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**Appraisal of Existing Condition
and
Commercial Viability for Conversion
in respect of
redundant agricultural and former kennel/cattery buildings
at
Springlands Farmhouse
Toothill Road
Uttoxeter
Staffordshire
ST14 8JU**



**On behalf of
Mrs. C. Mellor
Springlands Farmhouse
Toothill Road
Uttoxeter
Staffordshire
ST14 8JU**

**Prepared by
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Date of Report: December 2010



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1.0 Introduction

- 1.1 We are instructed by Mrs C Mellor of Springlands Farmhouse, to undertake an inspection and to prepare a report in conjunction with a prospective application for Town & Country Planning consent for the conversion of redundant agricultural and former kennel/cattery buildings to alternative use.

Peter Diffeys and Associates Ltd, Town Planning and Development Consultants are acting as consultants in this scheme and application which is for a residential "live-work" unit.

This report is prepared solely in connection with the proposed Town and Country Planning application and no liability is extended beyond the specific purpose of the report, nor to any third parties.

- 1.2 The specific purpose of the report is to determine as to whether the buildings may be converted to alternative commercial or residential use without extensive alteration, extension or reconstruction works. The report also aims to assess the overall stability and the structural condition of the buildings.

The report does not address matters such as services including drainage or detailed construction items which must necessarily be dealt with in connection with future refurbishment and conversion works.

- 1.3 The report addresses commercial viability of alternative development schemes, considering alternative residential and commercial uses, or combinations thereof.

- 1.4 The report is based upon a visual inspection of external and internal surfaces. No trial hole investigation of the foundation of the building has been undertaken, nor any other destructive examination of any kind.

- 1.5 The weather at the time of the inspection was dry and very cold.

- 1.6 The buildings were examined having regard to the following publications:

Building Research Establishment Digest No. 251 – Assessment of Damage in Low Rise Buildings

Building Research Establishment Digest No. 366 – Structural Appraisal of Existing Buildings for Change of Use

2.0 General Description

- 2.1 The property comprises one detached former agricultural building and a pair of traditional attached buildings lying adjacent to a former farmhouse and set in a large garden plot. The property is set back from Toothill Road and approximately 2.0km south of Uttoxeter.

The buildings are identified on the Layout Plan at Appendix 2 as Buildings A, B and C.

- 2.2 The principal building has most recently been in use as a cattery and former kennels on a large concrete yard at the rear have been demolished. The smaller buildings are in essentially domestic use, one a workshop and the other a coal store.

The former use has now ceased although a static caravan which previously formed staff accommodation remains on the site.

- 2.3 The larger building (Building A) was built as dairy cow accommodation and dates from the late-nineteenth Century, later converted to accommodate milking stalls. The split level concrete floor associated with this use is retained. It is single storey, with the exception of the end-bay which has a small loft over.

The smaller single-storey buildings (Buildings B & C) are of similar age and remain essentially as built.

2.4 The accommodation is as follows:

Building A:

Dimensions (external) 16.0 x 5.3m
Eaves height 2.3 m (end-bay 2.6 m)

Gross internal floor area 74.7 sq m

Building B:

Dimensions (external) 7.6 x 3.1m
Eaves height 2.0 m

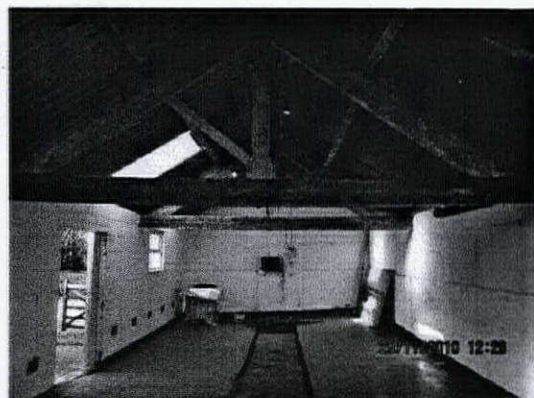
Gross internal floor area 18.9 sq m

Building C:

Dimensions (external) 3.7 x 2.3m
Eaves height 1.7 m

Gross internal floor area 5.7 sq m

3.0 Building A



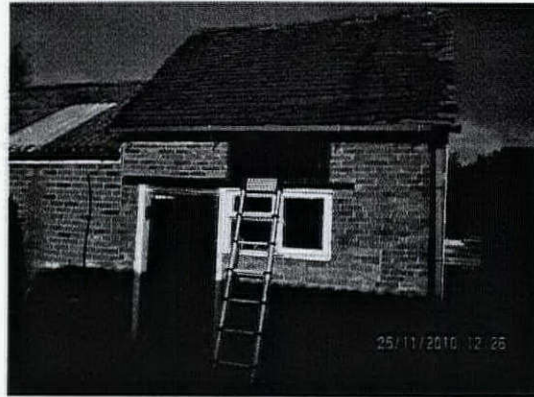
3.1 Construction

3.1.1 The external walls are of traditional 225mm solid brick construction, with the exception of the front (south) elevation which has been rebuilt in 225mm reclaimed brick with concrete block inner leaf. The latter has modern clay airbrick ventilation at low level, installed in conjunction with its previous use as a cattery. There is centre door and two window openings, each with modern reinforced concrete lintels. The wall is built upon a concrete footing and is block bonded to the older brickwork adjacent. The rear wall has a bricked up former opening.

The original walls are rendered to height 1.2m internally, consistent with its former agricultural use.

3.1.2 The roof is duo pitched and of single timber purlin and twin ridge beam construction, supported by intermediate kingpost roof trusses. The original tiled roof has been replaced with corrugated asbestos cement sheets incorporating translucent roof lights.

- 3.1.3 The end-bay of the building is of 225mm solid brick construction. The duo pitched roof is of single timber purlin and common rafter construction clad with plain Staffordshire blue clay tiles, the rear elevation continuing as a "catslide" roof.



Internally the bay is sub divided by internal 225mm brick wall and by short 110mm half brick wall extending from front to rear to form a kennel kitchen and two storage rooms. The building has a loft floor with low external doorway opening.

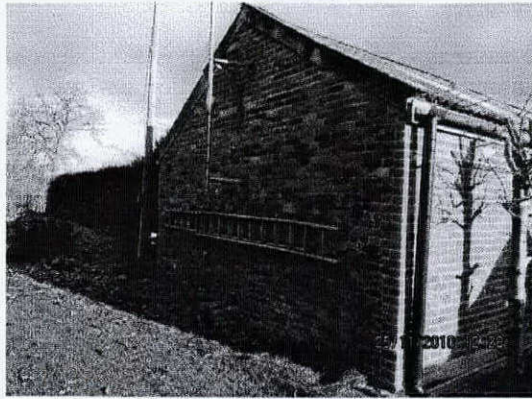
3.2 Condition

- 3.2.1 The rebuilt front elevation is well pointed.

A vertical fracture of 4mm maximum width extends above the left hand doorway lintel end internally with a hairline fracture through mortar pointing externally. Hairline fractures extend beneath each window and above the right hand lintel end of the right hand window internally. This movement is not of structural significance and no remedial works are necessary.



The front and gable walls are plumb and vertical to within normal construction tolerances.



The line of the rear wall does show a curve and an inward lean at the eaves to the centre of the elevation. This coincides with truss bearings suggesting that the damage was caused by the cranking of the original roof towards the front of the building. This will have resulted in the probable outward curve of the front elevation, the principal reason for its reconstruction. Completion of the latter has stabilised the rear wall.



Mortar pointing is generally satisfactory, although making good defective mortar and weathered brickwork to the left hand gable wall will be required in conjunction with refurbishment works.

- 3.2.2 The twin timber purlins are 225mm x 75mm and the twin ridge boards 150mm x 75mm. The roof timbers are supported by two intermediate timber trusses with principal components 225mm x 75mm and diagonal struts 75mm x 75mm.



The trusses are structurally sound, albeit with localised active infestation by common furniture beetle, although a single strut has been lost with reinstatement required.



Purlins show longstanding deflection and that centre purlin at the rear a significant split which has compromised its structural integrity. The rear left hand purlin adjacent has been replaced with a reclaimed timber of smaller 150mm x 75mm dimensions.



The present lightweight roof covering is adequately supported despite these defects. Nevertheless, it is anticipated that provision of a traditional tiled roof covering will demand replacement of the purlins and the raising of the truss bases to create improved headroom.

Many properties use building materials containing asbestos which is regarded as hazardous to health if and when damaged and especially in the form of airborne dust. Such material may be found in a variety of building materials and it is currently the view that such materials remain acceptable in an undamaged condition. Nevertheless, the roof cladding will be removed to be replaced with a plain tile cladding replicating the original and the roofs of the remaining buildings.

- 3.2.3 The 225mm solid brick front elevation of the end-bay is block bonded to the reconstructed front elevation of the building described above. An infill brick panel which is ill-matching has been added to the front elevation, together with a timber lintel supporting a panel of reclaimed traditional brickwork above. The upper brick panels show a slight outward lean consistent with longstanding roof spread, although the replacement brick panel has been reconstructed plumb to accommodate this. The degree of spread falls within normal tolerances and the elevation is sound.

The rear elevation is of 225mm brick construction with two door and window openings. The brick panel to the underside of the modern window has been rebuilt in reclaimed brickwork. An original 225mm brick pier lies between the doorway openings.



The gable wall has exposed original 110mm half brickwork to the apex. This shows a slight outward lean, although not sufficient to threaten structural stability. The brickwork is in need of repointing and the cutting out and replacement of weathered bricks. The main lower section of the wall has a modern render finish which is undecorated. It is in sound condition, although in contact with underlying concrete and damp affected at the base.



- 3.2.4 The roof of the end-bay is of single timber purlin construction, the rear purlins approximately 200mm x 150mm and the front approximately 175mm square with chamfered edges. The rafters are typically 150mm laid flat with sawn timber battens supporting plain clay tiles. The rafter feet bear on large 100mm deep timber wall plates.



The purlins and rafters are affected by active beetle infestation and the exposed purlin ends by wet rot. Conversion and refurbishment of the building may be expected to demand replacement of the roof timbers. Nail fixings of timber battens have corroded giving rise to evidence of slippage, particularly to the verges and eaves, and at the rear. A cement fillet provided at the junction of the main building has deteriorated, giving rise to consequent penetrating dampness in the rear storage room.

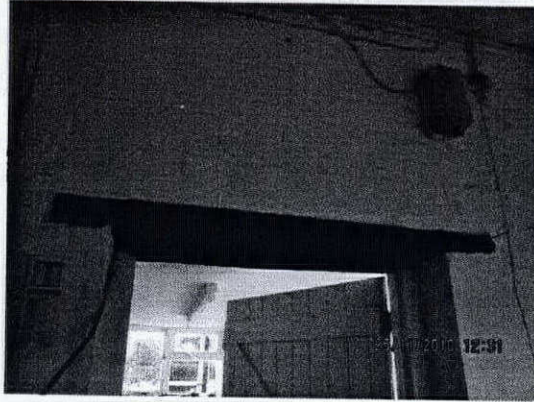
- 3.2.5 Internal walls and floors

Internal walls of the kennel kitchen have plasterboard dry lining internally, the plaster having deteriorated as a result of rising dampness. The walls are plumb and vertical.



The brick floor is at lower level than the yard externally and it is assumed it will be raised in conjunction with conversion works.

The 225mm brick wall leading to the rear compartment has a timber lintel above the doorway opening laid flat. There is a stepped hairline fracture above the door, although of no structural significance and the masonry remains sound. The walls of this compartment are of painted brickwork. The concrete floor is at the same level as the adjacent described above.



The small storage compartment has a raised brick floor. The internal walls and the internal face of the gable wall are in sound condition.

4.0 Building B



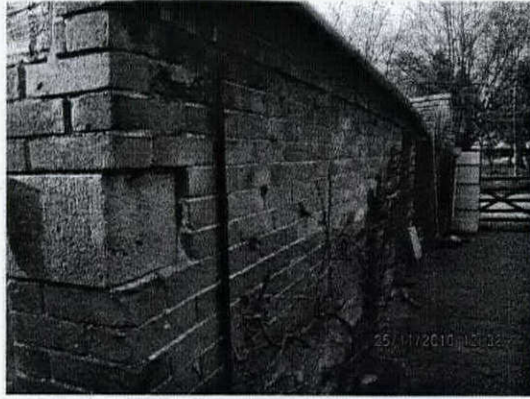
4.1 Construction

The walls are of 225mm solid brickwork with doorway opening to the front and two window openings at the rear.

The roof is duo pitched and clad with plain clay tiles.

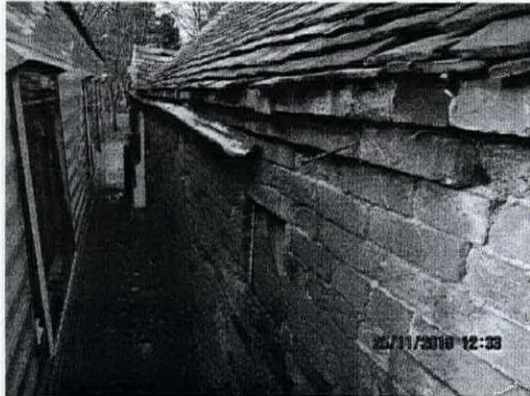
4.2 Condition

- 4.2.1 The front (north) elevation has projecting eaves course and single doorway opening with parallel timber lintels spanning between inset brick piers. Original sandstone blocks are retained to the doorway opening.



The elevation has suffered outward movement arising from roof-spread. Whilst plumb and vertical to within normal construction tolerances at the corners of the building, reconstruction of the remainder of the elevation is advisable, unless it can be buttressed satisfactorily by the proposed link between the buildings.

- 4.2.2 The rear elevation has a single doorway opening with timber lintel support and projecting brick course to the eaves. Lower ground levels reveal a projecting brick corbel at the base.

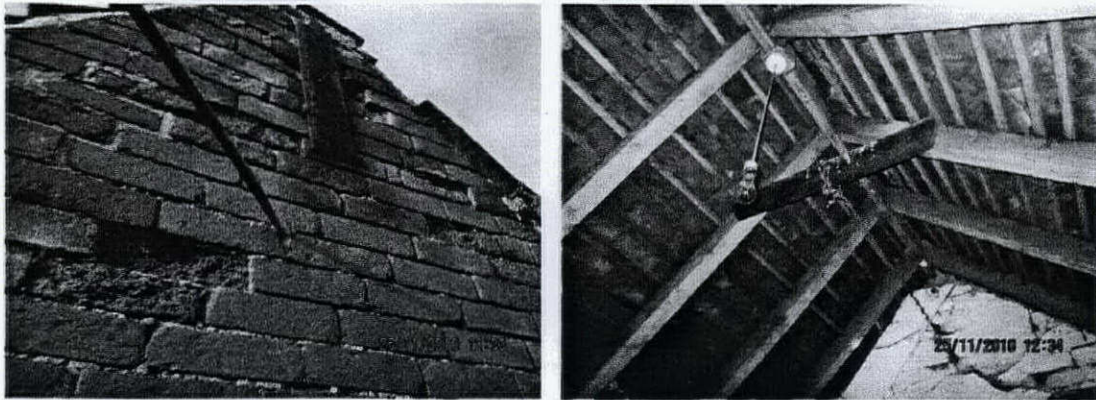


The elevation is plumb and vertical and there are no indications of structural movement. Mortar pointing is in very poor condition and brickwork has been weathered badly as a result of this exposure to prevailing weather conditions (prior to stationing of static caravan). This has been exacerbated by spillage from defective guttering. The complete repointing of the elevation and the repair of badly weathered brickwork is required.

- 4.2.3 The left-hand gable wall has original 110mm half brick panel to the apex, overlying a timber lintel above a former full width opening. The opening has been infilled with 225mm solid brickwork.



The gable apex has suffered outward movement and a steel patten plate restraint has been applied with rudimentary wire fixing to a short timber spanning between facing rafters.

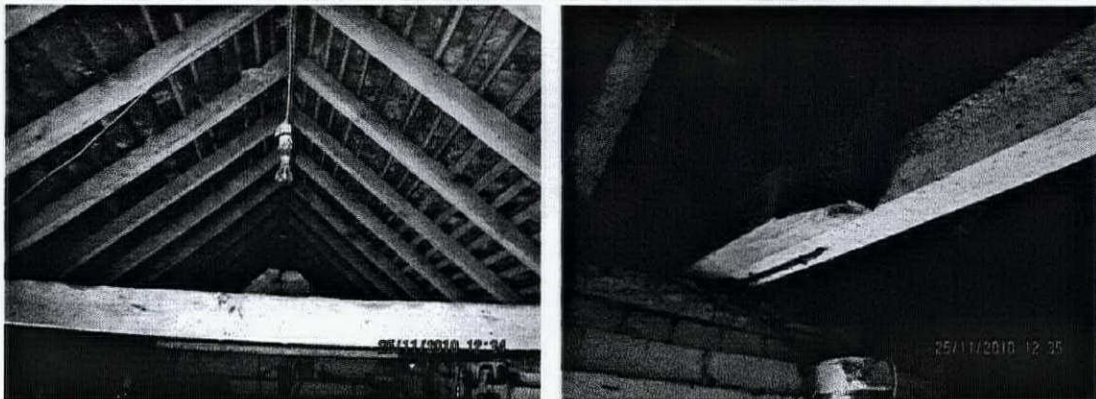


The infill brickwork to the underside of the timber beam is in sound condition.

The right-hand gable apex wall is of 225mm brick construction and in sound condition, the brickwork probably renewed some years ago.

4.2.4 Roof structure and covering

The roof is of 75mm square common rafter construction, spanning to 75mm square wall plates at the base. There is a high level ridge board and a mixture of modern tanilised and older slender softwood tile battens. The roof is restrained by two 100mm x 75mm collars which have been extended by infill sections following roof-spread.



The Staffordshire blue clay tiles have suffered general slippage, particularly to the rear elevation.



It is anticipated that refurbishment and conversion works will extend to the stripping and replacement of the roof structure and covering, dependent upon the precise nature of works undertaken to the front elevation.

4.2.5 Interior

The building has uneven concrete floor which it is anticipated will be replaced in conjunction with wider refurbishment and conversion work.

5.0 Building C



5.1 Construction

The building is of 225mm solid brickwork beneath a duo pitched and plain clay tiled roof. There is a doorway opening to the front gable and window to one side elevation.

The duo pitched roof is of 75mm common rafter construction with sarking felt to the underside of the plain Staffordshire blue clay roof tiles, the roof having been re-tiled.

5.2 Condition

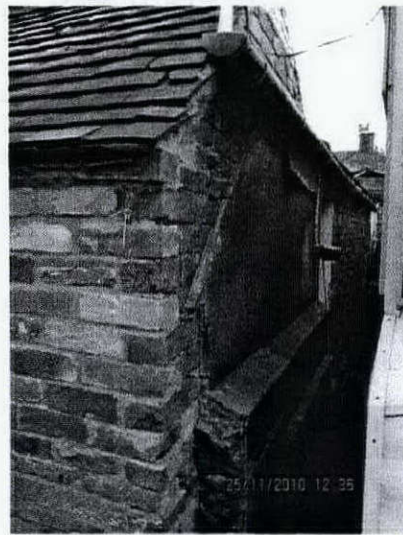
- 5.2.1 The front gable wall has timber lintel overlying the doorway opening with reconstructed reclaimed brick panel above. Brickwork to the left hand side of the doorway opening has been affected by longstanding penetrating dampness with cutting out and replacement of brickwork at the corner of the building required in order to ensure its future stability. The elevation and the panel to the right hand side of the front wall has suffered outward movement which suggests the foundations to be inadequate. Whilst there are no suggestions of continuing movement, it is recommended that this panel of brickwork be replaced in conjunction with other work to the front gable noted.



- 5.2.2 The right hand elevation has been reconstructed in reclaimed brickwork in recent years.



5.2.3 The rear gable wall is plumb and vertical with no indications of structural movement.



5.2.4 The roof is in sound structural condition, albeit that replacement is anticipated in conjunction with conversion and refurbishment works. There is evidence of penetrating dampness through the lead roof valley and the stripping and re-roofing of this section is required.



6.0 Summary and Structural Condition

6.1 The main Building A is in good structural condition and no works of structural repair are required.



It is expected that alterations to the elevations of the end bay will be undertaken in conjunction with alterations to internal layout and openings, including replacement of the timber lintel, and replacement of defective render.

The roof timbers have suffered some damage and are partially under-sized. It is expected that conversion works will demand renewal of trusses and purlins, not least to permit improved headroom, but also to ensure current suitability for conventional roof tiling in replacement of the current lightweight asbestos cement cladding.

- 6.2 Building B is in need of the following works of a structural nature which should be undertaken in conjunction with wider conversion to alternative use:

North-facing wall: Take down and rebuild wall plumb and vertical between retained corner brickwork. It is anticipated that the roof will be renewed and re-aligned to intersect the front elevation wall.

East-facing gable wall: Reconstruct gable apex wall plumb and vertical in minimum 225mm solid brickwork and remove sandwiched timber lintel.

- 6.3 Building C is in need of the following works of a structural nature:

North facing gable wall: Take down and rebuild plumb and vertical between and to include corner return walls.

Given the small scale of this building, the fact that the right-hand elevation has already been reconstructed in brickwork which does not match aesthetically, and unsightly concrete and render finished rear elevation following previous demolition of an adjacent structure, and the likelihood of inadequate foundations in a small building such as this, complete reconstruction of the building will be desirable.

- 6.4 Those works of a structural nature listed above, not including the optional work noted in the immediately preceding paragraph, affect 8.6% of the length of the external walls of the barns subject to this survey. Inclusion of the optional work noted in 6.3 will increase this figure to 15.8%.

- 6.5 There are no indications of foundation movement although no trial hole investigation has been undertaken and any requirement for such will be dependant on examination of the existing footings and the advice of Local Authority Building Control Officer after the precise details of the conversion scheme are established.

- 6.6 **General refurbishment works will be necessary to include stripping and renewal of the roof coverings, such work to accommodate insulation and ventilation, maintenance works including brick repair and repointing of elevations, replacement rainwater goods and provision of replacement external joinery. Specialist reports will be needed in respect of damp proofing and timber preservation works.**

- 6.7 **It is confirmed that a scheme of refurbishment and conversion of the buildings may be undertaken without the risk of significant works of demolition or reconstruction.**

7.0 Commercial Viability Appraisal

7.1 General

- 7.1.1 I am instructed to consider the commercial viability of the barns for a range of uses comprising B1 Light Industrial, B1 Office, together with Residential as Holiday Lets and for residential "live/work" Use.

- 7.1.2 The appraisals make an assumption as to present value of the buildings in their redundant agricultural and current domestic use. Such existing value does not include any element of

“hope value” in respect of development prospects, although does take into account the diminution in value of retained property arising from the loss of the building in its current use. The valuation includes the concrete yard lying to the rear of Building A and similar areas to the south of Buildings B and C. The existing site value is assumed to be £50,000.

- 7.1.3 The appraisals are based upon assessment of rental return for all proposed uses, including residential, and project likely percentage occupancy rates in respect of the alternative uses. This is because the use of investment yield alone is a crude tool for an assessment of the security of income flow.
- 7.1.4 Finance rates vary widely in current market conditions. The rate assumed (7.5%) is at a level which may be expected in more “normal” banking conditions than exist at present, in which speculative development finance appears to be unavailable.
- 7.1.5 In advance of development proposals, it is assumed that all schemes provide single-storey accommodation and a single occupation unit, Buildings B and C being of insufficient size to stand alone. It is implicit that there will be a link building between the structures although no value or cost is attributed to this.
- 7.1.6 The capital value calculations assume that an investor will demand an investment return (yield) of 10% on the Rental Values of the units (before adjustment for occupancy) in respect of the B1 Office uses and B1 Light Industrial use.

In respect of return for Residential Holiday Lets, a similar investment return is assumed, after deductions to reflect rating, letting agency fees, services and management/changeover costs. This enables direct comparison to be made with other uses.

- 7.1.7 The capital value figures in respect of B1 uses include an additional sum to represent “Hope Value” that an investor might pay to reflect the potential for achievement of a less restricted use, effectively the live-work unit envisaged. This is stated to be a further 10%, but in respect of the residential holiday use, it is calculated using assumed probability for such use and investment criteria reflecting risk.
- 7.1.8 The capital value of the units in a residential “live/work” use is based on vacant possession values using comparable evidence, not on investment value. The work unit envisaged will be contained in Units B and C. The value of such accommodation is lower than for a wholly unrestricted residential use, reflected in the capital value figure.

7.2 Appraisal Extracts

The summary figures are drawn from the appraisals at Appendix 3 below and show Rental Values, Development Costs, Rental Return on Development Costs and Capital Values in respect of each scheme.

| | | | |
|-------|-----------------------------------|--|-----------|
| 7.2.1 | <u>B1 Light Industrial Use</u> | Net Rent | £ 3,545 |
| | | Development Costs | £143,410 |
| | | Rental Return on Total Development Costs | 2.3% |
| | | Capital Value | £ 49,225 |
| 7.2.2 | <u>B1 Office Use</u> | Net Rent | £ 4,175 |
| | | Development Costs | £ 188,290 |
| | | Rental Return on Total Development Costs | 2.2% |
| | | Capital Value | £ 76,560 |
| 7.2.3 | <u>Residential (Holiday Lets)</u> | Net Rent | £ 4,255 |
| | | Development Costs | £ 207,935 |
| | | Rental Return on Total Development Costs | 2.0% |
| | | Capital Value | £141,500 |

| | | | |
|-------|----------------------------------|--|----------|
| 7.2.4 | <u>Residential live/work Use</u> | Net Rent | £ 9,690 |
| | | Development Costs | £207,935 |
| | | Rental Return on Total Development Costs | 4.7% |
| | | Capital Value | £275,000 |

7.3 Analysis and Conclusion

7.3.1 Irrespective of viability illustrated in the appraisals, it is questionable whether B1 Light Industrial could represent a suitable uses of the property, given the design and layout of the buildings and the restrictions of the local road system.

7.3.2 The location of the property, essentially the distance from the main road network and principal commercial centres, is considered to render it equally unsuitable for B1 Office use. Whilst such uses have proved successful in locations which are near to the trunk road network, schemes in less accessible locations such as this have not. It is appropriate to assume conservative rental levels, lower occupancy rates and lengthy initial void periods.

7.3.3 Holiday accommodation in this location is unlikely to lead to more consistent stream of rental income than assumed in the appraisal above (35% occupancy), being outside National Park boundaries and some distance to the principal regional tourist attractions, although racing at Uttoxeter racecourse will encourage occupation at certain times of the year.

7.3.4 Appraisals indicate conversions for B1 Light Industrial, B1 Office and Residential Holiday Let to offer rental return on development costs of 2.3%, 2.2% and 2.0% respectively. Appraisal 4, in respect of open market letting indicates the highest rental return of 4.7%.

7.3.5 With the exception of that for residential "live/work" use, all schemes indicate a substantial capital loss. The losses shown in respect of B1 Light Industrial, B1 Office and Holiday Let are £94,185, £111,730 and £66,435 respectively. These figures represent 67.4%, 59.3% and 31.9% of development costs respectively.


Conversely, the appraisal in respect of residential "live/work" use indicates both a satisfactory rental return on development costs and a capital profit.

7.3.6 **It is considered that a scheme of residential conversion as a "live/work" unit for owner occupation represents the only solution which is likely to provide an acceptable level of development risk and commercial viability, taking into account the nature of the buildings and their location. The rental returns for alternative uses are not sufficiently high to merit the investment risk and it is most unlikely that development finance could be raised for such schemes, even in normal market conditions.**

6.0 Extent

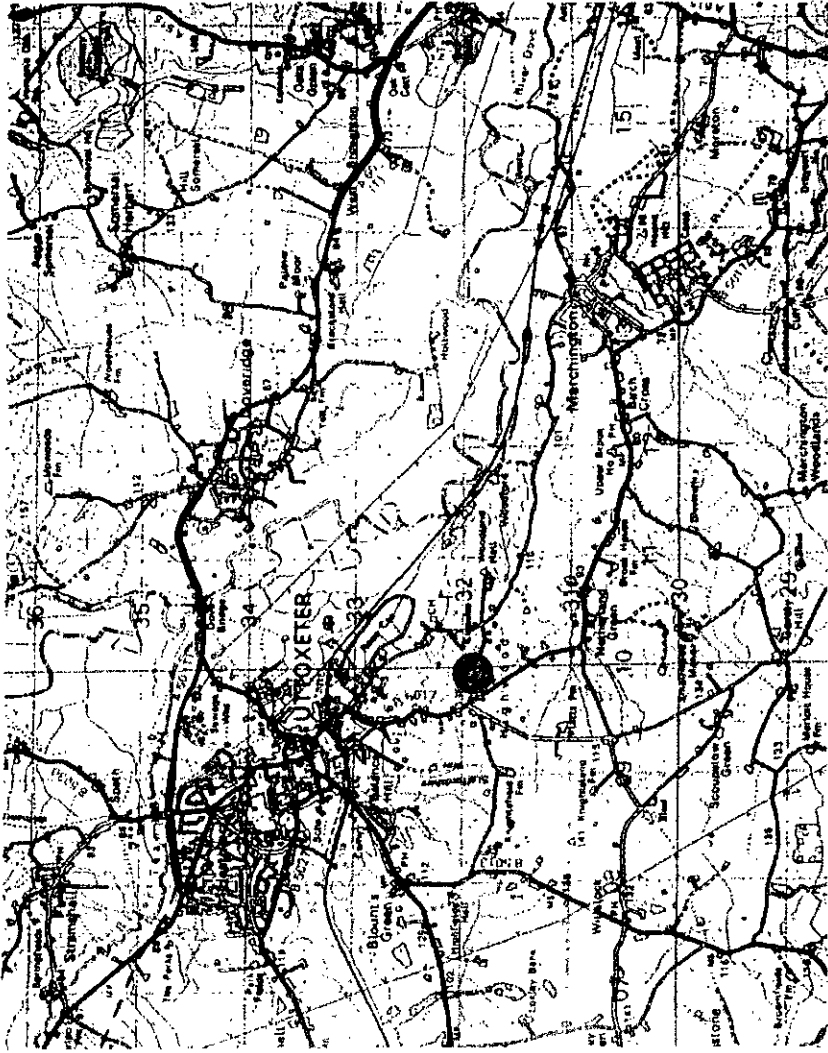
This report and valuation is for use of only the party to whom it is addressed and should be used within the context of the instructions under which it is prepared. No responsibility is accepted to any Third Party for the whole or any part of its content.

Neither the whole nor any part of this report and valuation nor any reference thereto, may be included in any published document circular, nor published in any way without the written approval of Ian Whitfield & Associates of the form and context in which it may appear.

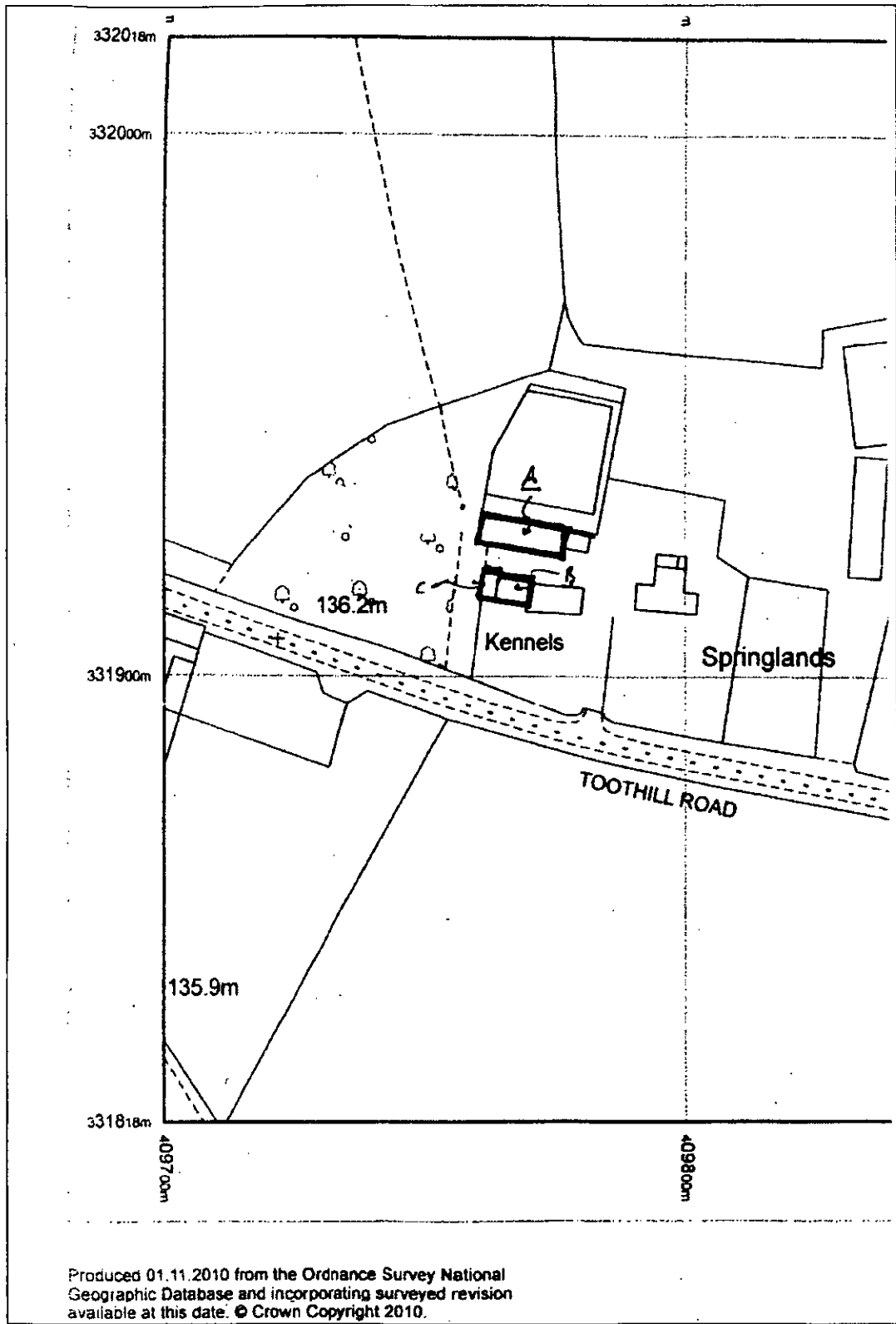

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Appendix 1

Location Plan



Appendix 2
Building Identification



Appendix 3

Appraisals

| | |
|-------------|-----------------------------|
| Appraisal 1 | B1 Light Industrial |
| Appraisal 2 | B1 Office |
| Appraisal 3 | Holiday Lets |
| Appraisal 4 | Residential "live/work" Use |

Appraisal 1: B1 Light Industrial Use

| | | | |
|---|-----------|----------|-----------------|
| Floor Area (NIA) | 99.4 sq m | | |
| Rent | @£45 | | |
| Rental Value | | £4,475 | |
| Projected Occupancy Rate | | 75% | |
| Net Rent | | | <u>£ 3,355</u> |
| Development Costs: | | | |
| Site Contribution (existing use) | | £ 50,000 | |
| Construction Costs | 99.4 sq m | | |
| | @ £750 | £ 74,550 | |
| Professional Fees | @ 8% | £ 5,965 | £ 80,515 |
| Finance @ 7.5% | | | |
| Land | 12m | £ 3,750 | |
| Construction | 6m/2 | £ 1,510 | |
| Letting Void | 9m | £ 7,635 | |
| Total | | £ 12,895 | |
| Total Development Costs | | | <u>£143,410</u> |
| <u>Rental Return on Total Development Costs</u> | | | <u>2.3%</u> |
| <u>Capital Value</u> | | | |
| Estimated Rental Value | £4,475 | | |
| YP perp @ 10% | | £44,750 | |
| Plus Hope Value 10% for alternative use | | £ 4,475 | <u>£49,225</u> |

Appraisal 2: B1 Office Use

| | | | |
|---|-----------|----------|--------------------|
| Floor Area (NIA) | 99.4 sq m | | |
| Rent | @£70 | | |
| Rental Value | | £6,960 | |
| Projected Occupancy Rate | | 60% | |
| Net Rent | | | <u>£4,175</u> |
| Development Costs: | | | |
| Site Contribution (existing use) | | £ 50,000 | |
| Construction Costs | 99.4 sq m | | |
| | @ £1100 | £109,340 | |
| Professional Fees | @ 8% | £ 8,745 | £118,085 |
| Finance @ 7.5% | | | |
| Land | 12m | £ 3,750 | |
| Construction | 9m/2 | £ 3,320 | |
| Letting Void | 12m | £13,135 | |
| Total | | £ 20,205 | |
| Total Development Costs | | | <u>£188,290</u> |
| | | | |
| <u>Rental Return on Total Development Costs</u> | | | <u>2.2%</u> |
| | | | |
| <u>Capital Value</u> | | | |
| Estimated Rental Value | £6,960 | | |
| YP perp @ 10% | | £69,600 | |
| Plus Hope Value for alternative use 10% | £ 6,960 | | say <u>£76,560</u> |

Appraisal 3: Holiday Let

Rent:

32 "peak" summer period @£700 per week
 20 week "off-peak" period @500 per week
 (both assuming 2/3 day week-end and 4 day mid-week or 7 day lettings)

| | | |
|---|--------|-------------------------------|
| Rental Value | 32,400 | |
| x Projected Occupancy Rate | 35% | £11,340 |
| Less Agency Fee Brochure entry | | £ 250 |
| Letting Commission @25% | | £ 2,835 |
| Business Rates, Utilities, Furnishings, Changeover etc | | <u>£ 4,000</u> <u>£ 7,085</u> |
| Net Rent | | <u>£ 4,255</u> |

Development Costs:

| | | |
|----------------------------------|-----------|-----------------|
| Site Contribution (existing use) | | £ 50,000 |
| Construction Costs | 99.4 sq m | |
| | @ £1350 | £134,190 |
| Professional Fees | @ 8% | £ 10,735 |
| | | £144,925 |
| Finance @ 7.5% | | |
| Land | 12m | £ 3,750 |
| Construction | 9m/2 | £ 5,435 |
| Letting Void | 3m | £ 3,825 |
| Total | | £ 13,010 |
| Total Development Costs | | <u>£207,935</u> |

Rental Return on Total Development Costs 2.0%

Capital Value

| | | |
|-----------------------------------|----------|----------|
| Estimated Rental Value | £11,340 | |
| YP perp @ 10% | | £113,400 |
| Plus Hope Value: | | |
| Value Residential "live/work" Use | £275,000 | |
| Less | £113,400 | |
| Uplift | £161,600 | |
| x say 25% probability 5 years | £ 40,400 | |
| PV £1 5 yrs @7.5% | .695586 | |
| | | £ 28,100 |
| Capital Value | | £141,500 |

Appraisal 4: Residential "live/work" Use

| | | | |
|---|-----------|----------|-----------------|
| Rent pcm | | £850 | |
| Rental Value | | 10,200 | |
| Projected Occupancy Rate | | 95% | |
| Net Rent | | | <u>£ 9,690</u> |
| Development Costs: | | | |
| Site Contribution (existing use) | | | £ 50,000 |
| Construction Costs | 99.4 sq m | | |
| | @ £1350 | £134,190 | |
| Professional Fees | @ 8% | £ 10,735 | £144,925 |
| Finance @ 7.5% | | | |
| Land | 12m | £ 3,750 | |
| Construction | 9m/2 | £ 5,435 | |
| Letting Void | 3m | £ 3,825 | |
| Total | | | £ 13,010 |
| Total Development Costs | | | <u>£207,935</u> |
| <u>Rental Return on Total Development Costs</u> | | | <u>4.7%</u> |
| <u>Capital Value</u> | | | <u>£275,000</u> |

Appendix 4
Conditions of Engagement

Appraisal of Existing Condition

Conditions of Engagement

Subject to express agreement to the contrary and any agreed amendments/additions the terms on which the Surveyor will undertake the Survey are set out below.

- 1.1 Based on an inspection as defined below, the Surveyor, who will be a Chartered Surveyor and/or an Incorporated Valuer, will advise the Client by means of a written Report as to his opinion of the visible condition and state of repair of the subject property.
- 1.2 The purpose of the report is to describe the general condition of the property bringing to attention those defects which may be regarded as in need of urgent repair or which are significant ie: the existence of which might be expected to affect a negotiated purchase price. It will not provide a detailed schedule of all defects of minor nature or which are not to be unexpected within a property of the age and type. The report should be construed as a document relating to the overall condition of the property, taking into account its age and type and not as an inventory of every defect which might exist and which would not tend to affect a decision as to purchase or the value of the property.
- 1.3 The report aims to assess the overall stability and structural condition of the buildings insofar as this may affect the principle purpose of the report.
- 1.4 The report is prepared solely in conjunction with a Planning Application for Change of Use and no responsibility is accepted to third parties for purposes which are not directly associated with such planning application.

2. The Inspection

(a). Accessibility and Voids

The Surveyor will inspect as much of the surface area of the structure as is practicable, visible and readily available for examination but will not inspect those areas which are covered, unexposed or not reasonably accessible.

(b). Floors

The Surveyor will lift accessible sample loose floorboards and trap doors, if any, which are not covered by heavy furniture, ply or hardboard, fitted carpets or other fixed floor coverings. The Surveyor will not attempt to raise fixed floorboards, carpets or other floor coverings without permission.

(c). Roofs

The surveyor will inspect the roof spaces if there are available hatches. The Surveyor will have a ladder of sufficient height to gain access to a roof hatch or to a single storey roof, not more than 3.0m (10'0) above the floor or adjacent ground. It might therefore not be possible to inspect roofs above this level; in such cases, pitched roofs will be inspected by binoculars. The Surveyor will follow the guidance given in Surveying Safely issued by the RICS in April 1991, which incorporates the guidance given in Guidance Note GS31 on the safe use of ladders and step ladders issued by the Health and Safety Executive.

(d). Boundaries, Grounds and Outbuildings

The inspection will include boundaries, ground and outbuildings. Specialist leisure facilities, including swimming pools and tennis courts will not be inspected.

(e). Services

The Surveyor will carry out a visual inspection of the service installations where accessible. Manhole covers will be lifted where accessible and practicable. No tests will be applied unless previously agreed. The Surveyor will report if, as a result of his inspection, the Surveyor considers that tests are advisable and, if considered necessary, an inspection and report by a specialist should be obtained.

(f). Areas not inspected

Neither the foundations of the buildings nor any other structures below ground level are exposed for examination. The Surveyor will identify any areas which would normally be inspected but which he was unable to inspect and indicate where he considers that access should be obtained or formed and, furthermore, he will advise on possible or probably defects based on evidence from what he has been able to see.

(g). The report is prepared by a Chartered Surveyor but does not include investigation or calculation in respect of structural engineering or design which might be addressed by a report prepared by a structural engineer or civil engineer. Where however defects exist or are suspected to exist, taking into account the age of the property and standards which existed at the time of construction, a report by a structural engineer or alternative specialist may be advised within the report.

3. **Deleterious and Hazardous Materials**

(a). Unless otherwise expressly stated in the Report, the Surveyor will assume that no deleterious or hazardous materials or techniques, have been used in the construction of the property. However, the Surveyor will advise in the Report if, in his view, there is a likelihood that high alumina cement (HAC) concrete has been used in the construction and that, in such cases, specific enquiries should be made or tests carried out by a specialist.

(b). Lead water supply pipes and asbestos will be noted, and advice given, if these matters can be seen but it must be appreciated that such materials are often only visible after opening up which cannot be carried out at the risk of causing damage - see paragraph (2(a) above.

(c). The Surveyor will advise in the Report if the property is in an area where, based on information published by the National Radiological Protection Board, there is a risk of radon. In such cases the Surveyor will advise that tests should be carried out to establish the radon level.

(d). The Surveyor will advise if there are transformer stations or overhead power lines which might give rise to an electro-magnetic field, either over the subject property or visible immediately adjacent to the property, but the Surveyor cannot assess any possible effect on health. For obvious reasons, the Surveyor cannot report on any underground cables.

4. **Contamination**

The Surveyor will not comment upon the existence of contamination as this can only be established by appropriate specialists. Where from his local knowledge or the inspection, he considers that contamination might be a problem he should advise as to the importance of obtaining a report from an appropriate specialist.

5. Consents, Approvals and Searches

- (a). The Surveyor will assume that the property is not subject to any unusual or especially onerous restrictions or covenants which apply to the structure or affect the reasonable enjoyment of the property.
- (b). The Surveyor will assume that all bye-laws, Building Regulations and other consents required have been obtained. In the cases of new buildings, and alterations and extensions which require statutory consents or approvals, the Surveyor will not verify whether such consents have been obtained. Any enquiries should be made by the Client or his legal advisers. Drawings and specifications will not be inspected by the Surveyor.
- (c). The Surveyor will assume that the property is unaffected by any matters which would be revealed by a Local Search (or their equivalent in Scotland and Northern Ireland) and replied to the usual enquiries, or by a Statutory Notice, and that neither the property, nor its condition, its use, or its intended use, is or will be unlawful.

6. Fees and Expenses

The Client will pay the Surveyor the agreed fee for the Report and any expressly agreed disbursements in addition. VAT will be payable in addition.

7. Restriction on Disclosure

The Report is for the sole use of the named Client and is confidential to the Client and his professional advisers. Any other persons rely on the Report at their own risk.

8. A copy of the firm's complaints handling procedure is available on request.