

REPORT & VALUATION

**THE OLD FIRE STATION
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WalkerSingleton
Chartered Surveyors

Trustees of the Bowers SSAS
c/o The Old Fire Station
Dale Street
Ossett
WF5 9HF

Our Ref: PMD/PD/32882

23 May 2018

Dear Sirs

THE OLD FIRE STATION, DALE STREET, OSSETT WF5 9HF

We refer to your instructions received on 9 May 2018 to prepare a valuation and appraisal in respect of the above mixed office and workshop property for pension fund administration purposes and having had an opportunity to undertake an inspection are now pleased to report to you with our advices.

1.0 VALUATION

- 1.1 In our opinion the Market Value (MV) of the property, held as an investment subject to the existing lease in favour of Lifterz Limited, the principal terms of which are set out in the body of this report, is in the region of £562,500 (*five hundred and sixty-two thousand five hundred pounds*).
- 1.2 In our opinion the Market Rent (MR) of the property, assuming a minimum of a 3 year lease drawn up on standard institutional full repairing and insuring terms, with a longer lease length to incorporate 3 yearly upwards only rent reviews, is in the region of £45,000 (*forty five thousand pounds*) per annum exclusive.
- 1.3 The date of the valuations is 14 May 2018.

2.0 PREAMBLE

- 2.1 The property was inspected both internally and externally on Monday 14 May 2018 at the time of which the weather was sunny, clear and dry.
- 2.2 The property has been inspected and valued by Paul M. Diakiw, DipSurv, MRICS.
- 2.3 This report is subject to and should be read in conjunction with our Terms and Conditions of Engagement as attached at Appendix III.

3.0 LOCATION

- 3.1 The property is located in the market town of Ossett, in the local authority area of the City of Wakefield, in the county of West Yorkshire.

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- 3.2 Leeds City Centre, the administrative and financial centre of West Yorkshire, is located around 10 miles north, with Wakefield City Centre located around 3½ miles east.
- 3.3 The resident population of Ossett is 16,116 people (source: ONS 2011 Population Census).
- 3.4 The property occupies a prominent roadside position on Dale Street (B6129), ¼ mile north of Ossett Town Centre. Junction 40 of the M1 Motorway is situated within 1½ miles of the property.
- 3.5 The surrounding area is mixed industrial, commercial and residential.
- 3.6 Attached at Appendix I is a location plan, together with the title plan for the property, this identifying the site boundaries by a red verge.
- 4.0 DESCRIPTION
 - 4.1 The property comprises a former fire station that was acquired in April 2017 and has been refurbished and remodelled to provide office and workshop accommodation, presently utilised as administrative offices and a training facility for the hire and use of platform lifts.
 - 4.2 The main building is detached being part single and part two storey, to the rear corner of which is the former training tower. To the right is a separate detached two storey building being the former smoke house.
 - 4.3 Photographs are attached at Appendix II.
- 5.0 CONSTRUCTION
 - 5.1 The main building is constructed in brick surmounted by a series of flat roofs. Floor construction is solid concrete at ground floor and suspended concrete at first floor. Windows comprise uPVC double glazed units.
 - 5.2 The ancillary building is constructed in brick surmounted by a flat roof in part and a mono pitched roof to the remainder. Floor construction is solid concrete at ground floor and suspended concrete at first floor.
- 6.0 ACCOMMODATION
 - 6.1 The two storey office section of the main building provides an entrance vestibule and hallway with staircase access to first floor, 3 various sized offices, 2 training rooms, a server room, toilet facilities and various stores at ground floor; with 5 private offices, an open plan office, boardroom, kitchen, toilets and stores at first floor.

- 6.2 The accommodation is of a good modern standard throughout reflective of the refurbishment work recently undertaken. The offices and training rooms have suspended ceilings with LED lighting, a painted plaster finish to the walls, air conditioning, perimeter trunking (part) and carpet floor covering. The kitchen has a range of modern fitted units.
- 6.3 The workshop section comprises a workshop, kitchen, passageway/store, former changing room and former plant room. The workshop provides a regular shaped open area having an internal working height of around 4.80m (15' 9"), a tiled floor and drive-in access to both the front and rear via a series of motorised and manually operated up and over doors.
- 6.4 At the time of inspection, works were being undertaken to combine the former changing room and former plant room to create a new kitchen and break-out area.
- 6.5 The former smoke house is being utilised as a confined space training area and whilst not available for internal inspection at the time of our visit, is understood to comprise a series of rooms over both floors.
- 6.6 The property offers the following approximate gross internal floor areas:

Main Building

Ground Floor Offices	171.93 m ²	1,851 ft ²
First Floor Offices	176.06 m ²	1,895 ft ²
Workshop Section	219.91 m ²	2,367 ft ²

Confined Space Building

Ground Floor	54.97 m ²	592 ft ²
First Floor	54.97 m ²	592 ft ²
Totals	677.84 m ²	7,297 ft ²

- 6.7 Externally, there are yard areas to the front and rear proving loading access, external training areas and 21 parking spaces. To the left is an access road leading to the rear of the property and to private houses to the rear. Along this road is an additional 10 parking spaces, together with some open lawned garden areas. To the rear of the main building over the loading doors is a canopy.
- 7.0 SERVICES
- 7.1 We understand the property is connected to mains electricity, gas, water and drainage.
- 7.2 The accommodation within the main building is fitted with a fire alarm, CCTV, intruder alarm and emergency lighting.

7.3 We have not tested any of the services on site and cannot comment on their condition or suitability.

8.0 TENURE

8.1 We understand the property is held freehold, although we have not had sight of the title deeds and assume they are free from any unusually onerous or burdensome encumbrances or restrictions.

8.2 A vehicular and pedestrian right of way exists over the driveway running to the left of the main building, this providing access from Dale Street to three houses located to the rear.

9.0 OCCUPATIONAL LEASES AND OTHER AGREEMENTS

9.1 The property is occupied by Lifterz Limited by virtue of a lease dated 3 April 2017 granted for a term of 10 years from the lease commencement date and drawn up on full repairing and insuring terms at an initial rental of £45,000 per annum exclusive with an upwards only rent review at the end of the fifth year.

9.2 A Creditsafe financial report on the tenant company details a Credit Rating & Limit of 80/100 (very low risk) and an International Score of A (very low risk).

10.0 OUTGOINGS

10.1 Under the 2017 Rating List the property has an entry as 'Offices and premises' with a rateable value of £17,000. However, this assessment appears to reflect the offices only, excluding the remainder of the accommodation to include the workshop section and the confined space building.

10.2 The Uniform Business Rate (UBR) for the property for the year 2018/19 is 48.0 pence in the pound.

11.0 PLANNING

11.1 A search on the Wakefield Council website has revealed the existence of the following pertinent planning applications pertaining to the property:

Reference	Description	Decision
06/00073/FUL	Single storey modular building for training purposes	Approved 03/07/06
15/01929/OUT	Outline residential development for up to 11 no. dwellings with means of access only and demolition of fire station	Approved 09/11/15
17/00319/FUL	Change of use of former fire station to office and training accommodation	Approved 12/05/17

11.2 In arriving at our valuation opinion, we have specifically assumed the property benefits from full planning permission and building regulations approval for its construction and use.

11.3 Under Wakefield Council's adopted Local Plan, the property's land use is undesignated.

11.4 The property is not listed and is not situated within a conservation area.

12.0 CONDITION

12.1 We have not been asked to undertake a structural or building survey of the property and this was clearly outside the scope of the instruction. In arriving at our valuation opinion, we have specifically assumed the property is free from structural defect or significant repair.

12.2 The property is generally considered to be in good order commensurate with its age and use, this reflective of the extensive refurbishment work recently undertaken.

13.0 ENVIRONMENTAL ISSUES

13.1 Nothing was noted during our inspection that would lead us to recommend further investigation in connection with potential contamination issues at the property. However, we have been unable to establish with certainty whether significant contamination has occurred or is likely to occur.

13.2 A search on the Environment Agency website indicates the property is situated in an area having a Zone 1 flood risk (*"Low Probability Land having a less than 1 in 1,000 annual probability of river or sea flooding"*).

14.0 ENERGY PERFORMANCE CERTIFICATE

14.1 We have obtained a copy of the Energy Performance Certificate (EPC) for the property via the national non-domestic EPC register, this indicating that the property has an Energy Performance Assessment Rating of Band D (84).

14.2 Given this rating, there are no issues to consider in connection with the Minimum Energy Performance Standards (MEPS) that came into force on 1 April 2018, these preventing the letting of properties that have an EPC rating of band F or G.

14.3 The EPC was prepared prior to the refurbishment and improvement works that were undertaken and as such, it is likely that the Energy Performance Assessment Rating of the property will have improved as a result of these works.

15.0 GENERAL COMMENTS

15.1 The property comprises a fairly substantial former fire station building occupying a prominent roadside position in the market town of Ossett, the property having recently undergone a scheme of remodelling and refurbishment to provide a mix of office and workshop accommodation.

15.2 The property is held as an investment producing a current passing rental of £45,000 per annum and the tenant seemingly offering a good covenant strength and quality from the financial report obtained.

15.3 Given the location and nature of the property, if it became available for sale on the open market, having regard to current market conditions we consider there would be a good level of demand with interest stemming from investors on a local and regional level.

15.4 Our valuation has been arrived at adopting the comparable method, the evidence gathered in support of our valuation opinion being summarised as follows:

Units 13 & 14, Castlefields Industrial Estate, Bingley – two adjoining single storey industrial units extending to 10,837 ft² let to a single corporate tenant with a passing rent of £34,000 per annum and 5½ years remaining sold December 2017 at £400,000 equating to a gross yield of 8.50%.

Bradford Road, Bradford – single storey retail warehouse unit extending to 4,565 ft² let to United Carpets Property Limited with a passing rent of £39,000 per annum and 13 years remaining sold December 2017 at £475,000 equating to a gross yield of 8.21%.

West 26 Business Park, Whitehall Road, Cleckheaton – modern single storey industrial unit extending to 14,666 ft² let to Vokera Limited with a passing rent of £97,760 per annum and 13 years remaining (with a tenant break at year 10) sold September 2017 at £1,480,000 equating to a gross yield of 6.61%.

Units 2 & 3, Sovereign House, Butterley Street, Leeds – two adjoining single storey industrial units extending to 5,801 ft² let to individual tenants with a passing rent of £19,500 per annum sold April 2017 at £252,000 equating to a gross yield of 7.74%.

Unit 1, Granary Court, Bradford – modern single storey industrial unit extending to 8,084 ft² let to a single corporate tenant with a passing rent of £32,000 per annum under a new 10 year lease sold December 2016 at £417,500 equating to a gross yield of 7.66%.

15.5 This report is subject to and should be read in conjunction with our Terms and Conditions of Engagement as attached at Appendix III.

16.0 CONFIDENTIALITY

- 16.1 This Report has been prepared for the purposes of the addressee only and no responsibility can be accepted to any third party for all or any part of the contents. Neither the whole nor any part of the Report nor any reference thereto may be included in any document, circular or statement without written approval first being obtained as to the form and context in which it will appear.

Yours faithfully



Paul M. Diakiw DipSurv, MRICS
Walker Singleton (Commercial) Limited



Jonathan O'Connor DipVals, AssocRICS
Walker Singleton (Commercial) Limited

APPENDIX I
LOCATION AND TITLE PLANS

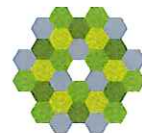
HM Land Registry Current title plan

Title number YY83172

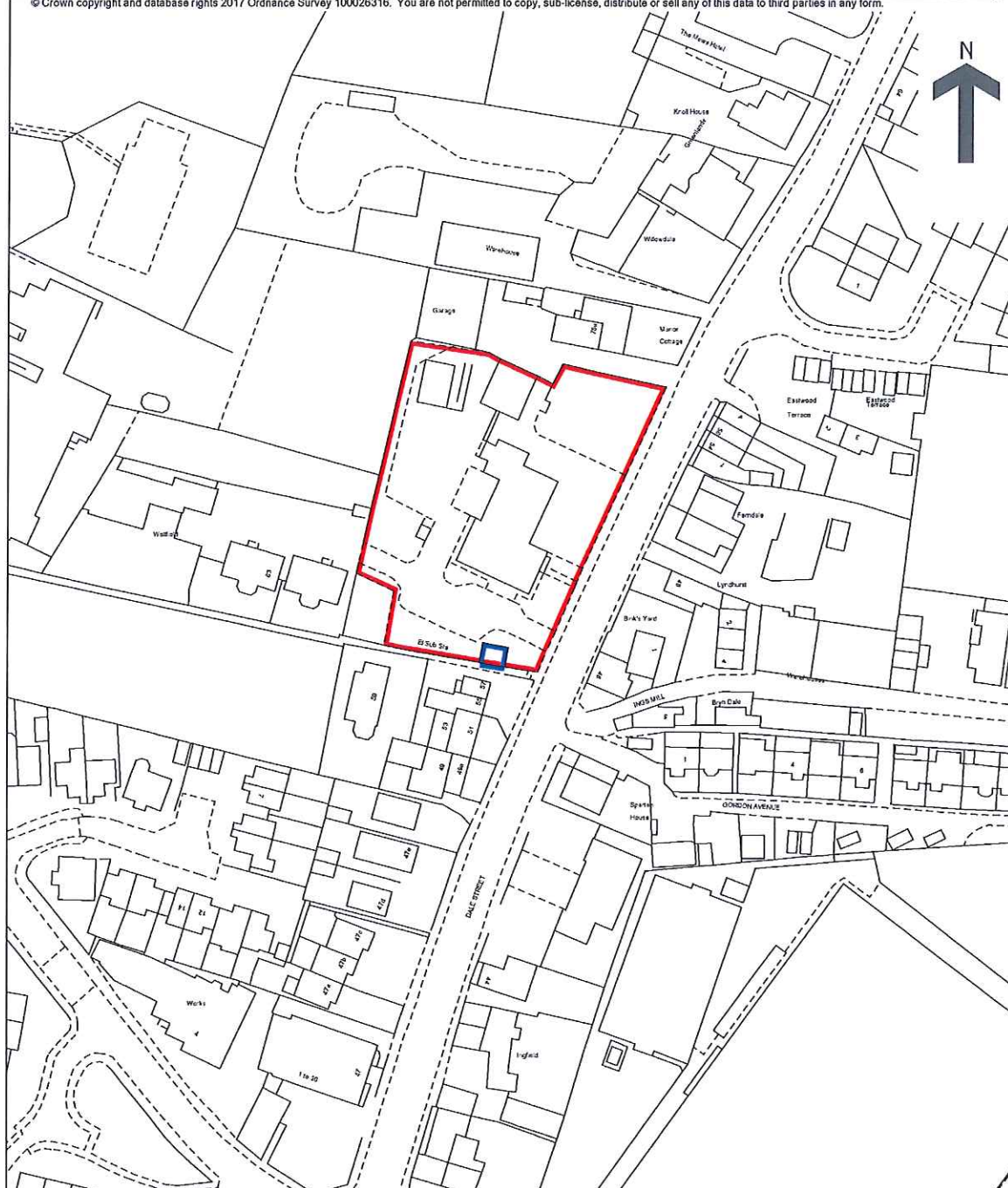
Ordnance Survey map reference SE2720NE

Scale 1:1250

Administrative area **West Yorkshire : Wakefield**



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This is a copy of the title plan on 23 MAY 2018 at 12:58:28. This copy does not take account of any application made after that time even if still pending in HM Land Registry when this copy was issued.

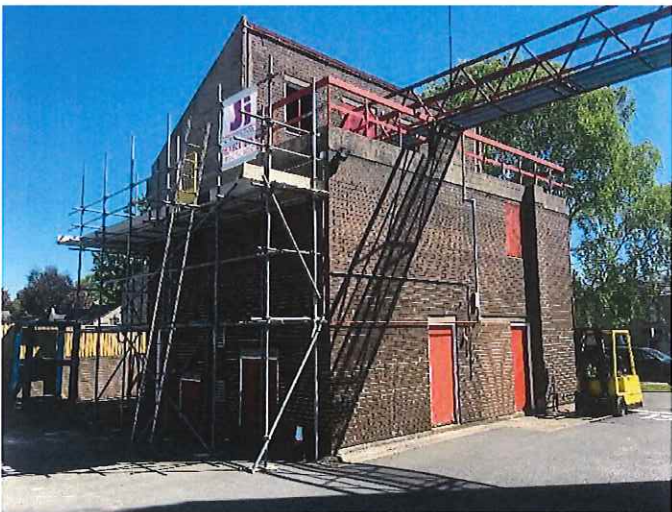
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This title is dealt with by HM Land Registry, Nottingham Office.

APPENDIX II
PHOTOGRAPHS

The Old Fire Station, Dale Street, Ossett



APPENDIX III
TERMS OF ENGAGEMENT

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Dale Street
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WF5 9HF

Our ref: PMD/PD/32882

23 May 2018

Dear Sirs

THE OLD FIRE STATION, DALE STREET, OSSETT WF5 9HF

We refer to instructions received on 9 May 2018 to prepare a valuation and appraisal in respect of the above mixed office and workshop property that is to be held as an investment.

We confirm that we are external valuers, have no conflict of interest and are able to accept these instructions to prepare a valuation on the property.

CONDITIONS OF ENGAGEMENT

1. The valuation report shall be prepared in accordance with the RICS Valuation - Global Standards 2017 (Red Book 2017).
2. Our fee for this service has been agreed at £675 plus VAT at the current rate.
3. The Valuer shall advise the client in writing as to the opinion of value of the freehold interest as specified by the client in the subject property.
4. The valuation is required for pension fund administration purposes.
5. The date of the valuation will be 14 May 2018.
6. The value advised by the Valuer shall be:

Market Value (MV)

The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Market Rental (MR)

The estimated amount for which a property, or space within a property, should lease (let) on the date of valuation between a willing lessor and a willing lessee on appropriate lease terms in an arm's-length transaction after proper marketing wherein the parties had acted knowledgeably, prudently and without compulsion.

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7. In compiling the report, the following assumptions shall be made:
 - a) Planning permission and buildings regulations approval exists for the property's construction and use.
8. The valuation will include normal landlord's fixtures and fittings, but will exclude any specialist plant, machinery and equipment.
9. The valuations will exclude any additional value attributable to personal goodwill or the value of any fixtures and fittings, furniture, furnishings and equipment except in the case of property which changes hands as a fully equipped, trading entity, where only personal goodwill is excluded.
10. No allowance has been made for liability for taxation which may arise on disposal, whether actual or notional e.g. VAT and Capital Gains Tax nor any costs of acquisition or realisation.
11. Subject to the following further conditions the Valuer shall carry out such inspections and investigations as are, in the Valuer's professional judgement, appropriate and possible in the particular circumstances and within the time limits specified by the client.
12. The Valuer shall, unless otherwise expressly agreed, rely upon information provided by the client or the client's legal or other professional advisors relating to tenure, tenancies and other relevant matters.
13. No responsibility or liability will be accepted for the true interpretation of the legal position of the client or other parties.
14. The Valuer shall have regard to the apparent state of repair and condition of the property, but shall be under no duty to carry out a structural survey, nor to inspect those parts of the property which are covered, unexposed or inaccessible and such parts will be assumed to be in good repair and condition. The report will not purport to express an opinion about, nor to advise upon the condition of uninspected parts and should not be taken as making any implied representation or statement about such parts. The Valuer shall be under no duty to arrange for the testing of electrical, heating or other services and equipment. The client should satisfy themselves in connection with any hidden cables or electrical equipment at the premises or in their immediate vicinity.
15. In compiling the report the following assumptions will be made, which the Valuer shall be under no duty to verify:
 - (a) that no deleterious or hazardous materials or techniques were used in the construction of the property or have since been incorporated and that the property does not suffer from any latent defects;
 - (b) that good Title can be shown and that the premises are not subject to any unusual or especially onerous restrictions, encumbrances or outgoing;

- (c) that the property and its value are unaffected by any matters which would be revealed by a Local or Mining Search and replies to the usual enquiries, or by any Statutory Notice and that neither the property nor its condition, nor its use, nor its intended use is or will be unlawful; and
 - (d) that inspection of those parts which have not been inspected would neither reveal material defects nor cause the Valuer to alter the valuation materially.
16. The Valuer shall be under no duty to make any recommendations in connection with The Control of Asbestos at Work Regulations 2002.
17. **Environmental Matters, Contamination and Hazardous Substances.**

We are not aware of the content of any environmental audit or other environmental investigation or soil survey which may have been carried out on the property and which may draw attention to any contamination or hazardous substances, or the possibility of any such contamination or presence of hazardous substances. **In undertaking our work we have assumed that no contaminative or potentially contaminative uses have ever been carried out on the property and no hazardous substances are present.** We have not carried out any investigation into past or present uses, either of the property or of any neighbouring land, to establish whether there is any contamination/hazardous substances, or potential for contamination to the subject property from these uses or sites and have therefore assumed that none exists. We shall however provide general observations which may assist in considering whether a detailed environmental audit should be commissioned where appropriate.

As from 1st April 2000 Local Authorities are required to determine the exact extent of land contamination in their areas to assist in the production of a precise National Register. For the purposes of this valuation we have assumed that, unless advised to the contrary, the subject premises will not be included on that Register. However, should it be established subsequently that contamination, seepage, or hazardous substances exists at the property or on any neighbouring land or that the premises have been or are being put to a contaminative use this might reduce the values now reported.

18. The Valuer shall provide to the client a report setting out the opinion of value of the relevant interest in the property. The report will be provided for the stated purpose and for the sole use of the named client. It will be confidential to the client and the client's professional advisors. The Valuer accepts responsibility to the client, that the report will be prepared with the skill, care and diligence reasonably to be expected of a competent Chartered Surveyor, but accepts no responsibility whatsoever to any parties other than the client. Any such parties rely upon the report at their own risk. Neither the whole nor any part of the report nor any reference thereto may be included in any published document, circular or statement nor published or reproduced in any way without the Valuer's written approval as to the form and context in which it will appear. In the event of a proposal to place the

loan on the subject property in a syndicate, the client must notify the valuer, with a view to agreeing responsibility to the further named parties.

19. The client will pay to the Valuer the fee agreed. In addition the client will reimburse the Valuer the costs of all reasonable out of pocket expenses which may be incurred and pay the amount of any Value Added Tax on the fee and expenses.
20. In accordance with the RICS Rules of Conduct, Rule 7, Walker Singleton have a complaints handling procedure, a copy of which is available on request.
21. The valuation may be subject to monitoring under the conduct and disciplinary regulations of the RICS.

Yours faithfully



Walker Singleton (Commercial) Limited