

On behalf of

Ref:

Date:



Prepared by:

Lambert Smith Hampton

Purpose of Inspection	Vendor Survey
Tenure	Freehold
Building Type	3 units with office space
Size	657 m ² (7,070 ft ²)
Floor to Ceiling/Eaves	2.7m
Period of Construction	2010
EPC Rating	TBC



CONDITION SNAPSHOT

Immediate Action
 Short Term Action
 Medium/Long Term Action
 No action

ITEM	ELEMENT	PRIORITY	LIABILITY
4.1	Structure & Foundation		£0
4.2	Roofs & Rainwater Goods		£36,000
4.3	Perimeter Walls		£7,500
4.4	Doors & Windows		£13,000
4.5	Floors & Staircases		£0
4.6	Internal Areas		£0
4.7	Site Areas & Boundaries		£23,000
5.1	Mechanical Services		£1,100
5.2	Electrical Services		£1,100
7.0	Statutory Matters		£2,500
TOTAL LIABILITY			£84,200

MATTERS FOR YOUR SOLICITOR ARISING FOLLOWING OUR INSPECTION

- 8.1 Verify the title of the property and confirm that there are no restrictive covenants on the land register. In doing so your solicitor should verify the exact position of the boundary together with the access arrangements to the premises and establish any rights of way or other obligations associated with the neighbouring properties or land.
- 8.2 Provide a full report on the current occupational leases. In particular you should have regard to any limitations on the repair, decoration or reinstatement provisions where you might be liable for the cost of any short falls.
- 8.3 Confirm the terms and extent of any service charge provisions in the lease documentation and whether there are any caps or limitations. In doing so, they should also advise whether there are any service charge disputes.
- 8.4 Confirm whether there are any guarantees available for the roof.
- 8.5 Obtain copies of the EPCs.

SUITABILITY FOR PURCHASE

Subject to your acceptance of the issues raised within our report, the anticipated future cost liability to you as freeholder and the outcome of your solicitors enquiries, we see no reason from a Chartered Building Surveyors perspective why you should not proceed with your proposed acquisition.

Inspection Date: 30 June 21

Report Issue Date: 9 July 21

Inspected By: Gary Blackman BSc (Hons) FRICS

Reviewed By: Matthew Bright BSc MRICS

Prepared by: Gary Blackman BSc (Hons) FRICS
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Inspection Date: 30 June 2021

Report Issue Date: 09 July 2021

This document has been prepared and checked in accordance with the Lambert Smith Hampton Quality Assurance procedures and authorised for release.

Surveyor Signature:



Date: 9 July 2021

Authorising Signature:



Date: 9 July 2021

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1.0 Introduction

1.1 Basis of Inspection

1.1.1 Further to your instructions of 27 May 2021, to carry out a vendor building survey for investment purposes, we carried out an inspection of the subject premises on 30 June 2021. This report summarises our findings and recommendations to provide an overview of the building's physical condition and to highlight any apparent defects in its construction, together with repairs required, which may influence the proposed acquisition.

1.1.2 This report focuses upon any material issues which may impact upon the investment value. Accordingly, we do not report on general maintenance or day to day management issues. We have provided no comment on each of the tenant's current fit out.

1.1.3 At the time of our inspection the weather conditions were dry and sunny.

1.1.4 We have assumed that the front elevation of unit 3 faces due south and the front elevations of 8, 9 & 10 face due north, and all other references are given on this basis.

1.2 Limitations

1.2.1 We were unable to gain access to the following areas:

- Voids above the suspended ceilings.

We do not consider there to be a need for further inspections.

1.2.2 Our report does not provide details on any legal issues that relate to the site.

1.2.3 Upon your instructions, we made have arrangements for Delta Simons to undertake a Phase 1 environmental assessment. Their summary report is appended at Appendix B.

1.2.4 No detailed structural survey has been commissioned; however, we have made comment on the structural elements based on our level of expertise.

1.2.5 No separate mechanical and electrical report has been provided. We have made comment on the mechanical and electrical installations based on our level of expertise.

1.2.6 The site was operational at the time of inspection and general tenant's chattels and general operations obscured some areas of the building and structure.

2.0 Property Description

- 2.1 The site comprises of 13 business units. Units 3, 8, 9 & 10 are formed from a steel frame with a curved steel pitched roof with a profile metal roof covering; these drain into metal box gutters and downpipes. Facades are weathered with facing brickwork, with dark brick bands running between windows. There is steel Brise Soleil above the first floor south facing windows. Each unit has a front entrance that comprises a powder coated metal framed glazed facade, with double glazed units and a personnel door of the same construction. All windows comprise of powder coated metal frames with double glazed units.
- 2.2 Internally, the ceilings are a mixture of finishes, comprising of 600 x 600mm suspended ceiling grid and tile to the reception areas and staircores, the underside of the precast concrete floors at ground level and underside of the roof covering at first. The internal face of the external walls are emulsion decorated blockwork. There is perimeter skirting trunking to all rooms. Floor finishes are a mixture of engineered timber flooring and carpet with ceramic tiles to WCs. Each unit has the same lighting configuration comprising of recessed LED light fittings and surface mounted LED fittings. Each unit is heated by a gas fired boiler, with perimeter radiators.
- 2.3 Externally, there are hardstandings to the front of the units. These comprise of block paved paths and parking spaces. The entrance road and main access to the site is a tarmac road. There are a number of grassed areas and plantings. Lighting is provided by a number of lamp standards situated around the car parking area. Surface water drainage to the site is provided by mains connected gullies.

3.0 Occupancy

- 3.1 We have not had sight of the lease documentation but have assumed for the purpose of this report that each unit is let on a full repairing and insuring terms to the individual tenants. Any issues raised below to the units will therefore form part of the individual tenants repairing liabilities under the terms of their leases. We would assume that the external hardstanding and areas other than the units would be the landlord's responsibility. However any works to the external hardstanding and landscaping should be recoverable via a service charge providing that normal service charge provisions apply. Your solicitors should verify our assumptions.
- 3.2 Where items are marked as Purchaser Liability, we recommend that your solicitors confirm the exact status of the Service Charge mechanism, the forward budget and the current monies held on account. It may be possible that monies can be offset from the Service Charge against the liabilities identified below.

4.0 Condition

The items below are marked as follows:

- Requiring immediate action / requiring resolving as a condition of purchase.
- Short term action requiring resolution within 1-2 years
- Medium/Long term action, management / housekeeping issue or non critical issue.
- No actions required / no issues of concern.

We have also highlighted below, where we consider the liability/action to lie, in the following categories:

P = Purchaser T = Tenant V = Vendor S = Solicitor I = Information

4.1 Structure and Foundations

4.1.1 We have not been provided with any information relating to the nature of the below ground structure. Our survey did not highlight any areas of concern relating to movement or cracking in the structure or finishes that would suggest that there are defects relating to the substructure.

I

4.2 Roofs and Rainwater Goods

4.2.1 The metal roof coverings are now over 10 years old, but are generally in good/fair condition. Your solicitor should request any guarantees that may be in place for the coverings.

S

4.2.2 There is evidence of delamination to the bottom cut edges of the roof sheets where they meet the box gutter. Consideration will need to be given to treating the cut edge corrosion in the medium to long term.

T

4.2.3 There is debris noted in the gutter channels and evidence of leaking around some of the joints and downpipes. We would recommend that the gutters are cleared of all debris and gutter channels treated to prevent all future leaking.

T

4.2.4 There is some soiling to the roof sheets and external faces of the gutters. The roof sheets and gutters should be cleaned on a regular basis.

T

4.3 Perimeter Walls

4.3.1 Generally, the brickwork is in sound condition and free from defects.

I

4.3.2 Where the gutters are leaking, the rainwater has stained the brickwork. Once the gutters have been repaired, the brickwork should be cleaned. Some repointing may also be necessary.

T

4.4 Doors and Windows

4.4.1 The powder coated metal doors and windows appear to be in a fair condition, there were no signs of any defects. Over the coming years, we would expect the double glazed units to start to fail and require replacement. We assume it would be the tenant responsibility to replace any defective panels.

T

4.4.2 The factory paint finish to windows is starting to deteriorate, the paintwork can be brought back to life with proprietary systems such as 'SeeBrilliance'. Cleaning of windows should be undertaken regularly and work to bring the paintwork back to life should be undertaken in the mid-term.

T

4.4.3 There are a number of areas of corrosion to the Brise Soleil to all units. The defective paintwork should be removed, corrosion treated and the Brise Soleil repainted.

T

4.5 Floors and Staircases

4.5.1 The floors are solid concrete with carpet tile, engineered flooring or ceramic tile covering to all of the units. We did not see any evidence of unevenness, deflection, or undulation to suggest failure of the underlying screed or floor structure.

I

4.6 Internal Areas

4.6.1 The condition of the internal demised areas varied between each unit, however generally the current tenants are maintaining the properties well and we noted no significant areas of concern. Most tenants had completed their own bespoke fit out and refurbishment to suit their business requirements.

I

4.7 Site Boundaries and External Areas

4.7.1 The access road and car parking to the site was generally in a fair condition, however general maintenance will be required on a regular basis.

P

4.7.2 The block paving is soiled and would benefit from thorough cleaning with moss and vegetation removed.

P

4.7.3 The tarmacadam surfaces are in a fair condition; however repairs will be necessary on an ongoing basis.

P

4.7.4 Grassed areas and plantings were well kept and in good condition.

P

5.0 Mechanical and Electrical Services

In accordance with your instructions, we have not instructed a specialist M&E consultant to review the service installations. We have provided commentary below on the physical appearance of the service installations, but confirm our advice is limited to that of a Chartered Building Surveyors perspective.

5.1 Mechanical Services

5.1.1 Heating is provided to each unit by a gas fired central heating boiler located within each individual unit. The boilers are 11 years old; however all were fully operational at the time of our inspection. We were unable to obtain current test certificates from the individual tenants, but it was evident that some boilers had been recently tested and others had not. It will be each tenant's obligation under the terms of their individual lease to ensure gas fired installations receive the requisite testing.

T

5.2 Electrical Services

5.2.1 Each unit contained its own electrical distribution board. Distribution boards were correctly labelled. There were labels confirming testing was in date to some units whilst other units were out of date. It is the tenant's responsibility to ensure fixed wiring is tested in each unit at least every 5 years and we would suggest that the tenants are reminded of this obligation and electrical test certificates requested.

T

6.0 Building Management

6.1 Externally, the common areas appear to be well managed and maintained. We expect that the cost of the works to the external areas highlighted to be recoverable under the service charge.

S

7.0 Statutory Matters

7.1 During the course of our survey we have had regard to:-

- Regulatory Reform (Fire Safety) Order 2005
- Workplace (Health, Safety & Welfare) Regulations 1992
- Currently cited Building Regulations
- Control of Asbestos Regulations 2012
- Equality Act 2010

Commentary on the specific considerations we have had in relation to the above during the course of our survey is provided at Appendix A.

S

8.0 Matters for Your Solicitor

8.1 Your solicitors should verify the title of the property and confirm that there are no restrictive covenants on the land register. In doing so your solicitor should verify the exact position of the boundary together with the access arrangements to the premises and establish any rights of way or other obligations associated with the neighbouring properties or land.

- 8.2 Your solicitors should provide a full report on the current occupational leases. In particular you should have regard to any limitations on the repair, decoration or reinstatement provisions where you might be liable for the cost of any short falls.
- 8.3 Your solicitors should confirm the terms and extent of any service charge provisions in the lease documentation and whether there are any caps or limitations. In doing so, they should also advise whether there are any service charge disputes.
- 8.4 Your solicitors should confirm whether there are any guarantees available for the roof coverings.
- 8.5 We have not been provided with a copy of the EPCs, your solicitor should request these.

9.0 Dilapidations Matters

- 9.1 We have not undertaken a dilapidations liability assessment of the premises; however we have assumed that the tenants will have responsibility for repairs to the units, under the terms of their occupational leases.
- 9.2 We have separated out within the budget costs at section 10.0 below, the cost of repair for which the tenant would be responsible for.
- 9.3 We have not assessed matters of reinstatement or routine redecoration which is typically expressed as a requirement in most commercial leases.

10.0 Budget Cost of Repairs Identified

A breakdown of estimated budget cost liabilities, and the limitations to which they are subject, is provided in Appendix D. The costs are based on a forecast 10 year cycle. The summary budget costs are set out below:

	Purchaser	Tenant
Immediate	£0	£4,700
Short Term (Year 2-5)	£9,000	£31,000
Medium Long Term (Year 6-10)	£14,000	£25,500
Total	£23,000	£61,200

The figures reflect the repair/replacement of building fabric and services on a like-for-like basis only. The figures do not include for the aesthetic refurbishment of any occupied or vacant floorplates. The figures do also not consider the recovery of costs via service charge, with further consideration of the service charge arrangements required to establish any ability for full or partial recovery. Moreover, these figures do not represent a dilapidations assessment of the tenant's obligations. The costs are exclusive of VAT, consultancy and statutory fees and inflation.

11.0 Summary and Recommendations

- 11.1 It is understood that the freehold interest of units 3, 8, 9 & 10 is to be acquired for investment purposes.
- 11.2 The majority of issues highlighted relate to general repair and maintenance of the external elevations. We would expect the tenants to be responsible for these repairs under the terms of their leases.
- 11.3 Subject to your acceptance of the issues raised within our report, the anticipated future liability to you as freeholder and the outcome of your solicitors enquiries, we see no reason from a Chartered Building Surveyors perspective why you should not proceed with your proposed acquisition.
- 11.4 We trust that this report is satisfactory for your present requirements and if you wish to discuss this matter please contact:

Gary Blackman BSc (Hons) FRICS

Building Consultancy
UK House
180 Oxford Street
London W1D 1NN

Tel: 020 7198 2000

LAMBERT SMITH HAMPTON

APPENDIX A

STATUTORY CONSIDERATIONS

Regulatory Reform (Fire Safety) Order 2005

Under the terms of the Regulatory Reform (Fire Safety) Order 2005 a Responsible Person is required to assess the fire risk and to take reasonable precautions. Typically this encompasses the preparation of a Fire Risk Assessment and the implementation of the recommendations contained therein.

Further guidance can be found at www.communities.gov.uk/fire/firesafety/firesafetylaw

Control of Asbestos Regulations 2012

Under the terms of these Regulations a Dutyholder is required to manage asbestos in non- domestic premises. Typically, this encompasses a positive obligation to assess the likelihood of asbestos containing materials (ACMs) being present at the premises. This can be achieved either by reference to bone fide statements confirming that ACMs were not incorporated into the construction of the building, or by commissioning an asbestos survey. The results of that survey would then be interpreted, acted upon and recorded in an Asbestos Management Plan.

Further guidance can be found at <http://www.hse.gov.uk/pubns/indg223.pdf>

Workplace (Health, Safety and Welfare) Regulations 1992

A variety of statutory instruments and supporting legislation govern the health and safety of people in the context of the built environment.

Further guidance can be found at <http://www.hse.gov.uk/pubns/indg244.pdf>

Energy Act 2011

By 1 April 2018 at the latest, it will be unlawful to let a property with an EPC rating of F or G. EPC's last for a period of 10 years before re-assessment is required. The government are continually tightening the bandings for EPC's, therefore it is entirely possible that a property with an EPC rating of B in 2010 if assessed today could have a reduced rating.

Further guidance can be found at

http://www.decc.gov.uk/en/content/cms/legislation/energy_act2011/energy_act2011.aspx

Equality Act 2010

Under the terms of the Equality Act 2010, employers or service providers are required to take reasonable steps to avoid discrimination. Typically this encompasses the preparation of an Access Audit specific to the requirements and nature of the service provider and/or employer, and the implementation of the recommendations.

Further guidance can be found on the Equality and Human Rights Commission website at <http://www.equalityhumanrights.com/advice-and-guidance/new-equality-act-guidance/equality-act-guidance-downloads/>

Construction (Design and Management) Regulations 2015 (CDM)

Under the terms of the CDM Regulations” certain construction operations attract the requirement for the preparation of a Health and Safety File. Amongst other things this document records details of the works completed in order to assist safe and appropriate repair in the future. The Client (as defined by the CDM Regulations) is required to retain the Health and Safety File and to allow appropriate access to it.

Further details can be found at www.hse.gov.uk/construction/cdm/responsibilities.html

APPENDIX B

PHASE 1 ENVIRONMENTAL REPORT

APPENDIX C

ILLUSTRATIVE PHOTOGRAPHS



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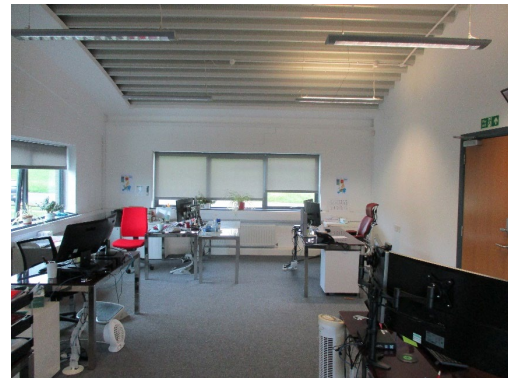
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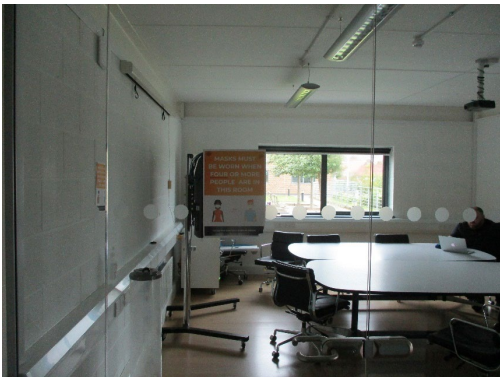
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APPENDIX D

BUDGET COSTS

The budget figures are based on estimated prices prevailing as at the date of this report.

- It is taken that the works will be undertaken as a single contract. If undertaken on a piecemeal basis, the costs are likely to be higher.
- No allowance has been made for the following:
 - i. Future inflation of building materials and labour prices.
 - ii. Statutory fees including Planning and Building Regulations applications that may be necessary.
 - iii. Building insurance.
 - iv. Interest on expenditure.
 - v. Any professional fees (eg. Legal, project management etc. except where and to the extent stated).
 - vi. Contingencies.
 - vii. Preliminary Costs
 - viii. It is assumed that the works will be undertaken during normal working hours.
- Guide prices have been derived from a visual inspection and are of an indicative nature only. They are not based on any detailed measurement or specification.
- Where costs relate to an item requiring further investigation, the costs provided relate to the cost of the investigation only and not, unless specifically stated and allowed for otherwise, for works that may be recommended following investigation.

APPENDIX D - BUDGET COSTINGS FOR REPAIR

PROPERTY: Woodingdean Business Park

Item Number	Work Description	Immediate Works	Short Term Within Years 2-5	Medium/Long Term Within Years 6-10	Purchaser's Cost	Tenant's Cost	Total Cost
Risk		(£)	(£)	(£)	(£)	(£)	(£)
High							
1.1.1	None						£ -
Medium							
4.2.3	Clean out gutters and reline		£ 20,000.00			£ 20,000.00	£ 20,000.00
4.3.2	Clean brickwork and repoint as necessary		£ 7,500.00			£ 7,500.00	£ 7,500.00
4.4.3	Treat corrosion and repaint Brise Soleil		£ 3,500.00			£ 3,500.00	£ 3,500.00
5.1	Mechanical and Electrical Services	£ 2,200.00				£ 2,200.00	£ 2,200.00
7.0	Statutory	£ 2,500.00				£ 2,500.00	£ 2,500.00
Low							
4.2.2	Cut edge corrosion treatment			£ 10,000.00		£ 10,000.00	£ 10,000.00
4.2.4	Cleaning roofs and gutters			£ 6,000.00		£ 6,000.00	£ 6,000.00
4.4.2	Treatment to window frames			£ 9,500.00		£ 9,500.00	£ 9,500.00
4.7.2	Cleaning and repairs to block paving		£ 5,000.00	£ 5,000.00	£ 10,000.00		£ 10,000.00
4.7.3	Repair to tarmacadam surfaces		£ 3,000.00	£ 6,000.00	£ 9,000.00		£ 9,000.00
4.7.4	Plantings		£ 1,000.00	£ 3,000.00	£ 4,000.00		£ 4,000.00
	Total Sum (Ex.VAT)	£ 4,700.00	£ 40,000.00	£ 39,500.00	£ 23,000.00	£ 61,200.00	£ 84,200.00

Note: The budget costs stated are subject to the limitations set out over leaf.

APPENDIX E
TERMS AND CONDITIONS

**Lambert
Smith
Hampton**

Our national network
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