

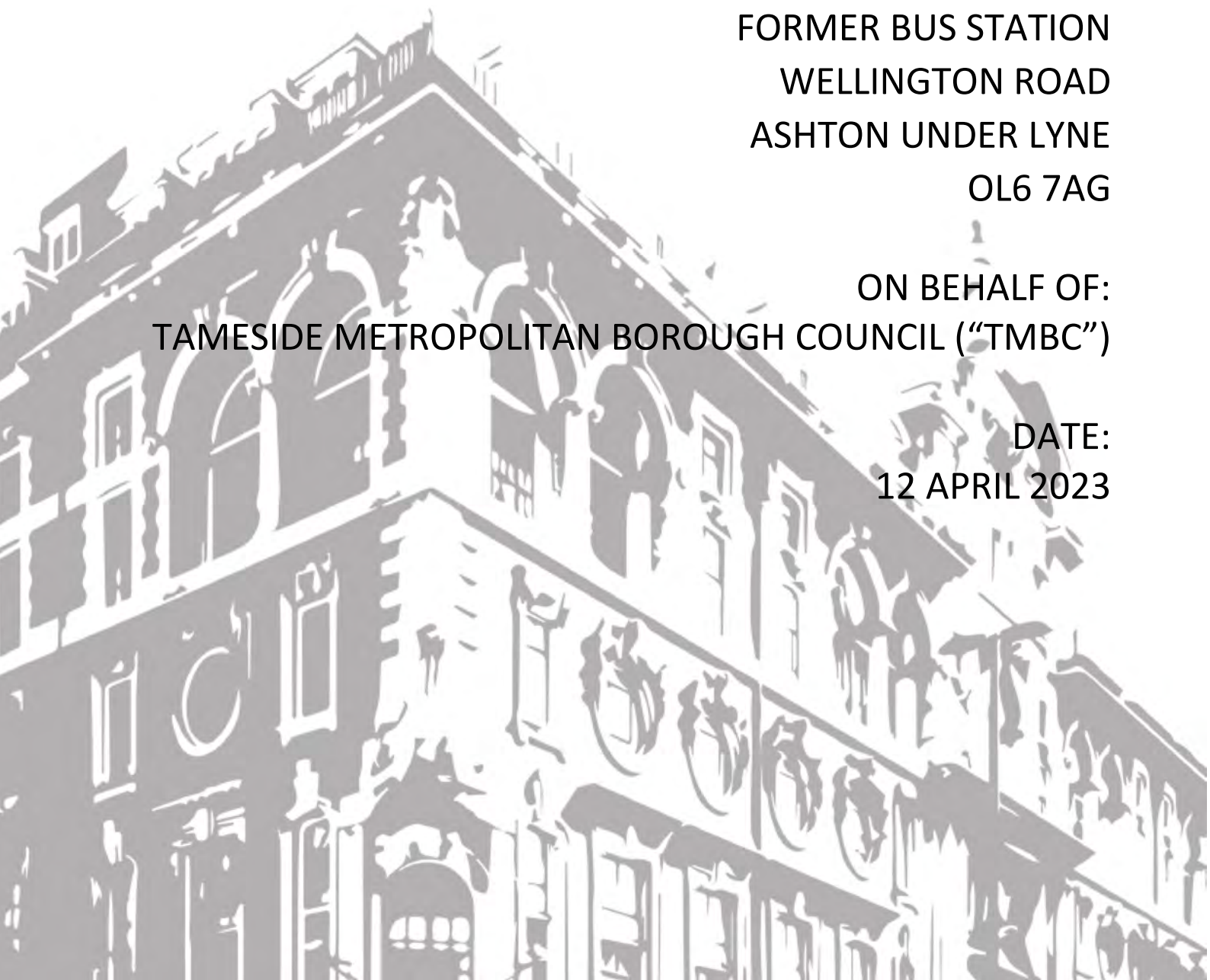
#LSHKNOWS VALUATION

VALUATION REPORT ON

FORMER BUS STATION
WELLINGTON ROAD
ASHTON UNDER LYNE
OL6 7AG

ON BEHALF OF:
TAMESIDE METROPOLITAN BOROUGH COUNCIL ("TMBC")

DATE:
12 APRIL 2023



CONTENTS

1. EXECUTIVE SUMMARY

2. TERMS OF INSTRUCTION

3. LOCATION

4. DESCRIPTION

5. CONTAMINATION AND ENVIRONMENTAL MATTERS

6. TENURE AND TENANCIES

7. STATUTORY ENQUIRIES

8. MARKET CONDITIONS

9. VALUATIONS AND VALUATION METHODOLOGY

10. ASSUMPTIONS, LIMITATIONS AND REGULATORY INFORMATION

11

12

5

9

10

11

12

13

14

19

APPENDICES

APPENDIX 1: EMAIL OF INSTRUCTION, LETTER OF ACKNOWLEDGEMENT AND LSH TERMS OF ENGAGEMENT

APPENDIX 2: ECONOMIC AND MACRO PROPERTY MARKET COMMENTARY

1. EXECUTIVE SUMMARY



Site (April 2021)



Street Map

Property Address	Former Bus Station, Wellington Road, Ashton, Tameside, OL6 6DP	
Location	The Property is located in the town of Ashton-under-Lyne within the borough of Tameside, Manchester, approximately 6.2 miles east of Manchester City Centre. This satellite Greater Manchester town offers a range of amenities for local residents with retail provision provided by a mix of local traders and multi-national operators.	
Description	Type:	Former Bus Station Hardstanding
	Area:	1.18 acres (0.477 hectares)
	Condition:	Undeveloped – Average
Tenure	Freehold	
Number of Tenants	We have assumed that the property is held with Vacant Possession.	
Valuation reflecting Special Purchaser Status of TMBC	Valuation Date:	16 March 2023
	MV (Special Purchaser)	£150,000 (One Hundred and Fifty Thousand Pounds)

12 April 2023

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Tameside Metropolitan Borough Council (TMBC)
Ashton Old Library
Old Street
Ashton Under Lyne
Tameside
OL6 7SG

Lambert Smith Hampton
6th Floor
3 Hardman Street
Spinningfields
Manchester
M3 3HF

For the attention of: Mark Prestwich

Dear Mark

CLIENT TAMESIDE METROPOLITAN BOROUGH COUNCIL ("TMBC")
THE PROPERTY FORMER BUS STATION, WELLINGTON ROAD, ASHTON, TAMESIDE, OL6 6DP

2. TERMS OF INSTRUCTION

Appointment	<p>We refer to your instruction email dated 10 March 2023, acknowledged on 16 March 2023 (copies at Appendix 1), to provide you with a Valuation Report in respect of the Freehold Interest in the above Vacant Development Property, for potential acquisition purposes. We have inspected the Property, made relevant enquiries and now have pleasure in reporting to you.</p> <p>The basis upon which we usually prepare our Valuations and Reports is set out in the Terms of Engagement (copy at Appendix 1). Unless and except where here specifically stated otherwise, this Report has been prepared in accordance with these Terms of Engagement.</p>
RICS Compliance	<p>We confirm that this report and valuation has been prepared in accordance with the Royal Institution of Chartered Surveyors' Valuation Global Standards (also known as Red Book Global Standards the "Red Book").</p> <p>Lambert Smith Hampton acts in the capacity of External Valuer in connection with this instruction.</p> <p>We confirm that the Valuation Division of Lambert Smith Hampton has a Quality Management System which complies with BS EN ISO 9001:2015.</p> <p>Lambert Smith Hampton holds appropriate professional indemnity insurance for this valuation instruction.</p>
Valuation Date	The Valuation Date is 16 March 2023.
Basis of Valuation	Market Value (MV) (definition at Section 11). In accordance with your instructions, we have undertaken the Valuation on the basis that it reflects the Councils position as a Special Purchaser, in their role in seeking to facilitate development and regeneration of the Town Centre.
VAT	Our Valuation is exclusive of any VAT payable

Purchaser's Costs	Our Valuation, unless otherwise stated, is produced net of Purchaser's costs at the appropriate rate, plus VAT.
Valuer	<p>This Report and Valuation has been prepared by Aaron Graham MRICS, LSH Director and member of the RICS Valuer Registration Scheme.</p> <p>This Report and Valuation has been checked by Iain D Crompton MRICS, LSH Director and a member of the RICS Valuer Registration Scheme.</p> <p>Each has acted with independence, integrity and objectivity, and has sufficient current local and national knowledge of the particular market as well as appropriate skills, qualifications, experience and understanding for the purposes of this instruction.</p>
Inspection	The Property was inspected on 27 April 2021 by the Valuer. We have not undertaken a further inspection.
Free of Conflict of Interest	<p>We have provided you with details of the following involvement:</p> <ul style="list-style-type: none"> Valuation acting for TMBC and TfGM dated December 2021. Desktop Valuation for TMBC dated 10 January 2023. <p>We do not believe that our involvement past or present constitutes any form of conflict of interest with your instructions and understand that you are satisfied that this does not compromise our ability to report to you with independence and objectivity.</p>
Reliance upon Information provided by applicant or other third parties	<p>We have previously agreed that we shall rely upon the following information for the purpose of reporting to you:</p> <ul style="list-style-type: none"> Valuation Report prepared for TMBC and TfGM dated December 2021. Desktop Valuation for TMBC dated 10 January 2023. <p>We have assumed that all material information has been fully disclosed to us and our Valuations have been prepared on the basis that there is no further information available.</p>
Red Book Departures	<p>In accordance with Professional Standard 1 of the 'Red Book', we have agreed that we shall depart from the Standards as follows:</p> <ul style="list-style-type: none"> We have valued the property previously and an update valuation is required. We have not reinspected and have undertaken a 'desktop update'. We are not aware of any material physical changes to the property.

In accordance with Valuation Practice Statements 2 and 3 of the 'Red Book', we have agreed that the scope of our instruction is restricted as follows:

Reporting Restrictions

- VPS 2 Inspections and Investigations: in accordance with your instructions, we will not undertake an inspection of, or measure, the subject; our valuation will be undertaken on a 'desktop' basis and accordingly, we will be unable to establish facts that would normally be verified by making normal enquiries, including but not limited to; the characteristics of the area and property; floor and site areas; method of construction and finishes; state of repair and condition; age and estimated useful life; use and nature of the property; provision of amenities, services, installations, fixtures and fittings, plant and machinery and improvements; the presence of hazards and hazardous materials; and any physical restrictions on further redevelopment.

We draw your attention to the Assumptions, Limitations and Regulatory information set out within this Report to which our advice is subject and our Terms of Engagement agreed between us.

Limitation and Liability

This Valuation Report is provided for the stated purpose and for the sole use of the named Client. It is confidential to the Client and his professional advisors and the Valuer accepts no responsibility whatsoever to any other person.

Neither the whole, nor any part of this Valuation Report, nor any reference hereto may be included in any published document, circular or statement, or published in any way, without the Valuer's written approval of the form and context in which it may appear.

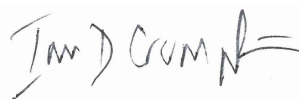
Such publication of, or reference to, this Valuation Report may not be made unless it contains a sufficient contemporaneous reference to the Special Assumptions set out herein or Departures from the 'Red Book'.

Valuer:

Checked by:



Aaron Graham MRICS
RICS Registered Valuer
Director
For and on behalf of
LAMBERT SMITH HAMPTON



Iain D Crompton MRICS
RICS Registered Valuer
Director
For and on behalf of
LAMBERT SMITH HAMPTON

3. LOCATION

Macro Location

Manchester is the commercial and administrative capital of the North West, providing a thriving and popular retail and commercial centre, which has seen much positive regeneration over recent years.

The city has excellent road communications, including one of the most comprehensive motorway networks in the country, with the M60 Manchester Orbital motorway providing links to the regional and wider national motorway network. Manchester International Airport lies just 5 miles to the south of the city centre and rail services to London Euston are available in approximately 2 hours and 10 minutes.

The city benefits from a light rail system known as the Metrolink which serves the surrounding suburban towns including Altrincham, Salford Quays, Oldham, Rochdale, Bury as well as Manchester Airport. The second city crossing runs from Manchester Victoria along Cross Street and Princess Street towards St Peters Square.

Manchester had, at 2011 estimates, an Urban Area population of 503,127 which has increased by 80,202 since 2001. Professional Services accounted for the majority of residents occupations at 15.5% which compares to the national average of 20.9%. 20.8% of the Manchester population is made up of full time students which compares to the national average of 9.0% which is expected due to the city's two popular universities. The main employment sectors in the Travel to Work Area are Banking, Finance & Business Services, Other Services, Retail, and Manufacturing Industries. The main employers include Manchester City Council, the Trafford Centre, Manchester Royal Infirmary, Ofsted and the Co-operative Group.

Micro Location

The Property is located in the town of Ashton-under-Lyne within the borough of Tameside, Manchester, approximately 6.2 miles east of Manchester City Centre. This satellite Greater Manchester town offers a range of amenities for local residents with retail provision provided by a mix of local traders and multi-national operators.



Street Scene*



Street Scene *

*Image dated April 2021.

Situation

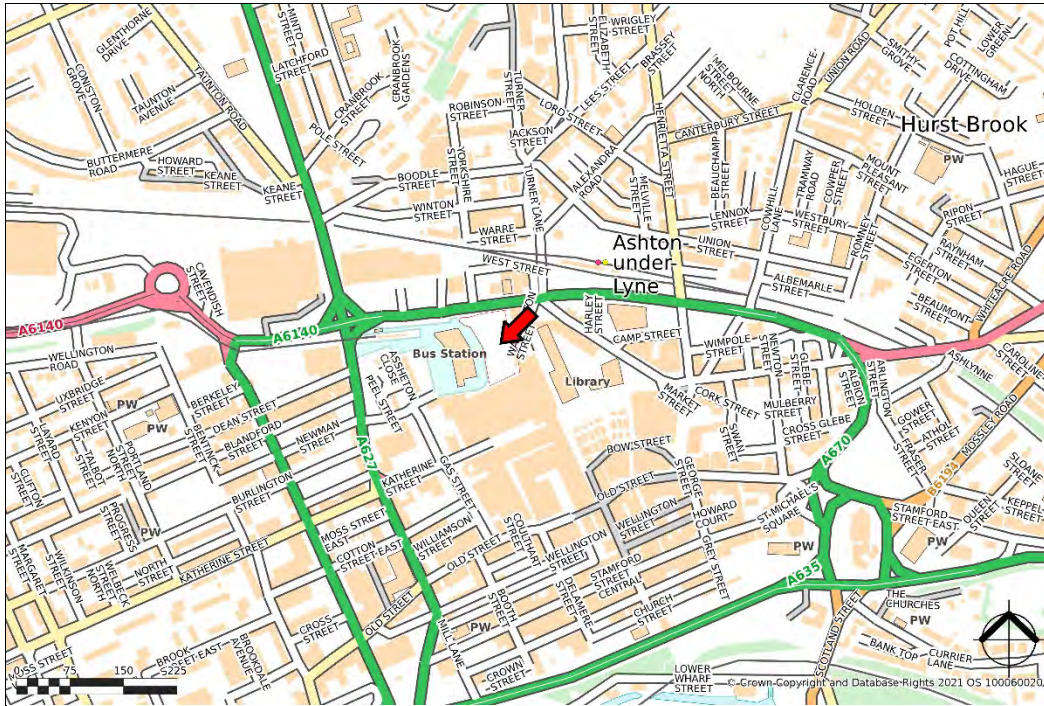
The property comprises an irregularly shaped site extending to approximately 1.183 acres with a main frontage to Wellington Road and a secondary point of access (pedestrian only) from Orange Street and Warrington Street, to the rear of The Prince of Orange Public House.

The surrounding area is mixed use with Ashton-under-Lyne Interchange immediately the west, Arcades Shopping Centre to the south, Tameside One to the east (beyond Warrington Street). To the north are lower quality buildings housing a National Tyres and Veterinary Practice. Ashton Retail is within 200m to the north west, IKEA within 350m to the north west and Aldi within 250m west. Ashton Town Centre is to the south within 150m.

Transport infrastructure is good. The property is adjacent to the Ashton Transport Interchange with Ashton Train Station within 150m to the north.



City Plan



Street Plan



Ordnance Survey Extract

The boundaries of the Property, as we understand them to be, are outlined in red on the copy extract from the Ordnance Survey Plan shown above. The property comprises an irregularly shaped site extending to approximately 1.18 acres (0.477 hectares).

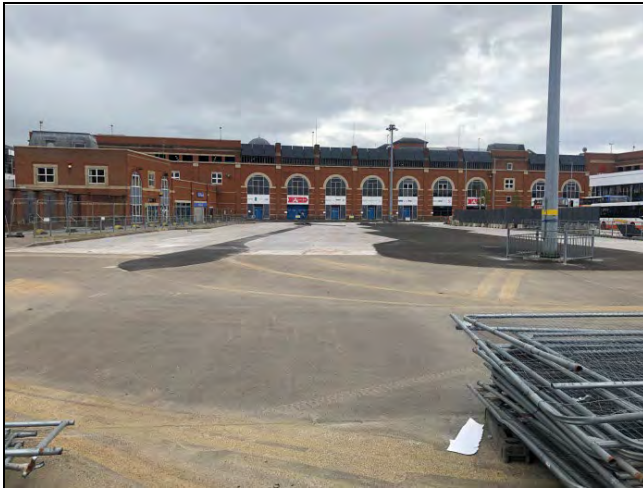
Wellington Road is an adopted highway; however, the property does not have a vehicular means of access from this location. Orange Street to the north east corner of the site facilitates pedestrian access but is not adopted. Warrington Street, to the rear of The Prince of Orange Public House, has a mixed maintenance responsibility. Again, there is no direct means of vehicular access.

The creation of access will require service diversion work and costs to create the roadway. As it stands there is no access to the site, save for on foot.

4. DESCRIPTION

Description

Former bus station hardstanding. Generally comprising concrete hardstanding. Stands are removed and the surface has been made good with tarmacadam surfacing. Temporary security fencing to the site perimeter. No means of vehicle access to the site based on current configuration.



Site*



Site*

*Images dated April 2021.

Services

We have assumed that all mains' services are available to the property to the boundary of the site, although we have not made any enquiries of the respective service supply companies.

Repair and Condition

We have not been advised of any issues with the site or repairs that are required. The site is undeveloped but surfaced. It appeared to be in average condition considering its age, specification and use, with no major defects noted.

5. CONTAMINATION AND ENVIRONMENTAL MATTERS

You have not advised us of any issues of contamination, ground stability or flooding with the site and therefore in valuing the Property, we have taken it to be free of any issues. Our observations from our inspection are as follows:

Contamination

During our inspection we noted no obvious contaminative uses noted above ground which would be likely to result in contamination. None of the immediately surrounding properties appear to be put to a current use which would be likely to result in contamination.

Ground Conditions

The Property is located in an area where there is thought to be past mining or other underground activities.

Masts and Lines

There are no telecommunications base stations at the property.

There are no masts or high voltage overhead transmission lines passing overhead, or in close proximity to the Property.

Flood Risk

Flooding

The Environment Agency website identifies the subject as being within an area classed as having a very low risk of flooding from rivers or the sea and a low chance of flooding from surface water.

Drainage

For the purpose of this Report, we have assumed that, unless indicated to the contrary, enquiries would not disclose any evidence of historic pluvial flooding, relating to the drainage of surface water or groundwater flooding.

Invasive Plants

We did not note the presence of any contaminative species during the course of our inspection. You should seek confirmation from the vendor that there are no contaminative plant species on site.

6. TENURE AND TENANCIES

Tenure

We understand that the site is held Freehold. We have not been advised of any covenants, easements or other restrictions with affect the title. We understand that it has direct access to a public highway and is not subject to any rights of ways.

We confirm that we have not yet had sight of your Solicitor's Report on Title, however, upon receipt of a copy, would be pleased to separately confirm whether the content of this has an impact on the advice provided within this appraisal report.

Tenancy

We have not been advised of any existing or proposed leases, tenancy agreements, management contracts or franchises affecting the Property. We have valued the property on the assumption of Vacant Possession.

7. STATUTORY ENQUIRIES

Town Planning

The Property lies within an area administered by Tameside Metropolitan Borough whose Local Unitary Development Plan (UDP) provides the framework for guiding, controlling, and facilitating development. The UDP was adopted in 2004.

The Proposals Map annexed to the Local Plan identifies the subject site as lying within an area within Town Centre Boundary, Policy S2 and S3.

We understand from planning history obtained from Tameside Metropolitan Borough's website that the following application is associated with the subject land.

Reference	Date	Decision	Detail
93/00265/REM or 93/01/29846	Thursday 13th May 1993	Decided	Land At Warrington Street Katherine Street And Water Street Ashton-Under-Lyne Tameside - Provide a new bus station and associated building.

We understand the Property is not within a Conservation Area.

We are not aware of any outstanding Enforcement Notices.

Business Rates

We have been unable to identify a live assessment for the property in isolation.

8. MARKET CONDITIONS

Market Commentary

General Economic Comment

We attach at Appendix 2 a copy of our current UK Market Macro Commercial Property Commentary.

Land Transactions

We are aware of the following:

Address	Acres	Date of Sale	Sale Price	Price / Acre	Comments
Old Street 30-38, Ashton under Lyne, Greater Manchester, OL6	0.40	Unsold at Auction	£580,000 (starting bid)	£1,450,000	Planning for 49 new build apartments with 13 car parking spaces plus 2 retail units.
Land at Winnows, Manchester, M34 3QR	0.35	November 2022	£105,000	£300,000	Planning for office development. Inferior location. Planning in place.
Site of Former Waterloo Library, Taunton Road, Ashton-Under-Lyne, Greater Manchester, OL7 9LY	0.16	October 2022	£127,000	£793,750	Lapsed outline Planning for residential.
Wellington Street, Land at Wood Street, Ashton-under- Lyne, Lancashire, OL6 6AT	-	April 2022	£300,000	-	Planning for 2 retail units and 14 apartments.
Former Conservative Social Club, Vernon Street, Ashton Under Lyne, OL6 8JT	0.85	February 2022	£595,000	£743,750	Previously granted planning for 24 apartments (24 2-beds) which lapsed in 2018 – Planning Application No 15/00063/FUL.
183-187 Station Road, Manchester, M27 6BU	0.037	January 2022	£55,000	£1,486,486	Planning for 2 retail units.
Land at Wood Street, Middleton	0.18	January 2021	£235,000	£1,468,750	Former car park with planning for 22 apartments (lapsed).
Land Between 205- 211 Bury Old Road, Manchester, M25 1JF	0.13	November 2021	£185,000	£1,423,076	Undeveloped site. No planning.

9. VALUATIONS AND VALUATION METHODOLOGY

Valuation Considerations

Valuation Risks

TGFM's (the vendor) decision to not mix car and bus traffic around the Interchange limits the potential access to Wellington Road frontage. There is no current means of vehicular access to the site, albeit it does front an adopted highway.

We have been provided with an internal email from Tameside MBC suggesting the creation of access is at the very least challenging and subject to potentially considerable costs. The email from the highways team states: "Traffic modelling has been carried on the highway network. I believe it would be extremely unlikely that an additional signal-controlled junction could be incorporated along Wellington Road, between the bus station exit and the Turner Lane/Albion Way/Wellington Road junction". It may be that a non-junction-controlled access may be created. **We have assumed the creation of a non-junction-controlled access is possible.**

We have been advised by TMBC that the site "may be crossed by services". We are not aware of the location or depth or the potential to impact future development of the property. This has the potential to act as a future development constraint.

The comments above raise concerns regarding the potential to bring site into economic use. In fundamental terms the value of the property is determined by:

- Planning/Development Potential – What is the sites current and potential end use. In the absence of Planning or an end use the site value will be lower as a higher degree of Planning risk must be priced in.
- Condition – What are the costs of rendering the site developable for example breaking up and disposing of a concrete surface. Uncertainty around the costs associated with breaking up the site will act as a drag on price. This potentially ties in with services which may cross the site. Development constraints will reduce pricing as the developer may be required to reroute services at significant cost.
- Access – Can the site be accessed on foot/by vehicle. Are there significant addition costs associated with creating the access? Without formal legal and physical means of access bids will be reduced.

Valuation Considerations

We have identified below a number of valuation considerations

Consideration	Commentary
Planning	No current Planning for a specific use. No development proposals have been prepared or costed.
Potential Uses	<p>On the assumption that site access can be created from Wellington Road.</p> <p>Given the location in a town centre there is potential for commercial uses. These will be subject to Planning and likely pre-let to facilitate development. The accessibility of site (town centre and adjacent to a Metro/Bus Station and close to a train station with parking amenity adjoining on third party sites), could make the site suitable for development to include:</p> <ul style="list-style-type: none"> • Doctors Surgery – Subject to pre-let a highly appealing asset class. Modern purpose built development on appropriate lease terms would see significant market demand. The lack of on-site parking could render this use un-viable. It may be that a parking solution can be agreed with TfGM for limited access to the site for disabled users.

- Residential - The site would be well positioned for residential development. A lack of parking and low capital values could limit the market to housing associations which may render development unviable.
- Retail – Potential subject to pre-let. High level of occupational and investment uncertainty.
- Offices – Limited demand in this location. Potential to develop, subject to a pre-let on appropriate terms. There are higher levels of uncertainty here in the post COVID environment as occupiers review space requirements in the face of working from home practices.
- Surface market site – Low value end use.
- Parking – Low value end use with potential congestion issues and high costs to deliver.

Given the unknown site constraints as a result of services crossing the site, unknown costs associated with breaking up the surface and lack of planning we have assumed that the site could be employed as a surface car park, utilising the existing surface with works to create a means of access from Wellington Road, bay and roadway marking, meters and ANPR cameras.

Access	<p>No current means of vehicular access to the site, albeit it does front an adopted highway. The creation of access will require service diversion work and costs to create the roadway. As it stands there is no access to the site, save for on foot.</p> <p>We have been provided with internal email from Tameside MBC suggesting the creation of access is at the very least challenging and subject to potentially considerable costs. We have assumed the creation of a non-junction-controlled access is possible.</p> <p>It may be that development of the site would require the owner so acquire an adjoining interest to merge with the subject in order to create a viable development opportunity.</p>
Site Constraints	<p>We have not been provided with a cost to break up the surface to facilitate development.</p> <p>We have been advised by TMBC that the site ‘may be crossed by services’. We are not aware of the location or depth or the potential to impact future development of the property.</p>

Market Value Special Purchaser

The Valuation of the property reflects the position that development of the property faces a number of quantified and unquantified challenges which will impact on marketability and hence value. The challenges include:

- No current Planning.
- TfGM’s decision to not mix car and bus traffic around the Interchange limits the potential access to Wellington Road frontage. No current means of vehicular access to the site, albeit it does front an adopted highway.
- Unknown site constraints as a result of services crossing the site. The creation of access will require service diversion work and costs to create the roadway.
- Unknown costs associated with breaking up the surface to facilitate development.

The evidence range for development sites is from £300,000 to £1,486,486 per acre. The range is significant and reflects the opportunity associated with some but not all infill sites within the Greater Manchester area. We consider that a higher-than-normal degree of professional judgement is required in the valuation of the subject, reflecting a large number of unknown factors. The critical difference is that many of the comparable sites listed have Planning or a lapsed Planning Permission.

At the date of valuation, we consider the property would have limited appeal save to the Council (TMBC), an adjoining Landowner or a Speculator acquiring at low value to hold and await a favourable development position/sale opportunity.

The pricing also reflected a higher-than-normal degree of market uncertainty as a result of the current economic picture. Debt funding is harder to secure with reduced demand for speculative opportunities as the market focuses on managing what they have.

We have reviewed the most recent commercial and residential transactions and used them to inform a potential Gross Value based on the average price on the following three transactions. This equates to circa £550,000 per acre.

Address	Acres	Date of Sale	Sale Price	Price / Acre	Comments
Former Conservative Social Club, Vernon Street, Ashton Under Lyne, OL6 8JT	0.80	TBC	£450,000	£562,000	Previously granted planning for 24 apartments (24 2-beds) which lapsed in 2018 – Planning Application No 15/00063/FUL.
Land at Winnows, Manchester, M34 3QR	0.35	November 2022	£105,000	£300,000	Planning for office development. Inferior location. Planning in place.
Site of Former Waterloo Library, Taunton Road, Ashton-under-Lyne, Greater Manchester, OL7 9LY	0.16	October 2022	£127,000	£793,750	Lapsed outline Planning for residential.

We have made a 30% allowance for Planning Risk and 20% allowance for Potential Site Constraints. We have then deducted £20,000 as a Planning Fee and costs as provided by the Council. We have been provided with the following costs within an email dated 23 November 2021 by Mark Prestwich of TMBC. These costs are now historic, and the likelihood is that they will have increased in the period since they were provided.

Service Provider	Ref / Date of Estimate	Cost
Openreach	BQRA31/860410/C3/POK 7 September 2021	£30,668.57 (excluding VAT)
Electricity North West	5500210571A 12 August 2021	£96,000 (excluding VAT)
Cadent	NWGD225619 22 November 2021	£141,000 (excluding VAT)
Total		£267,668.57 (excluding VAT)

Without making any allowance for the creation of a physical access this approach, netting off costs and making an allowance for risk, delivers a negative land value of -£12,000.

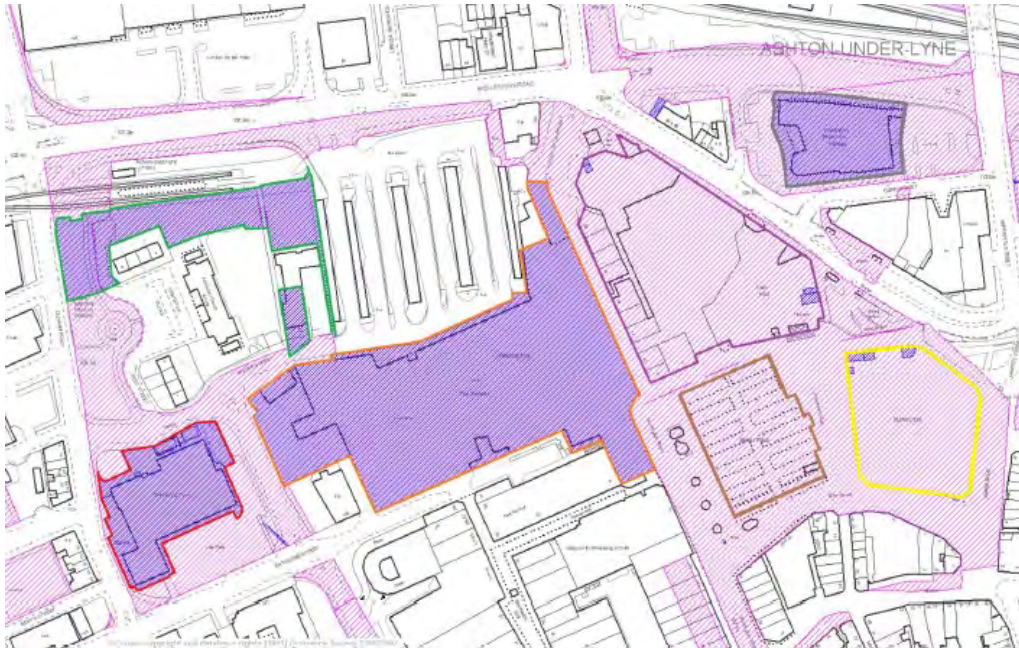
That said we acknowledge that in an auction environment there is potential for a higher bid from a speculator. We consider this to be highly unpredictable and any bid would reflect the individual in the auction rooms perception of risk and opportunity.

Agreed Sale Price

You have advised us in email of 28 November 2022:

“TfGM have suggested that they would not be prepared to transfer the former bus station to the Council for nil consideration and would expect the Council to pay a land value of £150,000”.

In addition, we are in receipt of an email from the Client dated 10 January 2022 which details the Council's interest in adjoining properties, a copy of which is provided below:



- The land hatched pink is Council owned (with an interest in possession) and the land hatched blue is Council owned, albeit subject to an agreement (usually a lease). In terms of these areas, most of the roadways will be adopted highway, with the key interests to pick out being the land edged:
- Green, which is the Council land being transferred to TfGM as part of the Interchange proposals.
- Red, which is Ashton Swimming Baths. These are owned by the Council, subject to a lease expiring next year. However, the lease is more of a management agreement, to Active Tameside who manage all of the Council's leisure estate.
- Orange, which is 'the Arcades' shopping centre. The Council own the FH, subject to a 199 year lease from 28th September 1994 which, as we understand it, is currently held by Fairacre UK Retail Properties (Ashton) Ltd. The Council receive a turnover rent equating to 1% of the income (from the shops and the car parking).
- Green, which is the Tameside One complex. The Council own this property FH and occupy approximately half of the building as its municipal office. A small section of the building is also occupied by Citizens Advice and DWP to provide multiple services to the public. The remaining parts of the building are occupied by Wilko (who occupy by way of a 15-year lease from 15 April 2019) and Tameside College who are shortly due to complete a lease for a term of 60 years from the same 2019 date.
- Brown, which is Council owned and forms the kiosks / outdoor market.
- Yellow, which is Council owned and forms the indoor market.
- Grey, which is Council owned, albeit subject to a long (125+ years from memory) lease to Clarendon College.

We have considered the agreed purchase price in the context of the Council's wider ownership in this location and the remit of the Council to facilitate regeneration in the Town Centre. It is increasingly common for Local Authorities to acquire assets and undertake site assembly with an eye to facilitating regeneration.

This scenario as outlined above relates to the Council being a "Special Purchaser", defined as:

"A particular buyer for whom a particular asset has a special value because of advantages arising from its ownership that would not be available to other buyers in a market".

The “special value” is defined as “An amount that reflects particular attributes of an asset that are only of value to a special purchaser”.

Given the Councils unique position in this instance we would report a valuation to reflect the agreed purchase price and ‘special purchaser’ status of TMBC.

We are of the opinion that the current Market Value of the freehold interest of Former Bus Station, Wellington Road, Ashton, Tameside, OL6 6DP, as at 16 March 2023, subject to vacant possession, for potential acquisition purposes, reflecting the Special Purchaser status of TMBC, is:

<p>£150,000 (One Hundred and Fifty Thousand Pounds)</p>

The Special Purchaser status of TMBC would likely result in the purchaser being willing to pay a premium for the property over and above that which would be achieved in the open market. We consider that a premium of £150,000 for a site of 1.18 acres in the town centre is not excessive, despite the potential challenges involved in bringing the property into economic use.

10. ASSUMPTIONS, LIMITATIONS AND REGULATORY INFORMATION

Information

Any third party information supplied by the client, professional advisors, investigation agencies, Local Authorities, statutory bodies and other stated sources is accepted as being correct unless otherwise specified.

Development Proposals

For the purpose of this Report and Valuation we have assumed that any proposed works will be completed in accordance with the details provided, to a reasonable standard of workmanship and in accordance with relevant regulations.

Services

Unless otherwise stated we understand that all mains services are available to the property, including electricity, gas, water and mains drainage, although we have not made any enquiries of the respective service supply companies. We further assume that any of the services or associated controls or software are in working order and free from defect.

Condition

We have not carried out a building survey of the property as this was not within the scope of our instructions, nor have we inspected those parts of the property which are covered, unexposed or inaccessible, and for the purpose of this report, such parts have been assumed to be in good repair and condition.

We cannot express an opinion about, or advise upon the condition of un-inspected parts and this report should not be taken as making any implied representation or statement about such parts.

Further, we have not tested any of the drains or other services, and for the purpose of this valuation we have assumed that they are all operating satisfactorily and no allowances have been made for replacement or repair.

The property has been valued with due regard to its appropriate existing state of repair and condition, including reference to its age, nature of construction and functional obsolescence. We believe we have formed a general opinion of the state of repair of the property in so far as it is likely to affect our valuation.

It is assumed that normal periodic maintenance will be carried out to maintain the property in a state of repair fit for its present use.

It is assumed that the condition of the property at the date of valuation is identical to that found at the date of our inspection.

Plant and Machinery

Unless otherwise specified all items normally associated with the valuation of land and buildings are included in our valuations and reinstatement cost assessments (if provided), including:

Fixed space heating, domestic hot water systems, lighting and main services supplying these, sprinkler systems and associated equipment, water, electricity, gas and steam circuits not serving industrial or commercial premises, substation buildings, lifts and permanent structures including crane rails where forming an integral part of the building structure, fixed demountable partitions, suspended ceilings, carpets, drains, sewers and sewerage plants not primarily concerned with treating trade effluent, air conditioning except where part of a computer installation or primarily serving plant or machinery.

Unless otherwise specified the following items are excluded:

All items of processed plant and machinery, tooling and other equipment not primarily serving the building, cranes, hoists, conveyors, elevators, structures which are ancillary to, or form part of an item of process plant and machinery, sewerage plants primarily concerned with treating trade effluent, air conditioning where part of a computer installation or primarily serving plant and machinery, and water, electricity, gas, steam, and compressed air supplies and circuits serving industrial and commercial processes.

Unless otherwise specified, no allowance is made for the cost of repairing any damage caused by the removal from the premises of items of plant and machinery, fixtures and fittings.

In the case of petrol filling stations, hotels and other properties normally sold and valued as operational entities, all items of equipment normally associated with such a property are assumed to be owned and are included within the valuation unless otherwise specified.

Defective Premises Act 1972 (subject to any amendments)

Liabilities or obligations or any rights there under, whether prospective or accrued are not reflected in valuations unless actually specified.

Asbestos and Deleterious Materials

This material was regularly used from 1960s to 1980s. The cost of maintenance, alteration and repair of any building where asbestos is present can be significantly increased because of the need to take appropriate precautions under The Control of Asbestos Regulations 2012 (amended February 2016). This in turn may impact value.

Under the terms of these Regulations a Dutyholder is required to manage asbestos in non-domestic premises. Typically, this encompasses a positive obligation to assess the likelihood of asbestos containing materials (ACMs) being present at the premises. This can be achieved either by reference to bona fide statements confirming that ACMs were not incorporated into the construction of the building, or by commissioning an asbestos survey. The results of that survey would then be interpreted, acted upon and recorded in an Asbestos Management Plan. For the purpose of our report, we have assumed that, unless indicated to the contrary, a survey would not disclose any evidence of asbestos or deleterious materials in the construction of the subject, in circumstances where it is likely to have an effect on health or safety.

We have not arranged for any investigation to be carried out to determine whether or not any deleterious materials have been used in the construction of the property, or have since been incorporated and we are, therefore, unable to report that the property is free from risk in this respect. For the purpose of this valuation we have assumed that such investigation would not disclose the presence of any such material to any significant extent.

Composite Panel Cladding

If the property has composite panel cladding, this may have implications for insurance depending on the type of panelling used; this may have an adverse impact on value. Our valuations, unless otherwise stated, assumes that if appropriate for the type of property being valued and not already provided, the property would obtain an appropriate EWS 1 form.

Many insurance companies are now requesting confirmation from the building owner/insured as to whether composite panels have been used and if so what make they are and whether they are approved for use by the Loss Prevention Council (LPC), it being virtually impossible to tell from external inspection only.

Unless advised to the contrary and addressed within our report our valuation assumes that that there are no issues with the type and nature of the panelling utilised and that the building is fully insurable on standard commercial terms.

Contamination

Unless otherwise stated herein, we have not been instructed to commission a formal audit in respect of the subject site in relation to the potential presence of contamination. Furthermore, our brief enquiries have provided no evidence that there is a significant risk of contamination affecting the property or neighbouring property which would affect our valuation.

We have not carried out, nor are we qualified to carry out an Environmental Audit. Our comments herein are therefore merely a guide and should not be relied upon. If you require confirmation of the position, we strongly recommend that an initial Environmental Audit is carried out.

If we have been provided with third party reports, we have accepted them as being correct.

We have assumed that any/all necessary decontamination works have been undertaken at the subject in its current and/or permitted use to be legally undertaken without contravention of any existing contamination related statute.

A purchaser in the market might, in practice, undertake further investigations than those undertaken by us. If those further investigations were to reveal contamination, then this might reduce the value/s now reported.

Where property has been redeveloped we have assumed that any necessary de-contamination works required for the proposed redevelopment of the subject have been undertaken.

Contaminative Invasive Species

Unless otherwise informed we have assumed that there is no presence of any contaminative invasive species.

Ground Conditions

Unless otherwise stated, we have not been provided with a site investigation or geographical or geophysical survey. We have therefore assumed the ground has sufficient load bearing strength to support the existing structures (and/or any other structure which may be erected in the future) without exorbitant or excessive costs. It is further assumed that there are no underground minerals, archaeological remains etc which may have a detrimental impact on value.

For the purpose of this advice we have assumed that the ground conditions are satisfactory for a traditional method of construction. We have also assumed that there are no contaminating or other deleterious materials present which may prevent the development of the site in a traditional method or at normal cost levels. Furthermore, we have assumed that the site is capable of being serviced at a reasonable cost level, and that there would be no exorbitant or excessive off site costs relating to matters such as drainage, infrastructural adaptations etc.

If we have confirmed herein that the subject is located in an area of past mining activity, we recommend your solicitors instigate a mining search to comment upon the incidence of mining related settlement and location of mine shafts.

Flooding

Flood Risk - the Environment Agency website uses indicative Flood Plain maps to provide a general overview of areas of land in natural flood plains and therefore potentially at risk of flooding from rivers or sea. The maps use the best information currently available, based on historical flood records and geographical models and indicate where flooding from rivers, streams, water courses or the sea is possible.

The information relating to the likelihood of flooding is the Environment Agency's assessment of the likelihood of flooding from rivers and the sea at any particular location, based on the presence and effect of all flood defences, predicted floor levels, and ground levels. The probability or likelihood of flooding is described as the chance that a location will flood in any one year.

Drainage – surface water run off flooding, known as 'pluvial' flooding, at times of prolonged, exceptionally heavy downpours of rain, is becoming increasingly frequent given surrounding drains and sewers are not always able to cope. It can be made worse in urban areas where the ground consists mostly of hard surfaces, such that the rain flows straight off rather than soaking away. Rising groundwater levels resulting from heavier rainfall and reduces abstractions can also present problems.

Town Planning

We have made informal enquiries of the local planning and highway authorities and the information provided is assumed to be correct.

Unless otherwise stated, all planning information has been given via web based enquiries of the Local Planning Authority. In the absence of further information, we have assumed that the uses being carried out in each of the properties is an authorised planning use and that the buildings have been erected with full planning permission.

No formal search has been instigated and if reassurance is required we recommend that verification be obtained from your solicitors that the position is correctly stated in our report, that the property is not adversely affected by local authority proposals or requirements and that there are no outstanding statutory notices.

We have assumed that the properties and their value are unaffected by any matters which will be revealed by a local search and replies to the usual enquiries or by any statutory notice and that neither the properties nor their condition nor their present or intended uses are or will be unlawful.

We trust that your solicitors will check this information by taking out a local search and again, we would be pleased to advise further upon receipt of the confirmation of these details.

We have assumed that each property has full unconditional consent for the stated use and development described within.

For reference, following the Planning and Compulsory Purchase Act 2004, the old plan-making system is replaced by Local Development Frameworks (LDF). The LDF is not a single document or plan; rather, it is a suite of documents that combine to form the development plan for the area. A principal Strategy Document, sets the overall planning policy approach, which is supported by various Development Plan Documents (DPDs) for specific issues, such as site allocation.

Rating

For reference the empty property rates for vacant commercial premises are 100% of the basic occupied business rate, after initial void periods have elapsed. For most properties, excluding industrial, the void period is 3 months. For industrial properties, the void period is 6 months.

Unless otherwise stated we have not investigated whether the property is subject to any transitional relief or phasing and are unable to comment in this respect.

Health and Safety Legislation

Our valuation assumes that, in so far as is relevant to the subject, the property complies with the requirements of the Office Shops and Railway Premises Act 1963 as well as any superseding statute. The Act provides for securing the health, safety and welfare of persons employed to work in office or shop premises and those employed to work in certain railway premises.

Fire Legislation

As from 1 October 2006 the Regulatory Reform (Fire Safety) Order 2005 came into force in England and Wales. This has now been supplemented by the Fire Safety Act 2021. Under these regulations, Fire Certificates are no longer issued and existing certificates have been superseded by Risk Assessments. A Risk Assessment is required for all non-domestic properties, as well as tenanted domestic properties, and is to be carried out by a 'Responsible Person' as defined within the Order. The findings of any risk assessment must be recorded in writing where more than five or more persons are employed or the premises are licensed or there is an alterations notice.

The smoke and Carbon Monoxide Alarm (England) Regulations 2015 came into effect from 1 October 2015 requiring that landlords of residential property must provide (a) a smoke alarm on each storey of the premises on which there is a room used wholly or partly as living accommodation and (b) a carbon monoxide alarm in any room of the premises which is used wholly or partly as living accommodation and contains a solid fuel burning combustion appliance. A landlord has a responsibility to insure that the detectors are checked and in proper working order. It is assumed that the property is compliant in regard to the above regulations.

General Legislation

For the purpose of this report, we have assumed that the property complies with current fire regulations, building regulation controls, employment regulations, defective premises and health and safety legislation.

Discrimination

The Equality Act 2010 and subsequent updates, makes it unlawful for service providers to treat disabled people less favourably because they are disabled (unless there is a clear and fair reason) in relation to their access to their place of employment or education; their access to goods, services and facilities (although note that where private clubs are concerned, only those with 25 or more members are required to be compliant with the Act) and their access to the functions of public bodies.

Employers, educators and service providers must all make *reasonable* adjustments for disabled people to be able to access and use property they have a right or need to visit; this is not restricted to physical access.

Where a temporary or permanent physical feature makes it impossible, or unreasonably difficult, for disabled customers to make use of a service or place of education or work, the provider has to take reasonable measures to remove the feature; alter it so that it no longer has that effect; provide a reasonable means of avoiding the feature; or, provide a reasonable alternative method of making the service available to disabled people.

The test of reasonableness is about what is practical in the service provider's individual situation; what resources they might have (and the amount of any resources already spent on making adjustments); whether taking any particular measures would be effective in overcoming a particular difficulty; the extent to which it is practicable for the service provider to take the measures; the extent of any disruption which taking the measures would cause.

For the purpose of this report and valuation we have assumed that the property complies with the relevant requirements of the Equality Act 2010 ('the Act').

Sustainability

Investor and occupational decisions are increasingly being informed by a range of sustainability related metrics that are beginning to be developed and that can provide measures of some aspects of a property's sustainability characteristics, for example Energy Performance Certificates (EPCs) and BREEAM. Furthermore, industry benchmarking of sustainability performance is becoming more common place.

Characteristics that may be considered are land use, design and configuration, construction materials and services, location and accessibility, fiscal and legislative considerations and management and leasing issues. If, at the date of valuation, the market does not differentiate (in terms of demand), between a building that displays strong sustainability credentials and one that does not, there will be no impact on value.

Energy Performance Certificates

EPCs contain information about the energy performance of a building.

To meet the current EU Energy Performance of Buildings Directive, EPCs must be produced by the 'relevant person' prior to marketing for property transactions including the sale, rent or construction of all buildings, whether residential or commercial, with the exception of places of worship, buildings less than 50 sq m, industrial sites, workshops and non-residential agricultural buildings that do not use a lot of energy, and temporary buildings.

The 'relevant person' will be the vendor or prospective landlord as appropriate; where a tenant wishes to assign or sub-let its interest and the premises have common heating or air-conditioning services, the landlord of those constituent parts becomes the 'relevant person'.

Local Authority Trading Standards Officers have powers to levy fines for non-compliance. EPCs are valid for 10 years from the date of production and can be reused as many times as required within that period, provided that changes have not occurred to the property relating to, for example, layout or refurbishment.

DECs (Display Energy Certificates) - Since 9 July 2015 public buildings in the UK over 250m² must display a Display Energy Certificate (DEC) prominently at all times. The aim of the Energy Performance of Buildings Directive is for the public to receive energy information about a building they are visiting. The Certificate provides information of a similar nature to an EPC but is an advisory document and thus not registered in the same way as an EPC.

Rental properties – when renting a property (including sub-letting and assignment, but excluding lease renewals, extensions or surrenders) to a new tenant, landlords are required to produce an EPC to the tenant and a tenant cannot legally move into the property until an EPC has been produced. Landlords are not required to produce an EPC to an existing tenant or if an existing lease is renewed or for dwellings in multiple occupation.

Properties for sale - sellers must obtain an EPC prior to marketing and provide a hard copy to the purchaser on completion.

Any commercial building over 50 sq m, needs a Commercial EPC. A CEPC must have been commissioned and then handed over as soon as was practicable if not available at the date of marketing/sale.

Our valuations assume that EPCs would be provided on sale in accordance with the aforementioned legislation however **we recommend that this is clarified by your legal advisors.**

Tenure

Unless otherwise stated, we have not inspected any documents of title and for the purposes of this valuation we have assumed that the subject interest is unencumbered and free from any unduly onerous or unusual easements, restrictions, outgoings, covenants or rights of way and that it is not affected by any local authority proposals. We recommend that your solicitors be instructed to verify the position.

Tenant Status

Unless otherwise stated, we have assumed that there are no arrears of rent, service charge or other relevant payments, or undisclosed breaches of covenant.

Furthermore, unless otherwise confirmed herein, we have not made status enquiries of the tenant company/ies and have assumed that all financially sound and capable of meeting their rental and other responsibilities under the lease terms.

Disclosure of New Build Incentives

Following an agreement between the Council of Mortgage Lenders (CML), the Home Builders Federation (HBF) and Homes in Scotland, from 1 September 2008 the developer/builder or selling agent is required to complete a 'CML Disclosure of Incentives Form' for each sale of a newly built home, including newly converted property yet to be occupied for the first time. The form includes all details of the sale price and an incentive included in the selling package, and is to be supplied to the Valuer on request.

Taxation and Grants

Value Added tax, taxation, grants and allowances, are not included in capital and rental values as, unless otherwise specified in the report, they are always stated on a basis exclusive of any VAT liability even though VAT will in certain cases be payable.

It is assumed for the purposes of valuation that any potential purchaser is able to reclaim VAT, unless otherwise stated. In particular, it should be noted that where a valuation has been made on a Depreciated Replacement Cost basis the Replacement Cost adopted is net of VAT unless otherwise stated.

Unless otherwise specified Lambert Smith Hampton will not take into account of any existing or potential liabilities arising for capital gains or other taxation or tax reliefs as a result of grants or capital allowances, available to a purchaser of the property.

Market Value (MV)

We have prepared our valuation on the basis of Market Value (MV) which is defined in accordance with the RICS Red Book Global Standards, 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."

Fair Value

1. The estimated price for the transfer of an asset or liability between identified knowledge and willing parties that reflects the respective interests of those parties (IVS 2013).
2. 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 (IFRS 13).

Depreciated Replacement Cost (DRC)

The current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimisation.

Operational Entities

The RICS advises that the most appropriate basis of valuation of properties normally sold as operational entities is Market Value as defined above. Such properties include public houses, hotels, holiday parks and other leisure uses, together with nursing homes, residential care homes, private hospital and petrol filling stations.

Our valuations reflect the following:

- a. The market's perception of trading potential with an assumed ability on the part of the purchaser to renew existing license, consents, registrations and permits;
- b. That the property is offered with vacant possession throughout, although in the case of nursing and residential care homes, subject to the contractual rights of the patients/residents occupying the home from time to time;
- c. That trade fixtures, fittings, furniture, furnishings and equipment are included.

Our valuations also specifically assume, unless otherwise specified that the business will continue to operate at a level not significantly worse than that indicated to us.

Existing Use Value

The estimated amount for which a property should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing wherein the parties had acted knowledgeably, prudently and without compulsion, assuming that the buyer is granted vacant possession of all parts of the property required by the business and disregarding potential alternative uses and any other characteristics of the property that would cause its Market Value to differ from that needed to replace the remaining service potential at least cost.

Market Rent

We have prepared an additional valuation on the basis of Market Rent (MR which is defined in accordance with the RICS Red Book Global Standards, as:

"The estimated amount for which an interest in *real property* should be leased on the *Valuation Date* between a willing lessor and 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."

Further, no allowance is made for any costs of sale or any liability for taxation, including VAT, which may arise on disposal.

Insurance

Insurance is usually arranged by clients (or their brokers) based on reinstatement cost assessments or occasionally on an indemnity basis and other methods of valuation are not appropriate. Therefore, in situations where advice is provided for insurance purposes, our methodology will be on a Reinstatement Cost Assessment basis.

Reinstatement Cost Assessment

The replacement figure stated for fire insurance purposes is a 'Day One' valuation and is given solely as a guide which may have to be varied and should not therefore be regarded as a formal valuation for insurance purposes. If a formal valuation for fire insurance purposes is required by our Building Consultancy department will be able to undertake this on your behalf as a separate instruction.

It is assumed that the policy is on an indemnity basis with a fully operative reinstatement clause and no special conditions. We have assumed an instantaneous basis of value and have had no regard to any variation in building costs subsequent to the date of our estimate.

No provision is included for trade fixtures and fittings, occupiers fit out items, Value Added Tax, nor for loss of rent, extra costs of working or other consequential loss, local authority requirements and party wall works. Further, the figure excludes any land remediation and special contaminated waste costs. However, the figure is inclusive of professional fees, demolition and site clearance and is based on a building cost index.

Following the outcome of the legal case *Bartoline v Royal and Sun Alliance Insurance plc* and another 2006, our assessment will not include for cost liabilities arising from any environmental consequences, contamination or pollution. We recommend that you consult your Insurers in respect of any specialist cover required.

A Reinstatement cost assessment is our opinion of the likely cost of reinstating all the buildings, on the basis that:

- a. The accommodation provided will be similar in construction, design and area to the existing buildings;
- b. The works will be in compliance with conditions imposed by local Authorities in connection with the construction of the building;
- c. Unless reported separately, allowances are made to cover the cost of necessary demolition and site clearance prior to rebuilding, external works such as hard standing, private roadways and fences and professional fees which would normally be incurred.

Unless otherwise stated the reinstatement cost does not include any allowances for:

- a. Any loss of rent incurred during rebuilding;
- b. Planning restrictions which a planning authority might impose;
- c. Special foundations required for plant and machinery or due to adverse ground conditions;
- d. Any plant, machinery, equipment, tanks, loose tools, office furniture and equipment (refer to the heading "Plant, Machinery, Fixtures and Fittings" for details of items normally included);
- e. Any effect of inflation on building costs occurring after the valuation date;
- f. VAT (except on professional fees) which normally be payable in addition.

Apportionment of Value

Apportionments provided between buildings, land and plant and machinery are normally depreciation purposes only. In normal circumstances apportionments are not valuations and they should not be used for any other purpose unless specified in our report.

Future Useful Economic Life

Future useful economic life of buildings is normally assessed in bands of years, most frequently subject to a maximum of fifty years. This applies to freehold properties and to leasehold properties where the future life is less than the unexpired term of the lease. An average figure is usually provided for groups of buildings forming a single asset. The figures are appropriate for depreciation purposes only.

Compliance with Valuation Standards

Where applicable our valuations are defined in accordance with RICS Red Book Global Standards, published by the Royal Institution of Chartered Surveyors ("RICS"), the Insurance Companies (Valuation of Assets) Regulations 1981, the Financial Conduct Authority (FCA) "Listing Rules" ("Source Book") and "City Code on Takeovers and Mergers" ("Blue Book") as amended and revised from time to time. Copies are available for inspection.

Total Valuation (Aggregation)

Where provided this is the aggregate of the value of each individual property. It is envisaged that properties would be marketed individually or in groups in a structured and planned basis over an appropriate period of time. If all properties were to be sold as a single lot, the realisation would not necessarily be the same as the total of the valuations. This assumption is not applicable to valuations made for taxation purposes.

Limitations and Liabilities

This Valuation Report is provided for the stated purpose and for the sole use of the named client. It is confidential to the client and their professional advisors and the Valuer accepts no responsibility whatsoever to any other person.

Neither the whole nor any part of this Valuation Report nor any reference hereto may be included in any published document, circular, or statement, or published in any way, without the Valuer's written approval of the form and context in which it may appear.

Such publication of, or reference to this valuation report may not be made unless it contains a sufficient contemporaneous reference to the Special Assumptions or departure(s) from the RICS Red Book Global Standards.

APPENDICES



**APPENDIX 1: EMAIL OF INSTRUCTION, LETTER OF ACKNOWLEDGEMENT
AND LSH TERMS OF ENGAGEMENT**

From: [Mark Prestwich](#)
To: [Graham Aaron](#)
Subject: FW: FORMER BUS STATION, WELLINGTON ROAD, ASHTON, TAMESIDE, OL6 6DP
Date: 10 March 2023 12:56:42
Attachments: [image009.jpg](#)
[image010.png](#)
[image011.png](#)
[image012.png](#)
[image013.png](#)
[image014.png](#)
[image015.jpg](#)
[image017.jpg](#)
[image018.png](#)
[image001.jpg](#)
[PO 40138377 - Lambert Smith Hampton.pdf](#)

This Message originated outside your organization. DO NOT open attachments or click on links if this is an email address that you do not recognise, or an email you aren't expecting to receive.

Hi Aaron,

Thank you for your email, please proceed – the purchase order is attached.

Thanks

Mark

Mark Prestwich

Senior Surveyor

Estates

Strategic Property

Place

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Ashton Old Library | Old Street | Ashton-under-Lyne | Tameside | OL6 7SG

Tel. 0161 342 3420

Mobile. 07725482112

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domesticabuse23



From: Graham Aaron <AGraham@lsh.co.uk>

Sent: 03 March 2023 15:00

To: Mark Prestwich <mark.prestwich@tameside.gov.uk>

Subject: RE: FORMER BUS STATION, WELLINGTON ROAD, ASHTON, TAMESIDE, OL6 6DP

Mark,

We would charge £1,250 plus VAT for an update report to pull both documents into a single report.

Regards

Aaron



Aaron Graham MRICS

Director - Valuation

6th Floor - 3 Hardman Street, Spinningfields, Manchester, M3 3HF

Direct: 0161 242 8002

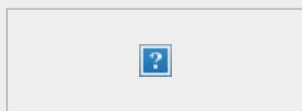
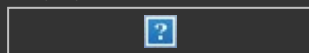
Office: 0161 228 6411

Mob: 0791 705 2211

Email: AGraham@lsh.co.uk



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From: Mark Prestwich <mark.prestwich@tameside.gov.uk>

Sent: 01 March 2023 16:35

To: Graham Aaron <AGraham@lsh.co.uk>

Subject: FW: FORMER BUS STATION, WELLINGTON ROAD, ASHTON, TAMESIDE, OL6 6DP

This Message originated outside your organization. DO NOT open attachments or click on links if this is an email address that you do not recognise, or an email you aren't expecting to receive.

Hi Aaron,

I hope you are well.

This one is continuing to prove difficult to get through our governance arrangements with the latest suggestion being that having two reports (i.e. the original report providing a full market valuation at £0, and a second, addendum report confirming value to the Council (as a special purchaser) at £150,000), could confuse Elected Members.

I have therefore been instructed to ask whether or not, you would be able to 'combine' the reports, by providing a single, upto date Red Book compliant valuation of the land to be acquired by the Council, on the special assumption that the Authority is acting as special purchaser.

If you are happy to carry out this work, please can you confirm;

- a. Your fee and;
- b. The estimated timescales in which the Council could expect to receive the completed Red Book compliant report.

I look forward to hearing from you.

Regards

Mark

Mark Prestwich

Senior Surveyor

Estates

Strategic Property

Place

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Tel. 0161 342 3420

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voterid



From: Graham Aaron <AGraham@lsh.co.uk>

Sent: 12 January 2023 14:00

To: Mark Prestwich <mark.prestwich@tameside.gov.uk>

Subject: RE: FORMER BUS STATION, WELLINGTON ROAD, ASHTON, TAMESIDE, OL6 6DP

Mark,

16 March 2023

Tameside Metropolitan Borough Council (TMBC)
Ashton Old Library
Old Street
Ashton Under Lyne
Tameside
OL6 7SG

Lambert Smith Hampton
6th Floor
3 Hardman Street
Spinningfields
Manchester
M3 3HF

For the attention of: Mark Prestwich - TMBC

Our Ref: 0176544-MA-0000/43587/AG

Dear Mark

CLIENT: TAMESIDE METROPOLITAN BOROUGH COUNCIL ("TMBC")

SUBJECT OF VALUATION: FORMER BUS STATION, WELLINGTON ROAD, ASHTON, TAMESIDE, OL6 6DP
(THE "PROPERTY")

YOUR REFERENCE: 40138377

Thank you for your instruction email dated 10 March 2023 to provide desktop valuation advice in respect of the above land. Our valuation will be undertaken in accordance with the RICS Red Book Global Standards.

We set out the basis of our instruction as follows:

1. You have instructed us to value the property to provide a valuation of the land to be acquired by Tameside Metropolitan Borough Council.
2. We must draw to your attention our enclosed Terms of Engagement for Valuation Services which, together with this Engagement Letter, form the Agreement between us regarding the work we are to undertake, the circumstances in which fees and expenses will be payable and details of our respective duties.
3. We maintain adequate insurance cover for the purpose of this instruction.
4. The valuation is to be of the freehold interest and on the basis of Market Value (the definitions of which are attached). All values will be stated in £GBP.
5. You require a valuation on the basis of vacant possession.
6. You have requested a valuation on the basis of Market Value with the Special Assumption that:
 - Tameside Metropolitan Borough Council are a Special Purchaser.

This assumption will be stated in our valuation report and will be assumed to exist at the valuation date.

7. We have agreed that we shall rely upon the following information for the purpose of reporting to you:
 - Reliance on the LSH Valuation Report dated December 2021 to TMBC and TfGM
 - Plan detailing TMBC adjoining interests in land provided by TMBC
 - Confirmation of purchase price
 - As required, third party information that has been deemed necessary to complete the Desktop valuation and as set out within the report.
8. The valuation is required by ASAP. The valuation date will be the date of our report. The Valuation will be carried out by Aaron Graham MRICS, Director, a RICS Registered Valuer who will be acting as an External Valuer. We confirm this Valuer will act with independence, integrity and objectivity, and has sufficient current local and national knowledge of the particular asset type at its particular market as well as the skills, qualifications, experience and understanding necessary to undertake the valuation competently. He will sign the report on behalf of Lambert Smith Hampton.
9. You are aware of our previous involvement acting for TMBC and TfGM. You have confirmed that you are satisfied that this does not constitute a conflict of interest, nor does it compromise our ability to report to you with independence and objectivity.
10. In accordance with the RICS Red Book Global Standards, we have agreed that we shall depart from the Standards as follows:
 - VPS 2 Inspections and Investigations: in accordance with your instructions, we will not undertake an inspection of the subject; our valuation will be undertaken on a 'desktop' basis and accordingly, we will be unable to establish facts that would normally be verified by making normal enquiries, including but not limited to; the characteristics of the area and property; site area; method of construction and finishes; state of repair and condition; age and estimated useful life; use and nature of the property; provision of amenities, services, installations, fixtures and fittings, plant and machinery and improvements; the presence of hazards and hazardous materials; and any physical restrictions on further redevelopment. We will rely on the content of the inspection and reports referenced above. Furthermore, we will limit use of our valuation report solely for internal purposes; will require that no publication or disclosure may be made to third parties; and require that the Client will accept responsibility for the associated risk.
11. Our agreed fee for providing you with our valuation report is £1,250, plus VAT and will be paid by the client. We shall charge VAT at the statutory rate on all fees. VAT will be calculated with reference to the level prevailing at the date of our invoice.
12. Please note that any reproduction or public reference to the valuation or report will require our prior written consent.
13. We must draw to your attention that our compliance with the Red Book Global Standards may be subject to monitoring under the Royal Institution of Chartered Surveyors conduct and disciplinary regulations.
14. We confirm that the Valuation Division of Lambert Smith Hampton has a Quality Management System which complies with ISO 9001:2015.
15. In the event of any ambiguity or conflict between any of the documents comprising the Agreement, this Engagement Letter shall take precedence over any of the other Terms.
16. We are happy to consider your Solicitor's Report on Title prepared in connection with the proposed facility as part of this instruction. If, however the Report on Title is delayed and is received in excess of three months from the date of our valuation report we will charge an additional fee on a time spent basis.

17. Our Valuation Report will be provided for the above-stated purpose and for the sole use of the named Client. It will remain confidential to the Client and his professional advisers and the Valuer accepts no responsibility whatsoever to any other person. Neither the whole nor any part of the Valuation Report nor any reference thereto may be included in any published document, circular, or statement, or published in any way, without the Valuer's written approval of the form and context in which it may appear. Such publication of, or reference to the valuation report may not be made unless it contains a sufficient contemporaneous reference to any Special Assumptions or departures from the Red Book confirmed therein. We refer you to Condition 9 of the attached Terms of Engagement for Valuation Services.
18. This instruction may be terminated by either party upon 30 days' notice to the other. If the instruction is terminated by either party, we will be entitled to fees and expenses on the basis set out in the Terms of Engagement.

We are committed to providing a high level of service. In the event that you have any concerns about any aspect of our work please do not hesitate to contact me. Details of our complaints procedure are available on request.

Our enclosed Terms of Engagement (v13) and this Letter of Engagement will apply to our relationship and to all matters we work on for you. Please confirm your acceptance of this Letter of Engagement and our Terms of Engagement within seven days of the date of this letter by forwarding to us a copy of this Letter of Engagement via email with the following confirmation wording "**I/We accept and agree the terms of the attached letter**".

If you have not formally accepted this Letter of Engagement and our Terms of Engagement as set out above, by instructing us you will be deemed to have accepted this Letter of Engagement and our Terms of Engagement and will be bound by them.

Please note that in the event of any ambiguity or conflict between any of the documents comprising the Agreement, this Letter of Engagement shall take precedence over the other Terms

Yours sincerely



Aaron Graham MRICS
RICS Registered Valuer
Director
For and on behalf of
LAMBERT SMITH HAMPTON

Mobile +44 (0)7917 052211
Email agraham@lsh.co.uk

encl. Terms of Engagement for Valuation Services

RICS Red Book Global Standards

Bases of Value

Market Value (MV)

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.

Terms of Engagement for Valuation Services

1. INTERPRETATION

(i) In these Terms:

"Agreement" means the agreement between the Client and LSH for carrying out the Service, incorporating the Terms and the Engagement Letter.

"Client" means the person to whom LSH is to provide services in accordance with the Terms and includes the person to whom the Engagement Letter is addressed.

"Data Protection Laws" all applicable data protection and privacy legislation in force from time to time in the UK including without limitation the Data Protection Act 2018 (and regulations made thereunder) ("DPA 2018"); the UK GDPR (as defined in section 3(10) and as supplemented by section 205(4) of the DPA 2018); the Privacy and Electronic Communications Regulations 2003 (SI 2003/2426) as amended.

"Director" means any person whose title includes the word 'director' whether or not a statutory director.

"Engagement Letter" means the letter or proposal document sent out by LSH to the Client setting out the basis on which it will carry out the Service.

"Expert Witness Terms" means the terms and conditions which, in addition to the Terms of Engagement letter, govern the provision of the Expert Witness Services (as defined within the Expert Witness Terms of Engagement).

"Fee" means the fee for the Service as set out in the Engagement Letter or as otherwise agreed in writing between LSH and the Client, plus any expenses or other amounts properly due under this Agreement.

"LSH" means Lambert Smith Hampton Group Limited whose registered office is at 55 Wells Street, London, W1T 3PT and any company which is in the same group of companies as that company.

"LSH Report" means the written advice and report(s) provided to the Client by LSH under this Agreement.

"Property" means the property identified in the Engagement Letter and any agreed variation to the Engagement Letter.

"RICS" means the Royal Institution of Chartered Surveyors.

"Service" means the service to be performed or procured by LSH under the Agreement including, where applicable, any Expert Witness Services (as defined in the Expert Witness Terms).

"Terms" means the terms and conditions set out in this document and includes the Expert Witness Terms and any other terms and conditions set out in the Engagement Letter or any other letter or document from LSH accompanying, supplementing or varying the Terms.

"Valuation Standards" means the RICS Valuation Guidance Standards as set out within the RICS Red Book - Global

(ii) In these Terms:

(a) A reference to "writing" includes electronic mail.

(b) A reference to any provision of a statute or regulation shall be construed as a reference to that provision as it is in force at the relevant time taking account of any amendment, re-enactment, extension or repeal.

(c) Except where the context otherwise requires, words denoting the singular include the plural and vice versa, words denoting any gender include all genders and any reference to a "person" includes an individual, firm, corporation and/or other legal entity.

(d) References to a numbered condition are to that condition in these Terms.

(e) The headings are for convenience only and shall not affect the interpretation of these Terms.

2. GENERAL

(i) The Agreement shall be made when the Client receives a copy of the Terms or gives instructions to LSH, whichever shall be the later, and shall be subject to the Terms, which shall also apply to all or any part of the Service carried out prior to such date.

(ii) LSH shall perform all Services on the basis of the Agreement only, which shall apply to the exclusion of any other terms and conditions which the Client may seek to impose or incorporate, or which are implied by trade, custom, practice or course of dealing.

(iii) No variation of:

(a) the Terms shall be binding unless previously agreed in writing by a statutory director of LSH (as identified on Companies House from time to time);

(b) The Engagement Letter shall be binding unless previously agreed in writing by a Director of LSH,

and in entering into the Agreement the Client acknowledges that it has not relied on any statement, promise or representation which has not been confirmed in writing by a Director of LSH.

(iv) In the event of any ambiguity or conflict between any of the documents comprising the Agreement, the Engagement Letter shall take precedence over any of the other Terms.

(v) Nothing in the Agreement shall confer or purport to confer on any third party any benefit or right to enforce any terms of the Agreement. No term of the Agreement shall be enforceable under the Contracts (Rights of Third Parties) Act 1999 by a person who is not a party to the Agreement, although this shall not affect any right or remedy of any third party which exists or is available other than under such Act.

(vi) LSH's duties under the Agreement shall be limited to those set out in the Terms.

(vii) LSH shall be entitled to accept and act on any instruction given to LSH by any person who is an employee of, or advisor to, the Client.

(viii) If any provision of the Terms shall become or be declared illegal, invalid or unenforceable for any reason such provision shall be divisible, and shall be deemed to be deleted, from the Terms.

(ix) The Client shall provide its authority, instructions or information required to LSH promptly.

(x) It is a condition of the Client's agreement with LSH that (save where and to the extent that LSH instructs independent experts, consultants or other third parties on the Client's behalf) the duties and responsibilities owed to the Client are solely and exclusively those of LSH and that no employee of LSH shall owe the Client any personal duty of care or be liable to the Client for any loss or damage howsoever arising as a consequence of the acts or omissions of such employee (including negligent acts or omissions) save and to the extent that such loss or damage is caused by the fraud, dishonesty, wilful misconduct or unauthorised conduct on the part of such employee.

3. SERVICE

LSH shall seek to provide a service such as would be expected of a national firm of consultant surveyors in a proper professional manner and shall perform the Service with reasonable care and skill.

The Service shall, however, be provided on the basis that:

(i) LSH reserves the right to carry out instructions in accordance with such procedures, principles or methodologies as LSH deems to be appropriate. Where appropriate, LSH shall comply with the relevant Practice Statements and Guidance Notes published by the RICS and measurements shall be undertaken in accordance with the relevant Code of Measuring Practice published by the RICS.

(ii) Estimates of times for performance of all or any part of the Service have been made upon the basis of information available to LSH at the time and are approximate only so that LSH shall not be bound by any such estimate.

(iii) LSH may, if it considers it appropriate, secure performance of any or all Services by instructing one or more other persons (whether as sub-contractor or in any other capacity) upon such terms as LSH considers appropriate. In circumstances where LSH secures the performance of another person, no additional fee shall be payable by the Client in the absence of prior agreement to such additional fee but the Client shall be liable to pay all Fees as if all Services had been performed by LSH.

(iv) The Client shall provide LSH (or ensure that LSH is provided) with details of any other consultants or contractors appointed or to be appointed by the Client relevant to the Service.

(v) If LSH are instructed to act as an "independent valuer", then the meaning and understanding of the term independent valuer shall be that LSH will exercise independence, integrity and objectivity when undertaking the Service in accordance with the Valuation Standards, but LSH shall not (unless otherwise agreed in writing with the Client prior to the relevant instruction) be under any obligation (express or implied) to conform to any statutory or regulatory requirements associated with use of the term "independent valuer" (other than to the extent that such requirements cannot lawfully be excluded by agreement of the parties), or the Client's own definition or understanding of the term.

(vi) LSH shall not be liable to the Client for the non-performance or delay in the performance of any of its obligations hereunder due to events or circumstances outside its reasonable control. Upon the occurrence of such an event, LSH shall immediately notify the Client with as much detail as possible and keep it updated of continuing developments. Once the event is removed or ended LSH shall perform its obligations unless this Agreement has been terminated in accordance with Condition 11(ii)(a).

4. THE PROPERTY

(i) Information

The Client warrants represents and undertakes to LSH that (save as specifically notified to LSH by the Client in writing):

- (a) LSH shall be entitled to rely upon information and documents provided by or on behalf of the Client including those relating to matters such as Health & Safety, the Asbestos Register, energy performance and details of tenure, tenancies, use, contamination, building costs, costs of development, town planning consents and building regulation consents, historic or projected future trading accounts and the like as being, to the best of the Client's knowledge, information and belief, accurate and not misleading (either on their face or by inference or omission) and the Client shall advise LSH and shall instruct any advisor to inform LSH in the event that the Client and/or any advisor receives notice or becomes in any other way aware that any information given to LSH is or may be misleading or inaccurate.
- (b) It shall provide legible true copies of any relevant documents reasonably required by LSH.
- (c) It shall make arrangements for the inspection of or attendance at the Property by LSH on reasonable notice in order to carry out the Service.
- (d) If the Client instructs LSH to re-value the Property without inspection LSH will assume that no material changes to the physical attributes of the Property and the area in which it is situated have occurred and the Client has provided information of changes in rental income from investment properties and any other material changes to the non-physical attributes of each property such as lease terms, planning consents, statutory notices etc.
- (e) if the Client instructs LSH to undertake a critical review of a valuation prepared by another valuer and if LSH agrees in writing to do so then the Client shall undertake to provide LSH with full details of the first valuer's instructions so that LSH is in possession of all of the facts and information including the terms of instruction, circumstances and reasons for the first instruction so that LSH are able to undertake a critical review and the Client shall not publicise, discuss with third parties or refer to any critical review carried out by LSH in any documents or circular or otherwise without the express authority from LSH in writing.

(ii) Assumptions

Except where disclosed to LSH in writing, LSH shall be entitled to assume the following as appropriate:

- (a) Opinions of value shall be provided on the basis of "Market Value" or "Market Rent" as defined in the Practice Statements and Guidance Notes published by the RICS and in accordance with the Valuation Standards unless otherwise agreed in writing between LSH and the Client and, unless specifically notified by the Client to LSH and agreed in writing by LSH, LSH shall not be under any obligation to identify or take into account any marketing constraint such as if the Property cannot be freely or adequately exposed to the market or if the Property is subject to an inherent defect or constraint whether or not such circumstance or constraint is actual, anticipated or hypothetical and LSH shall not be required to take into account any time limit for disposal without adequate explanation from the client of the reasons for such a constraint.
- (b) There are no tenant's improvements which would materially affect LSH's opinion of the value of the Property unless otherwise advised. LSH shall not take account of any item in the nature of the tenant's fixtures and fittings, improvements, plant equipment, and machinery and LSH may (without any obligation to do so) make any reasonable assumptions to identify if any fixtures and fittings are part of the Property and which would pass, with the Property, on reversion, back to the landlord or on any sale and that all such tenant's improvements or fixtures and fittings have all necessary consents and are not subject to any onerous conditions.
- (c) There are no restrictive covenants encumbrances or unduly onerous or unusual easements, restrictions, outgoing or conditions attaching to the Property or unusual terms in any relevant documentation or notices or procedures (including compulsory purchase orders) served, issued or threatened or any other matters whatsoever full information about which have not been supplied and brought to LSH's attention in writing and which would materially affect LSH's opinion of the value of the Property and that the Property has good marketable title.
- (d) The Property complies with all relevant statutory requirements including building safety and fire regulations.
- (e) The Property has the benefit of all necessary full planning consent or established use rights and building regulations approval and all or any work has been carried out fully in compliance with those consents.
- (f) No dangerous or harmful materials or techniques have been used in the construction of the Property or its subsequent alteration, extension or refurbishment and the Property is not contaminated or potentially contaminated or subject to environmental hazards. Unless specifically instructed, LSH shall not undertake any investigation into the past or present uses of either the Property or any adjoining or nearby land to establish whether there is any potential for contamination from these uses and shall assume that none exists.
- (g) LSH may rely on all data provided to it, or stated on any publicly available websites, in respect of any EPC affecting the property. LSH shall be under no obligation to establish if any EPC is accurate or current. In the

event that no EPC is available LSH shall assume that the Property meets the minimum requirements of the legislation and that there will be no adverse impact on value and marketability.

- (h) The Property (including, without limitation, all means of access and egress, which shall be assumed to be freely available, to and from the same and all plant and/or machinery or substances located in or at the Property and provided for the use of any person) has been properly maintained and is in good repair and condition and that any obligation concerning repair, maintenance, decoration or reinstatement have been complied with in accordance with all and any necessary statutory or other regulations and requirements and, without prejudice to the generality of the foregoing, is safe and without risks to health. LSH may at its discretion reflect any readily apparent defects or items of disrepair noted during its inspection in valuations but the Client shall not rely on this to assume either that the Property is free from defect or that LSH have in any way quantified the extent of any repair;
- (i) There are no facts known to the Client which ought to be brought to the attention of LSH to enable it to ensure that access to the Property by any person is safe and without risks to health.
- (j) LSH's Report shall reflect the state reached in construction and the company's costs at the date of valuation, having regard to the obligations of parties involved in the development only to the extent that any costs or estimates which have been prepared by the Client's professional advisors are made available to LSH and LSH shall not be liable for any error or inaccuracy arising directly or indirectly from such information and shall not be under any duty to advise concerning the accuracy or relevance of such information:
 - (1) Except where specifically stated otherwise, LSH shall assume that the Property is subject to normal outgoing and that where relevant any tenant(s) are responsible for repairs, the cost of insurance and payment of rates and other usual outgoing, either directly or by means of service charge provisions.
 - (2) Unless specifically requested, LSH shall not make enquiries as to the financial standing of actual or prospective tenants although LSH shall reflect the general market's perception of a tenant's status in its valuation. LSH shall assume, unless advised in writing, that tenants are capable of meeting their financial obligations under the lease terms and that there are no arrears of rent, service charge or other relevant payments or undisclosed breaches of covenants.
 - (3) In the valuation of portfolios LSH shall value each Property separately and not as part of the portfolio. Accordingly, LSH shall make no allowance, either positive or negative, in the aggregate value reported to reflect the possibility of the whole of the portfolio being put on the market at any one time.
- (iii) LSH shall be entitled to make such special assumptions ("**Special Assumptions**") as are necessary to provide the Client with the opinions of value requested by the Client. Any Special Assumptions made shall be agreed with the Client and set out in the Engagement Letter and shall be stated in the LSH Report.

(iv) Limitations

Unless otherwise stated in the Engagement Letter:

- (a) LSH shall not be responsible for making any local search or other enquiries of local or any other authorities including HMLR, including town planning enquiries or investigation of title regarding the Property, which shall be the Client's sole responsibility, and LSH may rely on any such information provided by the Client or the Client's advisors without further enquiry. If LSH shall make oral or other enquiries regarding the Property to third parties, the results of such enquiries shall not be relied on by the Client.
- (b) Subject to agreement of the terms of any subsequent instruction, LSH shall not be responsible for making any structural or site survey or audit of the Property such as may be required under applicable law without limitation under the Equality Act 2010 or the Control of Asbestos Regulations 2012 or for testing any services to or on the Property, including the availability of broadband or other communications or information technology infrastructures.
- (c) Any advice, approval or representation made by LSH or any person on behalf of LSH regarding the legal meaning or effect of any lease or contract shall not be relied on by the Client and such advice shall be limited to matters upon which it is suitable for a Chartered Surveyor to advise and shall not constitute advice regarding legal interpretation or drafting issues. Unless otherwise agreed in writing between the LSH and the Client, LSH shall not be obliged to advise upon the interpretation or drafting of any draft agreements, leases or other legal or technical documents.
- (d) LSH shall not be responsible for advising in respect of, or effecting the service of, any notice required to be given under statute, regulation or under the provisions of any contract or lease or otherwise and shall not be liable for advice, interpretation or compliance with any time periods or other provisions under statute, regulation (including the Civil Procedure Rules from time to time) or provided for in any contract or lease including

any notice of appeal or for making payments or carrying out any other actions in accordance with such time periods.

- (e) LSH shall exclude and shall not be required to take into account any work in progress stock in trade and shall not be required to take into account or be responsible for the interpretation of accounts, turnover figures or other financial or information relating to trade.
- (f) No allowance shall be made for any liability for payment of Corporation Tax, Capital Gains Tax, Stamp Duty Land Tax or any other tax applicable on development or disposal, deemed or otherwise. Any prices and/or rentals stated shall be deemed to be exclusive of Value Added Tax.
- (g) Whilst LSH will endeavour to treat all information which is relevant to the Client's instruction as confidential, LSH may at its sole discretion provide any information to other professionals or third parties as is usual practice and, in any event, LSH may be required to provide such information to a court, or tribunal or to the other party in any proceedings.
- (h) LSH shall not be under any duty to carry out conflict checks in relation to any third party (such as related companies) other than the Client or any other relevant party notified in writing by the Client to LSH.
- (i) Valuations shall not reflect any element of marriage value or special purchaser value which could possibly be realised by a merger of interests or by 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 other than the purchaser with a special interest unless LSH shall make a Special Assumption in this regard.
- (j) All valuations are given without adjustment for capital based government grants received, or potentially receivable, at the date of valuation or at some future date.
- (k) LSH's valuations shall be reported in pounds GBP. Overseas properties shall be reported in the appropriate local currency and represent LSH's opinion of the realisable value in the country of origin computed in accordance with local practice, with no allowance made for the transfer of funds in the UK.
- (l) Unless the Client specifically commissions a formal survey with relevant obligations and LSH accepts such instruction on agreed terms, LSH shall not be under any obligation to take into account any aspect arising from the condition of the Property including any benefit or liability in respect of dilapidations and no advice or representation concerning the condition of the Property shall be relied on by the Client or any third party.
- (m) Unless the Client shall specifically commission a formal management arrangement with relevant obligations and LSH accept such instruction on terms to be agreed, the Client shall remain responsible for the insurance of the Property and for notifying its insurers should the Property become vacant. LSH shall not be responsible for the management, security or deterioration of the Property or, for any other like matter or loss however caused. If the keys for the Property are held by LSH then the Client shall be deemed to have given authority to LSH to supply keys to any persons who wish to inspect the Property or carry out works or inspections at the Property and LSH shall accept no responsibility for the action of such persons. The Client shall effect and maintain full insurance cover against any claim that may be made by LSH or any representative or employee of LSH or by any third party in respect of any loss, damage or injury however caused arising directly or indirectly under or in respect of the Agreement.
- (n) LSH shall not be under any obligation to arrange for any investigations to be carried out to determine whether or not any deleterious or hazardous materials have been used in construction of the buildings or have since been incorporated and LSH shall not therefore, be in a position to report that the Property is free from risk in this respect. Unless LSH are advised by the Client in writing, and subject to LSH's sole discretion, LSH's valuations shall be made on the assumption that such investigations would not disclose the presence of any such materials to any significant extent but this shall not be relied on by the Client as any indication that the Property is free from risk.
- (o) LSH shall not be under any obligation to carry out or commission a site investigation or geographical or geophysical survey in order to determine the suitability of ground conditions and services, nor shall LSH undertake archaeological, ecological or environmental surveys. Unless otherwise advised LSH assume, but can give no assurances, that the ground has sufficient load bearing strength for the existing structures or any structures proposed or considered. Where development is contemplated, LSH assume that no extraordinary expenses or delays will be incurred during the construction period, due to any adverse ground conditions or archaeological matters.

5. TERMS OF PAYMENT

- (i) Unless otherwise stated in the Engagement Letter the Client shall be liable to pay LSH its Fee at intervals to be determined by LSH or on completion of the Service, at LSH's discretion. Payments are due on issue of the invoice and the final dates for payment by the Client shall be the date of issue of the invoice.

- (ii) LSH shall be entitled to submit accounts for the expenses element of the Fees at the time when incurred or ordered by LSH and such accounts shall be payable by the Client whether or not the Client withdraws its instructions. Accounts for expenses are due for settlement on presentation. Alternatively LSH may arrange for the suppliers to invoice the Client directly for services supplied.
- (iii) VAT will be payable where applicable at the prevailing rate on all Fees.
- (iv) LSH reserves the right to charge the Client interest (both before and after any judgement) on any unpaid invoice at the rate of 3% per annum above the base lending rate of the Bank of Scotland calculated on a daily basis from the date of its invoice up to and including the date of settlement in full.
- (v) If any sum due to LSH from the Client remains unpaid for more than 30 days after the date of the invoice LSH shall be entitled to suspend all further work for the Client until the outstanding sum is paid to LSH in full. In these circumstances LSH shall not be liable for any delays, losses or expenses resulting from such suspension.
- (vi) The Client shall not withhold any payment after the final date for payment of any sum due under this Agreement unless in relation to a bona fide dispute of which notice is provided to LSH in writing by the Client not less than seven days before the final date specifying the amounts to be withheld and the reasonable grounds for withholding payment or, if there is more than one ground, each ground and the amount attributable to it.
- (vii) Unless otherwise stated in the Engagement Letter and subject to Condition 5vi), all amounts due under this Agreement by the Client shall be made without set-off, deduction, withholding or counterclaim (other than any deduction or withholding of tax as required by law).
- (viii) Where there are two or more clients in the case of a joint or multiple instruction, invoices for an appropriate share of any Fees as determined in LSH's sole discretion may be issued by LSH to all clients or any client simultaneously or otherwise, and each client shall be jointly and severally liable for the full amount of LSH's Fees in the event that payment is not received from one or more clients.
- (ix) The Client may, with the prior written consent of LSH, appoint a third party nominee to satisfy the Client's obligations under this Condition 5 (an "Appointed Payor"). Appointment of an Appointed Payor shall not discharge any obligation of the Client's under this Agreement, provided that payment by the Appointed Payor of any sums owed by the Client to LSH in accordance with this Condition shall be good and valid discharge of the Client's obligations to pay such sums.

6. FEES AND EXPENSES

- (i) LSH shall charge the Fees in the event of a change in the scope of the Service or LSH being required to carry out additional Services, LSH reserves the right to charge an additional Fee.
- (ii) The Client shall also be responsible for all fees and expenses incurred or ordered in respect of the Property, which may include without limitation advertising, brochure production, printing of particulars, photography, mailing, digital marketing expenses, administration, Anti-Money Laundering checks, on site representation, sign boards, travelling, mileage, messenger delivery and copying of documents and plans. Expenses shall be passed on to the Client at gross cost unless otherwise stated in the Engagement Letter. LSH shall be entitled to retain any discounts or commissions which are available or paid to LSH in order to offset administrative expenses. A copy of LSH's rates where applicable shall be made available upon request, such rates being subject to amendment from time to time by LSH on written notice.
- (iii) If, in connection with the service, the resolution of a dispute with a third party is referred to an adjudicator, arbitrator, expert, mediator, court or tribunal, all costs in connection with such referral shall be the sole liability of the Client and shall either be paid directly by the Client or be recharged to the Client as an expense and the Client shall indemnify LSH in respect of any liability or loss in such matters.
- (iv) Unless specifically provided for in the Terms or accompanying letter or as otherwise agreed in writing between LSH and the Client the Fees do not include remuneration for acting as an expert witness, for which service a separate fee shall be required and the Expert Witness Terms shall apply.

7. INTELLECTUAL PROPERTY

- (i) Ownership of any rights in any information, documents or other material provided by the Client to LSH in relation to the Property or Services shall remain the property of the Client ("Client Material") and the Client hereby grants to LSH a perpetual royalty free, worldwide, irrevocable licence to use, copy, adapt and modify such Client Material for the purposes of performing the Services and for the purposes of advertising or promoting LSH and its business.
- (ii) Ownership of all rights in materials, know-how, developments, reports, forecasts, drawings, accounts and other documents created and/or originated by LSH, its employees or agents, in relation to or arising out of the Services, shall as between LSH and the Client belong to LSH.
- (iii) LSH shall grant the Client a royalty free licence to use the LSH Report in accordance with this Agreement. The Client may not use the whole, or any

part of the LSH Report, or any reference to it in any published document, circular or statement, without LSH's written approval of the form and context in which it shall appear. Such approval is required whether or not LSH is referred to by name and whether or not the reports are combined with others.

- (iv) If at any time the Client is in default of payment of Fees, LSH may suspend the Client's licence to the LSH Report. At LSH's discretion, the licence may be resumed on receipt of all outstanding amounts.

8. INDEMNITY

The Client shall indemnify and keep indemnified LSH from and against all and any liability, losses, damages, penalties, fines, costs and expenses (including legal costs and expenses) suffered or incurred by LSH arising out of or by virtue of:

- (i) The breach by the Client of any of its obligations under the Terms;
- (ii) The Client's instructions to LSH other than any losses, damages, costs and expenses arising by virtue of the wilful default of LSH or its employees or agents; or
- (iii) Any allegation that the Property (including without limitation the means of access to or egress from the same or any plant or substances in such premises provided for the use of any person) were not safe or posed a risk to health except where LSH had been notified in writing of all facts necessary to bring to the attention of LSH such fact(s).

9. LIMITATION AND LIABILITY

- (i) Nothing in this Agreement shall limit LSH's liability for death and/or personal injury caused by the negligence of LSH or its employees, fraud or fraudulent misrepresentation, or any other liability to the extent that such liability cannot be limited in accordance with applicable law.
- (ii) **Subject to Condition 9i) above, in respect of this Agreement, the aggregate liability of LSH to the Client whether arising from tort (including negligence), breach of contract, breach of statutory duty or howsoever otherwise arising shall be limited to five million pounds sterling (£5,000,000.00).**
- (iii) Subject to Condition 9i) above, LSH shall not be liable for any claim to the extent that such claim is or can be characterised as a claim for (or arising from):
 - (a) Loss of revenue or profits;
 - (b) Loss of business opportunity or loss of contracts;
 - (c) Loss of goodwill or injury to reputation; or
 - (d) Anticipated savings,

(in each case whether arising directly or indirectly from any breach of this Agreement by LSH); or

 - (e) for any indirect, consequential or special loss or damage.
- (iv) In the event of the Client engaging LSH together with other advisers, service providers and/or suppliers engaged by the Client or any other third party in relation to the Project, LSH's liability shall, without prejudice to the limitations contained in Condition 9 and subject always to Condition 9i), be limited to that proportion of any loss or damage suffered by the Client as it would be just and equitable for LSH to bear having regard to LSH's responsibility for it and on the basis that all other advisers, service providers and/or suppliers shall be deemed to have paid such proportion of the relevant loss or damage suffered by the Client which is just and equitable for them to have paid having regard to the extent of their respective responsibilities.
- (v) The LSH Report is provided solely for the purpose of the Service and to the Client. Should the Client disclose any part of the LSH Report to any third party the Client shall notify such third party in advance of the disclosure and in writing that LSH does not owe a duty of care to such third party. The Client shall indemnify LSH and hold LSH harmless against all liabilities, costs, expenses, damages and losses suffered or incurred by LSH arising out of or in connection with such disclosure by the Client.
- (vi) In the event of a proposal to place any loan secured over the Property in a syndicate, the Client must (i) notify LSH of such proposal, ii) disclose the identity of the parties participating in the syndicate to LSH, and iii) obtain LSH's written consent (which may be subject to the inclusion of alternative or additional terms) for such parties to rely on any of LSH's valuations, reports and/or any other advice or information resulting from the Client's instruction.
- (vii) All risks and/or liabilities in relation to toxic mould, deleterious materials, contamination, radon gas, HAC or calcium chloride shall remain with the Client and the Client shall take such steps as it deems necessary to insure against or otherwise address such risks and liabilities.
- (viii) LSH is not qualified to and will not provide any advice or services in connection with asbestos. The Client acknowledges that all risks relating to asbestos howsoever arising remain with the Client who shall take such steps as it deems necessary to address such risks. If appropriate the Client will arrange for the appointment by the Client of specialist asbestos consultants.

- (ix) LSH will not advise on capital allowances in performance of the Services and will not be liable for any liability, losses, damages, penalties, fines, costs and expenses suffered or incurred by the Client or any other Third Party in respect of capital allowances. Insofar as LSH are liable for any capital allowances incurred as a result of the performance of the Services the indemnity set out in Condition 8 shall apply.

10. REINSTATEMENT COST ESTIMATES

In the event that the Client requires an estimate of the cost of reinstating any building or structure, for insurance purposes the following terms shall apply:

- (i) The Reinstatement Cost assessment is an estimate provided on an informal basis only and should not be relied upon for the purposes of placing insurance cover on the property. Should a Reinstatement Cost Assessment be required to enable an insurance policy to be placed, LSH Building Consultancy Division must be separately instructed to undertake such an assessment.
- (ii) The Reinstatement Cost assessed for insurance purposes shall be a "Day One" valuation and shall not include an allowance for inflation and or design/procurement periods etc.
- (iii) LSH shall assume that the policy is on an indemnity basis with a fully operative reinstatement clause, no special conditions, an instantaneous basis of value and shall have no regard to any variation in building costs subsequent to the date of LSH's informal assessment. LSH's assessment will be based on the assumption that the reconstruction of any premises, to provide similar or new accommodation, will be permitted by the appropriate authorities with no undue restrictions.
- (iv) LSH will exclude tenant fit-out and or fixtures and fittings, Value Added Tax, loss of rent, extra costs of working or other consequential losses, local authority requirements and party wall works. Further, LSH's assessment shall exclude any land remediation and special contaminated waste costs. However, the figure will be inclusive of professional fees, demolition and site clearance.
- (v) LSH shall assume that VAT is chargeable on professional fees and building works to new and existing premises.
- (vi) LSH will not carry out a structural survey and LSH's assessment will be prepared on the assumption that ground conditions will not give rise to the need for any specialist or unduly expensive constructional techniques (specialist foundations etc) unless LSH is otherwise advised by the Client. In addition, the removal of hazardous materials, if any, shall be excluded from the informal assessment.

11. TERMINATION OF INSTRUCTIONS

- (i) The instruction from the Client to LSH may be terminated by the Client by giving not less than 30 days' notice in writing to LSH whereupon LSH shall be entitled to charge (at LSH's option):
 - (a) A fair and reasonable proportion of the full Fee which would have been payable if the work had been carried through to a conclusion and as if LSH had become entitled to payment in accordance with conditions 5 and 6 above, or
 - (b) A reasonable sum for all the work undertaken up to and including the date of termination based on quantum meruit; or
 - (c) The Fees as LSH are entitled to under Conditions 5 and 6 to include in each case any expenses already incurred (each a "Contracted Fee").
- (ii) The instruction from the Client to LSH may be terminated by LSH on the following terms by giving not less than 30 days' notice in writing:
 - (a) If, as a result of circumstances outside the reasonable control of either party, it becomes unfeasible to perform the Services within a reasonable period. In these circumstances the Client shall pay to LSH all Fees by way of the **Contracted Fee**, or a fee for all work which has been done up to and including the date of termination on a quantum meruit basis where early termination of this Agreement deprives LSH of entitlement (or the opportunity to become entitled) to a Contracted Fee; or
 - (b) If the Client has made it impossible to complete the instruction within a reasonable period or has not made payment by the due date of any sum payable by the Client to LSH. In these circumstances the Client shall pay to LSH the full Fee which would have been charged as if the work had been carried through to a conclusion (plus any expenses already incurred).
- (iii) Any outstanding Fees due to LSH shall be paid in full by the Client on or before the expiry of the notice period for termination of instructions. For the avoidance of doubt in the event of termination of instructions, whether by LSH or by the Client, LSH shall not be liable to repay the Client any Fees previously paid by the Client to LSH.
- (iv) Where any Fees are to be charged on a quantum meruit basis such Fees shall be calculated by reference to LSH's hourly charges from time to time, details of which are available from LSH on request.
- (v) Notwithstanding the provisions of Conditions i) and ii) above, LSH shall be entitled to terminate an instruction from a client without notice, if required to do so for statutory regulatory reasons.

12. REGULATION AND COMPLAINTS

- (i) LSH is regulated by RICS for the provision of surveying services. This means we agree to uphold the RICS Rules of Conduct for Firms and all other applicable mandatory professional practice requirements of RICS, which can be found at www.rics.org. As an RICS regulated firm we have committed to cooperating with RICS in ensuring compliance with its standards. The firm's nominated RICS Responsible Principal is Massimo Marcovecchio, Chief Operating Officer, 55 Wells Street, London, W1T 3PT or email mmarcovecchio@lsh.co.uk
- (ii) LSH aims to carry out any instructions received from the Client in an efficient and professional manner. LSH, therefore, hopes that the Client will not find cause for complaint but recognises that in an isolated circumstance there may be complaints. These should be addressed initially to the Head of the LSH office dealing with the instruction.
- (iii) LSH adopts the complaints handling procedures that are required by the RICS, a copy of our Complaints Handling Procedure may be obtained from our National Head of Standards and Practice, 55 Wells Street, London, W1T 3PT or email NHSP@lsh.co.uk.

13. ASSIGNMENT

- (i) LSH may assign the Agreement without the consent of the Client.
- (ii) The Agreement is not assignable by the Client without the prior written consent of LSH.

14. DATA PROTECTION

- (i) We collect and process your personal information. All information will be processed in accordance with the applicable Data Protection Laws
- (ii) Full details of how we process your information can be found on our website <http://www.lsh.co.uk/privacy-policy>. Printed copies of our privacy notice are available on request.
- (iii) You may change your communication preferences or withdraw from any further communications from us by contacting us at privacy@lsh.co.uk
- (iv) Where we receive personal data from any prospective purchaser or tenant of the Property, we shall only use that data for the purposes of your instructions and shall comply with Data Protection Laws. The Client warrants that where it or its appointed third parties or advisors provide such data to LSH, it has or shall procure that all necessary notices and consents are in place to enable the lawful transfer to LSH in accordance with Data Protection Laws.

15. MONEY LAUNDERING REGULATIONS

- (i) **Money laundering reporting**
 - (a) Much of LSH's work falls into the regulated sector under the Proceeds of Crime Act and Sanctions and Anti-Money Laundering Act 2018 and, as such, we are required to report all knowledge or suspicion (or reasonable grounds for knowledge or suspicion) that a criminal offence giving rise to any direct or indirect benefit from criminal conduct has been committed. Failure to report such knowledge or suspicion would be a criminal offence. This duty to report exists regardless of whether the suspected offence has been, or is about to be, committed by a client or by a third party.
 - (b) If as part of our normal work LSH obtain knowledge or suspicion (or reasonable grounds for knowledge or suspicion) that such offences have been committed we are required to make a report to the National Crime Agency or OFSI. It is not our practice to discuss the existence or otherwise of any reports with you or with anyone else, because of the restrictions imposed on us by the tipping off provisions of the anti-money laundering legislation.
 - (c) LSH shall not be liable for any liabilities of the Client or third parties arising out of its regulatory obligations to report.

16. ETHICS

- (i) Each party shall:
 - (a) Comply with all applicable law relating to anti-bribery, anti-facilitation of tax evasion and anti-slavery including without limitation the Bribery Act 2010, the Criminal Finances Act 2017 and the Modern Slavery Act 2015 ("**Relevant Requirements**");
 - (b) Have and maintain in place throughout the term of this Agreement its own policies and procedures, including without limitation adequate procedures under the Bribery Act 2010 and reasonable prevention procedures under the Criminal Finances Act 2017 to ensure compliance with the Relevant Requirements, and enforce them where appropriate; and
 - (c) Promptly report to the other party any: (i) breach, or potential breach, of the Relevant Requirements (ii) actual or suspected slavery or human trafficking in a supply chain which has any connection with this Agreement, or (iii) request or demand for any undue or suspicious financial or other advantage of any kind received by it in connection with the performance of its obligations under this Agreement, or (ii) request or demand from a third party to facilitate the evasion of tax within the

meaning of Part 3 of the Criminal Finance Act 2017 in connection with the performance of the complying Party's obligations under this Agreement.

17. GOVERNING LAW AND JURISDICTION

The Terms, and the Agreement of which they form part, shall be governed by and construed in all respects in accordance with English Law and the parties irrevocably and unconditionally submit to the exclusive jurisdiction of the English Courts in relation to any dispute or proceedings arising out of, or in connection with, the Terms or any such Agreement but without prejudice to LSH's right to take proceedings in any other jurisdiction in order to enforce payment of any sums owed to LSH.

February 2022

APPENDIX 2: ECONOMIC AND MACRO PROPERTY MARKET COMMENTARY

UK ECONOMY & PROPERTY MARKET

Key economic indicators:

	Latest data	Capital Economics forecasts	
		2023	2024
GDP growth	0.0% (Q4 22)	-0.4%	1.0%
CPI inflation	10.4% (Feb 23)	7.0%	2.1%
Unemployment rate	3.7% (Nov 22-Jan 23)	4.2%	4.6%

No recession yet

The UK economy narrowly avoided a recession in 2022, in the face of energy price-driven inflation and rising interest rates, as GDP growth was flat in Q4 after a 0.2% contraction in Q3. A raft of improved growth signals have been seen in early 2023, with monthly GDP rising by 0.3% in January and the composite Purchasing Managers' Index (PMI) rebounding to an eight-month high in February. This has led to GDP forecasts for 2023 being widely revised upwards, with the chances of a recession now in the balance. The March forecast from the Office for Budget Responsibility (OBR) sees GDP contracting by -0.2% in 2023, up from November's previous forecast of -1.4%, with a technical recession no longer expected. The OBR forecasts that higher interest rates and the elevated cost of energy will continue to depress output in H1 2023, but that falling household energy bills will support a return to growth in H2.

Banking sector uncertainty

The improved economic outlook has been clouded by turmoil in the banking sector following the collapse of Silicon Valley Bank and the forced takeover of Credit Suisse. While further fallout in the sector is possible, this is not widely expected to spiral into a full-blown financial crisis. Most of the recent issues have stemmed from individual banks' failures to manage interest rate risks, rather than credit risks, which would potentially be a more serious threat. Encouragingly, the global banking system is much better capitalised now than it was before the 2008 financial crisis. However, banks are likely to tighten lending conditions in response to recent events, which could impact the real economy and eventually lead to more loan defaults.

Inflation expected to fall

CPI inflation unexpectedly rose to 10.4% in February, after falling in each of the previous three months. The rise was largely driven by higher food inflation, which reached a 45-year high of 18.2% on the back of salad and vegetable supply shortages. Inflation is still expected to follow a broad downward path during 2023, with energy prices coming down from the highs of last year. However, there will be a lag before lower wholesale energy prices feed through to consumers; as household energy bills will not fall until the Ofgem price cap drops below the government's Energy Price Guarantee, which will happen in July at the earliest. Households will continue to feel the cost-of-living squeeze, with inflation set to remain higher than average wage growth, at least in the first half of 2023. Price pressures should ease broadly in H2, with Capital Economics forecasting that the CPI rate will end the year at 4.2%.

Interest rates close to a peak

The Bank of England's Monetary Policy Committee raised the base rate by 25bps to 4.25% in March, the eleventh successive increase. Committee members voted 7-2 in favour of a hike, and would probably have made this decision even without February's surprise rise in inflation. Nonetheless, the base rate is widely seen as being close to or at its peak. Bank of England governor Andrew Bailey says that he expects inflation to fall sharply from the summer, and the MPC will not want to put further stress on the banking system. Financial market pricing suggests there may be one further 25bps increase at the MPC's next meeting in May, but this would likely be the final hike in the current cycle unless inflation proves stickier than expected.

**Gilt yields
drop back**

After spiking upwards to c. 4.5% following last September's mini-budget, 10-year gilt yields have eased back, to c. 3.4% in mid-March. While this has helped to reduce the cost of government borrowing, public finances have remained under pressure due to the cost of energy price support. Public sector net debt has reached levels last seen in the early 1960s, standing at 99.2% of GDP in February. This gave the Chancellor limited room for fiscal manoeuvre at the Spring 2023 Budget, but greater scope for tax cuts or spending increases could emerge over the next 12 months.

**Labour
market
slightly
looser**

The labour market has loosened slightly since the middle of 2022, but it remains very tight by historical standards. The unemployment rate stood at 3.7% in January 2023, up from a low of 3.5% last August. Job vacancies have fallen for nine consecutive months, easing to 1.1m in the three months to February, albeit this is still close to a record high. Wage growth has slowed a little, with average pay (including bonuses) rising by 5.7% in the three months to January, down from a peak of 6.5% in November. While this means that wages are falling in real terms, growth is still higher than the 3.0-3.5% that is usually considered consistent with the Bank of England's 2% inflation target. Labour demand is expected to soften over the coming months, causing a gradual increase in the unemployment rate. Most forecasters expect unemployment to peak at c. 5% in H1 2024, which would be very low compared with previous economic downturns.

**Retail sales
back up in
early 2023**

Retail sales volumes rose for the second successive month in February, increasing by 1.2%. This represents a reversal of the broad downward trend in retail sales that has been since summer 2021. It remains to be seen whether this rebound will be sustained, with household finances under pressure and the full impact of higher interest rates yet to be seen. Consumer sentiment remains depressed, with GFK's Consumer Confidence Index at -36 in February, but this is an improvement on the low of -49 recorded last September.

**Investment
market
muted**

The uncertain economic and financial backdrop weighed heavily on investment activity in Q4 2022, especially at the larger end of the market. Quarterly volume slumped to £7.3bn, down 41% on Q3 2022 and the weakest total since the pandemic-impacted Q2 2020. Provisional data for Q1 2023 indicates that investment activity has remained muted, but there have been month-on-month improvements in volume across the quarter. Following an abrupt and widespread softening of prime yields in the second half of 2022, yields appear to have stabilised in most parts of the market in Q1.

**Correction
slowing into
2023**

Shifting financial conditions caused the all-property total return to plunge to -12.0% in Q4 2022, the worst performance since Q4 2008, according to MSCI data. The industrial sector was most severely impacted, with a quarterly total return of -18.4%, while offices were at -9.7%, and retail at -9.2%. MSCI's monthly index indicates that returns have remained negative in early 2023, albeit much more marginally, with the all-property return at -0.2% in January and -0.3% in February. The latest IPF Consensus Forecasts, published in March, predict that the annual all-property total return for 2023 will be -0.6%.



Lambert Smith Hampton is a trading name of Lambert Smith Hampton Group Limited
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