis.

Given current market conditions, we are of the opinion that a marketing period of around nine to twelve months would be required to sell the Property at our opinion of Market Value. If market conditions and demand were to weaken from their current levels, extended marketing periods may be required.

The Property would need to be fully exposed to the market, utilising various marketing initiatives, including production of particulars, and circulation of details to local agents in the market and targeted investors.

14.0 Valuation Approach

We have arrived at our opinion of Market Value on the Special Assumption of Existing Use Value utilising the market approach, previously known as the Comparable Method of Valuation, this being the standard method of appraisal for properties of this nature for sale or letting. We have had regard to the comparables set out below, which we have adjusted for differences in size, accommodation, condition, specification, location and transaction date.

In arriving at our opinion of Alternative Use Value (AUV) we have had regard to the development potential of the site. We have disregarded commercial, industrial, leisure and care home uses as we are of the opinion that the most viable development within this location would be residential. Therefore, we believe that if the site were openly marketed that the majority of interest would come from small scale house builders/residential developers.

Our valuation of the site on this basis has been undertaken adopting the residual method of valuation. The residual method involves an assessment of the Gross Development Value (GDV) from which is deducted the costs of development together with an allowance for finance costs and developer's profit and an end adjustment to reflect planning risk, in order to arrive at a residual land value.

Given the planning risk associated with this site we are of the opinion that the majority of offers would be submitted conditional on achieving a planning consent for residential purposes. Our opinion of Alternative Use Value is given on the assumption that the site is sold on an unconditional basis i.e., without planning consent in place. The most likely developer interest would in our opinion be from the residential market.

In arriving at our opinion of AUV the initial part of the valuation approach is to assess the site assuming it has the benefit of planning consent. We have deferred the value for 12 months at 6% to allow time for working up the proposal and obtaining consent. We have then applied a discount factor/end adjustment for planning risk at 10% which we believe reasonable.

For the residual approach we have appraised a hypothetical residential development scheme of 24 houses with a split of 20 four bedroom detached houses and four three-bedroom semi-detached houses. In line with the planning policy we have assumed that a 10% affordable housing contribution would be required which reflects three houses which have assumed would be provided in the three bedroom semi-detached houses.

15.0 Comparable Evidence & Opinion of Value

Disclaimer: Where possible we have taken reasonable steps to corroborate comparable transaction evidence. Where we have no direct involvement with the transaction, we are unable to guarantee the accuracy of the information provided and we reserve the right to amend our Valuation, if it is established that any information on which we have relied is subsequently established to be materially inaccurate.

Commercial Rental Comparables

59 Portland Street, Manchester

Let in February 2020 at £1,800,000 per annum (£9,523 per bedroom)

A new 189 bedroom hotel let to Bespoke Hotels to be traded as Hotel Brooklyn. This comparable is of a superior specification and is located in Manchester City Centre. This Property is larger than the subject Property and therefore we are of the opinion that the subject Property would achieve a lower rate per bedroom.

Dalatra Maldron, Chapel Street, Salford

Pre-Let in January 2022 at £1,395,000 per annum (£7,420 per bedroom)

A proposed 188 bedroom hotel has pre-let to Dalata PLC on a 35 year lease at an initial rent of £1,395,000. This hotel will be of superior specification, being newly constructed but is significantly larger. It is within Salford on the edge of Manchester City Centre which would be considered a similar trading location given the subject Properties location close to Manchester Airport. On balance we are of the opinion that the subject Property would achieve a higher rate per bedroom to reflect quantum.

Dalatra Maldron, Park Lane, Liverpool

Pre-Let in 2021 at £1,860,000 per annum (£7,153 per bedroom)

A proposed 260 bedroom hotel has pre-let to Dalata PLC on a 35 year lease at an initial rent of £1,860,000. This hotel will be of superior specification, being newly constructed but is significantly larger. It is within Liverpool City Centre which would be considered a superior trading location. We are of the opinion that the subject Property would achieve a lower rate per bedroom.

Premier Inn, Parc Cybi, Holyhead***Let in 2019 at £360,000 per annum (£4,500 per bedroom)***

A newly constructed hotel comprising 80 bedrooms let to Premier Inn on a 25 year lease. The subject Property is in a superior location and therefore we would expect it to achieve a higher rate per bedroom.

Comment

The comparables detailed above show achieved headline rents from £4,500 to £9,523 per bedroom albeit there is a paucity of rental evidence. The passing rent of the Property reflects a rate of £7,500 per bedroom. We are of the opinion that the Property is currently slightly over rented.

In arriving at our opinion of Market Rent we have applied a rate of £7,000 per bedroom which gives a Market Rent of £280,000 per annum. We are of the opinion that this is an appropriate rent given the leisure and banqueting facilities the Property benefits from.

Commercial / Mixed-Use Yield Comparables***59 Portland Street, Manchester******Sold for £22,800,000 in February 2022 (7.4% Net initial yield/£120,635 per bedroom)***

The freehold interest in this modern 189 bedroom hotel constructed in 2020 and let to Bespoke Hotels at a rent of £1,800,000 per annum sold to CDL Hospitality Trusts. We are of the opinion that the subject Property would achieve a higher yield to reflect the short remaining term certain at the subject Property.

Holiday Inn, Manchester Airport***Sold for £24,877,376 in August 2022 (£88,847 per bedroom)***

A newly constructed hotel extending to 280 bedrooms sold to BAE Systems Pension Fund. This comparable is of a superior new build specification and is located closer to the airport terminals. We are of the opinion that the subject Property would achieve a lower rate per bedroom.

The Wycliffe Hotel, 74 Edgeley Road, Stockport***Sold for £950,000 in September 2023 (£67,857 per bedroom)***

A 14 bedroom hotel sold as a going concern in an off market transaction. It is of a smaller size to the subject Property and is of a similar specification. We are of the opinion that the subject Property would achieve a similar rate per bedroom if it was to be sold with vacant possession.

Premier Inn, Parc Cybi, Holyhead***Sold for £7,750,000 in November 2021 (4.35% Net initial yield £96,875 per bedroom)***

A newly constructed hotel comprising 80 bedrooms let to Premier Inn on a 25 year lease at a passing rent of £360,000 pa (£4,500 per bedroom). Premier Inn would be considered to be of superior covenant strength to the tenant at the subject Property. We are of the opinion that the subject Property would achieve a higher yield.

Comment

From the above transactions we can see that hotels are currently transacting for prices reflecting net initial yields of between 4.35% and 7.4% and for between £61,800 to £120,635 per bedroom. Having regard to the fact that the current tenant is holding over on the occupational lease we have assumed a purchaser would treat the Property as if it were vacant.

In arriving at our opinion of Market Value on the Special Assumption of Existing Use we have applied a rate of £70,000 per bedroom which equates to an Existing Use Value of £2,800,000. This reflects an initial yield of 10.07% and reversionary yield of 9.4%.

Residential Sales Comparables

The Mount, George Street, Prestwich

The Mount is a new residential development being undertaken by Bellway and will provide 124 three and four bedroom houses. This scheme is adjacent to the subject Property. Four bedroom houses range in size from 1,214 sq ft to 1,558 sq ft and are achieving between £509,995 and £599,995 reflecting a range of £385 per sq ft to £420 per sq ft. Three bed semi-detached houses ranging between 802 sq ft and 951 sq ft are currently achieving between £334,995 to £374,995 reflecting a range of £394 per sq ft to £417 per sq ft.

We are of the opinion that any houses on the subject Property would achieve a similar rate per sq ft.

We have also had regard to the following second hand house sales within a 0.5 mile radius of the Property to help set our valuation into context.

Address	Description	Size (sq. ft)	Price	Price per sqft	Sale Date
4 Butt Hill Drive, Prestwich	4 bed detached house, refurbished to high specification	1,745	£625,000	£358	April 2023
90 Scholes Lane, Prestwich	4 bed semi-detached house. Reasonable specification	1,697	£490,000	£288	April 2023
24 Broadstone Close, Prestwich	4 bed detached house. Reasonable specification	1,477	£455,000	£308	November 2022

39 Parkway, Prestwich	3 bed detached house. Dated specification	1,016	£345,000	£339	December 2022
5 Mesnefield Road, Salford	3 bed detached bungalow.	1,227	£345,000	£281	February 2022
9 Winchester Avenue, Prestwich	3 bed semi-detached house. Reasonable specification	1,089	£350,000	£321	October 2022
19 Norwood Avenue, Salford	3 bed semi-detached house. Reasonable specification	1,135	£357,250	£314	February 2023

Comment

The most pertinent comparable evidence is from the adjoining Bellway development known as The Mount. We are of the opinion that any development at the subject Property would achieve a similar rate per sq ft.

In arriving at our opinion of AUV we have assumed a hypothetical scheme of 24 houses with 20 four bedroom detached houses and four three-bedroom semi-detached houses. This is above the threshold for affordable housing and therefore we have factored in a 10% affordable housing provision which equates to three houses which we have assumed will be within the three bedroom semi-detached houses. We have put the affordable houses in at 70% of Market Value.

The assumed house types, sizes and values are detailed in the table below:

House Type	Number on Scheme	Size	Market Value	Market Value Per Sq Ft
Four bedroom detached	20	1,400 sq ft	£560,000	£400 per sq ft
Three bedroom semi-detached	1	925 sq ft	£380,000	£410 per sq ft
Three bed semi-detached affordable	3	925 sq ft	£266,000	£287 per sq ft

Total	24	31,700	£12,378,000	£390 per sq ft
-------	----	--------	-------------	----------------

16.0 Residual Appraisal & Methodology

Gross Development Value

In arriving at our opinion of the Gross Development Value is **£12,378,000**, as set out above.

Construction Costs

We have not been instructed to appraise the build costs for the development as such, and a detailed assessment is outside of our expertise. As a means of broad comparison, we have compared these costs with information derived from the BCIS cost indices database. BCIS is the leading industry database for construction costs and provides average costings for various forms of development. The costs provided are for averages of build samples, adjusted for location and date, and account for preliminaries, exclude external works, contingencies and design fees. The sample is from actual building contracts and represents a price including the contractors' overheads and profits included in the contract. The buildings sampled represent projects submitted to BCIS and will not necessarily be representative of all developments.

Having reviewed the online BCIS build rate calculator, we have adopted a construction rate of £1,414 sq m (£131 per sq ft) which is in line with BCIS mean average for two storey houses.

Building function (Maximum age of projects)	£/m ² gross internal floor area						Sample
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest	
New build							
810. Housing, mixed developments (15)	1,478	801	1,286	1,433	1,618	3,650	1261
810.1 Estate housing							
Generally (15)	1,471	713	1,252	1,413	1,612	5,107	1422
Single storey (15)	1,676	997	1,416	1,613	1,851	5,107	236
2-storey (15)	1,414	713	1,227	1,372	1,550	3,083	1101

Professional fees have been adopted at 12% and we have also included an allowance of 5% for contingency. We have also made an allowance of 10% for site infrastructure works and £100,000 for demolition.

Development Timetable

We have allowed for a construction period of 20 months following a three month pre-construction period to allow for site works. We have assumed a sale period, in respect of the completed Market Value units, of approximately 11 months, with sales commencing prior to the end of the construction period. For simplicity, we have divided the sales revenue equally between the 11 months of sales.

Developer's Profit

We have adopted a developers profit on cost of 20% reflecting the popular location and perceived high demand for the completed product.

Summary of Appraisal

We set out below the appraisal summary of our Residual Valuation (copy at Appendix Six).

Item	Factor	Amount
Gross Development Value		summing £12,378,000
<i>Minus costs of:</i>		
Build Cost	£131 per sq ft	£4,152,700
	Plus 5% contingency	£207,635
Professional Fees	12%	£498,324
Site Infrastructure	10%	£415,270
Demolition		£100,000
NHBC		£24,000
Finance	7.5%	£494,211
Stamp Duty	4.73%	£186,848
Sales agents on	1%	£39,503
Legal fees on acquisition	0.75%	£29,627
Sales agents on disposal	1.5%	£185,670
Legal fees on disposal	0.25%	£30,945
Profit on Cost	20%	£2,063,003
Totalling:		£8,427,736
Equals Residual Site Value of:		£3,950,265

We accordingly round our opinion of the residual site value to **£3,950,000**.

As you will appreciate, any changes to our assumptions and/or inputs we have adopted into our residual valuation can have a significant impact upon the resultant Site Value. We have thus carried out a sensitivity analysis, adjusting the construction and sales rates per sq ft, and noting the effect on the overall Residual Land Value, which we summarise below.

Table of Land Cost and Profit on Cost%

Construction: Rate /ft ²					
Sales: Rate /ft ²	-10.000%	-5.000%	0.000%	+5.000%	+10.000%
	117.90 /ft ²	124.45 /ft ²	131.00 /ft ²	137.55 /ft ²	144.10 /ft ²
-10.000%	-£3,543,808 20.000%	-£3,314,977 20.000%	-£3,086,145 20.000%	-£2,857,313 20.000%	-£2,628,481 20.000%
-5.000%	-£3,975,871 20.000%	-£3,747,037 20.000%	-£3,518,205 20.000%	-£3,289,374 20.000%	-£3,060,542 20.000%
0.000%	-£4,407,932 20.000%	-£4,179,100 20.000%	-£3,950,265 20.000%	-£3,721,434 20.000%	-£3,492,602 20.000%
+5.000%	-£4,839,993 20.000%	-£4,611,161 20.000%	-£4,382,329 20.000%	-£4,153,494 20.000%	-£3,924,663 20.000%
+10.000%	-£5,272,054 20.000%	-£5,043,222 20.000%	-£4,814,390 20.000%	-£4,585,558 20.000%	-£4,356,723 20.000%

It can be seen above that the Residual Land Value is very sensitive to changes, particularly in respect of the Gross Development Value.

However, the residual site value does not represent Market Value. Therefore, the final part of our calculation is an end-allowance/adjustment for time and planning risk. Accordingly, we have deferred the residual site value for 12 months at 7% to allow time for working up the proposal and obtaining consent. We have then deducted a discount factor for overall planning risk at 10% which we believe reasonable having regard to the feedback from the planning authority you have received.

Having regard to the above factors we are of the opinion that the Market Value (Alternative Use Value) of the Property is **£3,300,000 (Three Million Three Hundred Thousand Pounds)**.

17.0 Valuations

Market Value on the Special Assumption of Existing Use Value

In our opinion, the Existing Use Value of the freehold interest in the Property, on the Special Assumption that any alternative use is disregarded, subject to the comments and assumptions in this Report, as at the Valuation Date, is **£2,800,000 (Two Million Eight Hundred Thousand Pounds)**.

Market Value

In our opinion, the Market Value (Alternative Use Value) of the freehold interest in the Property, subject to the comments and assumptions in this Report, as at the Valuation Date, is **£3,300,000 (Three Million Three Hundred Thousand Pounds)**.

18.0 Strengths & Weaknesses

Strengths

- Popular location within Prestwich.
- Established hotel business.
- Site has development potential subject to planning.

Weaknesses

- The tenant of the hotel is holding over on their existing lease and could vacate within three months.
- The Property does not currently have consent for alternative use.
- Continued high inflation and interest rate increases is putting downward pressure on property values.

19.0 Verification

This Report has been based, to some extent, on information provided verbally which should be checked. In particular, this applies to tenure and planning. Where we provide an opinion in respect of any legal issues, this should not be taken as legal advice and must be verified by your legal advisers before the Valuation can be relied upon. Such checks may also reveal whether any historical use of the Property is likely to have resulted in contamination.

We reserve the right to amend our Valuation following any information that is provided which differs from that stated in this Report and/or is not in line with the assumptions we have made.

20.0 Signatories

Whilst we trust that this Report is satisfactory for your immediate purposes, should you have any queries or points which require further clarification we shall be pleased to hear from you.



Signatory:

Richard Moreton BSc (Hons) MRICS

Registered Valuer No: 1161504

For and on behalf of Fisher German LLP

5 February 2024

Dated



Counter Signatory:

Phil Winckles BSc (Hons) MRICS

Registered Valuer No. 1206251

For and on behalf of Fisher German LLP

5 February 2024

Dated

Appendix One

Instruction

Marta Bradshaw

To: Richard Moreton
Subject: RE: Instruction - Fairways Lodge, Prestwich, M25 9WS

From: Joanne Turner <Joanne.Turner@mccarthyandstone.co.uk>
Sent: Thursday, September 7, 2023 1:31 PM
To: Abby Blakeley (Nee Ashmole) <Abby.Blakeley@mccarthyandstone.co.uk>; Richard Moreton <Richard.Moreton@fishergerman.co.uk>
Subject: Instruction - Fairways Lodge, Prestwich, M25 9WS

Good afternoon

Please find attached PO, quote this on your invoice.

Thanks

Jo

From: Abby Blakeley (Nee Ashmole) <Abby.Blakeley@mccarthyandstone.co.uk>
Sent: 07 September 2023 09:28
To: Joanne Turner <Joanne.Turner@mccarthyandstone.co.uk>
Subject: FW: Instruction - Fairways Lodge, Prestwich, M25 9WS

Please raise PO 😊

Abby Blakeley

Senior Land Manager



T: 0161 926 3342 M: 07767 247767 W: mccarthystone.co.uk

Unit 1, Edward Court, Altrincham, Cheshire, WA14 5GL, UK

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From: Richard Moreton <rmoreton@matthews-goodman.co.uk>
Sent: 06 September 2023 20:36
To: Abby Blakeley (Nee Ashmole) <Abby.Blakeley@mccarthyandstone.co.uk>; Richard Moreton

<Richard.Moreton@fishergerman.co.uk>

Cc: Mike Casbolt <Mike.Casbolt@mccarthyandstone.co.uk>

Subject: RE: Instruction - Fairways Lodge, Prestwich, M25 9WS

Abby

Thank you for your email. We would be able to undertake a valuation of the Property for a fee of £3,300 plus VAT.

I have rejigged a few jobs around so I would be able to inspect from Tuesday/Wednesday next week and would have the report you within about 7 working days from inspection.

Please let me know if you would like to proceed on that basis.

Thanks

Richard Moreton

Partner Registered Valuer

For and on behalf of Fisher German LLP

t: 0161 214 4666 **m:** 07879 603 200

Centurion House - 129 Deansgate Manchester M3 3WR



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From: Abby Blakeley (Nee Ashmole) <Abby.Blakeley@mccarthyandstone.co.uk>

Sent: Tuesday, September 5, 2023 2:52 PM

To: Richard Moreton <rmoreton@matthews-goodman.co.uk>

Cc: Mike Casbolt <Mike.Casbolt@mccarthyandstone.co.uk>

Subject: Instruction - Fairways Lodge, Prestwich, M25 9WS

Hi Richard,

I'd be grateful if you could carry out the standard valuation on the attached site, full address –

Fairways Lodge
Prestwich
Manchester
M25 9WS

I look forward to the terms of engagement, fee quote and timescales.

Let me know when you need to visit as I will have to get permission as it is still a functioning business.

Kind Regards

Abby Blakeley

Senior Land Manager



T: 0161 926 3342 M: 07767 247767 W: mccarthystone.co.uk

Unit 1, Edward Court, Altrincham, Cheshire, WA14 5GL, UK

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Appendix Two

Engagement

Our Ref: 140553

13 September 2023

McCarthy & Stone
Unit 1, Edward Court
Altrincham
Cheshire
WA14 5GL

Dear Abby

Valuation Confirmation of Instruction Letter:**Property: Fairways Lodge, George Street, Prestwich, Manchester M25 9WS****1. Introduction**

Thank you for your instructions dated 07 September 2023 to provide valuation advice.

We will carry out our work in accordance with this Letter of Engagement (including Appendix A – General Principles and Assumptions) (the "Letter") and our Valuation Terms of Business (enclosed). Together, these documents comprise a single contract between you and us (the "Agreement"). If there is any conflict between the Letter and Terms of Business, the Letter shall apply. Our obligation to comply with legal and/or regulatory requirements will override all other contact terms.

We will prepare our Valuation in accordance with the current RICS Valuation – Global Standards (incorporating the International Valuation Standards) – Global and UK edition published by The Royal Institution of Chartered Surveyors ("RICS"), effective from 31 January 2022) ("the Red Book").

2. Client

Our Valuation advice and report will be for, and addressed to:

McCarthy & Stone

We particularly draw your attention to the wording in this Letter and our Valuation Terms of Business regarding our liability to third parties and publication of our Valuation Report.

3. Property Address(es)Fairways Lodge, George Street, Prestwich, Manchester M25 9WS
(the "Property")

4. Identification & Status of Valuer

The Valuation will be undertaken by Richard Moreton MRICS, a RICS Registered Valuer with relevant knowledge, skills and experience in the valuation of this purpose and asset type to carry the valuation competently.

We will be acting as External Valuers. The work will be countersigned by a Valuation Partner in the firm, who is also suitably qualified and experienced in the valuation of this type of asset.

5. Conflict of Interest Checks

We have performed conflict of interest checks and can confirm that neither we, nor the valuer:

- I. Have had any previous involvement with the property or any connected parties such that would lead to Fisher German LLP having an interest in the outcome of the Valuation; and
- II. Are aware of any existing or potential conflict of interest in relation to this instruction.

We reserve the right should a conflict of interest arise or become apparent to cease providing any Services and terminate the Agreement between us. In the event of termination under this clause, you shall only be liable for any work actually provided and costs actually incurred up to and including the date of such termination.

6. Interest to be valued

Freehold

7. Property Type & Use

- Residential
- Development

8. Purpose of Valuation

Viability Purposes

9. Basis of Value

The bases of valuation will be Existing Use Value and Alternative Use Value.

Existing Use Value is defined by the National Planning Policy Framework as "The value of land in its existing use, with no expectation of that use changing in the foreseeable future (based on Valuation of development property, RICS guidance note). PPG paragraph 015 advises specifically that the EUV excludes hope value from any assessment of the existing use value. International Valuation Standards 104 paragraph 150.1 defines current/existing use as 'the current way an asset, liability, or group of assets and/or liabilities is used.'" Accordingly, we have adopted this as our Special Assumption under Existing Use Value.

Alternative Use Value is defined by the National Planning Policy Framework as "The value of land for uses other than its existing use'. The alternative use is limited to those uses that would fully comply with up-to-date development plan policies, including for example any policy requirements for contributions towards affordable housing at the relevant levels set out in the plan." For the purpose of this valuation this accords to Market Value as defined in the Valuation Standards.

The Valuation will be expressed in Pounds Sterling.

10 Special Assumptions

A Special Assumption is an assumption that either assumes facts that differ from the actual facts existing at the valuation date or that would not be made by a typical market participant in a transaction on the valuation date.

There are no Special Assumptions requested in your instruction letter.

11. Date of Valuation

The date of valuation adopted will be the date of our inspection.

12. Extent of Inspections

The Valuer will carry out such inspections or examinations which in the valuer's professional judgement are appropriate depending on the nature of the asset and the purposes of the valuation. Subject to this, and unless prevented from doing so, the valuer will inspect or examine the Property both internally and externally via site visit.

13. Nature & Source of Information to be Relied Upon

We may rely on information from various sources including those listed below.

- i. *General information regarding the Property provided to us by, for example by you and/or your customer.* We will assume the information is complete and accurate and will rely on it, unless (i) it materially affects the valuation outcomes and (ii) the Valuer considers there is an element of doubt as to its credibility or reliability cannot be supported.
- ii. *Floor areas, copy floor plans and other relevant drawings provided to us by you and/or any third parties.* We will assume the information is complete and accurate and will rely on it, unless (i) it materially affects the valuation outcomes and (ii) the Valuer considers there is an element of doubt as to its credibility or reliability and (iii) having taken reasonable steps to check the information its credibility or reliability cannot be support.
- iii. *Information provided to use by the instructing party or third-party solicitors, for example title documentation, leases, tenancy agreements and tenancy schedules.* We will assume that information provided or prepared by legal and other professional advisers is complete and accurate and will rely on it.
- iv. *Information from public and subscription websites.* These include:
 - www.landregistry.gov.uk
 - www.rightmove.co.uk
 - www.nethouseprices.com
 - www.promap.co.uk
 - www.maps.google.co.uk
 - www.costar.co.uk
 - www.eig.co.uk
 - www.gov.uk/environment agency
 - www.ukradon.org
 - www.gov.uk/valuation office agency

We will assume this information is complete and accurate and will rely on it.

- v. *Information obtained from other agents relating to comparable data.* We will assume the information is complete and accurate and will rely on it, unless (i) it materially affects the valuation outcome and (ii) the Valuer considers there is an element of doubt as to its credibility or reliability and (iii) having taken reasonable steps to check the information, its credibility or reliability cannot be supported.

14. Reporting

Our valuation report will contain the minimum required content in accordance with VPS 3 of the Red Book.

We will deliver our valuation report to you by email in PDF format. A hard copy report will be provided if requested.

15. Fee Basis

Our fee for carrying out the valuation and preparing the valuation report shall be **£3,300** exclusive of VAT and subject to this Agreement. Our fee account [will accompany our report for immediate settlement.

16. Limitation of Liability

Our liability in connection with this Agreement is limited in accordance with the provisions of Clause 7.0 of Fisher German LLP's terms of business in **Appendix B** and your attention is particularly drawn to these provisions. Such limitations of liability shall apply notwithstanding any express or implied term or condition contained in the Agreement, any other agreement between you and Fisher German LLP, or any warranty or representation by Fisher German LLP provided that these limitations shall not exclude any liability for death or personal injury or any other liability for which exclusion or restriction is prohibited by law or for any liability arising as a result of fraud or dishonesty.

If you are a consumer please note that you may have other rights that apply, regardless of our terms and conditions and you can find out more about these from your citizens advice officer or at www.citizensadvice.org.uk.

Where more than one value basis is stipulated in the instruction, the Market Value of the Property shall be the Market Value without Special Assumptions; or, if this basis is not included in the Valuation Report, the Value basis most similar to the Market Value without Special Assumptions.

Where the valuation relates to more than one property, Fisher German LLP's maximum liability in respect of an individual property shall be in the same proportion to the total aggregate liability as such individual property's reported value is to the aggregate reported value.

In the event Fisher German LLP provides an update to the valuation report prepared in accordance with this Letter, (an "Update Report"), the Update Report, unless otherwise set out in the terms governing the Update Report, is subject to the same original instructions, assumptions and limitations governed by this Letter and Fisher German LLP's aggregate limit of liability set out as set out in this Letter shall apply in aggregate to this Valuation Report and to the Update Report.

If you are a consumer, you may have other rights that apply, regardless of our terms and conditions, and you can find out more about these from Citizens Advice Bureau or at www.citizensadvice.org.uk.

17. Restrictions on Use, Distribution & Publication

We provide our valuation and valuation report solely to you as our client. The valuation report and its contents are confidential to you. You may not, without our prior, express consent in writing, disclose any part of it to any person (other than your employees, agents and professional advisers who require access and who do not disclose it further), use it in any way, or otherwise make any part of it public, except with our prior written express consent or as required by law. No other person may use or rely on our valuation or valuation report and do so at their own risk or derive any rights or benefits from it. This includes any Update Report that we may agree provide to you.

18. Complaints Handling Procedure

Please visit www.fishergerman.co.uk for details on how we handle complaints.

19. RICS Monitoring

We and the valuer are registered with RICS Valuer Registration. Please note that our files may be subject to monitoring under the RICS conduct and disciplinary regulations.

20 Other Matters

In accordance with guidance issued by RICS we would be grateful if you could provide us with details of the proposed terms of the loan including the level of LTV and your customer's proposed means of redeeming the loan at the end of the term.

If you are satisfied that this Letter accurately reflects your instructions and the scope of the advice you require, please sign and return one copy to signify your acceptance of our contractual terms. We reserve the right to not issue our Valuation Report until they are returned.

Yours sincerely



Richard Moreton MRICS

For and on behalf of Fisher German LLP

Encl.

Appendix A: General Principles and Assumptions

Appendix B: Valuation Terms of Business

Client Acceptance

I/We agree and accept the terms of this Letter and the Terms of Business

Name ASSY BLAVELES

Position SENIOR LAND MANAGER

Signed PP JLT

For and on behalf of MCCARTHY STONE

Date 12/9/2023

Appendix A

Valuation Conditions and Assumptions

1 Introduction

1.1 Our report and valuation(s) are carried out in accordance with the Valuation Practice Statements and Practice Guidance contained in the Valuation – Professional Standards, incorporating the International Valuation Standards as published from time to time by the Royal Institution of Chartered Surveyors ("the RICS Red Book").

2 Valuation Bases

2.1 **MARKET VALUE** is defined in IVS 104 paragraph 30.1 as: 'The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion'.

2.2 **RENTAL VALUES** will be adopted as appropriate for formulating capital values and will be referred to in our report as Estimated Rental Value (ERV).

2.3 **MARKET RENT** is defined in IVS 104 paragraph 40.1: 'The estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion'.

2.4 **INVESTMENT VALUE (WORTH)** is IVS 104 paragraph 60.1 as: 'The value of an asset to the owner or a prospective owner for individual investment or operational objectives'.

2.5 **FAIR VALUE** is defined within International Financial Reporting Standard 13 (IFRS 13) is defined as: 'The price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date'.

2.6 **FAIR VALUE WITHIN FINANCIAL REPORTING STANDARD 102 (FRS 102)** is defined as: 'The amount for which an asset could be exchanged, a liability settled, or an equity instrument granted could be exchanged, between knowledgeable, willing parties in an arm's length transaction'.

2.7 **MARKET VALUE FOR INHERITANCE TAX PURPOSES** is defined under Section 160 of the Inheritance Tax Act 1984 defines Market Value for Inheritance Tax as, 'The price which the property might reasonably be expected to fetch if sold in the open market at that time; but that price must not be assumed to be reduced on the grounds that the whole property is placed on the market at one and the same time'.

2.8 **MARKET VALUE FOR CAPITAL GAINS TAX PURPOSES** is defined under Sections 272(1) and (2) of the Taxation of Chargeable Gains Act 1992 defines Market Value for Capital Gains Tax Purposes as '.... The price which [the] assets might reasonably be expected to fetch on a sale in the open market. In estimating the Market Value of any assets, no reduction shall be made in the estimate on account of the estimate being made on the assumption that the whole of the assets is to be placed on the market at one and the same time.'

3 Alternative Use Potential

3.1 Unless we are preparing a residual appraisal our valuation is of the property in its existing use in accordance with its current planning consent. It may be that the property may have a higher alternative use value; however, any change of use would be subject to securing planning consent (unless it may be done under permitted development rights) and the impact on value would depend on the details of the proposed use. Without such detail we are unable to explicitly comment on the potential effect on value for an alternative use save for considering the likely impact on the marketability of the property.

4 Deduction of Notional Purchaser's Costs

4.1 The opinion of value attributable to the Property will be the figure we consider would appear in a contract for sale, subject to the appropriate assumptions for the Basis of Value reported. Costs associated with the transaction, including any taxes, legal fees and other expenses, would be payable by the purchaser in addition to the figure reported.

4.2 Furthermore, the Client's attention is drawn to the fact that when assessing Market Value, for balance sheet purposes under FRS102, we will not include directly attributable acquisition or disposal costs in the Valuation. Where we are requested to reflect these costs, they will be stated separately.

5 Reinstatement Cost

5.1 Where you have requested our opinion of the insurance reinstatement cost of the building it should be acknowledged that our reinstatement cost assessment is indicative only, as it has not been prepared by a suitably qualified building surveyor as such we accept no liability whatsoever for its accuracy. The figure provided will be for guidance purposes only and we recommend that a formal assessment is obtained from a specialist insurance valuer if insurance cover is to be effected. The assessment is made without liability, and any decisions taken on the basis of it are entirely at the user's risk.

5.2 Our informal estimate makes allowance for the expense of demolition and site clearance and then rebuilding it to its existing design in modern materials, using modern techniques, to a standard equal to the existing property and in accordance with current Building Regulations and other statutory requirements. Where applicable it also includes VAT on professional fees. Where a building is listed, it is highly likely that average building cost rates will underestimate the actual cost of reinstatement, as listed buildings are required to be reinstated using traditional materials and techniques which can be significantly more expensive to procure and undertake.

5.3 It should be acknowledged that were a property forms part of a larger building, the reinstatement cost estimate reflects only the rebuilding cost of the interest under consideration. It is assumed that the whole block will be insured under a single policy and the reinstatement premium recoverable through the service charge.

6 Inspection

6.1 We will undertake a visual inspection of so much of the exterior and interior of the property which is safely accessible without undue difficulty. The inspection will be carried out from within the boundaries of the site and any adjacent, easily accessible,

public / communal areas as we consider necessary.

62 We will not carry out a building or structural survey, nor will we test for damp, inspect woodwork or other parts of the property, which are covered, unexposed or inaccessible, and such parts will be assumed to be in good repair and condition and furthermore, we are under no duty to move anything.

63 The report will not purport to express an opinion or to advise upon the condition of uninspected parts and should not be taken as making any implied representation or statement about such parts.

64 We will not carry out investigations to ascertain whether or not the property has been constructed using any potentially deleterious materials or whether such materials have subsequently been incorporated into the construction of the property and we will therefore be unable to report that the property is free from risk in this respect. Similarly, we will not be undertaking an environmental audit of the property to determine whether contamination existing on or nearby to the property.

65 If, as a result of our inspection, we consider it appropriate that further investigation is necessary, we will recommend the appointment of appropriate consultants. We may reserve the right to delay the issue of our report until such advice is available.

7 Condition

7.1 Whilst we do have regard to the general condition of the property, taking into account its age and use, we will not undertake a building or structural survey and it is assumed that the property is free of any structural defects except those specifically noted.

72 Where the property has recently been constructed there is a risk of inherent or latent defects, which may not have manifested themselves, arising from the building design or construction techniques adopted. Our valuation assumes that there is sufficient inherent defects insurance in place which runs with the property or is transferable to a new occupier as appropriate.

8 Building and Property Services

8.1 We will not test the building services and unless otherwise stated it is assumed that the Building Services including but not limited to lifts, electrical, gas, plumbing, heating, drainage, air conditioning installations and security systems and the Property Services including but not limited to incoming mains, waste, drains, utility supplies are in good working order without defects whatsoever and in a condition consistent with the age and use of the property, and where appropriate meets necessary legislation.

82 Where we are reporting on a development site, we assume that there would not be any abnormal costs associated with connecting to mains service connections.

9 Measurements

9.1 Where we have been explicitly instructed to undertake property measurements, measurements and dimensions are calculated in accordance with the prevailing RICS Property Measurements Professional Statement or the prevailing RICS Code of Measuring Practice, depending upon the basis of measurement appropriate to the property type. The basis of measurement adopted is specified in our report. Where property measurements are provided, we will make every endeavour to undertake check measurements and/or refer to Valuation Office Agency assessments to cross-check for accuracy, notwithstanding, we assume the measurements provided are in accordance with the standards as stated above.

10 Planning and Other Statutory Enquiries

10.1 We will make verbal enquires and / or undertake a review of the available online planning history of the property to attempt to confirm the statutorily permitted planning use. However, in the absence of a copy of the original planning permission relating to development of the property or a clear planning history identifying the permitted use, we will assume that the property has been developed and is being used in accordance with its permitted use unless we have stated otherwise.

102 Furthermore, we will assume that the property is constructed and used in accordance with valid Permits, Licences and Building Regulation Approval and that there are no outstanding statutory notices and/or no abnormal costs of putting the property into a compliant state to adhere with the latest standards which may adversely affect the value of the property.

11 Warranties

11.1 It is assumed that for all new build and / or property conversions adequate warranties are available from the professional team and the contractor(s), or Structural Guarantee Insurance from Insurers, who are deemed to be of sufficient financial standing to satisfy any warranty claim.

112 For residential property it is assumed adequate building warranties are available from such body as the NHBC to satisfy mortgage lender's requirements under CML rules.

113 It is also assumed all warranties run with the property or are transferable to a new occupier as appropriate.

12 Sustainability

12.1 Where we are provided with third party assessments and reports relating to sustainability and energy/environmental performance, we will rely on such assessments and reports and will not critically evaluate them or make separate enquiries.

122 Where a Property is to be developed or in the course of development, or requiring repair/refurbishment or a recently completed development, we will assume that any projected environmental assessment or rating, such as EPC, BREEAM, LEED, WELL or other, is achieved. We will not undertake verification of whether the proposed development works will be sufficient to meet any such rating, and will instead rely on third party assessments provided by a suitably qualified consultant.

13 Energy Performance Certificates

13.1 The Energy Act 2011 provides that, from April 2018, it will be unlawful to rent out or sell residential or business premises which do not reach a minimum energy efficiency standard. The lowest acceptable energy rating is E. The Minimum Energy Efficiency Standard (MEES) was introduced in March 2015 by the Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015. The MEES Regulations originate from the Energy Act 2011.

132 Unless indicated otherwise, our valuation assumes that the property has a minimum rating of E. If a rating is not available our recommendation is to have a report commissioned, as there may be potential cost implications of improving the property to achieve a rating of E or above.

133 Where the property has a rating of F or G, and in the absence of a costed energy efficiency building report, we will make our own assumptions of reasonable costs of improving the rating to a minimum rating of E. However, we reserve the right to

amend our valuation, if it is subsequently established that actual costs are materially different to our assumptions.

14 Service Charges

141 Where the property is subject to a service charge (an estate or a property service charge) it is assumed, unless stated otherwise, that there is an accrued reserve fund sufficient to meet the costs of periodic major works, and that no excess charge will be levied for the foreseeable future.

142 Where the ownership of the property under consideration is, or may become separated, it is assumed that there are, or will be, suitable arrangements for management and maintenance between the respective parties.

15 Environmental Matters

151 We have not carried out an environmental audit, or any physical tests or investigations to determine the presence or otherwise of any contamination, but nothing contained in our report should be construed as a statement of fact regarding the existence or otherwise of contamination at the property. However, within our report we will pass comment on any potential sources of contamination or pollution at or in the area of the property based on the limitations of our inspection of the property as defined above.

152 If we have been provided with or been asked to commission an environmental audit or other environmental investigation report for the property we will consider the contents. However, unless otherwise stated, we have assumed that the property and any adjoining or nearby areas are not contaminated, or that the cost of any decontamination work would be immaterial to the overall property value, and that there would be no limitations, in respect of any environmental matters, concerning the future use and / or development of the property.

153 We would emphasize that we are not qualified to give assurances concerning the presence or otherwise of contamination, which should only be undertaken by an appropriately qualified Environmental Audit Assessor. If such an audit were undertaken and it was established that the property is contaminated it is likely that our valuation will be affected, unless we have already specifically accounted for the cost of remediation, and we reserve the right to amend our valuation advice.

16 Site/Ground Conditions

161 We will not carry out on site investigations to determine extant ground conditions and services, nor do will we undertake any technical investigations of an environmental, archaeological or geotechnical nature. Accordingly, we will assume that the site is not impacted by any adverse ground conditions, historic mining or mineral extraction activity, gas contamination such as radon, methane gas etc and/or any other noxious substances.

162 Similarly, unless stated otherwise in our report, we have assumed that the property or any adjacent property is free from any invasive or alien plant species, such as Japanese Knotweed or Giant Hogweed.

163 With regard to sites/properties with redevelopment potential, unless stated otherwise, we will assume that the load-bearing potential for any likely development would not require specialist foundations and/or drainage infrastructure nor would any assumed demolition/removal of existing buildings/structures require a specialist or unique approach.

17 Deleterious and Hazardous Materials

171 We have not carried out investigations to ascertain whether or not the property has been constructed using any deleterious or hazardous materials or whether such materials have subsequently been incorporated into the construction of the property.

172 For the purpose of our valuation we will assume that no such deleterious or hazardous materials or techniques have been used in the construction or since incorporated into the property, although we are unable to report that the property is free from risk in this respect.

18 Asbestos Regulations

181 The Control of Asbestos Regulations 2012 came into force on 6 April 2012, updating previous asbestos regulations and applies to all non-domestic property.

182 The Regulations prohibit the new use of asbestos, whilst existing asbestos containing materials may be left in place, provided that their condition is monitored and managed to ensure that they are not disturbed.

183 The responsibility to monitor and manage falls on the 'Duty Holder' who is the person or organisation with a clear responsibility for the maintenance of repair and may be a business owner, landlord or tenant. It should be noted that the Duty Holder is not responsible to survey or remove.

184 The Duty Holder must take reasonable steps to identify the existence of asbestos containing materials, record their amount, location and condition and provide these details to anyone who is liable to work or disturb it.

185 We assume an up-to-date survey or register is in place and the regulations have been complied with although this should be confirmed by solicitors.

19 Fire Safety

191 The Regulatory Reform (Fire Safety) Order 2005 replaced previous fire safety legislation and applies to virtually all non-domestic property. The Order became law in October 2006 at which point Fire Certificates ceased to have any effect.

192 The essence of the present legislation is to designate a 'responsible person' who has a degree of control over the premises or area of the premises, who will then become responsible for undertaking a Fire Risk Assessment. This assessment considers various matters to protect employees and anyone else who may lawfully be on or near the premises. Thus, both proportionate and appropriate remedial "fire safety" works may be necessary to discharge the "responsible persons" legal duty, to control or reduce the risk to life from fire in a building.

193 It is assumed that the property is compliant in regard to The Regulatory Reform (Fire Safety) Order 2005.

20 Accessibility

201 The Equality Act 2010 came into force on 1 October 2010 and replaces previous legislation concerning discrimination, much of which was contained within the Disability Discrimination Act. Under the Act the duty falls on service providers and property owners not to discriminate against a disabled person by not providing a service on the same terms as which it is provided to others, or subject a person to any other detriment.

202 Reasonable steps must be taken to avoid discrimination and may include changing physical characteristics of a building, such as adding access ramps or handrails on stairways, if alternative service provisions are still believed to disadvantage the disabled person.

203 Due to the many issues facing disabled individuals we are not able to comment fully on all matters relating to the Equality Act 2010. In order to properly assess what steps if any need to be taken to ensure that the property is compliant with the

- 204 Act, we recommend that an Access Audit is undertaken so that any deficiencies are correctly identified.
In the absence of a suitable report we have assumed that there are no issues that negatively affect the value of the property reported.
- 21 Title Tenancies and Other Legal Considerations**
- 21.1 We will not carry out formal searches on Title and it is assumed that the property possesses a good and marketable title free of any restrictive covenants, easements and other encumbrances which may affect the value. You should rely on your solicitor in these matters and we reserve the right to amend our valuation should any restrictive covenants, easements or other encumbrances be shown to materially affect the value of the property reported herein.
- 212 If there is an occupational agreement in place or third party legal reports available we will ask to see a copy of these documents and provide our interpretation. However, no responsibility or liability will be accepted for the true interpretation of any legal documents, and you should rely on a solicitor in this regard.
- 213 We assume that all services to the Property and all roads giving access to the Property have been adopted, and that unrestricted access is provided to the Property over all roadways, pathways, corridors, stairways communal grounds, parking and other areas.
- 214 We assume that all flank walls are Party Walls and that satisfactory arrangements exist for their maintenance.
- 215 Where applicable we will have the following regard to the Landlord and Tenant Act 1987 (the "Act"). This Act gives certain rights to defined residential tenants to acquire the freehold/head leasehold interest in a building where more than 50% of the floor space is in residential use. Accordingly, we will make an Assumption that necessary notices have been given to the residential tenants under the provisions of the Act, and that such tenants have elected not to acquire the freehold or head leasehold interest, and therefore disposal into the open market is unrestricted.
- 216 If we value the freehold or leasehold interest in either blocks of flats or in houses, the following will apply. The Leasehold Reform Housing and Urban Development Act 1993, as amended by the Commonhold and Leasehold Reform Act 2002, or The Leasehold Reform Act 1967 (collectively the "Act") give certain rights to residential tenants to acquire either the freehold/leasehold interest in any building which qualifies under the Act, or the right to lease extension. If this is applicable, we shall make an assumption that no residential tenants have elected under the provisions of that Act to acquire the freehold or head leasehold interests, nor have they elected to acquire a lease extension, unless the Client and/or its advisers specifically inform us to the contrary.
- 22 Tenant Covenant Status**
- 22.1 Unless stated otherwise we have assumed that any occupational tenant is capable of meeting their financial liabilities under the terms of their lease, and that there are no arrears of rent or undisclosed breaches of covenant. Furthermore, unless specifically stated, we have not undertaken detailed enquiries of any tenant's financial accounts. Instead we have considered a tenant's financial strength with reference to their recent financial highlights (e.g. turnover, pre-tax profit and tangible net worth), where the information is available, and on a more general market perception basis.
- 23 Taxation, Grants and Capital Allowances**
- 23.1 Our valuation is provided exclusive of any Value Added Tax liability which may be come payable. Furthermore, no allowance is made for any other potential or existing tax liability such as Capital Gains Tax or Corporation Tax.
- 232 Similarly, unless stated otherwise, no adjustment is made for any unclaimed Capital Allowances or Government grants which may be available.
- 233 It should be noted that as from 1 April 2014 in order to protect the ability to claim historic Capital Allowances a claim must be made before completion of a purchase. We assume such an election will be made where relevant.
- 24 Plant, Machinery, Fixture and Fittings**
- 24.1 Our valuation includes items usually regarded as forming part of the building and comprising landlord's fixtures, such as boilers, heating and cooling equipment, fixed demountable partitions, suspended ceilings, carpets, water systems, lighting, sprinklers, ventilations, lifts and other permanent structures forming an integral part of the building. However, it generally excludes operational plant and machinery, and fixtures and fittings normally considered to be the property of the tenant.
- 242 If we have valued the property as an operational entity (e.g. a petrol filling station, hotel etc) all items of equipment normally associated with such a property are included within the valuation unless otherwise stated. It is also assumed that these are not subject to any hire purchase or lease agreements or any other claim on title.
- 25 Operational Real Estate**
- 25.1 Where the property is valued as an operational entity, we will have regard to RICS Valuation Practice Guidance Application 4 (VPGA 4). Accordingly, reference has been made to the trading history or trading potential of the property, reliance has been placed on information provided to us in this regard. Should this information subsequently prove to be inaccurate or unreliable, the valuation reported could be adversely affected and we reserve the right to amend the valuation accordingly.
- 26 Special Purchaser Value**
- 26.1 Unless otherwise stated, our Valuations do not reflect any element of marriage value or special purchaser value which could possibly be realised by a merger of interests or by a sale to an owner or occupier of an adjoining property, other than in so far as this would be reflected in offers made in the open market by prospective purchasers apart from the purchaser with a special interest.
- 27 Aggregation**
- 27.1 In the Valuation of portfolios, each property is valued separately and not as part of the portfolio. Accordingly, no allowance, either positive or negative, is made in the aggregate value reported to reflect the possibility of the whole or part of the property being put on the market at any one time. In the event that a valuation is required for the portfolio as a single entity it should be expressly requested.
- 28 Fire Regulations**
- 28.1 We are not able to advise in relation to matters and obligations regarding fire combustibility, resistance or protection. We do not and will not provide any assurances regarding current or future fire regulatory requirements in respect of the property and that may impact upon future occupation, safety or maintenance and associated costs. Further, we are not responsible for the investigation or consideration of the performance, suitability or risk of failure of any product, material or system used in the construction, alteration, repair, treatment or refurbishment of any building or structure and its compliance with

applicable regulations in respect of the performance of combustibility, fire resistance or fire protection. Responsibility for implementation and compliance with regulations falls to the building owners as stated in the Government Guidelines.

29 Professional Indemnity Insurance

291 Fisher German LLP hold RICS Compliant PI Insurance subject to the following exclusions:-

Fire Combustibility Exclusion

M&G is not covered for any claim or claim circumstance arising directly or indirectly out of, or in any way connected with:-

a) any actual or alleged failure of any product, material or system used in the construction, alteration, repair, treatment or refurbishment of any building or structure to comply with applicable regulations in respect of the performance of combustibility, fire resistance or fire protection.

b) any Survey or Valuation where such claim or claim circumstance relates in whole or in part to any actual or alleged failure of any product, material or system used in the construction, alteration, repair, treatment or refurbishment of any building or structure to comply with applicable regulations in respect of the performance of combustibility, fire resistance or fire protection.

292 Aggregate limit, defence costs in addition, excess not applied to defence costs, with round-the-clock reinstatements. The most Insurers will pay in total for all loss resulting from all claims in any one period of insurance is the limit of indemnity. Insurers will pay defence costs in addition to the loss. If the amount of loss for any claim is greater than the limit of indemnity, the most that will be paid for defence costs for that claim will be an amount in the same proportion that the limit of indemnity has to the loss.

293 When the limit of indemnity under the policy and all excess layer policies are exhausted the limit of indemnity will be reinstated but only in respect of any future claim which does not come from:-

a) the same act, error or omission or series of acts, errors or omissions as a result of or arising directly or indirectly from the same source or original cause as any previous claim.

b) the same dishonest or fraudulent acts or omissions of one person or persons acting together or in which such person(s) is/are concerned or implicated, as is the subject of any previous claim.

294 The number of times that the limit of indemnity is reinstated is unlimited, but is subject to the exhaustion of all excess layer policies prior to each reinstatement.

295 Where for whatever reason the excess layer insurer(s) do(es) not pay in respect of a claim and/or defence costs, this will not count towards the exhaustion of the excess layer limit of indemnity with regards to when the limit of indemnity is reinstated under the policy.

296 In any event, reinstatement of the limit of indemnity will only occur if the excess layer professional indemnity insurance has been effected and maintained for the entire period of insurance.

Appendix B

Terms of Business - Valuation

Fisher German LLP's Terms of Business are set out below. The accompanying letter including any appendices (the "Letter") may expressly vary these terms and will explain how our fee for our services is calculated and detail other costs and charges. In the event of conflict or inconsistency between the Letter and these Terms of Business, the content of the Letter shall prevail to the extent of such conflict or inconsistency. To instruct us to act, you must sign and return a copy of the Letter to signify your agreement to our fees, costs, charges and Terms of Business and to confirm your authority to proceed.

The Letter and these Terms of Business (once agreed by you as above) shall constitute the Agreement. The Agreement shall commence on the date that we receive your agreement as provided above (the "Commencement Date").

The services to be delivered by us under this Agreement shall be as set out in the Letter (or as amended by agreement between you and us (each as defined below) at any time) (the "Services").

In this Agreement and the Letter any reference to 'I', 'my', 'me', 'we', 'us' or 'our' (whether capitalised or not) is to Fisher German LLP and reference to 'you' or 'your' (whether capitalised or not) is to the Client as identified in Clause 1.0 below. The singular includes the plural and the masculine includes the feminine (and vice versa in either case).

1.0 Responsibility for payment of fees, costs and charges

1.1 The person to whom the Letter is addressed is the Client. The Client is personally responsible for and guarantees payment of our fees, costs and charges as set out herein and in the Letter even if the relevant property is held by a different person. If more than one party is to be responsible for our fees, costs and charges, the Letter should be signed by all relevant parties and their liability will be joint and several. The full names and addresses of any additional guarantors should be given in writing to us and failure to do so will mean that you will be fully liable. All persons with responsibility pursuant to this Clause are together the "Client".

1.2 In the case of work for which our fees are to be reimbursed by a third party the following shall apply:

- a) For work in connection with compulsory purchase, wayleaves, the grant of easements and similar work where the acquiring or statutory body is to make a contribution to our professional fees you will remain responsible for payment of our invoice. Payment of our invoice will not be conditional upon receipt by you of any reimbursement of fees or any compensation payment;
- b) In the case of valuations for loan security purposes where it is agreed that the borrower is responsible for payment of our fees, you nevertheless guarantee payment of our fees. Payment of our fees shall not be conditional upon the drawdown or any other aspect of the proposed loan;
- c) For all other areas of work, payment of our invoice by you shall not be delayed because of non-payment of the third party reimbursement.

2.0 Fees

2.1 The basis of the fee will be as set out in the Letter which may be on a fixed fee, a percentage fee or on a time spent basis and the following provisions will apply:

- a) Fixed fees and percentages are based on the assumption that all information, access and communication we request is provided promptly by you or the relevant third party and in the specified format. Should unreasonable delay or difficulties be experienced we reserve the right to charge Additional Fees on notice to you;
- b) Time basis. This will cover all time expended on the delivery of the Services including travel, waiting for appointments, inspections, meetings, etc. We maintain time sheets on a

daily basis allocated to each job. If you require a breakdown between the different types of work you should notify us at the time of accepting our Terms of Business.

2.2 Our fees are payable by you irrespective of taxation by a Judicial Body or their not being fully recovered from another party to a dispute. These fees remain payable by you if you are required to make a payment to another party to a dispute.

2.3 After the expiry of 12 months from the Commencement Date we shall be entitled to increase our fees for work not already executed by giving you not less than 30 days prior written notice.

2.4 Where you are not willing to accept any increase in fees proposed under this Clause 2, you may terminate this Agreement by providing us with notice in writing. Upon termination under this Clause 2.4, you shall be liable for all charges incurred up to and including the date of such termination.

3.0 Additional Fees

3.1 Where you require us to carry out further work in addition to the Services or the circumstances envisaged in Clause 2.1 a) of these Terms of Business shall arise, then we may charge an additional fee based on our standard rates for such work which are available on request. We shall notify you as soon as possible where circumstances arise which will incur additional fees and of the amount or basis of calculation of any such additional fees.

4.0 Services, Assignment and Indemnity

4.1 We shall provide the Services using reasonable care and skill and in a manner as reasonably expected of a firm of surveyors. The terms implied by sections 3 to 5 of the Supply of Goods and Services Act 1982 (or any updated, revised or replacement legislation) are, to the fullest extent permitted by law, excluded from this Agreement. Where you are a consumer, the provisions of the Consumer Rights Act 2015 shall apply in respect of the services provided under this Agreement. This gives consumers additional rights and can be found on the Citizens Advice website.

4.2 You shall not transfer any part or element of the Service you receive from us to a third party without our express consent. Where you by your act or omission do so, you shall indemnify us against any liability arising from a third party claim. We may assign or transfer any or all of our rights and obligations under this Agreement to any Affiliate (being any entity that

directly or indirectly controls, or is controlled by, or is under common control with us) provided that such Affiliate agrees in writing with us to be bound by our obligations under this Agreement.

5.0 Timing of Payment, Interest and VAT

5.1 Our invoices will be submitted monthly or at such other times as we may notify you otherwise from time to time. Invoices are payable immediately in full, in sterling, on the date of the invoice. Interest will be charged at a rate of 4% above our banker's base rate from the date of invoice on any account that remains unpaid 30 days after that date. In the event of a dispute as to the amount of our fees and/or cost or charges such sum as is not disputed shall be paid forthwith pending resolution of the dispute irrespective of any set off or counter claim which may be alleged. Any unresolved dispute relating to the amount of our fees shall initially be referred by application by any party to our Agreement to the President of the Royal Institution of Chartered Surveyors for the appointment of a Mediator.

5.2 All of our fees, costs and charges are subject to VAT at the appropriate rate regardless of your domicile.

6.0 Disbursements, Costs and Charges

6.1 You are responsible for any agreed charges for promotion or other costs. Also travelling expenses and other costs such as that for photography, photocopying, research, plans, dispatch, duplication, stationery costs and facsimiles will also be reimbursed by you. We reserve the right to require substantial costs and charges to be paid in advance. If we find it necessary to instruct other professionals, such as consultants, to carry out work in relation to this matter, they will be instructed as your agents and you agree to be responsible for their fees. If we find it necessary to use solicitors or other third parties to recover agreed fees, costs and charges you agree to pay any reasonable costs incurred by us.

7.0 Limitation of Liability

7.1 Subject to the other sub-clauses of this Clause 7.0, the total aggregate liability of Fisher German LLP and that of our partners, members, employees, servants or agents or any of them to you for all claims arising from the same set of circumstances or connected circumstances whether in contract, tort (including, where you are not acting as a consumer, negligence) or otherwise for damage caused by, or arising from, our engagement for the supply of the Services by us to you pursuant to these Terms of Business shall be limited to such amount as shall be equal to 10 (ten) times the total amount of the fees invoiced to you for the Services (excluding disbursements) up to a maximum of £2,000,000 (two million pounds).

7.2 For the purposes of Clause 7.1, "damage" shall mean the total of all losses or damages (including interest if there is any) and costs suffered or incurred directly or indirectly by you or anyone else whom we have agreed in writing will have the benefit of and may rely on the Services.

7.3 We will not in any event be liable (under contract, tort, statute, negligence or otherwise) for any loss of profit or loss of business or loss of any anticipated saving or benefit or any indirect or consequential loss or suffered by you or any other person as a result of or in connection with the performance or non-performance of the Services under our Agreement.

7.4 Nothing in this Clause 7.0 shall exclude or limit our liability for any losses, damages or costs which arise from the fraud or dishonesty of Fisher German LLP, its partners, members,

employees, servants or agents, nor for damages for death or personal injury caused by our negligence or for breach of the terms implied by section 2 of the Supply of Goods and Services Act 1982 (title and quiet possession) or (in respect of consumers) rights you may have under the Consumer Rights Act 2015 or any other liability which cannot be limited or excluded by law.

7.5 You may, before agreeing to these Terms of Business, request that we accept a greater liability in respect of a potential loss than is set out in this Clause 7.0. If you do so, we will notify you in writing whether or not we accept such greater liability and what additional fee will be payable by you in this respect.

7.6 You accept and acknowledge that any proceedings arising from or in connection with the Services supplied by us under this Agreement must be commenced within three years from the date when you became aware of or ought reasonably to have become aware of the facts which give rise to the alleged liability of us and in any event not later than three years after any alleged breach of contract or act of negligence or commission of any other tort.

7.7 You will indemnify us against all costs, losses, liabilities and expenses incurred by and or claims made against us arising out of our appointment under this Agreement provided that at all times prior to the incurring of the relevant costs, losses, liabilities and expenses or the making of the claim we shall have carried out the Services in a manner as reasonably expected of a firm or surveyors.

8.0 Termination

8.1 Unless otherwise agreed, this Agreement shall expire on our completion of the delivery of the Services.

8.2 Prior to such expiry, this Agreement may be terminated by you or us on giving not less than 2 months' notice in writing. Where either you or we terminate this Agreement under this Clause 8.2 prior to completion of the Services and our fees were payable as provided by Clause 2.1(a) above, a fixed or percentage related fee will remain payable in full notwithstanding the termination. Where our fees were payable on a time basis as set out in Clause 2.1 (b) above, the whole or an appropriate proportion of the agreed fees as we shall deem fair and reasonable shall be payable to us and will become payable on the date of the invoice.

8.3 We may, without liability, terminate this Agreement or, at our option, suspend the provision of any Services immediately on written notice if you fail to pay any sum due to us in accordance with this Agreement.

8.4 If either party is in material breach of this Agreement, the other may immediately terminate this Agreement if the breach is incapable of remedy; or if it is capable of remedy, the other party shall serve on the defaulting party at least 28 days' notice requiring such breach to be remedied and, if such breach is not remedied, this Agreement shall automatically terminate.

8.5 Either party may at its discretion immediately on notice in writing to the other party, terminate this Agreement if the other party becomes insolvent, ceases, or threatens to cease, to carry on business, an encumbrancer takes possession or a receiver is appointed over any of that party's property or assets, that party makes any voluntary arrangement with its creditors or enters into administration or goes into liquidation or bankruptcy (or the nearest legal equivalent in any jurisdiction).

8.6 Within 28 days after termination of the Agreement howsoever caused, we shall submit an account for all fees, costs,

expenses and disbursements payable by you and you shall pay all such fees, costs, expenses and disbursements in accordance with Clause 5 above.

8.7 Clauses 7, 9, 13, 14 and 15 will remain fully in force notwithstanding the termination of the Agreement.

9.0 Dispute Resolution

9.1 We operate a formal procedure for dealing with complaints from clients and others, a copy of which is available at www.fishergerman.co.uk. To file a complaint, contact the Complaints Handling Officer, Fisher German LLP, The Estates Office, Norman Court, Ashby de la Zouch, Leicestershire, LE65 2UZ, (telephone 01530 446070) or by email on complaints@fishergerman.co.uk. If the complaint cannot be resolved between the parties, we operate three redress mechanisms.

If your complaint relates to valuation, land measurement, auctions, building surveys or professional advice you will be directed to Centre for Effective Dispute Resolution (CEDR), 70 Fleet Street, London, EC4Y 1EU.

If your complaint relates to residential lettings, residential property management or residential estate agency then you will be directed to the Property Redress Scheme (PRS), Lumiere, Suite 1-3, 1st Floor, Elstree Way, Borehamwood, WD6 1JH.

For Commercial Client complaints you will be directed to the Arbitration/Neutral Evaluation Procedure for Surveying Disputes which is a business to business redress mechanism. The contact details for this scheme are: The Arbitration/Neutral Evaluation Procedure for Surveying Disputes, IDRS Limited, 70 Fleet Street, London, EC4Y 1EU. Tel: 020 7520 3800

10.0 The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, Proceeds of Crime Act 2002, Terrorism Act 2000, Criminal Finances Act 2017

10.1 Legislation on money laundering and terrorist financing requires us to obtain and have copies of satisfactory evidence of the identity of our clients and their addresses and sometimes of people related to them. Such evidence will be maintained on our records for a minimum of six years.

10.2 If required we will ask you for evidence of identification and current address and we may perform identity verification checks against third party databases, including using electronic media and by accepting to enter into this Agreement you consent to us using your personal information for this purpose. Where we know or suspect that a transaction on behalf of a client involves money laundering or terrorist financing, we may be required to make a money laundering disclosure. If this happens, we may for legal or regulatory reasons not be able to inform you that a disclosure has been made or the reasons for it and we may have to stop delivering any Services for a period of time and may not be able to tell you why.

10.3 The documents you may be asked to produce (we will need to see the originals and obtain photocopies) include a passport or driving licence (with photograph), and proof of your address in the form of a recent utility bill, bank account statement or credit card statement. Copies of these documents will be maintained on file for a period of at least six years. By signing the Letter you agree to provide us promptly with all relevant information if requested to do so and we shall process all such information in accordance with paragraph 13 below.

10.4 In any transactional arrangement the identity of your purchaser will also be verified at the point that the business relationship is formed which is when you accept an offer. The sale process cannot commence until the identity of your purchaser has been verified. If we are unable to verify the identity of a proposed purchaser, we may not be able to proceed with the sale.

11.0 Conflicts of Interest and Related Firms

11.1 We operate a written policy for identifying and managing conflicts of interest. Such policy specifies certain procedures and measures to ensure appropriate independence and also further steps to be taken where such independence is jeopardised. If, where a conflict arises, we advise that the conflict requires us to cease providing any Services then this Agreement shall terminate in respect of any such part with immediate effect. We shall be free to act for other clients unless we have a conflict of interest.

11.2 Fisher German, for good business reasons, has interests in other businesses, these interests being financial or administrative in their nature.

11.3 A full list of the businesses in which Fisher German has an interest is set out below:

- Fisher German Limited
- Fisher German Property Management LLP (formerly known as Vine Property Management LLP)
- Fisher German on Site Limited (formerly known as Vine on Site Limited)
- LinesearchBeforeUdigi Limited
- Property Bond Limited
- Greencrete Limited
- UKBS plc

11.4 Of these, Fisher German Property Management LLP and UKBS plc are surveying businesses.

11.5 In addition to having a financial or administrative interest, a number of the Fisher German Members also hold directorships or positions of office within these related businesses.

11.6 As part of our internal process we will undertake a Conflict of Interest (COI) check and should one of our Related Firms be identified within that process then it will be considered that a potential Conflict of Interest exists. We will ask you to confirm that you understand that Fisher German has this interest and explain to you how your instruction will be managed to mitigate the effects of the Conflict of Interest.

11.7 This process is ongoing and a COI check may take place once your instruction has been given as more information relating to the services we are providing to you is identified.

12.0 Applicable Law and Jurisdiction

12.1 When the property in respect of which any Services are to be provided is situated in the UK, except for Scotland, or outside the UK, this Agreement shall be governed by English law and any disputes under this agreement or arising out of or in connection with its subject matter shall be subject to the exclusive jurisdiction of the English Courts. When the property is located in Scotland, this Agreement shall be governed by Scottish law and any disputes under this Agreement or arising out of or in connection with its subject matter shall be subject to the exclusive jurisdiction of the Scottish courts.

13.0 Employees, Data Protection, documents and intellectual property rights

- 13.1 You shall not, without our written consent, solicit or entice away or attempt to entice away or authorise the taking of such action by any other person, any member of our staff who has been performing any Services for a period of six months following the end of any such involvement by the individual concerned.
- 13.2 Where you have provided us with your personal information, we will use your information in our working relationship, primarily for the provision of the Services and for related purposes as set out in our Privacy Notice which can be found at www.fishergerman.co.uk and available on request, including but not limited to updating and enhancing client records, carrying out identity verification, credit or anti-fraud checks using third party databases (which may involve disclosure to registered credit reference or fraud prevention agencies who may retain and use this personal information), analysis to help us manage our practice, statutory returns and legal and regulatory compliance. Where you have provided us with the personal information of other parties, you confirm that you have permission to provide such information to us for the purposes set out in this Clause 13.2.
- 13.3 Our use of the personal information referred to in Clause 13.2 above is subject to applicable data protection law and our duty of confidentiality. Where we have your permission, we may also use this information to contact you by e-mail, telephone or post to provide you with details about our products and services and our forthcoming events. We will share your personal information with those third parties set out in the Privacy Notice.
- 13.4 Certain documents may legally belong to you, but we intend to securely destroy general correspondence and other papers that we store which are more than six years old, except for documents that we consider to be of continuing significance which will be retained for a maximum of 15 years. If you want us to keep particular documents, you must instruct us accordingly. Personal data will be retained and deleted as set out in the Privacy Notice.
- 13.5 All intellectual property rights and other rights in all reports, drawings, photographs, accounts and other documents we create, prepare or produce in connection with the Services shall, unless otherwise agreed, be owned by us. Subject to Clause 13.6 below, we license such rights to you on a non-exclusive, royalty-free basis to the extent reasonably required by you to make reasonable use of all such rights in connection with the Services. If the Services terminate then this licence shall terminate automatically.
- 13.6 Where we do not own any rights in any pre-existing materials supplied to you, our supply is conditional on us obtaining a license for you to use such materials on such terms as we may notify to you from time to time.

14.0 Equality, Anti-Corruption, Health and Safety and Approved Contractors

- 14.1 We are committed to promoting equality and diversity in all our dealings with you and with our suppliers, employees and third parties. You shall comply at all times with all applicable laws, regulations and guidance relating to anti-bribery and anti-corruption including but not limited to the Bribery Act 2010.
- 14.2 You are responsible for all health, safety and environmental matters at your property and shall comply with all applicable health and safety laws, regulations, codes of conduct and guidelines. You shall notify us of any risks relating to health

and safety at your property and shall provide us with all documentation relating to such risks and the measures in place to manage those risks.

- 14.3 We operate an Approved Contractor scheme and confirm that we have taken all reasonable steps to be satisfied that our Approved Contractors are competent having regard to the services which they supply. Where we recommend that you engage the services of one of our Approved Contractors, we will, with your prior approval, engage such Approved Contractor on your behalf as your authorised agent. For the avoidance of doubt, the Approved Contractor will supply their services direct to you and we will provide the Approved Contractor with such information and assistance as it shall reasonably require to supply their services to you. Subject to Clause 7.4, our liability in respect of the services any Approved Contractor supplies to you shall be limited to the proper performance of our obligations in this Clause 14.3. If You require us to engage a contractor on your behalf which is not on our Approved Contractor list you acknowledge that we have not undertaken any due diligence on their competence to supply their services and that so far as is lawful, we shall have no liability to you in the event of any default by such contractor.

15.0 General

- 15.1 So far as is lawful, our partners, members and employees will not incur any separate or individual responsibility or liability whatsoever for any loss or damage suffered by you or any third party howsoever such loss or damage shall have been occasioned, any such liability being the liability of Fisher German LLP. In any event, such persons carrying out work for you shall be entitled to the protection of all the limitations, exclusions, qualifications and defences that are available to us under this Agreement.
- 15.2 If a provision of this Agreement is found by a court or administrative body of competent jurisdiction to be invalid or unenforceable, its invalidity or unenforceability shall not affect the other provisions of this Agreement which will continue to have effect. If any provision of this Agreement is so found to be invalid or unenforceable but would be valid or enforceable if some part of the provisions were deleted, the provision in question shall apply with such modification(s) as may be necessary to make it valid.
- 15.3 This Agreement constitutes the entire agreement between the parties and supersedes and extinguishes all previous drafts, agreements, arrangements and understandings between them, whether written or oral, relating to its subject matter. Save where you are acting as a consumer (where you may have additional rights as set out in clause 7 above) each party agrees that it shall have no remedies in respect of any representation or warranty (whether made innocently or negligently) that is not set out in this Agreement.

Appendix Three

Identification Plan

Fairways Lodge, George Street, Prestwich, Manchester,
M25 9WS



created on **edozo**

Plotted Scale - 1:5,000

Appendix Four

Title Plan Extract

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 20 September 2023 shows the state of this title plan on 11 September 2023 at 14:34:55. 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.

This title is dealt with by the HM Land Registry, Fylde Office .

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H.M. LAND REGISTRY

NATIONAL GRID PLAN

SD 8102 SE

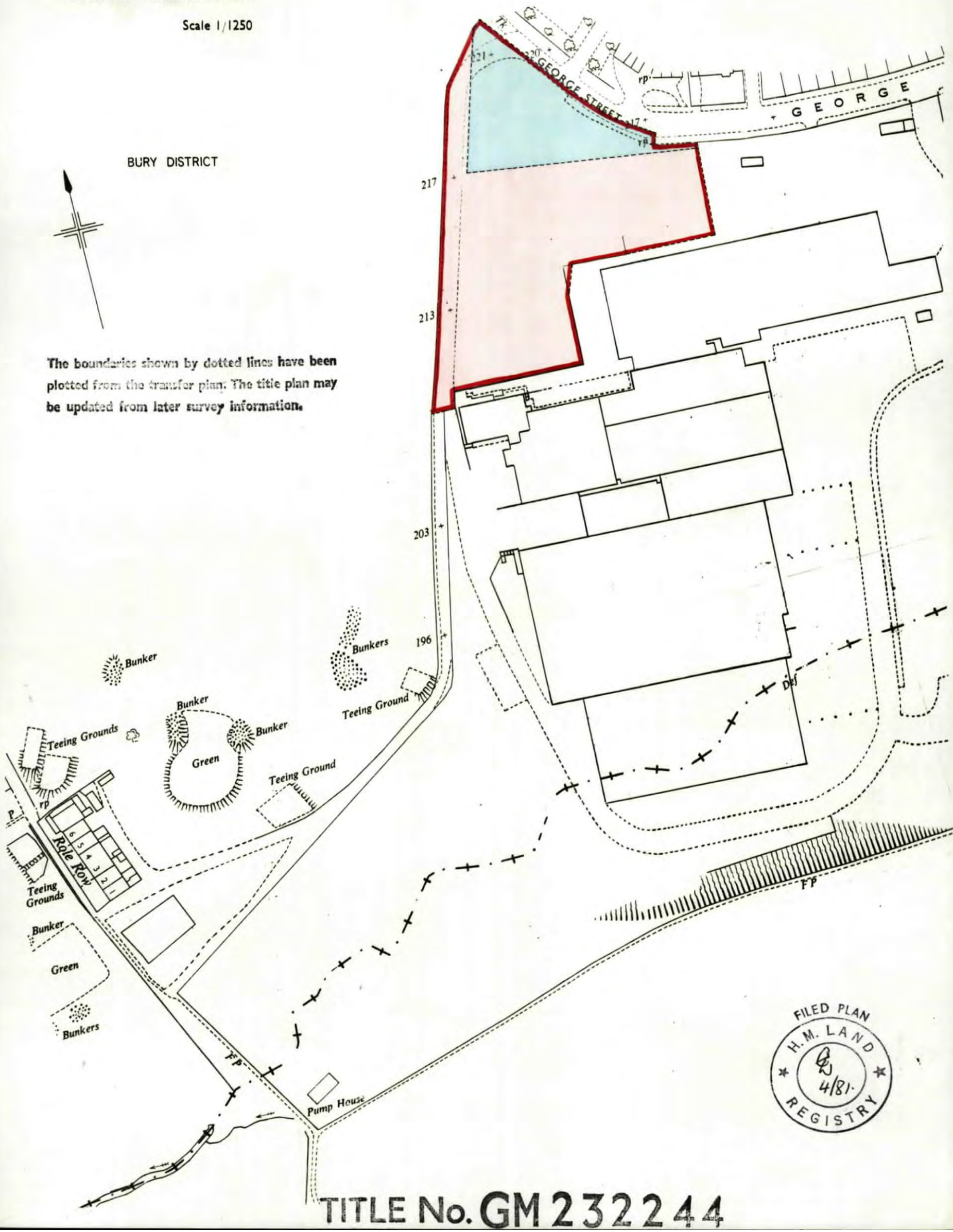
GREATER MANCHESTER

Scale 1/1250

BURY DISTRICT



The boundaries shown by dotted lines have been plotted from the transfer plan. The title plan may be updated from later survey information.



TITLE No. GM 232244

Appendix Five

Photographs

External elevations



External elevations



External elevations



External elevations



Internal specification



Internal specification



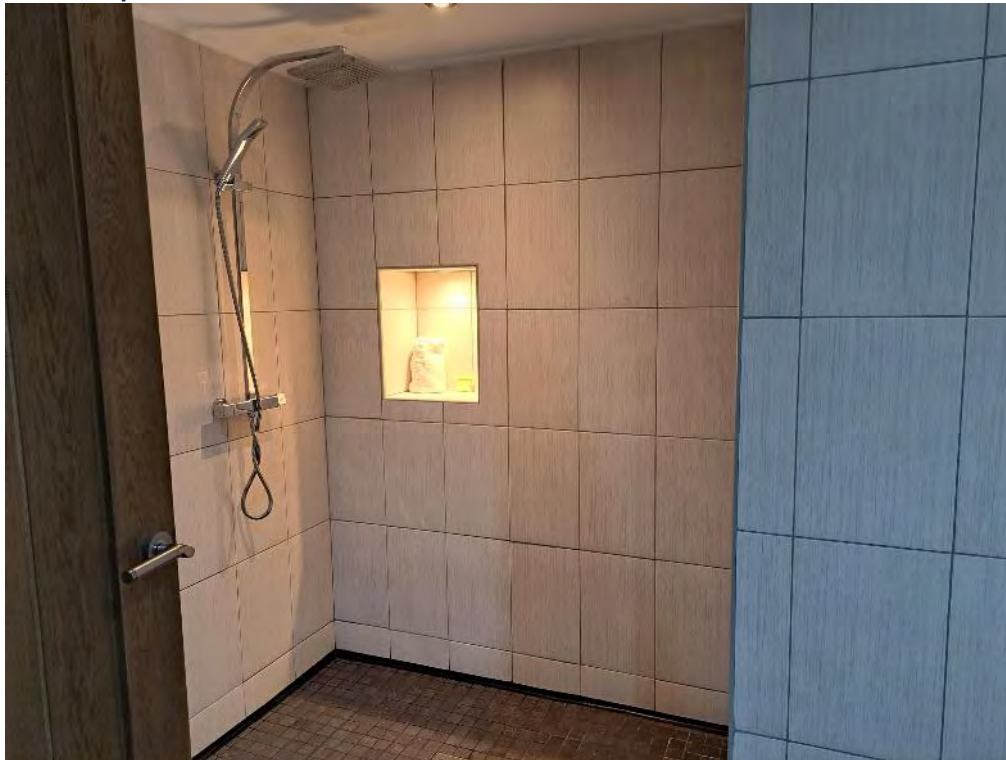
Internal specification



Internal specification



Internal specification



Internal specification



Internal specification



Internal specification



Internal specification



Internal specification



Appendix Six

Valuation

Prestwich

Development Appraisal
Fisher German
21 September 2023

APPRAISAL SUMMARY**FISHER GERMAN****Prestwich****Appraisal Summary for Phase 1****Currency in £****REVENUE**

SALES 12,378,000

NET REALISATION**12,378,000****OUTLAY****ACQUISITION COSTS**

Residualised Price		3,950,265	
			3,950,265
Stamp Duty	4.73%	186,848	
Agent Fee	1.00%	39,503	
Legal Fee	0.75%	29,627	
			255,977

CONSTRUCTION COSTS

Base Construction Costs 31,700 ft² @ 131.00 /ft²		4,152,700	
Contingency		207,635	
Demolition		100,000	
NHBC		24,000	
Site infrastructure		415,270	
			4,899,605

PROFESSIONAL FEES

Architect	12.00%	498,324	
			498,324

DISPOSAL FEES

Sales Agent Fee	1.50%	185,670	
Sales Legal Fee	0.25%	30,945	
			216,615

TOTAL COSTS BEFORE FINANCE**9,820,787****FINANCE**

Debit Rate 7.500%, Credit Rate 0.000% (Nominal)			
Land		440,838	
Construction		53,372	
Total Finance Cost			494,211

TOTAL COSTS**10,314,997****PROFIT****2,063,003****Performance Measures**

IRR% (without Interest)	31.62%
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