



Pre-Acquisition Survey Report

**Freetrade Exchange
37 Peter Street,
Manchester M2 5GB**

A REPORT PREPARED FOR AND ON BEHALF OF:
Clearbell Capital
2 Harewood Place, London W1S 1BX

Issue Date: 12 July 2021
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Reference:

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For and on behalf of
Paragon Building Consultancy Limited

DASHBOARD SUMMARY

SUITABILITY FOR ACQUISITION

Our building inspection did not reveal any evidence of significant defects to the structure of the property. Provided you take into consideration the issues raised within this report along with the cost of repairs and satisfactorily address any legal issues raised, then from a technical perspective, there is nothing to prevent you from proceeding with your acquisition.

We understand you have obtained separate advice with regards to environmental risk.

KEY SURVEY FINDINGS

- H Critical or high risk issue for urgent action and management attention
 M Medium risk issue for ongoing management or action
 L Low risk item for review and management
 N Note for information only

		(£)	
1.	The following issues represent the key matters for consideration as a result of our building inspection with regards to the form of construction and condition of the property. There are no significant defects to the structure of the property however life cycle related external fabric repairs are now required in order to maintain the overall fabric and aesthetic appearance of the building. The following key repairs are required: • Renewal of roof coverings and waterproof coatings to level 5 balcony areas • Specialist stonework repairs and repointing at level 5 cornice/balustrade and at street level • Specialist stonework cleaning to all elevations • External redecoration of timber framed windows and polyester powder coated (PPC) aluminium windows • Miscellaneous minor repairs	243,450	M
2.	With the exception of part second floor and the lower ground floor, the property is vacant. We understand you propose to undertake a comprehensive internal refurbishment of the building. The current mechanical and electrical installations date from the buildings refurbishment circa 2005. The age and specification quality of these installations are such that replacement is recommended in conjunction with this refurbishment. The exception is the gas fired boilers which were replaced in 2019 and there is an opportunity to modify and re-use these subject to detailed design review. We have not therefore included for any repair or replacement costs in this report on the basis you have budgeted for this work in your overall refurbishment budget.		L

3.	The basement suffers moderate levels of damp ingress, particularly via the original stone slab floor and external walls to Southmill and Peter Street. Basement tanking works will be required in conjunction with your refurbishment on the understanding that these areas are to be converted from current general storage use to ancillary and welfare use including, showers, changing rooms and gym.	56,650	M
4.	We understand you propose to remove the existing car lift to enable a reconfigured and improved secondary office entrance on Bootle Street. The arrangement of the existing car lift structural opening has resulted in long-term water ingress into the basement boiler room below. The concrete slab and structural steelwork between the boiler room and the car lift deck, suffer spalling and corrosion as a result of this water ingress and require insitu repairs.	8,500	M
5.	The building is Grade II listed and as such Planning and Listed Building Consent will be required for your proposed refurbishment works subject to your proposed scope.		M
The total cost of repair works identified in the Schedule of Repairs in our report is £308,600 exclusive of professional fees and VAT. We have allocated in our Schedule of Repairs all of this cost to the Landlord on the basis of the vacancy of the building and the planned refurbishment. The lease obligations should also be clarified by your legal advisors.			

ITEMS FOR SOLICITORS

Please refer to the Paragon Tracker Schedule for solicitor's queries in **Appendix 5**. If your solicitor raises any specific issues or concerns please pass for our review and comment.

EPC

1.	The Energy Performance Rating for this property is D 85.
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RECOMMENDATIONS FOR FURTHER TESTING

		REQUIRED?	COMMENTS
	Asbestos	NO	Existing asbestos reports confirm that asbestos was removed as part of prior refurbishment circa 2005. Current asbestos management plan confirm that remaining asbestos is limited and low risk.
	Concrete (HAC, Chlorides and Woodwool)	NO	Primary structure is cast iron with timber floors.
	Environmental	NO	We understand you have obtained environmental advice via your solicitor's searches.

	Cladding	NO	Composite cladding is present but limited to level 5 plant rooms and part level 5 office areas. As-built information does not confirm the composition of this cladding however it was installed in 2005 and as result we would expect this to be LPCB approved. Post acquisition testing may be required by your insurers to confirm this.
	Below ground drainage	NO	We did not identify any defects above ground that would indicate potential issued with below ground drainage.

REINSTATEMENT COST ASSESSMENT

Reinstatement Cost Assessment

We recommend that the property is insured for a declared value of no less than £12,382,007 based upon a gross internal area of 4,562 sq m inclusive of professional fees and exclusive of VAT. This figure is calculated on a day one basis with a rebuild period of 36 months.

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PRE-ACQUISITION SURVEY REPORT

CLIENT NAME: Clearbell Capital

PROPERTY ADDRESS: Freetrade Exchange
37 Peter Street,
Manchester M2 5GB

INSPECTION DATE: 28 June 2021



1.0 PROPERTY DESCRIPTION

- | | |
|-----|---|
| 1.1 | <p>Freetrade Exchange is a former packing warehouse built 1868 that was previously converted to office accommodation and then extensively refurbished and reconfigured circa 2005. The building currently provides 36,266 sq ft NIA of office accommodation. The building was listed Grade II in 1982 as “Harvester House” however with no description of the internal finishes, fixtures or fittings provided. The original internal fabric of the building has been lost or altered as result of various adaptations and refurbishments. Remaining elements appear to be limited to the rear staircase and the general arrangement of the basement which is sub-divided mostly by original brick walls. The original building had a pitched slate roof. The 2004 planning application stated that a rooftop extension was added as early as the 1920’s and that the building had been used as office accommodation since approximately the 1970’s. Originally five stories plus lower ground floor and basement, an additional storey was added in the 20th century and altered circa 2005. The current arrangement of the building is as follows:</p> <ul style="list-style-type: none"> • Basement – storage and plant rooms • Lower Ground Floor – office • Ground Floor – main reception and office • 1st – 5th Floors - office |
| 1.2 | <p>The primary structure of the building is cast iron with timber floors. Reinforced concrete floors supported by steel beams are evident at basement soffit level below the original loading bay. The fifth floor extension circa is steel framed.</p> |
| 1.3 | <p>The main flat roof is weathered with a single ply PVC membrane over insulation and supported by a profiled metal deck. There are four openings in the roof for polycarbonate pyramid rooflights providing natural light to the fifth floor office space below. The two brick clad lift overrun plant rooms at roof level have been overclad with composite cladding with roofs weathered in profiled metal cladding. A secondary flat roof at fifth floor level supporting the main central chiller plant also has a single ply PVC membrane. The perimeter flat roof at fifth floor level forming the balcony walkway is of inverted construction with a waterproof membrane under insulation and part stone ballast. The main walkway has timber decking. Rainwater from all roofs discharges to point gulleys connected to downpipes routed internally through the building.</p> |

1.4	The Peter Street and Southmill Street elevations are formed in sandstone with various stone details including a large cornice and stone balustrading at fifth floor level. The Bootle street elevation is formed of brick with sandstone cills and cornice. The cornices are weathered with lead capping. The western elevation is partly enclosed by the neighbouring building but there are areas of exposed brickwork. The planar glazed main entrance to the building at grade is now through what is believed to be a 20th century loading bay entrance, however the original stepped entrance is centred on Peter Street and now not used. The loading bay continued through the full depth of the building to where the current car lift is located. The fifth floor extension façade is formed in PPC aluminium curtain walling with front sealed double glazed units.
1.5	Windows to the Peter Street and Southmill Street elevations are single glazed timber sash windows which have been sealed shut in the prior refurbishment. Windows to the Bootle Street elevation are double glazed, timber framed fixed casements which were installed in the prior refurbishment. Windows at pavement level serving the lower ground floor are double glazed, polyester powder coated (PPC) aluminium framed fixed casements, again assumed to have been installed in the last refurbishment. The main entrance doors are fully glazed as part of the planar glazed entrance screen. A secondary entrance to the lower ground floor office off Peter Street is also fully glazed. The rear office entrance off Bootle Street is a painted timber flush panel door. The proprietary car lift/stacker accessed off Bootle Street has an electrically operated steel roller shutter door.
1.6	Internally, the main office accommodation CAT A fit out includes a raised access floor of fixed metal encased timber panels supported on steel pedestals. Ceilings throughout are plasterboard without service zones (HVAC is via the floor void) with the exception of the fifth floor which has a conventional suspended ceiling grid with stove enamelled metal tiles. Typical CAT B tenant fit outs including demountable partitions and tea points are provided to all office areas. Office entrances off the front staircase have full height PPC aluminium framed and glazed entrance screens incorporating matching glazed office entrance doors. Remaining internal doors are veneer faced timber.
1.7	The office common areas have a typical fit out including painted plasterboard ceilings, painted plaster walls and a combination of carpet, ceramic tile and wood laminate finishes. The main entrance has feature timber cladding to walls and raft ceilings. The rear staircase is formed in stone and cast iron with metal balustrade, timber handrails and exposed brickwork to walls.
1.8	The basement areas are currently used for storage and plant with the space subdivided by the original brick internal walls. Finishes are limited to part painted floors which have a cementitious screen over original stone paving, painted brickwork walls and paint finished internal timber doors and joinery.
1.9	Access between floors is provided by a main staircase to the front of the building together with a 6 person passenger lift with secondary escape staircase to the rear with 8 person lift. The main entrance has a split level mezzanine with a DDA platform lift providing the required access to the front passenger lift at mezzanine level. The lower ground floor office has a secondary designated entrance via a further internal staircase off Peter Street however this is currently unused. This feature staircase has timber treads and risers with glass balustrade and stainless steel handrails. We understand this separate entrance was created in the prior refurbishment to enable a licenced or leisure letting at lower ground floor.

1.10	Toilet accommodation comprises separate male and female toilets serving each floor together with separate accessible WC. Each male toilet has two WC's, one urinal (two at fifth, third and lower ground floor) and two wash hand basins. Each female toilet has three WC's and two wash hand basins. The basement has a single WC and separate single shower. The toilets have a typical fit out with mineral fibre tile suspended ceilings, part painted plaster and ceramic tiled walls, ceramic tiled floors, vanity units and proprietary toilet cubicles.
1.11	There are no external areas to the building with the pavements on Peter Street, Southmill Street and Bootle Street delineating the boundary of the property.
1.12	Please refer to our Building Services Report at Appendix 6 for a detailed description of the installed mechanical and electrical installations.
	Prior Refurbishment
1.13	Our review of information contained on the data site confirms that Planning and Listed Building consent was obtained for the prior refurbishment work in 2004. The works were completed circa 2005 or 2006 however a Building Regulations Final Certificate was issued in 2007. We have not seen any evidence of formal discharge of planning conditions and recommend your solicitors make formal enquiries in this regard. Given the period of time that has elapsed since completion of the work, and on the assumption that your solicitors confirm there has been no enforcement action, the absence of formal discharge notices would be not be critical in our opinion.
1.14	We note a Building Contract and Appointments for the Architect and Structural Engineer have been provided on the data site however on the basis the works completed more than 12 years ago, you will not be able to rely upon them.
1.15	We recommend your solicitors formally request as-built information from this refurbishment to inform your proposed works. Our observations from hard copies found on site is that the as-built information is incomplete and of limited quality and use.

2.0 STATE OF REPAIR

	The following issues represent the key matters for consideration, as a result of our building inspection with regards to the form of construction and condition of the property.	
2.1	Structure	
2.1.1	The allowable live load of the floor structure is unknown; however, our visual inspection revealed no evidence of gross overloading or significant defect in the form of deflection or cracking that would indicate a structural problem with the floor.	L
2.1.2	We are not able to visually inspect the foundations and no existing drawing information is readily available. We cannot therefore comment on their design, type or adequacy. However, whilst the foundations are concealed from view, our visual inspection revealed no evidence of significant cracking, deflection or other distress to the superstructure that would indicate failure of the foundations and therefore no further investigations are warranted in this regard.	L

2.1.3	Our inspection revealed no evidence of significant visual defects indicative of either instability, subsidence, overloading or other form of structural distress with the walls, floor or roof construction. Accordingly, no further investigations are warranted into the structural adequacy of the property.	L
2.1.4	We identified advanced corrosion to exposed steel floor beams and embedded steelwork in a concrete slab above the boiler room directly beneath the car lift. This is a result of long-standing water ingress, prior to the car lift and further deterioration in recent years directly via the car lift, caused by inadequate and defective drainage at the street level threshold to the car lift opening. The car lift itself is supported by a circa 2007 suspended concrete floor structure above this slab. The issue is localised and assuming the car lift is removed in your planned refurbishment, the cause of the ingress can be permanently resolved with a new suspended structural floor and waterproofing above this location. The lower slab above the boiler room will require insitu repairs including removal of loose concrete and corrosion treatment to steelwork.	M
2.1.5	We noted corrosion of embedded steelwork within a concrete roof deck over the front lift overrun plant room. The plant room is currently dry and this corrosion is clearly historic prior to the over-cladding and re-roofing of this plant room. As result, repairs are not considered necessary.	L
2.1.6	Stepped cracking is evident internally to the exposed brickwork at the rear staircase. This cracking is clearly historic with evidence of repairs and repointing as part of the prior refurbishment. We do not consider this minor cracking to be progressive or structurally significant.	L
2.1.7	There is evidence of prior brickwork repairs to the Bootle Street Elevation and the corner return at Bootle Street with the adjoining building. These repairs are clearly long-standing and there is no evidence of any current movement or cracking in the brickwork.	L
2.2	Roofs	
2.2.1	There are no active roof leaks via the main flat above the fifth floor office space and subject to ongoing maintenance, this should remain weather tight for a further 5-7 years. However, on the assumption that the existing air-handling plant located at this level is replaced as part of your planned refurbishment, it would be prudent to replace the roof covering at the same time and we have therefore included a budget cost for this in our schedule of repairs.	M
2.2.2	One of the four polycarbonate covered pyramid rooflights has been repaired with an overlay film. We did not identify any internal roof leaks via these rooflights however they are now circa 15 years old and we recommend the polycarbonate covers are lifecycle replaced as part of the planned refurbishment.	M
2.2.3	There is evidence of minor roof leaks at fourth floor office level corresponding with the position of the fifth floor level balcony walkway above. The timber decking will require removal (it requires renewal in any event due to wet rot decay) and a remedial waterproof coating applied to this deck. The condition of this waterproofing and associated rainwater outlets is also a potential contributing cause of the masonry saturation discussed further below.	M

2.2.4	Assuming the central chiller plant is replaced with a VRF system as part of your refurbishment, renewal of the secondary flat roof covering at fifth floor level where the current chiller plant is located will also be required. This secondary flat roof extends to a single ply covered gutter along the line of parapet which separates the adjoining building. Whilst we found no evidence of roof leaks internally via this gutter, we recommend the waterproof membrane is replaced at the same time.	M
2.2.5	Steelwork at fifth floor balcony level is in good condition however cyclical redecoration is now required. The timber handrails to the walkway suffer advanced wet rot and misalignment due to long-term saturation and require replacement.	L
2.3	Elevations	
2.3.1	The overall condition of the masonry facades is good overall in consideration of the buildings age however there are areas at ground level in fair condition and isolated areas at eaves level in poor condition requiring remedial repairs. Remedial works recommended are discussed in the paragraphs below.	M
2.3.2	The stone elements of the façade suffer have atmospheric staining typical of the buildings age and city centre location. The building is Grade II listed and it's cleaning will require consent. It should be noted that the conservation officer will only permit DOFF cleaning (a sensitive steam cleaning method) which will certainly improve the appearance but will not "transform" the stonework.	L
2.3.3	Stone facings at street level suffer typical erosion from historic weathering and damage from highway de-icing salts. This is to be expected given the building age and wholesale replacement of stone units and mouldings is not necessary. There are however isolated areas where advanced weathering is resulting in friable material and minor damp ingress internally. This is specific to minor and isolated damp ingress around 5 windows at LG level and at ground level skirting level to the rear corner junction with Bootle Street and Southmill Street. Repairs will involve descaling (the sensitive removal of friable material) and if permitted by the conservation officer, the application of a proprietary sandstone stabilising sealant.	M
2.3.4	The stone balustrade to the Peter Street and Southmill Street elevations was previously stabilised circa 2005-2007 as part of the roof extension at that time. The balustrade is tied back to an independent engineered steel frame. There is no evidence to suggest this has not been successful. Historic deflection/rotation of this balustrade can be seen, however mortar filleting to weather the junction of displaced units is of obvious age and remains intact indicating no further movement has occurred. Stonework repairs are however required to this balustrade as further described in the paragraph below.	M
2.3.5	Stone architraves, cornice and balustrading at eaves level has isolated areas of advanced erosion with friable stonework evident. Pointing is also friable or missing in places. These defects result from long-term weathering and saturation as evidenced by initial organic growth and "greening" of the stone. Utilising the scaffolding required for your planned refurbishment, a detailed survey of the high level stonework will be required to fully quantify and confirm the repairs required. We anticipate this will involve descaling, isolated repairs and repointing, together with the removal of organic material.	M

2.3.6	We are aware that on the 29 June 2021, a small section of stonework detached from a single corbel supporting the cornice at eaves level Bootle Street elevation. The pavement below was cordoned off as a result. The vendor has since arranged for a specialist contractor to inspect the cornice and remove any loose material. We understand the vendor is satisfied there is no remaining risk of detachment as a result of this work and the pavement has been reopened. The location of this stone detachment is consistent with long-term saturation of the masonry which is further evidenced by salt staining and efflorescence to the internal exposed brickwork to the rear staircase below this cornice. At roof level, we note that lead capping to the coping stones to the parapet above this cornice only extends to the front section of the coping allowing water to saturate part of the coping and through the lower masonry parapet. The cement render to the rear of the parapet is delaminating and this requires removal and the underlying brickwork repointed. A contributing factor may also be the waterproofing to the balcony as discussed at paragraph 2.2.3. We have included budget costs for remedial works required in our Schedule of Repairs.	M
2.3.7	High level brickwork on the Bootle Street elevation on the corner return to the adjoining building has weathered facings and pointing. Minor brickwork repairs will be required via the scaffolding required for the repairs described above.	L
2.3.8	The timber sash windows to Peter Street and Southmill Street are in fair condition with minor wet rot to external cills resulting from overdue redecoration maintenance. These windows were sealed shut in the last refurbishment and the original opening mechanisms are either removed or redundant. Assuming the HVAC strategy in your proposed refurbishment requires these windows to remain sealed, then repairs will be limited to splice in timber repairs and redecoration. Mastic has previously been used to point around the window frames and this is now peeling off. The mastic should be removed entirely and cementitious pointing carried out where required.	L
2.3.9	Windows to the Bootle Street elevation were replaced in the last refurbishment and remain in good condition and require external redecoration only. The windows at pavement level serving the lower ground floor space on Southmill and Bootle Street are PPC aluminium framed double glazed units and are in good condition.	L
2.3.10	The front-sealed curtain glazing to the fifth floor extension is in good condition with no evidence of water ingress or weathering to seals. The PPC aluminium frames together with the associated doors suffer initial solar fading and minor impact damage and would benefit from insitu spray recoating.	L
2.3.11	The glass main entrance doors, the secondary entrance doors and associated planar glazing and canopy are in good condition with no significant defects. We have included for cleaning and overhaul of opening mechanisms in our schedule of repairs.	L
2.3.12	The rear entrance door is impact damaged however we assume its repair will be superseded by your refurbishment plans to reconfigure this rear entrance. The same applies to the roller shutter to the car lift.	L

2.4	External Areas	
2.4.1	There are no external areas to the property.	N
2.5	Internal Areas	
2.5.1	There are varying levels of water ingress at basement level. The majority of the space is dry and there is no evidence of active water ingress/flooding. There are however areas with high saturation/moisture levels as follows: - The rooms below the front elevation on Peter Street suffer high levels of saturation at soffit and upper wall level with salt crystals and efflorescence prevalent. The Peter Street internal elevation at basement level requires vertical tanking if to be used for ancillary accommodation as opposed to general storage at present. - Archive room 6 has a section of raised slab with a cementitious screed topping. The cement screed has delaminated through the full depth of screed as a result of long-term slab moisture levels. The screed requires removal, the concrete slab waterproofed, and the screed replacing in this area. - Internal brickwork walls sub-dividing the basement space have typical high moisture levels up to approx. 500mm. A concrete screed laid over the original stone floor has minor spalling in areas due to moisture content. Remedial works will be dependent upon the use of these areas however tanking of the floor and at low level to walls is likely to be required. - Between ground and basement level, the rear stone staircase has surface delamination to the exposed underside of the steps and risers. The staircase is built-in to the rear elevation brickwork and the saturation is consistent with moisture tracking via the external wall. Localised repointing wall tanking will be required in this area in order to manage this going forwards.	M
2.5.2	There is no evidence of any water or damp ingress at lower ground floor with the exception of minor staining and efflorescence to five of the window reveals consistent with patches of friable stonework at the junction with the window frame. Minor staining and efflorescence is also evident to the internal wall between the rear staircase consistent with the defects described above. Minor external repairs are required as described in section 2.3 above.	L
2.5.3	Minor salt staining and efflorescence was also found above skirting level within the ground floor office space on the Bootle Street elevation. External repointing is required.	L
2.5.4	The remaining internal areas of the building are in fair condition overall albeit now dated in appearance given its last refurbishment circa 2005. We understand you propose a comprehensive internal refurbishment of the building and as such have not commented further on the condition of the CAT A fit out, except to note that your refurbishment will also need to include all toilet areas which are now tired and dated in appearance. All the current and former tenants CAT B fit outs remain insitu and will require removal as part of your planned refurbishment. Please refer to Section 3.3 for commentary on dilapidations matters.	L

2.6	Building Services	
2.6.1	We have been commissioned to inspect and report on the services installations within the property. A copy of our report can be found at Appendix 6. Key findings are summarised in the paragraphs below.	N
2.6.2	All the installed building services in the building, with the exception of the gas fired boilers date from the refurbishment circa 2005. The underfloor air conditioning system is known to have performance and maintenance issues and we understand you propose to replace this entirely as part of a proposed refurbishment. Similarly, the ventilation system has design and capacity constraints and we recommend it is replaced in conjunction with a new VRF heat/cool strategy. The gas fired boiler plant was replaced in 2019 and there is an opportunity to retain this to service a heating circuit to refurbished toilet and stair core areas subject to its modification to reflect its reduced capacity. It should be noted that on the basis that tenants remain in occupation on part second floor and lower ground floor, it will be necessary to maintain essential supplies during renewal of the above installations. An engineering design review is required to establish the viability of installing new installations alongside existing and a changeover that minimises disruption to tenants.	M
2.6.3	There are no significant concerns or defects with the main electrical switchgear which was all installed new circa 2005. We understand that you intend to renew all small power and lighting as part of planned refurbishment and would recommend this also includes the fire alarm installation which is now circa 15 years old.	L
2.6.4	Both the front and rear passenger lifts are manufactured by Orona and considered basic/low quality installations installed 2005. Whilst the lifts remain operational, their quality is such that lifecycle replacement should be considered in the short term. The reception DDA platform lift was installed at the same time and if not superseded by your proposed refurbishment, will require life cycle replacement in the next 5 years. The car lift is operational however we understand is to be removed as part of your planned refurbishment.	M

3.0 ASSET MANAGEMENT CONSIDERATIONS

3.1	Fire Safety
3.1.1	The Regulatory Reform (Fire Safety) Order 2005 (RRFSO) applies to all non-domestic premises and replaces Fire Certificates prescribed by the Fire Precautions Act 1971 and the Fire Precautions (Workplace) Regulations 1997.
3.1.2	The Regulations are based on a risk assessment approach maintained by the "responsible person" who in this instance because of the multi-let nature of the building, is the tenant for the leased areas and landlord for common areas. Accordingly, appropriate fire risk assessments are required and should be requested from the landlord and tenants to establish where shortfalls have been identified and ensure they are complying with the RRFSO and BS:9999.

3.1.3

We have reviewed the landlord's fire risk assessment prepared by S2 Partnership dated 5 September 2019. The fire risk assessment confirms the building has an overall low fire risk. The fire risk assessment does however identify moderate fire risks with recommend improvements and from our inspection we note the following are outstanding:

- A number of perforations in the fire resistant compartmentation were identified at the time of the site inspection. In the event of a fire, smoke or flames may spread into other areas of the building.
- The ground floor final exit door from the rear fire escape stairs opens inwards. This door will be used by more than 60 people during a fire evacuation, and the inward opening door will delay evacuation.
- A missing intumescent strip and cold smoke seal were noted to the roof access fire door. Fire and smoke may spread easily.

The above issues can be addressed as part of your proposed refurbishment of the building.

3.1.4

The existing fire safety arrangements for the premises can be summarised as follows:

Item	Description
Fire Alarm	Analog addressable L2 fire alarm system
Emergency Lighting	Integrated into individual general light fittings with battery invertor units
Means of Escape	Main staircase at the front of the property with alternative means of escape via rear staircase
Travel Distances	Within limits required by the Building Regulations
Compartmentation	See 3.1.5
Fire Doors	Provided where required with intumescent strips and smoke seals.

3.1.5

Whilst we have not undertaken a fire risk assessment or a fire engineering review, we observed the following further fire safety issues requiring further investigation or rectification by the tenant/landlord:

- We note that the data site includes a 2007 Final Certificate from an Approved Inspector to confirm that the prior refurbishment and alterations satisfied all Building Regulations applicable to the works at that time. There is no fire strategy information however in the limited as-built drawing information on the data site. The existing arrangement of the vertical riser in the building serving the ventilation ductwork and chilled water pipework does not appear to be appropriately fire stopped at each floor level with the required fire dampers. A fire engineering review would be required to investigate and confirm this however on the basis that your planned refurbishment would renew the ductwork and chilled water pipework then this potential shortfall is superseded and can be addressed as part of the proposed new works.
- The building has a cast iron frame with timber suspended floors. According to as-built drawings from the previous refurbishment, fire compartmentation between floors is currently provided via 2 layers of 12.5mm fire-line plaster boarded ceilings which under-draw the timber floor structure above at each level. The same drawings indicate that the existing cast iron columns have intumescent paint coating to fire protect the main frame. The advice of a suitability qualified fire engineer will be required to review any improvements required as part of your proposed refurbishment.

3.2 Health & Safety

3.2.1 Other than the recent stonework detachment discussed in Section 2.3, which has now been rectified, we did not identify any significant health and safety issues.

3.3 Dilapidations

3.3.1 We have reviewed the lease details provided and can confirm the following:

Unit No.	Tenant Name	Lease Commence	Lease Expiry	Term Unexpired	Schedule of Condition Y/N
Fifth floor	Fieldfisher LLP	28 April 2014	27 April 2024 (Break Option 24 December 2021)	2 years 9 months	N
Fourth Floor	Fieldfisher LLP	29 September 2017	27 April 2024 (Break Option 24 December 2021)	2 years 9 months	N
Third Floor	Vacant				
Part Second Floor	Paragon Building Consultancy Limited	25 July 2016	24 July 2022	1 year	Y
Part Second Floor	Vacant				
First Floor	Fieldfisher LLP	28 April 2014	27 April 2024 (Break Option 24 December 2021)	2 years 9 months	N
Ground Floor	Vacant				
Lower Ground Floor	Fieldfisher LLP	3 July 2018	27 April 2024 (Break Option 24 December 2021)	2 years 9 months	N
Basement Store Rooms 1, 3 and 4	Fieldfisher LLP	29 September 2017	27 April 2024 (Break Option 24 December 2021)	2 years 9 months	N

	Basement Store Room 6	Eque2 Limited	30 April 2013	30 April 2024	2 Year 9 months	N
3.3.2	The tenants occupy on an FRI lease terms with the recovering of costs by the landlord via a service charge for the repair and maintenance of the internal common areas and the shared structure and fabric of the building.					
3.3.3	Fieldfisher LLP have served notice to break their leases on the 24 December 2021 for the fifth, fourth, first floor and basement storage rooms. Your solicitors should advise you further on these notices. Fieldfisher have not served their break on the lower ground floor and will therefore remain in occupation until 27 April 2024. At the time of our survey, Fieldfisher were not in occupation of any floor including lower ground.					
3.3.4	At least six months prior to expiration of the term, the tenants should be served with a schedule of dilapidations and notice of reinstatement to address their breaches of covenant. We recommend that immediately following your acquisition, schedule of dilapidations should therefore be served on Fieldfisher for the fifth, fourth, first floor and basement store rooms.					
3.3.5	A schedule of condition is appended to the Paragon lease. The schedule will restrict the tenant's repairing obligations at lease expiry.					
3.3.6	The lease for Basement Store Room 6 to Eque2 Limited includes a landlord option to break at any time during the term with one month notice.					
3.3.7	We recommend you ascertain via your solicitors the current status of dilapidations matters in respect of the recently vacated third floor demise (Momentum Activated Demand Limited).					
3.4	Equality Act 2010					
3.4.1	Level access is currently provided via a platform lift within the main reception which links the level access main entrance door at grade to the front passenger lift at mezzanine level. The front passenger lift is a 6 person lift however is not fully DDA compliant by current standards due to its size which is constrained by the footprint of the existing lift shaft. To avoid the cost of increasing the front lift shaft size, an opportunity exists to convert the current car lift to form an improved rear entrance, with new at grade access to the existing 8 person DDA compliant lift at the rear of the building. Alternative adjustments at the front of the building would be costly and constrained by the listed status of the building. Further planning and building regulations advice will be required as part of your planned refurbishment to review and validate the feasibility of this option.					
3.4.2	Accessible toilets are currently provided to every floor level except basement. We understand you propose to introduce new shower and changing facilities at basement level as part of your refurbishment. Any new facilities will require accessible facilities to be included in order to comply with Part M of the Building Regulations.					

3.5

Refurbishment / Capital Expenditure

3.5.1

We understand you propose to undertake a comprehensive refurbishment of the building following acquisition. We understand this will include renewal of all existing installed building services excluding utility supplies and electrical switchgear which would be retained, together with a full CAT A refurbishment of all common areas and office suites. The cost of this refurbishment will be dependent on specification and extent of internal alterations proposed however for budgeting purposes, we would expect a cost in the order of £900 - £1,000 per sq m (excluding fees, contingencies, and VAT). Based on a GIA of 4,562 sq m, this would equate to cost range between £4.1m and £4.6m excluding the cost of the repairs in section 5 of this report.

3.6

Energy Performance Certificate & MEES Regulations compliance (England & Wales)

3.6.1

The Energy Performance of Buildings Directive requires an Energy Performance Certificate (EPC) to be provided by the vendor for non-domestic properties at the point of sale, lease or rental subject to criteria of building size and when exchange of contracts occurs.

3.6.2

We have been provided with the following EPC information:

Site Reference	EPC Rating	Date Range
Freetrade Exchange, 37 Peter Street, Manchester M2 5GB	D 84	6 March 2020

3.6.3

Since 1 April 2018, it has been unlawful to lease all privately rented commercial property or permit lease renewals unless the building complies with the Minimum Energy Efficiency Standards (MEES) with an EPC rating of 'A' to 'E'.

3.6.4

The standards and formulas now used to calculate EPC ratings incorporate more stringent efficiencies. Properties with a D and E rating, particularly if they were modelled pre-2013, are at risk of failing current MEES standards due to the change in modelling efficiencies. It is advisable to re-assess these properties to ensure they adhere to the new standards and meet the minimum EPC 'E' standard required.

3.6.5

The property has been recently assessed and the rating is above the minimum threshold, accordingly no further action is required. The proposed refurbishment presents an opportunity to significantly improve this rating on the assumption new energy efficient HVAC and LED lighting is provided throughout.

4.0 DELETERIOUS MATERIALS

4.1	Asbestos
4.1.1	Regulation 4 of The Control of Asbestos Regulations (CAR 2012) requires either the landlord or tenant as 'dutyholder' to manage asbestos in all non-domestic premises. Management of asbestos includes an assessment of asbestos containing materials, often by way of a survey, and the preparation of a written Management Plan.

4.1.2	We have not undertaken an asbestos survey, however we have reviewed the following asbestos documentation on the data site: • Pre refurbishment Asbestos Type 3 Survey Report dated 15 July 2004 • Post refurbishment asbestos removal records and clear air and reoccupation certificates dated 8 June 2005 • Asbestos Management Plan dated 10 September 2020
4.1.3	In summary, the above documentation confirms that the majority of asbestos in the building was removed as part of the circa 2005 refurbishment. Remaining asbestos in the building is limited to the following with assessed risk rating from the Asbestos Management Plan shown in brackets: • Chrysotile gaskets to boiler room pipework (trivial risk) • Chrysotile brake linings to rear lift (trivial risk) • Chrysotile encapsulated with former oil storage room fire door (trivial risk) • Assumed asbestos with inaccessible lift shafts not surveyed (tolerable risk)
4.1.4	A new asbestos refurbishment and demolition survey will be required prior to your proposed refurbishment of the building. Based on the above reports, the risk of this identifying significant amounts of asbestos is low.
4.2	Concrete
4.2.1	Chlorides may be present cast-in within the concrete mix either from the addition of calcium chloride accelerator or the use of sea-dredged aggregates. Buildings at risk of containing chlorides are those with insitu and/or precast concrete frames and floors constructed up until 1980.
4.2.2	HAC was used to produce high strength precast concrete floor and roof units very quickly. HAC may be present in buildings with precast concrete elements up until 1976 when it was banned.
4.2.3	During our inspection we identified the structural use of concrete elements which are of an age considered to be at risk of containing chlorides however the extent of these concrete elements is limited and further investigation are not therefore required. Provided you undertake the repairs identified in this report, the risk of chloride content in concrete having a significant bearing on your acquisition is low.
4.2.4	We did not identify any pre-cast concrete elements during our inspection and as such further investigations for HAC are not required.
4.3	Woodwool Slabs
4.3.1	Our inspection did not reveal any visible evidence of woodwool slabs used as a permanent shutter and accordingly no investigations are required.

4.4	Lead (in water pipes or paint)
4.4.1	Historically, up to circa 1990, most water pipework was made from lead or had lead solder to joints, which was subsequently found to pose a risk of contamination to the water itself. Lead was also used in paintwork and posed a similar risk if painted finishes were disturbed.
4.4.2	The building is of an age when lead pipework or lead in paint was used but none was positively identified.
4.5	Nickel Sulphide inclusions in toughened glass
4.5.1	All glass contains impurities but during the heat treatment process of toughening, impurities can be converted into an unstable state as they shrink. Subsequently, over months or years the particles revert to their stable state and size, which can lead to spontaneous fracturing of the glass. This process can be mitigated by applying a heat soaking treatment during manufacture. The failures are most likely to occur during the first 10 years following manufacture but can be present in glazing up to 20 years old.
4.5.2	We do not consider that Nickel Sulphide inclusions are a risk at this property because the building is of an age whereby we would have expected fracturing to have already occurred and there is no evidence (current or historic) to suggest this.
	Composite Cladding
4.5.3	Composite panels are a popular and widely used construction material used to form external elevations and roof cladding. They have been used since as early as the 1960s but are most commonly used in out of town retail, and industrial or warehouse buildings, particularly since the 1990s. They are formed of an insulation core sandwiched between two metal facings. The performance of composite panels in the event of a fire can be of concern to insurers where specific types of combustible insulation core are used, for example expanded polystyrene, PUR (polyurethane) or PIR (polyisocyanurate). The combustible nature of the cores can cause performance issues in terms of spread of fire, accelerated deterioration of the structural integrity of the panels, difficulties in extinguishing or containing a fire, or creation of toxic smoke.
4.5.4	Since the mid 1980's the Loss Prevention Certification Board (LPCB) was established and this now forms part of the Building Research Establishment. Typically, composite panels are now subjected to stringent testing and given LPCB ratings for insurance purposes based on their performance in the event of a fire. Where no information is held on site, in the Health and Safety File or Operation and Maintenance Manuals detailing the specification of the composite panels, the only way to establish the type of insulation core is by taking an intrusive sample for testing. There are also instances of the information held being incorrect, so to be sure testing would be recommended.
4.5.5	The type of building, building use, height, building age and level of fire engineering can all factor into the use of composite panels and the risk associated with them. Where composite panels are identified we recommend you highlight them with your insurers immediately to get their opinion on the level of risk and if they would be prepared to insure or not; or if there would be a premium involved that may impact your purchase.

4.5.6	For this acquisition we did identify composite panels which form the wall cladding to the roof level plant rooms together with non-glazed sections of the fifth floor office extension façade. These panels were installed circa 2005 and as such we would expect them to be LPCB approved. Our review of the as-built records however does not verify the specification of the panels and as such your insurers may require these to be tested.
	Aluminium Composite Materials – ACMs
4.5.7	ACMs are thin panels formed of two layers of aluminium with a thin internal insulation core. ACM panels are typically used in rain screen cladding systems; i.e. where they provide an outer skin with a ventilated void behind, with the main structural and thermal element of the elevation on the inner leaf.
4.5.8	The performance of ACM panels in rain screen cladding systems is a concern where certain types of combustible core insulation are used leading to an increased risk of fire spread and structural integrity of the panels. Furthermore, inadequate or poorly installed fire barriers within the void behind the rain screen panels can further contribute to increased risk to fire safety.
4.5.9	Whilst the Building Regulations are not retrospective, Landlords can find themselves as duty-holders under the RRFSo for non-domestic buildings, for example in multi let buildings and therefore will be obliged to take measures to either manage the increased risk assessed where ACM panels form part of external cladding systems, or replace the high risk materials. Their presence can also lead to problems obtaining building insurance at commercially viable levels or even at all.
4.5.10	For this acquisition we did not identify ACM panels.

5.0 SCHEDULE OF REPAIRS

We set out below budget costs for repairs required which are inclusive of contractor's preliminaries, but exclusive of contingencies, professional fees and VAT. You should allow 15% to cover fees. These are for budget purposes only and based on current prices. No allowances have been made for inflation. Access costs for high level works have been included. The scope of this report is for years 1-5. Short term repairs are deemed to be required in years 1-2, medium term repairs in years 3-5.

Where we have split costs between likely tenant responsibility, service charge recoverable and landlord non-recoverable this is based on a standard FRI lease with tenants contributing towards a common service charge if multi-let. Where units are vacant this is assumed landlord cost. If leases have been provided for review then this has been taken into account when apportioning costs.

	Description	Tenant Responsibility Costs (£)		Service Charge Recoverable (£)		Landlord Non-Recoverable Costs (£)	
		Short	Medium	Short	Medium	Short	Medium
1.	Renew main flat roof covering (potentially defer subject to leak detection)					55,500	

2.	Renew polycarbonate roof lights (potentially defer subject to leak detection)					4,850	
3.	Roof level redecoration of joinery and metalwork					3,050	
4.	Level 5 Chiller plant flat roof renewal					400	
5.	Level 5 balcony flat roof renew covering					18,700	
6.	Level 5 party wall gutter flat roof renew covering					1,850	
7.	Level 5 balcony decking replacement					6,250	
8.	Level 5 balcony timber handrail replacement					2,550	
9.	Level 5 balcony steel work redecoration					2,000	
10.	Level 5 PPC curtain walling frames spray refinishing					6,500	
11.	Level 5 brickwork pointing repairs to rear of parapet					1,400	
12.	Level 5 cleaning of existing composite cladding					950	
13.	Elevation cleaning					22,900	
14.	Elevation scaffold					65,600	
15.	Provisional stone repairs (pending contractor quote)					36,300	
16.	Redecorate all timber framed windows (external)					5,300	

17.	Splice in timber repairs to sash windows					3,650	
18.	Remove failed mastic sealant to sash windows and repoint where required					2,650	
19.	Clean and overhaul existing glazed entrance doors/entrance glazing					3,050	
20.	Basement tanking to Peter Street elevation					6,350	
21.	Basement tanking to Bootle Street elevation					6,350	
22.	Basement tanking to Southmill Street elevation					7,050	
23.	Basement tanking to party wall elevation					7,050	
24.	Basement tanking to basement floor					24,000	
25.	Basement tanking to internal subdivision walls					5,850	
26.	Concrete and steelwork corrosion repairs to floor slab over boiler room					8,500	
27.	M&E Repairs (none on basis of renewal as part of refurbishment)					0	
	TOTAL £					308,600	
	GRAND TOTAL £	308,600					

6.0 CONCLUSION

6.1	We have inspected the property known as Freetrade Exchange 37 Peter Street, Manchester M2 5GB in order to advise you on its structure and condition having regard to your proposed acquisition.
6.2	Our building inspection did not reveal any evidence of significant defects to the structure of the property. Provided you take into consideration the issues raised within this report along with the cost of repairs and satisfactorily address any legal issues raised, then from a technical perspective, there is nothing to prevent you from proceeding with your acquisition.
6.3	Your solicitors should review and advise you further on our Items for Solicitors schedule at Appendix 5.
6.4	We trust that our report includes all the information you require and we would be pleased to answer any other queries that may arise. If you feel that there is any aspect of your original instruction that we have not covered please contact us and we will discuss with you what further arrangements may be necessary.

7.0 CONFIRMATION OF INSTRUCTIONS

7.1	We have been instructed to carry out a building survey and the following specialist services: • Building Services
7.2	Access was unavailable to the following areas: • Basement store room 3 • Former oil storage tank room • Car and passenger lift shafts

APPENDIX 1: PHOTOGRAPHS



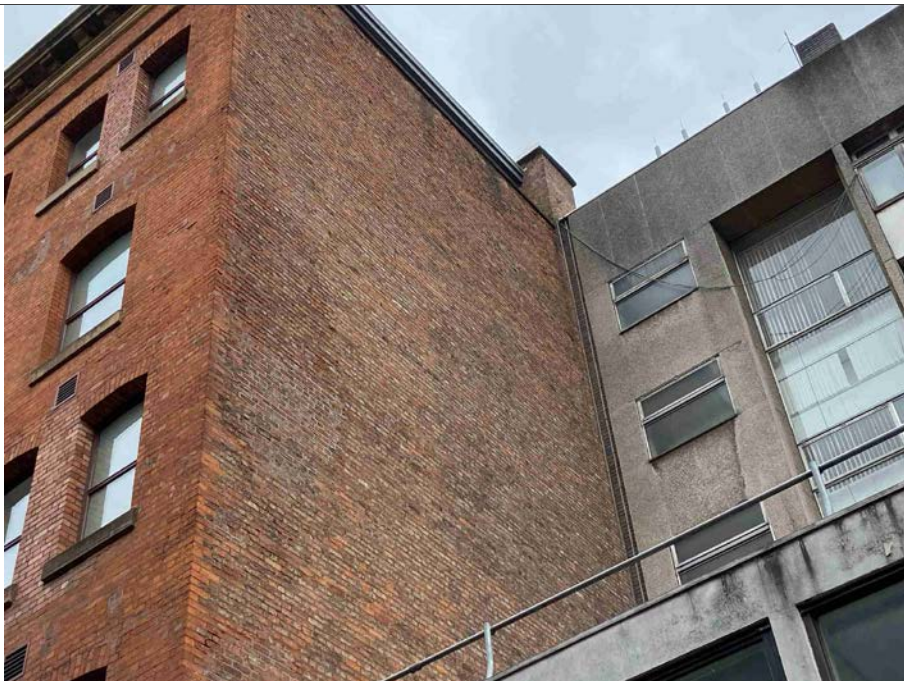
01: Peter Street elevation



02: Southmill Street elevation



03: Bottle Street elevation



04: Bootle Street corner return elevation



05: Main reception



06: Fifth floor office



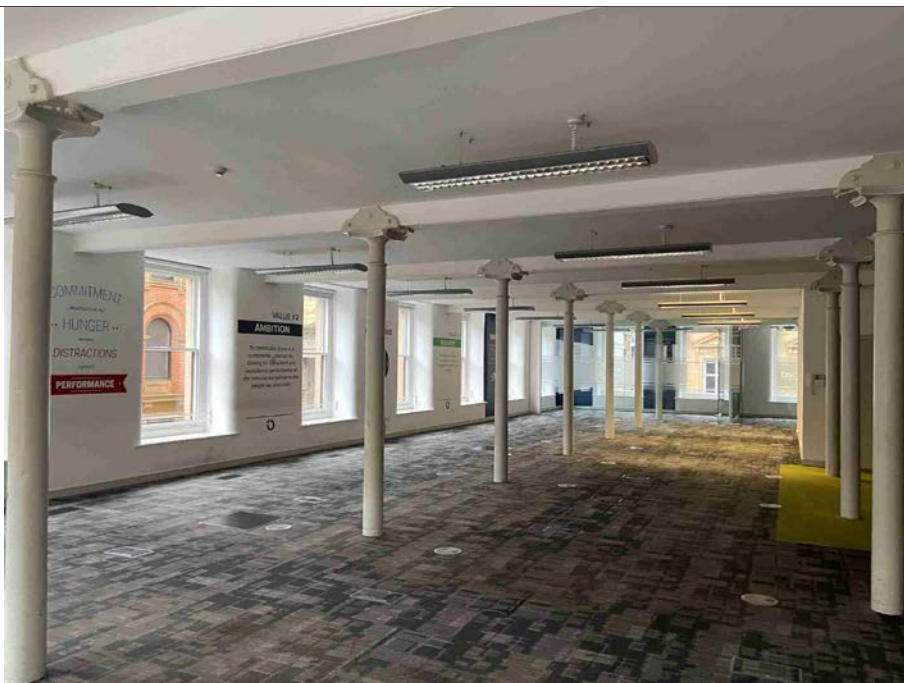
07: Fifth floor office



08: Typical first to fourth floor office



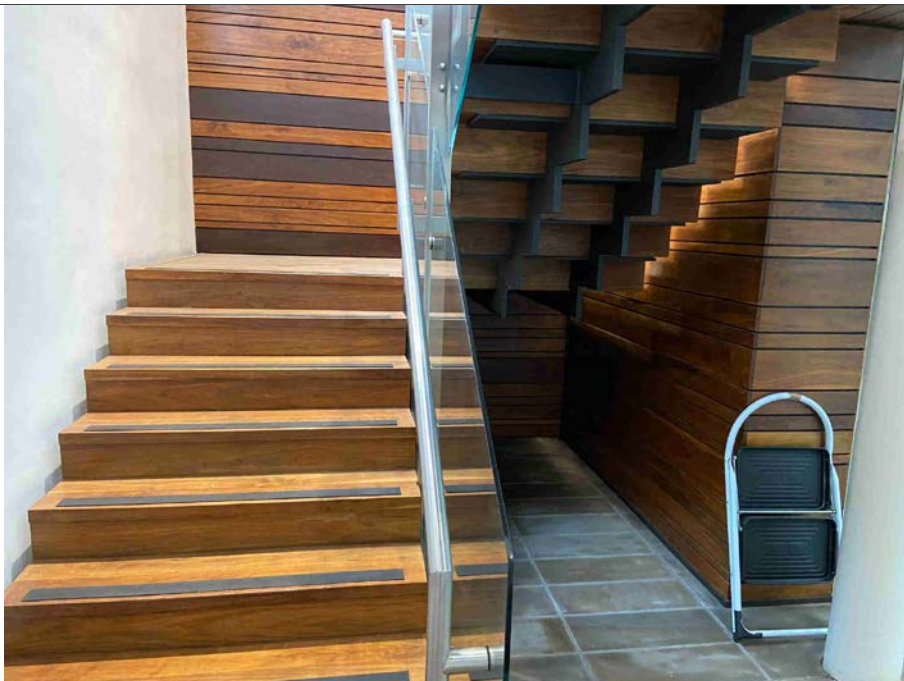
09: Typical first to fourth floor office



10: Typical first to fourth floor office



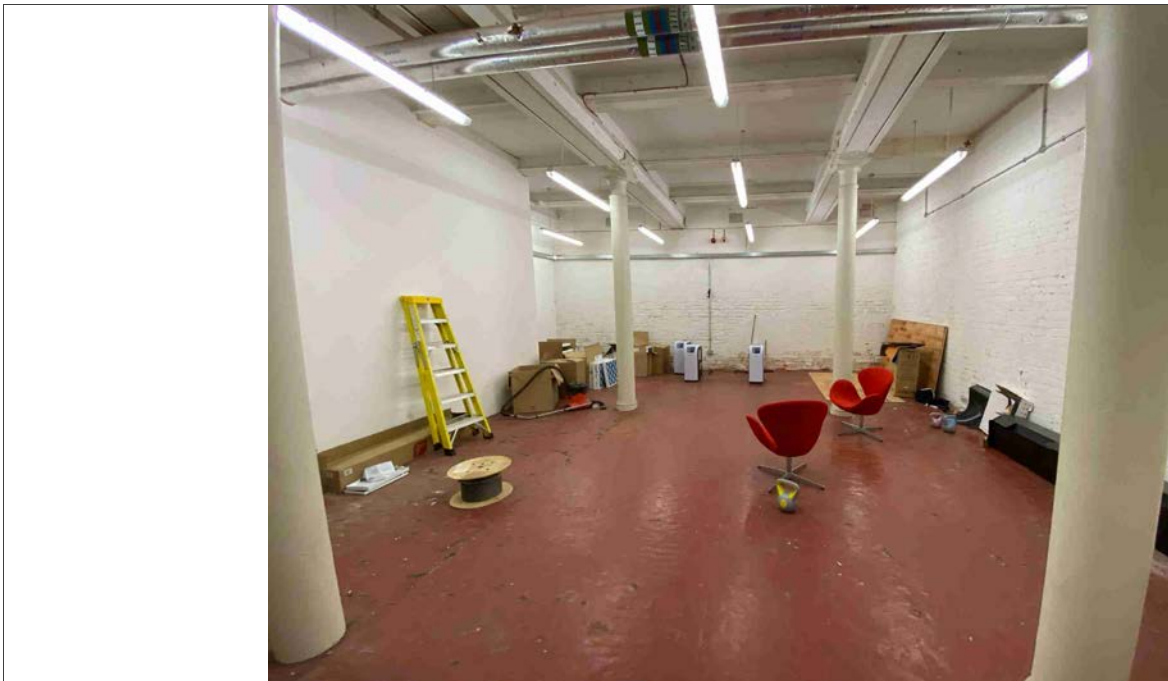
11: Lower ground floor office



12: Separate staircase off Peter Street to lower ground floor office



13: Typical toilet fit out



14: Typical basement store room



15: Main electrical switchgear



16: Boiler room



17: Main flat roof



18: Main flat roof and central chiller plant (note composite panels)



19: Repair to polycarbonate rooflight



20: Repair to polycarbonate rooflight



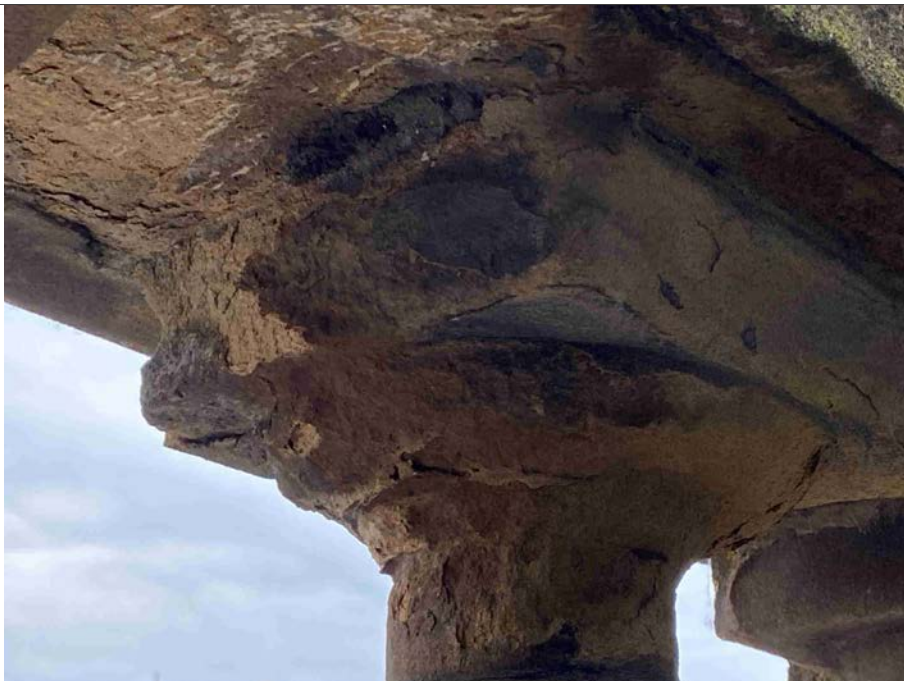
21: Historic corrosion to embedded steelwork to roof plant room



22: Example steel restraint tie to Peter Street and Southmill Street parapet stonework



23: Example of historic displacement of stonework prior to restraint ties



24: Example condition of stonework to balustrade



25: Example condition of stonework to balustrade



26: Example open joints to parapet level stonework (note steel restraint ties)



27: Fifth floor balcony walkway



28: Stone coping to Bootle Street parapet (note partial lead capping)



29: Face sealed curtain glazing to fifth floor office



30: Internal water ingress to fourth floor office via fifth floor balcony walkway



31: Salt staining and efflorescence to eaves level brickwork rear staircase



32: Salt staining and efflorescence to rear stairs between ground and lower ground floor



33: Basement boiler room soffit



34: Basement boiler room soffit – note new steelwork and metal deck supporting car lift with original steelwork below



35: Typical water ingress to internal basement walls



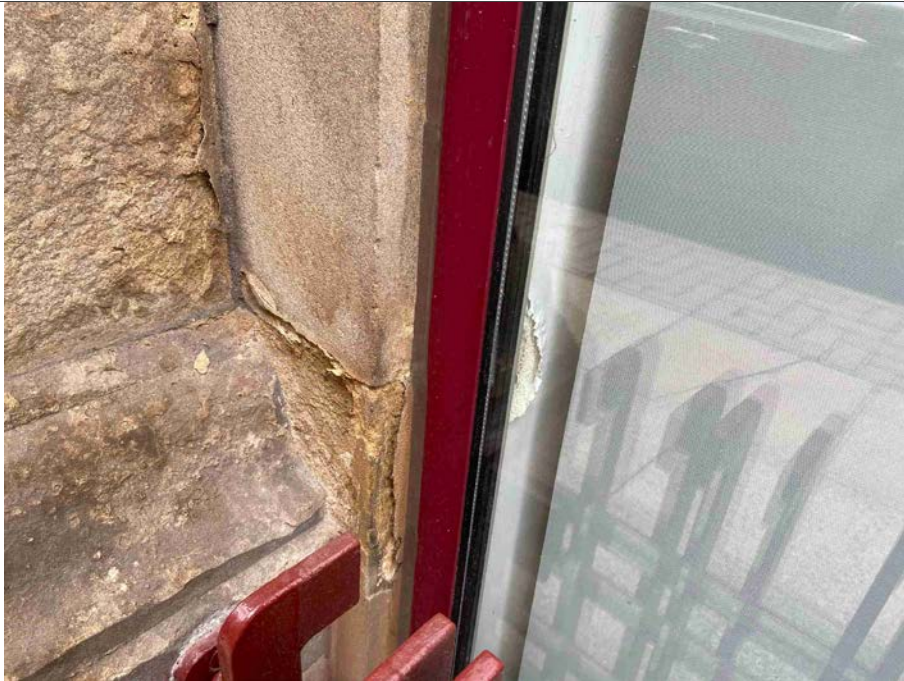
36: Typical water ingress at basement at high level Peter Street elevation



37: Typical water ingress at basement at high level Peter Street elevation



38: Saturated and delaminated floor screed to basement store room 6



39: Example friable stonework resulting in water ingress to internal window reveals at lower ground floor



40: Example historic erosion to stonework at street level.

APPENDIX 2: REINSTATEMENT COST ASSESSMENT

1.0 REINSTATEMENT VALUE

Gross Area	sq m	4,562
Location Factor		1.00
Demolition and Site Clearance	£	£456,200
Reinstatement Cost	£	£9,580,200
External Areas	£	0
Sub-Total	£	£10,036,400
Adjustments for Neighbourly Matters or Conservation Area	£	£702,548
Professional Fees @ 15 %	£	£1,610,842
Local Authority Fees	£	£32,217
Total inclusive of fees and exclusive of VAT	£	£12,382,007

2.0 PARAMETERS OF ASSESSMENT

2.1	Parameters of Assessment
2.1.1	This figure is our assessment of the cost of reconstructing the property at the date of the assessment and has taken into consideration demolition, debris removal, temporary shoring and professional fees likely to be incurred in its reconstruction. This figure may be used to make your own insurance arrangements or for you to negotiate a claim with the assistance of your broker and your insurers.
2.1.2	The figure is calculated on the basis of estimated building costs and may not, in all circumstances, reflect the lowest tender price available.
2.1.3	The figure is calculated using the Gross Internal Area (GIA) of the property. The area has either been calculated from site measurements recorded during our inspection and drawings or has been provided to us by others. In the former, measurement has been carried out by us in accordance with RICS Code of Measuring Practice (Latest Edition); we have not measured using the IPMS method. In the latter, we state the party's details who have provided the GIA.
2.1.4	In estimating the cost of reinstatement, it has been assumed that the building and its use will be similar to those existing, and the rebuilding will be to the original design in modern materials and using modern techniques to a standard equal to the existing property, while complying in all aspects with current legislation and statutory requirements. We have made no investigations into local or structure plans.

2.1.5	We have made allowance in our assessment for the reinstatement of, for example, external paving, services and the like, which are assumed will be damaged as a result of a fire or similar loss.
2.1.6	We have not included within our assessment allowances for tenant's fitting-out works, fixtures, fittings or furnishings. However, in assessing the extent of the building structure, services and fittings, we have made reasonable assumptions in respect of the inclusion of items that may have been installed by tenants but which, with reference to the lease and their degree of permanence and annexation to the structure, are now deemed to be of benefit to the owner.
2.1.7	No allowance is included for any remediation works that may be required under legislation relating to contaminated land, which may arise in the event of reinstatement of the property, since the extent and costs of such cannot be reasonably determined without separate detailed and costly investigation. You may wish to draw this to your insurer's attention.
2.1.8	This assessment does not include allowances for providing alternative accommodation from the date of damage to the date of re-occupation. It also does not include costs for migration of tenants/occupiers or the costs for move management.
2.1.9	This assessment makes no allowance for loss of rent or other pecuniary loss that may arise from the destruction of the building.
2.1.10	This assessment does not include for legal fees including on-going disputes.
2.1.11	Unless already installed we have not included for any renewable technology such as solar panels, wind turbines or ground source heating. The planning process for a new building may condition the install of new sustainable technologies, which are currently not installed or provided for.
2.1.12	This assessment does not include allowances for cover in respect of other property insurances, such as plant and machinery within the buildings, occupiers' fitting-out works, contents, plate glass and third party and public liability matters.
2.1.13	Attention is drawn to the need to re-assess the base sum insured on a regular basis. Good practice advises that this is dealt with by way of a desktop update on an annual basis, with a major review undertaken in every third year (subject to being undertaken by the original surveyor). A full assessment also needs to be prepared in the event of substantial alterations being undertaken to the property.
2.2	Declaration
2.2.1	This report is provided for insurance reinstatement purposes only and does not contain any advice concerning the condition of the property or possible defects therein.
2.2.2	It should be noted that there is no direct relationship between the reinstatement assessment and the market value of the property.
2.2.3	This assessment has been prepared with respect to the advice given by the Royal Institution of Chartered Surveyors (RICS) and insurance companies for building insurance purposes and is not appropriate for any purpose other than insurance.

3.0 INFLATION - GENERAL CONSIDERATIONS

3.1	Our assessment of the reinstatement values has been calculated in the light of current prices and conditions but in assessing the actual sum to be insured, consideration must be given to the problem of inflation and its effect on tender pricing levels. Three distinctive aspects must be considered: - a) In order to avoid unduly frequent reassessment of the current reinstatement value, allowance must be made for any inflation which is likely to occur during the course of the insured period. These allowances should provide for the possibility that the buildings could be damaged, either partially or wholly, on the last day of the insured period, i.e. approximately one year from the date of valuation. b) When damage has occurred to the building, a period of time must be allowed prior to the contractors commencing remedial work. This period is required in order to enable the architects or surveyors to prepare plans and detailed specification, discuss the rebuilding with the local planning authorities, other relevant statutory bodies and to obtain competitive tenders. The rebuilding must then be agreed with the insurers, loss adjusters and, finally, the contractors must organise the actual commencement of works on receipt of formal instructions to proceed. c) In the event of a property being substantially damaged by fire, it is likely that increases in building costs will occur during the actual time taken by the contractor to complete remedial works. To avoid a shortfall in the sums insured, allowance should be made for the anticipated inflation during the contract period or, alternatively, the extra amount which the contractor would charge for entering into a fixed price contract. We would recommend a 36 month period should be provided which should be sufficient to permit the complete rebuilding of the property. Your insurance broker should be contacted in order to discuss the full allowance required for the proper inflation provision. d) Costs have been assessed on a base period of Quarter III, 2021.
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4.0 LOSS OF RENTAL INCOME

4.1	No allowance has been included in our figures for loss of any rental income.
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5.0 EXCLUSIONS

5.1	In the event of any of the buildings being substantially damaged by fire it may be necessary to remove the occupants to temporary accommodation whilst reinstatement works are undertaken. No allowance has been included in our figures for expenditure in connection with temporary accommodation. We would advise discussing this matter with your Broker and the possibility of arranging separate cover for this eventuality.
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6.0 GENERAL RECOMMENDATIONS

6.1	Whilst you will no doubt receive expert advice from your Insurance Broker on the range of perils to be covered, together with the precise content and format of the policies to be taken, we would recommend that you ensure that the following specific clauses are incorporated: - a) Debris Clearance Clause This clause insures against the cost of removing debris in order to allow for detailed assessment of the extent of the damage caused. An appropriate amount has been included in our valuation to cover this aspect. b) Local Authorities Clause This clause insures against increased costs resulting from the Local Authority requiring a superior standard of construction on the rebuilding when compared to the standard of the previous existing building. Again, an appropriate amount has been included in our figures to reflect this aspect. c) Blast Zone Our report and survey excludes any investigation as to whether the property is situated within a Blast Zone and we would recommend you liaise with your insurers in this regard.
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7.0 LIMITATIONS OF THIS VALUATION

7.1	We have assumed that the tenants are responsible for their own contents.
7.2	For the purpose of this valuation we have included an allowance for the replacement of foundations appropriate for this type of building, however, this assumes that satisfactory sub-soil conditions exist and we have not made specific investigations in this respect.
7.3	We have allowed within our valuation all the fees associated with a total replacement and have itemised these separately. No allowance has been made in respect of fees for formulating a claim in the event of a loss, as this eventuality is not catered for by the major insurance companies in their policies.
7.4	We have allowed for demolition within our calculations.

APPENDIX 3: EXTENT OF SURVEY AND LIMITATIONS

EXTENT OF SURVEY AND LIMITATIONS

Inspection and Concealed Parts:

Our report will cover all parts of the site made available to us during our visual inspection of the property, which is normally and safely accessible without the use of ladders, and therefore exclude all ceiling, wall and floor voids unless stated within the report. Where inspection of roof areas by use of access hoists or a drone is required this will be agreed with you prior to inspection. The structure and fabric will not be opened up for further investigation. Those parts of the building and engineering services that are concealed, inaccessible or covered will not be inspected and confirmation that such parts are free from defects cannot be provided. Where we feel further investigation is merited, reference will be made in our report. Our services survey is based on a visual inspection and comment on the condition and the quality of the installation relating to normal good standards. We will specifically exclude tests relating to the performance of any heating, air conditioning or ventilation systems, pipe pressure tests, electrical or drainage tests. The omission of such tests might give risks to the fact that certain problems could exist which are not reflected in our report. No inspection or comment is made on the below ground drainage installations or service conduits unless instructed otherwise.

Occupied Buildings:

Where buildings are occupied at the time of our inspection access to some areas may be restricted or denied although these areas will be noted in our report. Regardless of occupation, we will not lift fitted carpets, nor disturb any part of the fabric or fittings which are fixed or may cause damage.

Budget Costs:

Where budget costs are included in our report, these costs are for guidance purposes only and will not be calculated from measured quantities but will be based on knowledge and experience of similar repair or replacement situations. Costs are inclusive of contractor's preliminaries but exclusive of all contingencies, professional fees and VAT. They will be based on current prices and no allowances will be made for inflation. Access costs for high level works will be included. There will be no allowances for loss or damage as a result of force majeure, terrorism, discovery or removal of any deleterious materials or out of hours working.

Specialist Sub-Consultants / Sub Contractors:

Where specialist consultants or contractors are engaged on your behalf. we may make reference to their findings in our report, but this should not be considered as a substitute for reading their report in its entirety, nor can we take responsibility for their conclusion.

Liability and Confidentiality:

Our report will be for the attention and purposes of the Addressee only and consequently we cannot accept any third part liability for the whole or any part thereof. Neither may the whole nor any part of our report, nor any reference thereto, be published in any way nor included in any published document, circulate or statement without our prior written approval of the form and context in which it may appear.

Compliance with Legislation:

Our inspection will involve a general review of the state of compliance with Statutory Requirements such as the Building Regulations, Workplace Regulations, Fire Regulations, Equality Act and other relevant matters applicable within the relevant country. Please note that compliance with these Regulations often requires a more detailed specialist study and/ or the preparation of a risk assessment. Such studies and risk assessments are beyond the scope of our report.

Weather Conditions:

Our inspection may be restricted by the prevailing weather conditions at the time of our inspection.

Services Installations:

Inspection of the services installations is based on a visual examination for comment on the condition and quality of the installations. We have specifically excluded tests relating to the performance of any heating, air conditioning, ventilation systems, pipe pressure tests, electrical or drainage tests. No inspection or comment is made on the below ground drainage installations unless instructed otherwise. Our survey and report is compiled under the brief to visually inspect and comment on the condition and the quality of the installation relating to normal good standards in the building services industry as dictated by CIBSE and IEE's current recommendations and standards without testing or dismantling of the plant. Where appropriate, we have provided an overview of the lift installations, which was carried out by the attending building services consultant.

Deleterious and Hazardous Materials

Generally:

Our report and survey exclude any investigation into the unsuitable use of deleterious or hazardous materials except in so far as such matters may come to our knowledge in the normal course of inspecting the property and state of repair. We will advise you if we consider there is a significant possibility that deleterious or hazardous materials exist at the property, although we will not undertake or commission specific inspections, laboratory testing or reports unless this possibility has been raised by us as a concern and further instructions received which in any event will be confined to the following: admixtures / aggregates in concrete, asbestos, brick slips, calcium silicate brickwork, high alumina cement, lead, urea formaldehyde foam, woodwool cement slab (used as permanent shuttering), aluminium composite panels, thin stone panels.

Many factors including location, use, design and quantity determine whether a material is deleterious or not and, therefore, the inclusion in the material in the above list does not, of itself, imply that it is deleterious.

Where composite cladding panels may be identified in our report we confirm that no intrusive testing will be undertaken to determine the type of insulation, classification of the insulating core or whether this is approved by the Loss Prevention Certification Board (LPCB) unless instructed otherwise.

Concrete:

Where instructed to undertake a concrete investigation, our specialist report will be based on a visual examination of the concrete structure in sample test locations only. Whilst such test locations are chosen to be representative of the structure as a whole, we are not able to confirm that the structure is free from structural defects other than deleterious effect of HAC, chlorides and reinforcement corrosion durability.

Asbestos:

Where instructed to undertake a specialist asbestos survey, we cannot guarantee that all asbestos containing materials will be identified, despite the best endeavours of our asbestos sub-consultant. Where instructed, every effort will be made to remove representative samples however it is possible that indiscriminate uses of asbestos may be present between sample locations of otherwise visually similar materials. An asbestos management survey is non-destructive and includes an inspection within accessible ceiling voids, above loose laid removable tiles, inside openable risers and cupboards, within accessible risers and behind removable casings.

Similarly access within lift shafts, live electrical equipment and mechanical plant may be restricted. A Refurbishment and Demolition asbestos survey is destructive and includes an inspection within accessible ceiling voids, above loose laid removable tiles, inside openable risers and cupboards, within accessible risers and behind removable casings. Representative areas of each element of building fabric will be intrusively opened up to inspect for the presence of ACM's behind built-in ducts, voids or similar enclosed or concealed areas within the building fabric. No intrusive work will be undertaken within the structural framework, concrete floors and masonry walls.

Cladding and Fire Safety:

Whilst our reports may include commentary on fire safety matters we shall not be liable for any claim or circumstance based on any loss, damage, or any other liability directly or indirectly arising out of, or in any way connected to or involving:

- i). the combustibility, fire safety requirements or fire protection performance of any façade materials, cladding, core, filler, signage, glazing, balconies, doors, composite, insulation, decorative panels, external wall system and/or internal wall system of any building or structure; including but not limited to any component or material used for the external cladding or façades of buildings, insulation, and signage, and the manufacture, assembly, fixing or construction thereof;
- ii). any aspect of fire safety or fire performance of a building or structure; including but not limited to warning of fire, escape from the building or structure in the event of fire, fire spread, structural integrity, the provision of access and facilities to the emergency services and/or the provision of premises not fit for habitation;

any aspect of fire safety or fire performance of a building or structure not falling within items (i) and (ii) above.

APPENDIX 4: STANDARD DEFINITIONS

RISK RATINGS

Risk Level	Description	Risk RAG
High Risk	Critical issue that needs immediate attention and action, likely need to resolve prior to the transaction.	
Medium Risk	A key issue that needs to be fully considered prior to the transaction, an ongoing management risk or action, repairs could have a significant cost implication.	
Low Risk	An item to consider but minor in nature, for review and a management action.	
For Information	Note for information only, no risk associated.	

STANDARD DEFINITIONS

With regards to timescale discussion within this report we would confirm the following:

- Immediate - Requires attention as soon as possible
- Short Term - 1-2 years
- Medium Term - 3-5 years
- Long Term - 6-10 years

Within the report we have referred to the condition of elements of the property. These can be described as follows:

Definition	Description
Good Condition	In good repair with no defects noted at the time of inspection.
Fair Condition	Reasonable condition and serviceable but defects and/or wear and tear present and works will be required.
Poor Condition	Damaged, dated, worn and in need of repairs and/or replacement.
Hazardous Condition	Dangerous with life safety or health risk, immediate action required to comply with current regulations.

APPENDIX 5: ITEMS FOR SOLICITORS TRACKING SCHEDULE



Items for Solicitors Tracking Schedule

Fretrade Exchange, 37 Peter Street, Manchester M2 5GB

CLIENT NAME:

Clearbell Capital

INSPECTION DATE:

28 June 2021

SURVEYOR:

James Onions MRICS

No.	Query Raised:	Assigned To:	Response:	Closed?
1.0	Building Testing – obtain the following:			
1.1	Electrical test certificates	Purchaser Solicitor		
1.2	Gas test certificates	Purchaser Solicitor		
1.3	Water test certificates and water quality	Purchaser Solicitor		
1.4	Lift test certificates	Purchaser Solicitor		
1.5	Legionella test certificates	Purchaser Solicitor		
1.6	Emergency lighting test certificates	Purchaser Solicitor		
1.7	Fire alarm test certificates	Purchaser Solicitor		
2.0	Building Management – obtain the following:			
2.1	Tenant Fire Risk Assessments	Purchaser Solicitor		
2.2	Disabled Access Audit for common parts	Purchaser Solicitor		
3.0	Tenancy Matters			
3.1	Ascertain the current status of dilapidations matters for the recently vacated third floor (Momentum)	Purchaser Solicitor		
3.2	Review the recently served Notices for the Fieldfisher leases	Purchaser Solicitor		

4.0	Development Documents			
4.1	Confirm if there has been any prior enforcement action from the local authority with regard to the Grade II listed status of the building	Purchaser Solicitor		
4.2	Confirm is all planning conditions associated with the 2004 approval were formally discharged.	Purchaser Solicitor		
4.3	Obtain O&M, H&S and as built information	Purchaser Solicitor		
4.4	Confirm composite cladding panels are LPCB approved or not	Purchaser Solicitor		

APPENDIX 6: BUILDING SERVICES REPORT



Pre-Acquisition Building Services Report

**Freetrade Exchange
37 Peter Street,
Manchester M2 5GB**

A REPORT PREPARED FOR AND ON BEHALF OF:
Clearbell Capital
2 Harewood Place, London W1S 1BX

Issue Date: 12 July 2021
Revision No:
Revision Date:

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Issuing Office:

Paragon, The Harlequin Building, 65 Southwark
Street, London, SE1 0HR
Tel: 020 7125 0112

Date:

12 July 2021

Reference:

21.1327/DP/RM

Report Prepared By:

Dino Pashias MIET

Signature:

Report Checked By:

James Onions MRICS

Signature:

For and on behalf of
Paragon Building Consultancy Limited

DASHBOARD SUMMARY

KEY SURVEY FINDINGS

H Critical or high risk issue for urgent action and management attention

M Medium risk issue for ongoing management or action

L Low risk item for review and management

N Note for information only

The following issues represent the key matters for consideration as a result of our building engineering inspection with regards to the condition of the mechanical, electrical and lift services of the property.	(£)	
1. With the exception of part second floor and the lower ground floor, the property is vacant. We understand you propose to undertake a comprehensive internal refurbishment of the building. The current mechanical and electrical installations date from the buildings refurbishment circa 2005. The age and specification quality of these installations are such that replacement is recommended in conjunction with this refurbishment. The exception relates to the gas fired boilers, which were replaced in 2019 and there is an opportunity to modify and re-use these subject to detailed design review. We have not therefore included for any repair or replacement costs in this report on the basis you have budgeted for this work in your overall refurbishment budget.		N
Total cost of repair works identified and included in the schedule of repairs in our main report.	0	

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BUILDING SERVICES REPORT

CLIENT NAME: Clearbell Capital

PROPERTY ADDRESS: Freetrade Exchange
37 Peter Street,
Manchester M2 5GB

INSPECTION DATE: 28 June 2021



1.0 MECHANICAL SERVICES DESCRIPTION

1.1	A natural gas supply enters the building from the local utility below ground network and connects to a main meter located on the perimeter wall of the lower ground floor. From the main outlet, gas distribution pipe work runs at basement level to serve the central gas fired heating boiler plant. No sub metering of the gas supply is provided nor is the consumption of chilled water and low temperature hot water to the tenants installations.
1.2	An incoming mains water supply serves a small GRP break tank located at basement level. From the outlet, a connection to a dedicated booster pump set is made that provides boosted cold water via a rising main to the various tea point/kitchen area electric hot water heaters as well as too a roof level water storage tank that provides a cold water down service to the toilets on each floor level. The incoming mains water service is metered on a bulk water supply basis with local on floor supplies serving the tenants unmetered.
1.3	Low temperature hot water (LTHW) generated centrally by two gas fired boilers provide a source of heat via pressurised, primary and secondary pumped circulation serving the stairwell radiators, roof mounted main supply air handling unit, on-floor office air handling plant, entrance area fan convectors and underfloor office area fan coil units.
1.4	Chilled water (CHW) generated by a single roof level air cooled water chiller provides cooling via pressurised, pumped circulation to serve a roof mounted supply air handling unit, on-floor local air handling units and under floor fan coil units. Space temperature control to the office floors is via vertical on floor air handling units, which heat/cool recirculated air drawn from the office floor plate, which is then supplied back into the office floor via underfloor voids and distributed by diffusers flush mounted within the raised floor tile. Where cellular offices have been created, supplementary under floor 4-pipe fan coil units and floor mounted supply and extract air grilles have been installed
1.5	A source of supply and extract air to the office floor plates is generated via a central roof mounted packaged air handling unit. Supply and extracted air is distributed to all on-floor air-handling units by vertical galvanised mild steel ducts running through a dedicated riser.

1.6	Toilet areas have local, fan assisted ducted extraction systems, which discharge to atmosphere via the rear façade at each floor level. The basement boiler room and other ancillary rooms at basement level are mechanically ventilated by means of local fan assisted ducted systems.
1.7	A BEMS (Building Energy Managements System) monitors and command all major plant items and HVAC plant. The system incorporates Trend IQ automatic controls and outstations.
1.8	Domestic hot water supplies serving toilets, kitchens, tea points, etc is generated by local electric point of use electric water heaters.
1.9	Waste and soil connections from all sink units, wash hand basins, toilets, and showers discharge into waste and soil pipework floats terminating into local riser stacks. Waste and soil floats are by gravity, whilst the stacks ventilate to atmosphere through the rooftop or via internal automatic air vents.

2.0 ELECTRICAL SERVICES DESCRIPTION

2.1	The building has two incoming low voltage (LV) power supplies that enter the building's basement meter room via SWA/PVC cables. One service is understood to be rated at 800A three phase and terminates within a distribution network operator service head complete with current transformer and a supply meter. This supply feeds into a landlords switch panel located in an adjacent switch. The remaining service is also understood to be rated at 800A three phase and feeds all tenants services via a multiservice 'BEMCO' unit that in turn provides each floor with a metered three phase supply.
2.2	From the landlord main switch panel, steel wired armoured sub-main cables routed at high level on perforated galvanised trays feed and terminate within dedicated landlord distribution boards located within plant areas and centralised riser. Tenant power supplies, from the meter room, distribute in steel-wired armoured sub-main cables routed at high level and on perforated galvanised trays to tenant distribution boards housed in the main electrical riser.
2.3	Landlord small power comprises cleaner's sockets to landings, fused connection units for toilet hand dryers and power supplies for security systems supplied from dedicated landlord distribution boards. Power to each tenant demise is by under floor bus track and tap off units terminating within 3 compartment floors boxes, each generally containing two double outlets. All below floor bus track is supplied from local tenant distribution boards.
2.4	Lighting to the staircases, reception and toilets uses circular and square recessed compact fluorescent luminaires. Plant and basement areas are illuminated using linear fluorescent fittings complete with IP rated covers. External lighting is limited to external facade decorative lanterns and decorative bulkhead final exit luminaires to the side of the building. Offices on the lower ground to fourth floors have suspended linear fluorescent direct/indirect luminaires installed throughout with the fifth floor illuminated via standard recessed fluorescent luminaires.
2.5	Emergency lighting to all areas is generally integrated into normal luminaires using battery inverter units, with key switch test facilities located in adjacent distribution boards and incorporated in the normal lighting switch to toilets and ancillary areas.

2.6	An analogue addressable fire alarm system monitors and protects all areas with a main fire alarm panel installed within a basement switch room. Two repeater panels are installed, one adjacent the ground floor reception desk and another to the ground floor rear staircase entrance door. The system provides a level of protection to L2 standards utilising automatic smoke detection, break glass units and electronic sounders.
2.7	The building has a disabled refuge system with the main panel located adjacent to the ground floor reception desk comprising flush stainless steel face plate with LED indicators highlighting each floor with two way communication handset hard wired to each of the disabled refuge points. Flush stainless steel disabled refuge call points are also installed within the rear staircase at each landing.
2.8	A CCTV system monitors the building with dome wall and ceiling mounted CCTV cameras to the stairs, entrance and external to the car park. Access control to the main entrance door is via push button entry with remote handsets to each tenant, allowing two-way communication with the main door.
2.9	A lightning protection system is installed comprising aluminium tapes fixed around the perimeter of the roof and connected to plant complete with down conductors, which use the building steel structure and supplemented with down tapes to earth test points and earth pit at ground level.

3.0 LIFT SERVICES DESCRIPTION

3.1	Four lifts, one passenger, one back of house goods, a car stacker platform and a disabled friendly (DDA) platform lift service the property.
3.2	The passenger lift has a contract load of 450-kg/6 person and is of the machine room-less top drive type with side acting doors. The goods lift has a contract load of 540-kg/8 person and is of the electric traction top drive type with centre parting doors.

4.0 CONDITION OF INSTALLATION

4.1	General	
4.1.1	With the exception of the boilers, replaced in 2019 and parts of the main low voltage system, the building services date to 2004/5, are in poor condition and are approaching life expiry age. Full and comprehensive refurbishment is now required.	M
4.2	Mechanical Services	
4.2.1	The underfloor air conditioning system is in poor condition, including the chiller pumps and main air-handling unit located on the roof. The system has performance and maintenance issues regarding poor water quality and we understand you propose to replace this entirely as part of a proposed refurbishment. Similarly, the ventilation system has design and capacity constraints and we recommend this be replaced in conjunction with a new variable refrigerant flow (VRF) heat/cool strategy.	M

4.2.2	The gas fired boiler plant, replaced in 2019, is in good condition and with continued maintenance and testing, could remain serviceable for up to 15 years. There is also an opportunity to retain this plant to service a reduced capacity wet heating system to the common parts, refurbished toilets and stair core areas, subject to modification allowing for its reduced capacity.	L
4.2.3	On the basis that the tenants remain in occupation on part 2nd floor and lower ground floor, it would be necessary to maintain essential supplies during renewal of the above installations. A detailed mechanical engineering design review is required to establish the viability of installing new installations alongside existing and a changeover that minimises disruption to tenants.	N
4.3	Electrical Services	
4.3.1	There are no significant concerns or defects with the main electrical switchgear, which was all installed new circa 2004/5. We understand that you intend to renew all small power, lighting and front-end services as part of your planned refurbishment and would recommend this also include the fire alarm system, which is now circa 16 years old.	M
4.3.2	On the basis that the tenants remain in occupation on part 2nd floor and lower ground floor, it would be necessary to maintain essential electrical supplies during renewal of the electrical services. As above, a detailed electrical engineering design review is required to establish the viability of installing new installations that minimises disruption to tenants.	N
4.4	Lift Services	
4.4.1	Both front and rear passenger lifts are manufactured by Orona and considered basic/low quality installations that date to 2005. Whilst the lifts remain operational, their quality is such that lifecycle replacement is required in the short term.	M
4.4.2	The reception DDA platform lift was installed at the same time and if not superseded by your proposed refurbishment, will require life cycle replacement at the same time. The car lift is operational however, we understand this is to be removed as part of your planned refurbishment.	M

5.0 DESIGN ANALYSIS

5.1	The capacity of the incoming electricity, water, gas and drainage connections are adequate and fit for purpose.
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6.0 HEALTH AND SAFETY

6.1	We did not identify any significant health and safety issues.
6.2	Level access is currently provided via a platform lift within the main reception, which links the level access main entrance door at grade to the front passenger lift at mezzanine level. The front passenger lift has a contract load of 6 persons however is not fully DDA compliant by current standards due to its size, which is constrained by the footprint of the existing lift shaft. To avoid the cost of increasing the front lift shaft size, an opportunity exists to convert the current car lift to form an improved rear entrance, with new at grade access to the existing 8 person DDA compliant lift at the rear of the building. Alternative adjustments at the front of the building would be costly and constrained by the listed status of the building. Further planning and building regulations advice will be required as part of your planned refurbishment to review and validate the feasibility of this option.

7.0 REFURBISHMENT

7.1	We understand you propose to undertake a comprehensive refurbishment of the building following acquisition. We understand this will include renewal of all existing installed building services excluding utility supplies and electrical switchgear, which could be retained, together with full CAT A refurbishment of all common areas and office suites. The cost of this refurbishment will be dependent on the specification and extent of internal alterations proposed however, for budgeting purposes, we would expect a cost in the order of £900 - £1,000 per sq m (excluding fees, contingencies, and VAT). Based on a GIA of 4,562 sq m, this would equate to cost range between £4.1m and £4.6m .
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8.0 SCHEDULE OF REPAIRS

We set out below budget costs for repairs required which are inclusive of contractor's preliminaries, but exclusive of contingencies professional fees and VAT. You should allow 15% to cover fees. These are for budget purposes only and based on current prices. No allowances have been made for inflation. Access costs for high level works have been included. Short term repairs are deemed to be required in years 1-2, medium term repairs in years 3-5.

Where we have split costs between likely tenant responsibility, service charge recoverable and landlord non-recoverable this is based on a standard FRI lease with tenants contributing towards a common service charge if multi-let. Where units are vacant this is assumed landlord cost. If leases have been provided for review then this has been taken into account when apportioning costs.

	Description	Tenant Responsibility Costs (£)		Service Charge Recoverable (£)		Landlord Non-Recoverable Costs (£)	
		Short	Medium	Short	Medium	Short	Medium
1.	No costs on basis of renewal as part of refurbishment referred to above in section 7.						
	TOTAL £	0	0	0	0	0	
	GRAND TOTAL £	0					

9.0 CONCLUSION

9.1	We have inspected the property known as Freetrade Exchange, 37 Peter Street, Manchester M2 5GB in order to advise you on the condition of the mechanical, electrical and lift engineering services.
9.2	Our building services inspection did not reveal any evidence of significant defects to the services at the property. Provided you take into consideration the issues raised within this report along with the cost of repairs then from a technical perspective, there is nothing to prevent you from proceeding with your acquisition.
9.3	We trust that our report includes all the information you require and we would be pleased to answer any other queries that may arise. If you feel that there is any aspect of your original instruction that we have not covered please contact us and we will discuss with you what further arrangements may be necessary.

10.0 CONFIRMATION OF INSTRUCTIONS

10.1	We have been instructed to carry out a mechanical, electrical and lift survey.
10.2	Access was unavailable to the following areas: - Below ground drainage - Sub station - Lift shafts

APPENDIX 1: EXTENT OF SURVEY AND LIMITATIONS

EXTENT OF SURVEY AND LIMITATIONS

Generally:

Our survey and report is compiled under the brief to visually inspect and comment on the condition and the quality of the installation relating to normal good standards in the building services industry as dictated by CIBSE and IEE's current recommendations and standards without testing or dismantling of the plant. Where appropriate, we have provided an overview of the lift installations, which was carried out by the attending building services consultant. This overview provides a description of the lift services and general condition other than inspection of the lift shafts and associated equipment.

Inspection and Concealed Parts:

Our report will cover all parts of the site made available to us during our visual inspection of the property, which is normally and safely accessible without the use of ladders, and therefore exclude all ceiling, wall and floor voids unless stated within the report. Where inspection of roof areas by use of access hoists or a drone is required this will be agreed with you prior to inspection. The structure and fabric will not be opened up for further investigation. Those parts of the building and engineering services that are concealed, inaccessible or covered will not be inspected and confirmation that such parts are free from defects cannot be provided. Where we feel further investigation is merited, reference will be made in our report. Our services survey is based on a visual inspection and comment on the condition and the quality of the installation relating to normal good standards. We will specifically exclude tests relating to the performance of any heating, air conditioning or ventilation systems, pipe pressure tests, electrical or drainage tests. The omission of such tests might give risks to the fact that certain problems could exist which are not reflected in our report. No inspection or comment is made on the below ground drainage installations or service conduits unless instructed otherwise. We have not inspected parts of the Engineering Services which are encased, covered up, or otherwise made inaccessible in a normal course of construction, alteration, or fitting out. We will not carry out any internal inspection of the plant/systems.

Occupied Buildings:

Where buildings are occupied at the time of our inspection access to some areas may be restricted or denied although these areas will be noted in our report. Regardless of occupation, we will not lift fitted carpets, nor disturb any part of the fabric or fittings which are fixed or may cause damage.

Budget Costs:

Where budget costs are included in our report, these costs are for guidance purposes only and will not be calculated from measured quantities but will be based on knowledge and experience of similar repair or replacement situations. Costs are inclusive of contractor's preliminaries but exclusive of all contingencies, professional fees and VAT. They will be based on current prices and no allowances will be made for inflation. Access costs for high level works will be included. There will be no allowances for loss or damage as a result of force majeure, terrorism, discovery or removal of any deleterious materials or out of hours working. Any costs indicated within this report are based on our best assessment of the situation and the work involved at current prices and should not be taken as firm costs for the items of work detailed. To provide more accurate costs an investigation will be required in greater detail for individual items of the plant and systems and may involve the employment of specialists where appropriate.

Specialist Sub-Consultants / Sub-Contractors:

Where specialist consultants or contractors are engaged on your behalf. We may make reference to their findings in our report, but this should not be considered as a substitute for reading their report in its entirety, nor can we take responsibility for their conclusion.

Liability and Confidentiality:

Our report will be for the attention and purposes of the Addressee only and consequently we cannot accept any third part liability for the whole or any part thereof. Neither may the whole nor any part of our report, nor any reference thereto, be published in any way nor included in any published document, circulate or statement without our prior written approval of the form and context in which it may appear.

Compliance with Legislation:

Our inspection will involve a general review of the state of compliance with Statutory Requirements such as the Building Regulations, Workplace Regulations, Fire Regulations, Equality Act and other relevant matters applicable within the relevant country. Please note that compliance with these Regulations often requires a more detailed specialist study and/ or the preparation of a risk assessment. Such studies and risk assessments are beyond the scope of our report.

Weather Conditions:

Our inspection may be restricted by the prevailing weather conditions at the time of our inspection.

Design Analysis:

No definitive calculations have been undertaken to determine the capacity or performance of the plant items, nor have performance tests been carried out on any of the systems or plant items. Design analysis of the systems has been undertaken using generally accepted design criteria both past and present, primarily to establish the principles of design. We have specifically excluded tests relating to the performance or efficiency of any heating, air conditioning, or ventilation systems, pipe pressure tests, electrical or drainage tests. The omission of such tests might give rise to the fact that certain problems could exist which are not reflected in this report. We would point out that during the course of our building services survey we did not carry out an inspection of the below ground services.

Deleterious & Hazardous Materials:

Our report and survey excludes any investigation into structural engineering design, compliance with legislation relating to buildings, or the unsuitable use of high alumina cement or calcium chloride, calcium silicate brickwork, alkali-silicate reaction in concrete, cavity wall tie failure, radon gas seepage, woodwool slab permanent shuttering, asbestos or PCB's or other materials considered as deleterious in construction, except insofar as such matters may come to knowledge in the normal course of inspecting the materials and state of repair.

White Goods & Data:

This report does not include an inspection of the white goods, catering and vending equipment, telecommunication or data systems found within the property. We are unable to comment, advise or identify items that are reliant on day/date dependent embedded chips.

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