

<b>Subject:</b>	Release of a restrictive covenant on land at Station Rd, Whitworth	<b>Status:</b>	For Publication
<b>Report to:</b>	Cabinet	<b>Date:</b>	13 <sup>th</sup> October 2021
<b>Report of:</b>	Director of Economic Development	<b>Portfolio Holder:</b>	Resources
<b>Key Decision:</b>	<input checked="" type="checkbox"/> Forward Plan <input checked="" type="checkbox"/>	General Exception <input type="checkbox"/>	Special Urgency <input type="checkbox"/>
<b>Equality Impact Assessment:</b>	Required:	No	Attached: No
<b>Biodiversity Impact Assessment</b>	Required:	No	Attached: No
<b>Contact Officer:</b>	Lucie Greenwood	<b>Telephone:</b>	01706 252521
<b>Email:</b>	luciegrenwood@rossendalebc.gov.uk		

<b>1.</b>	<b>RECOMMENDATION</b>
<b>1.1</b>	<b>Cabinet to authorise the release of a restrictive covenant placed on land at Station Rd, Whitworth (see map within Appendix I) to allow the land to be used for the purpose of residential development. Terms to be delegated to the Director of Economic Development in consultation with the portfolio holder.</b>

## 2. PURPOSE OF REPORT

2.1 The purpose of this report is to request approval in order to proceed with the release of a restrictive covenant placed on land at Station Rd, Whitworth (see map within Appendix I) to allow the land to be used for the purpose of residential development.

## 3. BACKGROUND

3.1 The site was originally sold in 1991 by Rossendale Borough Council (RBC) with a covenant attached restricting the use of the land to light engineering.

3.2 In 2007, the aforementioned restriction was amended, allowing the land to also be used for the purpose of warehousing /storage (category B8). The site was then occupied by local manufacturing business Slingco until 2020, when they moved to a purpose built unit at New Hall Hey, Rawtenstall in order to aid their expansion.

3.3 Following Slingco's departure, the site at Whitworth was advertised for sale with minimal interest. It is now in the process of being sold to a Residential Developer with the intention of the site being developed for housing. As such, there is a requirement to further release the above-mentioned restrictive covenant to allow the land to be used for the purpose of residential development.

3.4 Property are aware that the proposed developers have submitted a planning application ([2021/0271 | Full: Demolition of employment unit and erection of 38 no. dwellings \(affordable social rent\) with access, parking, landscaping and all other associated works | Slingco Ltd Station Road Facit Rochdale Lancashire OL12 8LJ \(rossendale.gov.uk\)](#)). The application is to demolish the existing unit and build 38 dwellings, including affordable social rent, with access, parking, landscaping and all other associated works. This planning application is entirely separate to the covenant release request.

3.5 To ensure due diligence, an independent RICS accredited valuation has been undertaken to assess the value of the proposed covenant release to enable residential development (see appendix II). The value has been determined at £15,000.00.

3.6 Taking into account any wider implications of a covenant release, it is important to note that the Council own a strip of land adjoining the site (see map within Appendix III). This land includes a section of the River Spodden that flows into a Culvert.

The Environment Agency (EA), an executive non-departmental public body, sponsored by the Department for Environment, Food & Rural Affairs, have commented on any potential impact that development of the adjoining land for residential purposes may have including any residual risks associated with blockage of the culvert. In response, the developer has provided overland flood flow plans noting overland flow routes in the event of any blockage or capacity exceedance of the adjacent river. In addition, a 4m offset from the river has been included within the plans to ensure a satisfactory area free of gardens, fencing or structures.

#### 4. RISK

4.1 All the issues raised and the recommendation(s) in this report involve risk considerations as set out below:

- Without release of the covenant the land cannot be developed for the purpose of residential use. The owner would therefore need to consider alternative future use.
- The potential use of the land is expanded to include residential. Development will be subject to planning consent and the agreement to release the covenant is entirely separate to this.
- The risk that the development of the land for the purpose of residential use has an impact on the adjoining river and Culvert. This possibility has been considered by the EA and the risk will be mitigated by overland flow routes and a 4m offset.

#### 5. FINANCE

5.1 The release of the covenant will generate a capital receipt of £15k for the Council.

#### 6. LEGAL

6.1 The legal implications are covered within the body of the report. All necessary legal documentation will be completed if members are minded to approve the recommendations. The Council's legal fees associated with this transaction will be covered by the applicant.

#### 7. POLICY AND EQUALITIES IMPLICATIONS

7.1 No Human Resources Implications Arising from the report.

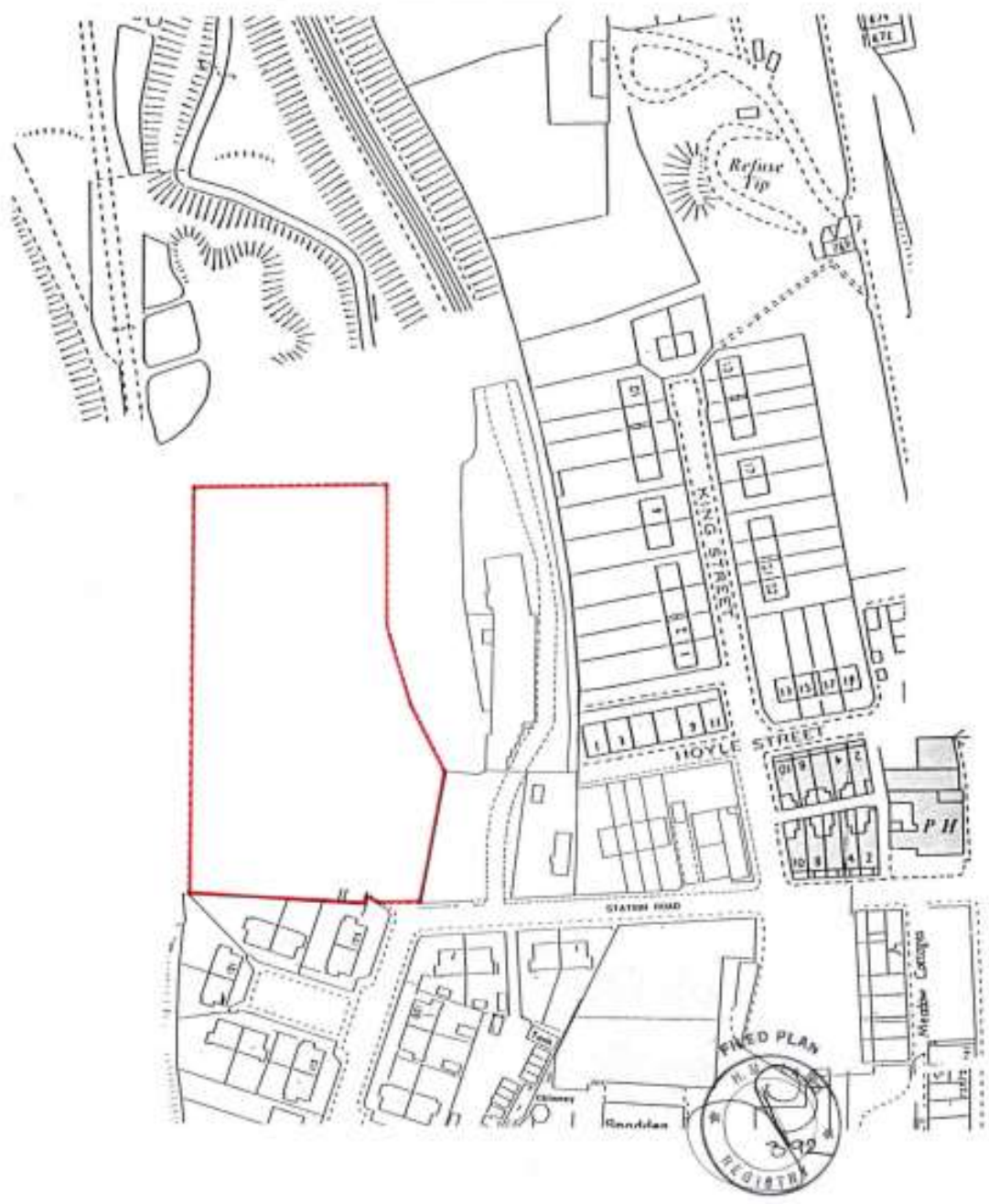
#### 8. CONCLUSION

8.1 The release of the restrictive covenant at £15,000 allows alternative future use (subject to planning permission being granted) of an advertised site owned by a local business. Any agreement to release would be on the basis that the works required by the EA are completed.

Background Papers	
Document	Place of Inspection
Appendix I	<i>Map of site</i>
Appendix II	<i>RICs Valuation</i>



Appendix I – Land at Station Rd Site Map



## PROPERTY VALUATION REPORT



**FORMER WORKS OF SLINGCO LIMITED  
STATION ROAD  
FACIT  
WHITWORTH  
ROCHDALE  
OL12 8LJ**

**IDENTIFICATION AND STATUS OF VALUER** Richard B Prest  
MRICS  
Registered Valuer

Lea Hough & Co LLP

**CONFLICT OF INTEREST** We have assessed our records and can confirm that neither the Partners or individual Valuer undertaking the valuation have any prior involvement with either the Property or the proposed parties to the transaction for which this valuation may be relevant to negotiations.

The Valuer is acting as an independent and objective external Valuer.

**CLIENT AND OTHER USERS** The report is being prepared solely for the named Client as stated below:

<b>Client Name</b>	Rossendale Borough Council
<b>Address</b>	Futures Park Bacup Rossendale OL13 0BB
<b>Contact</b>	Lucie Greenwood – LucieGreenwood@rossendalebc.gov.uk

The report should not be relied upon by any other third party.

**PROPERTY TO BE VALUED "SUBJECT PROPERTY"** The Property to be valued is:

<b>Address of Property</b>	Former Works of Slingco Limited Station road Facit Whitworth Rochdale OL12 8LJ
<b>Interest to be valued</b>	Assumed to be Freehold
<b>Tenancies</b>	None – vacant possession on completion

**PURPOSE OF VALUATION** The purpose of the valuation is to advise the Client as to the Valuer's opinion of the current market value of the "Subject Property" in connection with the appropriate consideration to release covenants which are beneficial to the named client.

The property is subject to a covenant to use the property for employment uses whereas the current owners desire to sell the property without the encumbrance for residential development purposes.

The report is provided to the Client for information and does not constitute

advice as to whether the proposed transaction/process should be completed or otherwise.

**INSPECTION DATE** May 2021

**VALUATION DATE IF DIFFERENT FROM INSPECTION DATE** May 2021

**TYPE AND USE OF PROPERTY** Vacant, most recently used as manufacturing premises with ancillary office stores and car park – an overall curtilage of 1.6 acres or thereabouts. Proposed use demolition and redevelopment for residential purposes.

**LOCATION** The premises are located in a valley bottom location between the more established employment centres of Bacup to the north and Rochdale to the south.

This is a typical Pennine Valley landscape with ribbon development along the full length of the main road which connects these two employment areas and the smaller communities of Whitworth, Shawforth etc.

The current factory curtilage adjoins an area of a former quarry activity on the hillside above. This has now been landscaped and is, in part, covered with a mature conifer plantation.

On other sides, the property adjoins a residential development of mid to late 20<sup>th</sup> Century origins with older terraced housing to the east and some commercial premises of mixed eras close by.

The history of the subject site is that it was originally part of a railway sidings/goods yard area with railway repair workshop.

A watercourse adjoins the easterly boundary of the site but this was diverted from its original position from the centre of the site a century or more ago.

The immediate environment is changing from mixed residential/commercial to predominantly residential as employment uses gravitate towards good motorway connections on the south/east side of Rochdale – the M62/M60 corridor.

Facit, a small community in the valley bottom, is within an easy hour's commuting distance of Manchester City Centre close to the Lancashire Yorkshire border within a typical Pennine valley landscape.

**DESCRIPTION** The current factory which would appear to be of mid-to late 20<sup>th</sup> Century construction refurbished in 2007.

Construction

Principal works base of concrete portal framed construction, re-clad in 2007 with insulated upper surface of uPVC coated steel profiled cladding originally built circa 1950. Principal floor area 11203 ft<sup>2</sup>.

Secondary self contained workshop steel portal framed construction retrospectively insulated but with original asbestos cement roof cladding/covering, principal floor area 2000 ft<sup>2</sup>, ancillary single storey flat roofed rendered accommodation principally offices, small canteen, toilets, stores, computer server room, etc – floor area 3280 ft<sup>2</sup>.

#### Outside

Surfaced hardstanding on three sides of the building, an area used as storage with portable steel containers (10 in total), large unsurfaced grassed area on west/north west side, overall curtilage 1.5 acres. Building complex central to the plot.

#### Site History

Advised this was a former railway repair workshop – railway dismantled some time ago. Original site included water course/river which was diverted down the east side to run just outside the boundary thus presumably filled ground. Large quarry on the west side on the uphill side of the valley now landscaped – a public amenity/access area.

#### Residential Development Potential

Facit is a small self-contained community on the route between Rochdale and Bacup – a long valley road with a ribbon development along its length with a number of small self-contained communities, Shawforth, Whitworth, Facit, etc. Reasonably popular residential location though general surroundings are of inter-war council housing and some mid to late 20<sup>th</sup> Century private development – predominantly bungalows/dormer bungalows. Older terraced housing close by (former mill housing associated with the industrial heritage of the area which has decreased in recent decades as employment uses gravitate towards more accessible motorway corridor locations).

#### Planning

Currently allocated as employment land in the Local Plan and indeed retained as such in the emerging Local Plan. However, within the urban boundary and therefore prospects for development subject to assessment of housing numbers and delivery (local planning authorities five year supply uncertain).

From the point of view of residential development I have assumed that ground conditions are not an abnormal expenditure issue and the site can be developed in isolation without requiring any third party land ownerships. Thus from a residential development point of view assumed to be relatively assured that planning consent will be granted.

<b>TOTAL FLOOR AREA</b>	16484 ft <sup>2</sup> (1532 m <sup>2</sup> )
<b>SITE AREA</b>	1.7 acres (0.68 hectares) as shown edged red on the attached Land Registry Title Plan.
<b>GENERAL COMMENTS</b>	Existing use condition satisfactory, no significant wants of repair. The buildings were substantially refurbished in 2007 with the majority of the external woodwork replaced in uPVC incorporating double glazing to



windows etc. From a residential development point of view no significant adverse/abnormal expenditure assumed to be required.

#### **BASIS OF VALUATION**

Unless otherwise specifically agreed in writing the value advised by the Valuer shall be in accordance with one or more of the following definitions:

##### **Market Value**

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

#### **SPECIAL ASSUMPTIONS**

A special assumption is where a Valuer is asked to assume facts that differ from those existing at the valuation date or that would not be made by a typical party interested in the Property at the valuation date.

The type of Property is as described in the Report and unless advised otherwise by the Client the Valuer will assume the Client's proposed use of the Property is one for which the Property has already or previously been used or for which planning permission has been granted.

No other special assumptions will be made unless specifically requested by the Client.

As previously indicated, it is assumed that Planning Permission will be forthcoming for residential redevelopment of the property and with a fall back position that employment use can continue without breaching the Restrictive Covenant referred to.

#### **ASSUMPTIONS AND EXTENT OF INVESTIGATIONS**

##### **General**

Inspections and investigations have been carried out to the extent necessary to produce a valuation which is suitable for its purpose. Where valuations have to be made on restricted information, the nature of the restrictions will be set out in the acknowledgement letter and the report.

Subject to the below, we have made certain assumptions in relation to facts, conditions or situations affecting the subject of, or approach to, our valuations that we have not verified as part of the valuation process, but have treated them as a 'supposition taken to be true'. In the event these assumptions prove to be incorrect then our valuation will need to be reviewed.

##### **Title**

The Valuer has assumed that the Subject Property is freehold or long leasehold and benefits from good Title that is free from any encumbrance that may affect the value, other than the restriction as to use which is the purpose of our assessment.

The Valuer has not inspected the Title Deeds or undertaken any local searches.

### **Condition of the Building**

The Valuer has not undertaken a Building Survey or inspected those parts of the Subject Property which are covered, unexposed or inaccessible. The Valuer has highlighted any significant defects that they became aware of during the inspection. Any matters that are considered material to the valuation are referred to in the report.

Our valuation assumes that:

- Except for any defects specifically noted in our report, the Property is in good condition;
- No construction materials have been used that are deleterious, or likely to give rise to structural defects;
- No hazardous materials are present;
- All relevant statutory requirements relating to use or construction have been complied with; and

The extent of the Valuer's inspection is set out in the following sub-section "Limitations of Inspection". The Valuer has undertaken investigations as he considers appropriate to verify assumptions, special assumptions and reservations.

### **Services**

The Valuer has assumed that all provided services are in working order and free from defect. No inspection shall be made of any service installations. No drainage inspection covers will be lifted.

Should the Client require specific commentary on the condition of the services then the Valuer recommends that the Client appoints a suitably qualified (Mechanical and Electrical) engineer to comment as appropriate.

### **Planning**

The Valuer has assumed that that the Property is used/to be used for a lawful purpose.

The valuation assumes that the Property is not adversely affected, nor is likely to become adversely affected, by any highway, development or other scheme/proposal and that there are no matters adversely affecting value that might be revealed by a local search, replies to enquiries or by any statutory notice.

## Highways and Mains Services

In preparation of the report, the Valuer has assumed that the Subject Property is connected to highways and services that are adopted and maintained by the relevant authorities.

## Contamination

In preparation of the report, the Valuer has assumed that no contaminative or potentially contaminative uses have been carried out on the Subject Property or neighbouring properties and the Subject Property is not affected by contamination, hazardous or deleterious materials.

The Valuer has assumed that the Subject Property has not been constructed using dangerous or potentially harmful materials.

## Environmental

The report assumes that the Subject Property is not adversely affected by the following environmental factors and the Valuer has not commented or specifically investigated the following:

- Mining
- Flooding
- Radon Gas

## Sustainability

The report does not comment specifically on matters such as energy efficiency, life cycle costs and use of materials.

<b>SOURCE OF INFORMATION</b>	Valuer's archive and readily available price information websites – Rightmove, Costar, etc.
<b>RESTRICTIONS ON PUBLICATION</b>	The valuation report shall not be disclosed or released to any third party without the prior consent of the Valuer.
<b>THIRD PARTY LIABILITY</b>	No liability will be accepted for any statement or the contents of the Valuation Report to any third party without specific authorisation from the Valuer.
<b>RICS VALUATION STANDARDS (AND DEPARTURES FROM THESE STANDARDS)</b>	The Valuation and Report will be prepared in accordance with the RICS Valuation – Global Standards 2020.
<b>METHOD OF VALUATION</b>	Market Approach
<b>MARKET COMMENTARY</b>	<u>Employment Use Market</u> There is a demand for small workshop/nursery units for which the subject site is reasonably appropriate as demonstrated by previous agreement for

sale on this basis.

#### Residential Development Market

The uncertainty over the Greater Manchester spatial strategy and combined policies for the metropolitan boroughs surrounding Manchester have generated significant pressure on developers keen to exploit the strong residential house market in the North West emerging from central Government's North West powerhouse strategy. This pressure is discernible in strong demand for residential development sites of all types, sizes and tenure with particularly strong bids being made by registered housing provider partners supported by grant finance from Homes England and private equity funders.

#### **SUMMARY OF KEY INPUTS INTO THE VALUATION AND REASONING**

1. Readily developable self-contained site adjoining mixed era residential.
2. Reasonable access/demand for existing use either a single factory unit or sub-division and further development on under developed areas to the north and west.
3. Reasonably good access from valley main road south to Rochdale M62 corridor – 6½ miles.

#### **VALUATION (£ numbers and words)**

1. Valuation on the basis of existing use (employment use) – £645,000 (Six Hundred and Forty Five Thousand Pounds).
2. Valuation on the basis of residential development potential – £675,000 (Six Hundred and Seventy Five Thousand Pounds).
3. Valuation of restrictive covenant (current restrictive covenant limits use to employment uses and warehousing) on the basis of an equitable split of the difference in value between existing use and residential development Value of covenant, in my opinion is £15,000 (Fifteen Thousand Pounds).

#### **MARKET UNCERTAINTY**

The outbreak of the Novel Coronavirus (Covid-19) declared by the World Health Organisation as a Global Pandemic on the 11<sup>th</sup> March 2020 has impacted the Global Financial Markets. Travel restrictions have been implemented by many countries and continue. Market activity is being impacted in some sectors.

Despite the pandemic that impacted the UK, by the first major lockdown in March 2020 there has been notable activity within the marketplace particularly during the summer of 2020 where there was a surge in demand. The market is obviously volatile and the third lockdown announced by the UK Government in January 2021 had the effect of slow market activity but without any apparent impact on sales prices across the region.

The March 2021 RICS UK Residential Survey results show sales market activity picking up sharply over the month, with indicators on enquiries, sales and new instructions all improving noticeably compared to last time out. Survey participants highlight the extension of the Stamp Duty holiday as a

significant driving force behind this renewed momentum, while a gradual loosening in lockdown restrictions is also said to be contributing to the rise in activity.

At the national level, a net balance of +42% of respondents cited an increase in new buyer enquiries during March. This is up from a reading of zero previously and marks the strongest return since September last year. Alongside this, new instructions coming onto the market also improved, albeit the pace of growth (in net balance terms) was not enough to match the pick-up in demand reported. Indeed, a common theme running through the comments left by contributors is that demand is running ahead of supply, and more new instructions will be needed to balance the market going forward. On that front, a net balance of +29% of respondents noted that appraisals were up on the same period last year (a turnaround on a reading of -19% in February), suggesting more new instructions should be in the pipeline over the next few months.

Agreed sales rose firmly during March, evidenced by a net balance of +50% of contributors reporting an increase. This marks a sharp acceleration compared to last month (net balance +7%) and is in fact the strongest reading since August last year. Looking ahead, near term sales expectations rose noticeably to post a net balance of +35%, up from a figure of +9% in February. What's more, the near term sales outlook is now the most upbeat since January 2020 with sales expectations positive across all parts of the UK. That said, this rise in sales looks set to be concentrated over the next few months, with the twelve month expectations series consistent with more modest growth in sales further ahead.

With regards to house prices, a net balance of +59% of respondents cited an increase at the national level over the latest survey period. This indicator has now risen slightly in each of the last two months, although the latest reading is still slightly below the recent high of +66% posted back in October last year. In terms of the regional breakdown, prices are reportedly rising across all regions/countries of the UK, with the strongest momentum signalled by respondents in the North West, Yorkshire and the Humber, as well as Northern Ireland.

Given the recent excess of demand over supply, prices are expected to continue on a firmly upward trajectory over the coming three months. At the headline level, a net balance of +42% of survey participants expect prices to rise further in the near term, up from a reading of +16% previously. At the twelve month horizon, a net balance of +60% of contributors nationally anticipate higher prices in a year's time (an increase of +46% returned last month). Twelve month price expectations are now pointing to significant growth across all parts of the UK, led by particularly elevated readings in Wales, Scotland and Northern Ireland.

As at the valuation date we consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to Covid-19 means that we are faced

with in an unprecedented set of circumstances on which to base a judgement.

Our valuation is therefore reported on the basis of 'material valuation uncertainty' as per VPS3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty - and a higher degree of caution - should be attached to our valuation than would normally be the case. Given the unknown future impact Covid-19 might have on the real estate market, we recommend that you keep the valuation of [this property] under frequent review.

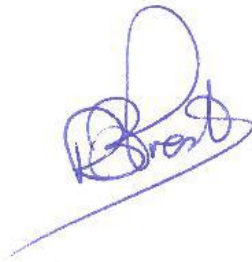
**LIMITATIONS OF LIABILITY**

1. Neither our inspection nor this Report is a survey and it should not be read as such. Reference to defects is limited to those which are notable, evident from superficial inspection and relevant in arriving at the valuation figure.
2. The inspection undertaken is not;
  - 1) A detailed schedule of defects
  - 2) An asbestos survey
  - 3) A building survey or structural survey
  - 4) An energy performance certificate inspection/assessment
  - 5) A schedule of condition
  - 6) A ground conditions investigation or assessment of ground conditions.
3. The inspection will not involve any testing of services or connections such as electricity, gas, water or drainage including cess pit or septic tank.

**Name of Valuer**

Richard B Prest

**Signed**



**For and on behalf of**

**LeaHough**

CHARTERED SURVEYORS

Survey Valuation Design Planning Sales

Oakshaw House, 2 Capricorn Park, Blakewater Road, Blackburn, BB1 5QR.

01254 260196

Blackburn@leahough.co.uk

www.leahough.co.uk

**Date of Report**

25<sup>th</sup> May 2021

## APPENDIX A

### Photographs





North west facing elevation.



West facing elevation.



North west facing corner of buildings.



Recent ground investigation disturbance.



Undeveloped west area.



Undeveloped west area.





North facing elevation.



Container yard area.



Container yard area.



West side of site.



North west end of site.



West side of site.





Front car park.



Car parking along east boundary and entrance.



Car park alongside east boundary.



East facing elevation.



Front from east.



Car park to south end.



Front elevation from the west.



Rear undeveloped part of site.

## APPENDIX B

### Land Registry Title Plan



H.M. LAND REGISTRY

TITLE NUMBER

LA692841

ORDNANCE SURVEY  
PLAN REFERENCE

SD 8819

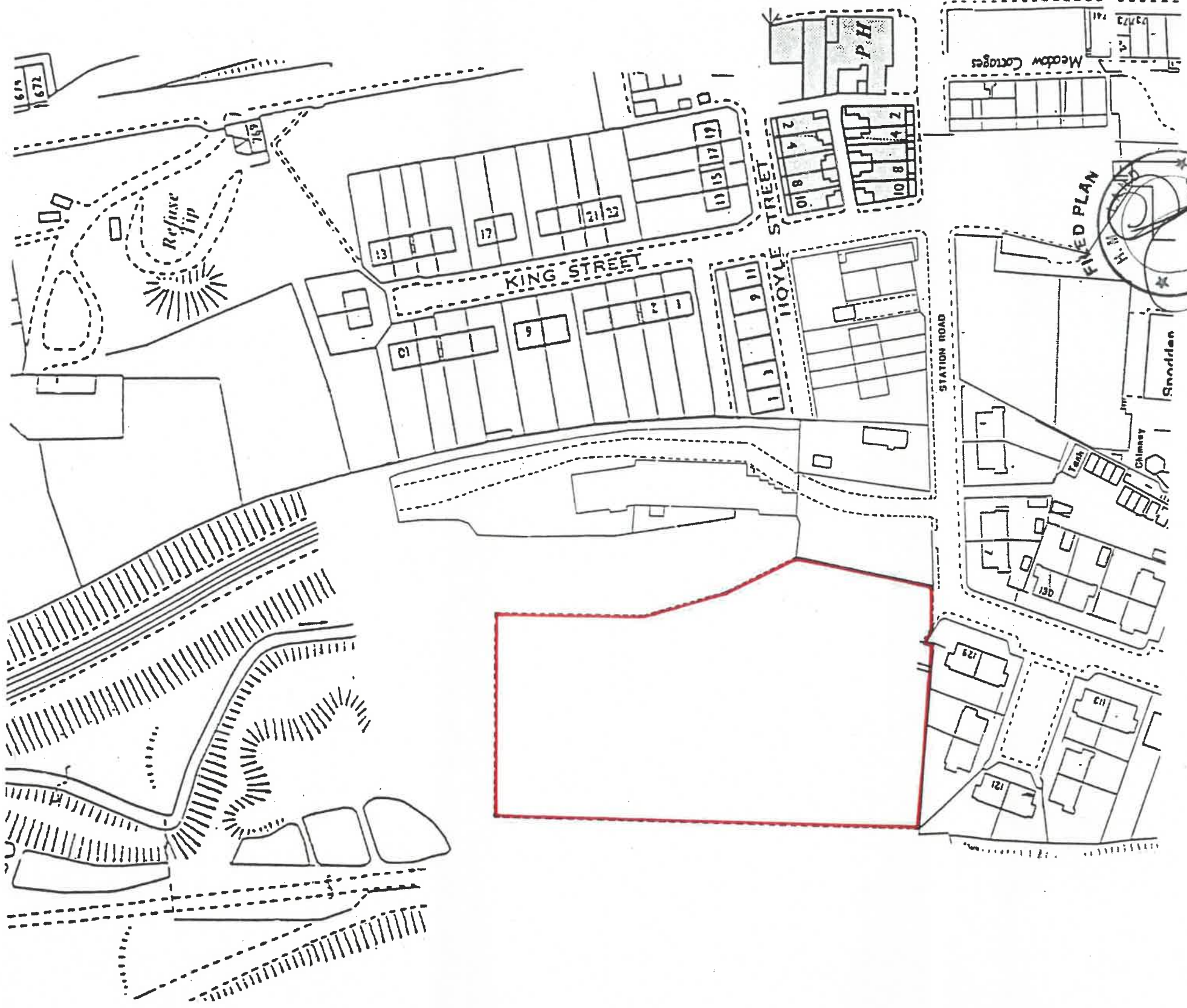
Scale  
1/1250

COUNTY LANCASHIRE

ROSSENDALE DISTRICT

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



## APPENDIX C

### Terms of Engagement

### TERMS OF ENGAGEMENT FOR PROPERTY VALUATION REPORT

<b>IDENTIFICATION AND STATUS OF THE VALUER</b>	<p>Richard B Prest MRICS Registered Valuer</p> <p>We confirm that the instructed firm and individual Valuer have the appropriate technical competence and experience for the valuation of the Subject Property within the area in which the Property is located and the wider region generally as confirmed in the Report.</p> <p>In the event the named Valuer is not available to carry out the inspection and report, a suitably qualified Lea Hough Partner or employee will undertake the work. You will be advised of any changes in advance of the work being undertaken.</p>
<b>CONFLICT OF INTEREST</b>	<p>We have assessed our records and can confirmed that neither the Partners or individual Valuer undertaking the valuation have any prior involvement with either the Property or the proposed parties to the transaction for which this valuation may be relevant to negotiations.</p> <p>The Valuer who will undertake the valuation is acting as an independent and objective external Valuer.</p>
<b>CLIENT AND ANY OTHER USERS</b>	<p>The report is being prepared solely for the named Client as stated below.</p> <p><b>Client Name</b>                      Rossendale Borough Council</p> <p><b>Address</b>                              Futures Park Bacup Rossendale OL13 0BB FAO Lucie Greenwood Email: LucieGreenwood@rossendalebc.gov.uk</p> <p>The report should not be relied upon by any other third party.</p>
<b>PROPERTY TO BE VALUED "SUBJECT PROPERTY"</b>	<p>The property to be valued is:</p>

	<p><b>Address of the property</b> Former Works of Slingco Limited Station Road Facit Whitworth Rochdale OL12 8J</p> <p><b>Interest to be valued</b> Assumed to be Freehold</p> <p><b>Tenancies, if any</b> For tenanted property the valuation will not take into account any covenant strength, tenant's improvements or potential compensation that may be due as a consequence of such improvements.</p>
<b>FEE</b>	<p>The fee for providing the Valuation Report is:</p> <p>£450 plus VAT</p> <p>The instructed firm and Valuer reserve the right to request pre-payment of the fee before undertaking the valuation inspection and/or releasing the Valuation Report.</p>
<b>PURPOSE OF VALUATION</b>	<p>The purpose of the valuation is to advise the Client as to the Valuer's opinion of the current market value of the "Subject Property" in connection with the appropriate consideration to release covenants which are beneficial to the named client.</p> <p>The property is subject to a covenant to use the property for employment uses whereas the current owners desire to sell the property without the encumbrance for residential development purposes.</p> <p>The report is provided to the Client for information and does not constitute advice as to whether the proposed transaction/process should be completed or otherwise.</p>
<b>BASIS OF VALUE</b>	<p>Unless otherwise specifically agreed in writing the value advised by the Valuer shall be in accordance with one or more of the following definitions:</p> <p><b>Market Value</b></p> <p>The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a will seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.</p>
<b>CURRENCY</b>	All monetary values will be quoted in Pounds Sterling (£).
<b>VALUATION DATE</b>	The date of Valuation Assessment is the date of the inspection of the Property unless otherwise agreed.



<p><b>SPECIAL ASSUMPTIONS</b></p>	<p>A special assumption is where a Valuer is asked to assume facts that differ from those existing at the valuation date or that would not be made by a typical party interested in the Property at the valuation date.</p> <p>The type of Property is as described in the Report and unless advised otherwise by the Client the Valuer will assume the Client's proposed use of the Property is one for which the Property has already or previously been used or for which planning permission has been granted.</p> <p>No other special assumptions will be made unless specifically requested by the Client.</p> <p>As previously indicated, it is assumed that Planning Permission will be forthcoming for residential redevelopment of the property and with a fall back position that employment use can continue without breaching the Restrictive Covenant referred to.</p>
<p><b>ASSUMPTIONS AND EXTENT OF INVESTIGATIONS AND ANY LIMITATIONS ON THE SCOPE OF WORK</b></p>	<p><b>General</b></p> <p>Inspections and investigations will be carried out to the extent necessary to produce a valuation which is suitable for its purpose. Where valuations have to be made on restricted information, the nature of the restrictions will be set out in the acknowledgement letter and the report.</p> <p>Subject to the below, we will make certain assumptions in relation to facts, conditions or situations affecting the subject of, or approach to, our valuations that we will not verify as part of the valuation process, but treat them as a 'supposition taken to be true'. In the event these assumptions prove to be incorrect then our valuation will need to be reviewed.</p> <p><b>Title</b></p> <p>Unless advised otherwise by the Client, the Valuer will assume the Subject Property is freehold or long leasehold and benefits from good Title that is free from any encumbrance that may affect the value.</p> <p>The Valuer will not inspect the Title Deeds unless specifically requested to do so by the Client and they are provided to him for such purposes.</p> <p><b>Condition of the Building</b></p> <p>The Valuer will not carry out a Building Survey or inspect those parts of the Subject Property which are covered, unexposed or inaccessible. The Valuer will however highlight any significant defects that they become aware of during the inspection. Any matters that are considered material to the valuation will be referred to in the report.</p> <p>Our valuation will assume that:</p> <ul style="list-style-type: none"> <li>• Except for any defects specifically noted in our report, the Property is in</li> </ul>

good condition;

- No construction materials have been used that are deleterious, or likely to give rise to structural defects;
- No hazardous materials are present;
- All relevant statutory requirements relating to use or construction have been complied with; and

The extent of the Valuer's inspection is set out in the following sub-section "Limitations of Inspection". The Valuer will undertake investigations as he considers appropriate to verify assumptions, special assumptions and reservations.

### **Services**

The Valuer will assume that all provided services are in working order and free from defect. No inspection shall be made of any service installations. No drainage inspection covers will be lifted.

Should the Client require specific commentary on the condition of the services then the Valuer recommends that the Client appoints a suitably qualified (Mechanical and Electrical) engineer to comment as appropriate.

### **Planning**

The Valuer will assume that that the Property is used/to be used for a lawful purpose.

The valuation assumes that the Property is not adversely affected, nor is likely to become adversely affected, by any highway, development or other scheme/proposal and that there are no matters adversely affecting value that might be revealed by a local search, replies to enquiries or by any statutory notice.

### **Highways and Mains Services**

In preparation of the report, the Valuer will assume that the Subject Property is connected to highways and services that are adopted and maintained by the relevant authorities.

### **Contamination**

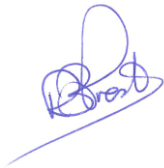
In preparation of the report, the Valuer will assume that no contaminative or potentially contaminative uses have been carried out on the Subject Property or neighbouring properties and the Subject Property is not affected by contamination, hazardous or deleterious materials.

The Valuer will assume that the Subject Property has not been constructed using dangerous or potentially harmful materials.

	<p><b>Environmental</b></p> <p>The report will assume that the Subject Property is not adversely affected by the following environmental factors and the Valuer will not comment or specifically investigate the following unless requested to do so by the Client:</p> <ul style="list-style-type: none"> <li>• Mining</li> <li>• Flooding</li> <li>• Radon Gas</li> </ul> <p><b>Sustainability</b></p> <p>The report will not comment specifically on matters such as energy efficiency, life cycle costs and use of materials.</p>
<b>SOURCE OF INFORMATION</b>	<p>Where the Valuer has no personal knowledge of facts and information provided by the parties and has relied upon this information in formulating an opinion as to value, the Valuer will state the source of such facts and information within the body of the Report.</p> <p>Valuer's archive and readily available price information websites - Rightmove, Costar etc.</p>
<b>RESTRICTIONS ON PUBLICATION</b>	<p>The valuation report shall not be disclosed or released to any third party without the prior consent of the Valuer.</p>
<b>THIRD PARTY LIABILITY</b>	<p>No liability will be accepted for any statement or the contents of the Valuation Report to any third party without specific authorisation from the Valuer.</p>
<b>RICS VALUATION STANDARDS (AND DEPARTURES FROM THOSE STANDARDS)</b>	<p>The Valuation and Report will be prepared in accordance with the RICS Valuation - Global Standards 2020.</p>
<b>DESCRIPTION OF REPORT</b>	<p>The report will comply with the requirement for minimum content of VPS 3.2.</p>
<b>COMPLAINTS</b>	<p>The firm operates a Complaints Handling Procedure in accordance with RICS guidelines. A copy is available upon request. The firm is also a member of The Property Ombudsman (<a href="http://www.tpos.co.uk">www.tpos.co.uk</a>).</p>
<b>RICS MONITORING</b>	<p>The firm and valuer are registered with RICS Valuer Registration. Please note that our files may be subject to monitoring under the institution's conduct and disciplinary regulations.</p>
<b>LIMITATIONS ON LIABILITY</b>	<ol style="list-style-type: none"> <li>1. Neither our inspection nor this Report is a survey and it should not be read as such. Reference to defects is limited to those which are notable, evident from superficial inspection and relevant in arriving at the valuation figure.</li> <li>2. The inspection undertaken is not; <ol style="list-style-type: none"> <li>1) A detailed schedule of defects</li> <li>2) An asbestos survey</li> </ol> </li> </ol>

	<p>3) A building survey or structural survey  4) An energy performance certificate inspection/assessment  5) A schedule of condition  6) A ground conditions investigation or assessment of ground conditions.</p> <p>3. The inspection will not involve any testing of services or connections such as electricity, gas, water or drainage including cess pit or septic tank.</p>
<p><b>TERMS OF BUSINESS</b></p>	<p><b>Cancellation</b></p> <p>The client will be entitled to cancel this contract by notifying the Valuer's office at any time before the date of the proposed inspection.</p> <p>The Valuer will be entitled not to proceed with the provision of the valuation (and will so report promptly to the client) if, after arriving at the Property, he or she concludes; a) that it is of a type of construction of which he or she has insufficient specialist knowledge to be able to provide the service in a satisfactory manner or b) that it would be in the client's best interests to be provided with a more detailed type of inspection report, a valuation assessment or detailed survey.</p> <p>In the case of cancellation, the Valuer will refund any money paid by the client for the service deducting expenses reasonably incurred to the date of the cancellation notification. In the case of cancellation by the Valuer the reason will be explained to the client as soon as practically possible.</p>

We accept these terms of engagement as an accurate summary of the instructions to provide a valuation.



Signed.....  
(Firm)

Signed .....  
(Client)

For and on behalf of .....

For and on behalf of .....  
(Client)

**LeaHough**  
CHARTERED SURVEYORS

**Dated**            24.05.21

**Dated**

## APPENDIX D

### Comparables

Direct sales comparables due to physical features, scale and size etc. difficult to isolate but the following offer an indication as to the tone of value of the locality on the alternative basis of valuation, i.e. residential development and current existing employment use.

### Existing Use Comps

Property	Description	Date of Sale	Use	Size (sq.ft)	Sale Price	£ per sq.ft.
Irwell House - Atherton Way	Single storey unit comprising industrial warehouse accommodation. Constructed in a steel portal frame with a profile steel cladding.	9th February 2021	Industrial	12,215	£337,500	£27.63
Percy Street Works, Bury, Lancashire, BL9 6BZ	Single storey industrial unit comprising predominantly warehouse accommodation, with intergrated office space. Brick construction under a flat roof	20th May 2020	Industrial	5,626	£232,500	£41.33
Bentley Road - Roachdale	Single storey unit comprising predominantly industrial accommodation. Brick constructed building under a pitched roof.	17th September 2019	Industrial	18,726	£850,000	£45.39
Manchester Road, Broadwood works	Large industrial warehouse unit with intergrated office accommodation. Built in a steel portal frame with a profile steel cladding.	2nd December 2019	Industrial	28,936	£720,000	£24.88

### Residential Development Value Comps

Property	Description	Date of Sale	Use	Size (sq.ft)	Sale Price	£ per sq.ft.	Size (acres)	£ per acre
Walshaw Road, Bury	Large industrial unit, which is understood to have been sold for development.	18th December 2020	Sold for development	77,370	£7,400,000.00	£95.64	£6.69	£1,106,128.55
Land at Croft Lane	Plot of commercial land with planning permission to construct seven residential dwellings.	13th May 2021	sold for development	19602	£435,000.00	£22.19	0.45	£966,666.67
Land at Wood Street, Rochdale	Plot of land, with previous p[lanning consent to build a block of 22 apartments	5th January 2021	Sold for development	6970	£235,000.00	£33.72	0.16	£1,468,750.00
Edge lane Street, Oldham	commercial land bough for housing development	27th July 2020	Sold for development	89,930	£532,820	£5.92	2.06	£258,650.49

Appendix III – Land at Station Road within Council Ownership

