

**POWELLS COMMERCIAL**

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# **STRATEGIC REPORT**

## **PENISTONE COAL DROPS AND TRANS PENNINE TRAIL**

Providing advice in respect of demand for different types of Commercial Use of the proposed mixed residential and commercial scheme.

**REPORT OF PROPOSED MIXED DEVELOPMENT AT PENISTONE COAL DROPS,  
PENISTONE**

**INSTRUCTION**

We are instructed jointly by Mr Shibl and Mr Mark Jackson of Mark Jackson Planning to provide the following report.

**CONFLICT OF INTEREST**

We confirm that we have no conflict of interest in providing the Report.

**VALUATION SURVEYOR**

Alan J Powell. Experience since 1974 involved in residential and commercial property valuation, disposal, and acquisition, Development appraisal, landlord & tenant negotiations, and District valuer negotiations for rating purposes, Capital Gains and Inheritance Tax Valuation.

**PROPOSED COMMERCIAL USE**

I have been asked to provide my opinion of the different types of use which would be likely to be attracted to the scheme.

**New Unit to be constructed above Coal Drops**

My understanding is that the unit is to be constructed in materials and design which conform to the rural ambience of the surrounding area.

The unit would be likely to attract interest from sympathetic uses which would be likely to be mainly concerned with activity and outdoor pursuits.

My feeling is that the likelihood would be that the end user would be maximising the commercial potential by incorporating retail of outdoor and leisure pursuits including, for instance, outdoor clothing, shoes, hiking boots, and all ancillary products.

I believe that there may well be an interest in cycle hire (much the same as Allen's Cycles situated adjacent to the Trans Pennine Trail at Worsbrough, Barnsley).

I also feel that a small Cafeteria area dedicated to hot drinks, cold and heated up food would be popular.

Additionally, external tables and chairs could be provided, all of which would be likely to enhance the general locality and help to create a commercial demand within the immediate area.

It would be useful if Not imperative that signage be provided in a prominent position within close proximity of the proposed new roundabout to serve the proposed supermarket.

#### **Children's Day Nursery**

A Children's day nursery would be likely to be a further popular use in view of the combination of a safe environment, the ease of creation of a nature trail for the children, a quiet and attractive work and play environment with no danger from vehicular movement.

Although there is much competition now in day nurseries which have been set up over recent years, I feel that this would be an ideal location and that parents would be likely to choose this location as a day nursery for the children because of the advantages offered.

#### **Potential Use in respect of the converted Coal Drops**

There is unlikely to be sufficient pedestrian flow to attract a large variety of retail uses, and it is more likely that specialist forms of use would be attracted to the converted Coal Drops.

Likely forms of use would be a café with tables outside, ladies/gents hairdressing salon, hot food takeaway, sale of arts & craft goods, small bicycle retail shop.

I am sure there would be demand for more than one hot food takeaway in view of the prominent location and the car parking facilities provided on site.

#### **Converted Station Managers Office (Regency House)**

The most obvious use in respect of the building would be office use, however, the difficulty in making the building DDA compliant would be likely to greatly restrict demand for office use.

I can see that a potential demand would be beautician /therapy and consulting rooms where in order to comply with DDA requirement, the option of home visits could be provided. I believe this is where the concentration of demand would be focused.

#### **REVISED RESIDENTIAL BUILDINGS**

The revised residential layout looks visually very much more appealing than the original, and the inclusion of 2<sup>nd</sup> floor additional bedroom space would be likely to greatly enhance the selling prospects and indeed the desirability of the dwellings.

The building materials in Yorkshire Stone and blue slate roof tiles, together with the very traditional appearance should be very appealing and ensure that demand for the dwellings once constructed.

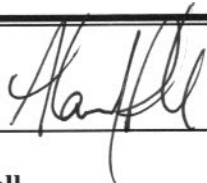
**CONFIDENTIALITY**

This report is for the use only of the party to whom it is addressed and should only be used within the context of the instructions under which it is prepared. The Valuer accepts responsibility to the client alone that the report will be prepared with the skill, care and diligence to be reasonably expected of a competent surveyor, but accepts no responsibility whatsoever to any person other than the Client itself. Any such person relies upon the report at his or her own risk.

Neither the whole nor any part of this valuation report or any reference thereto may be included in any published document circular or statement, no publicity in any way without the written approval of the Valuer of the form and context in which it may appear. (Such publications or references to this report will not be permitted unless it contains sufficient contemporaneous reference to the departure(s) from the practice statements in the RICS Appraisal & Valuation Standards).

For the purposes of this valuation, we state our opinion of the Market Value of the property, with no allowance for any grants or tax allowances, which may be appropriate under current legislation.

Signed \_\_\_\_\_



**Alan J Powell**  
**POWELLS COMMERCIAL PROPERTY CONSULTANTS**

**12<sup>th</sup> April 2010**

## SCHEDULE OF STANDARD ASSUMPTIONS, LIMITATIONS AND CAVEATS AND

### BASIS OF VALUATION

Our report and valuation is prepared in accordance with the assumptions, limitations and caveats set out below. We will be pleased to discuss with you any variations that might be appropriate in particular circumstances. We will also be pleased to arrange for more detailed enquiries and/or survey to be made if requested.

1. Our report and valuation is prepared in accordance with the Appraisal and Valuation Standards prepared by the Royal Institution of Chartered Surveyors.

2. **Verification of Information.**

We rely upon the information provided by those parties referred to in our report and should any of this information prove to be incorrect it is possible that we may have to reconsider our opinion.

3. **Legal Documentation (Title Deeds and/or Leases etc)**

We do not inspect the Title Deeds and/or Leases and assume that all documentation is satisfactorily drawn and in terms currently prevalent on the type of document and that there are no onerous encumbrances, adverse restrictive covenants, onerous way leaves, easements, rights of way or other unfavourable dominant rights which would materially affect our opinion. We assume that flank walls are party walls and that satisfactory arrangements are in existence for their repair and maintenance.

We recommend that a Solicitor should comment in respect of all legal documentation.

4. **Measurements and Floor Areas.**

When taken, measurements are made in accordance with the prevailing edition of the Code of Measuring Practice issued by the Royal Institution of Chartered Surveyors and the Incorporated Society of Valuers and Auctioneers.

5. **Town Planning and Rating Assessments**

Oral enquiries only are made in respect of rating Assessments and contingent liabilities such as road widening, road charges, redevelopment proposals, etc. and other possible effect of other town planning restrictions. Local searches are not usually made or previous search documentation inspected.

It is assumed that buildings are constructed in accordance with valid Town Planning Consents and Building Regulations Approvals to the full satisfaction of the local Authority and that there are no outstanding Statutory or other Notices in connection with the property for its present or intended use. We also assume that the Town Planning Consents do not contain restrictions, which may adversely affect the value of the property.

6. **Structural Survey and Conditions of Buildings**

We inspect the property in accordance with your instructions but we do not carry out a Structural Survey nor do we inspect woodwork or other parts of the structure, which are covered, unexposed, or inaccessible. We do not test the various services. We are, therefore, unable to report that any such part of the property is free from defects.

We do not arrange for any investigation to be carried out to determine whether or not High Alumina Cement or calcium chloride additive or any other deleterious material or permanent wood wool shuttering have been used in the construction of the property. We are therefore unable to report that the property is free from risk in this respect. Also we do not carry out any tests or make any site investigations as to the presence in or on the property of any substances (including living organisms) that might cause harm to man or any other living organisms ("harm" being as defined in s1(4) of the Environment Protection Act 1990). For the purpose of the valuation we assume that no such materials or substances are or might be present.

We have regard to the general condition of the property as observed by us in the course of our inspection and reflect in our valuation any defects and items of disrepair noted.

Our valuation assumes that all damage caused by the removal of plant, machinery, fixtures and fittings etc. will be made good prior to sale.

7. **Ground Conditions**

We do not carry out any soil tests or make any other investigations and therefore we are not able to offer any opinion as to the suitability of the site for the existing buildings, or as to the existence or likelihood of any contamination. For the purposes of the valuation, however, we assume that there are no problems in this respect.

8. **Fixtures and Fittings**

We exclude all items in the nature of tenants' fixtures and fittings, plant and machinery and we include in our valuation the following: -

The electric wiring for lighting and power from the distribution board to wall and ceiling points.

The gas supply from the meter to the central heating boiler and other appliances.

Drains for both surface water and foul water and their connection to the sewer.

Boiler and associated plant and machinery including fuel tanks, pipes and fittings (radiators and unit fan heaters that are used primarily for supplying or using steam or hot water for space heating and other non-process purposes). Hydrants, pumps and main sprinkler systems, smoke detectors and fitted fire and burglar alarm systems.

**9. Insurance**

Capital Values quoted are not appropriate for insurance purposes, which should be calculated on a reinstatement or indemnity basis.

**10. Taxation and Costs**

Our valuation does not take into account any expenses, which would be incurred in realisation, nor any possible tax liabilities including Capital Gains Tax and Value Added Tax.

**11. Statutory regulations**

We assume that the property has, if appropriate, a relevant Fire Certificate, that it complies with the requirements under the Shops, Offices and Railway Premises Act and Factory Acts as far as they are applicable. In addition, we assume that the property is not affected by any outstanding Statutory Notice or other contractual Notice, which might restrict the use or affect value.

**12. Mining**

We do not undertake a mining search, but it should be borne in mind that if the property lies within a coal field the property could be subject to damage associated with underground mine workings, either from past, present or future workings. If a property is affected by mining subsidence a claim may lie against the relevant Coal Authority.

**13. Contaminated Land**

The Environment Protection Act 1990 requires local authorities to establish Contaminant Land registers. We have not investigated whether the site is, or has been in the past, contaminated, or whether it is on such a register and your legal advisors should investigate whether the subject property is on the register before you enter in to any legal or financial commitment. Our valuation is on the assumption that the land is not contaminated and is not on the register.

**14. Valuation Document**

This valuation report document including plans, photographs, schedules etc.

**15. Reproduction and Use**

Our report is for the use only of the party to whom it is addressed and should only be used within the context of the instructions under which it is prepared. It may be disclosed to other Professional Advisors assisting in respect of that purpose. No responsibility is accepted to any third party or the whole, or any part of its contents. No responsibility is accepted for any use by any party of the whole or any part of the report for a purpose not disclosed to us prior to the report being made available to the client.

Neither the whole or any part of our valuation or report or any reference thereto may be included in any published document, circular or statement or published in any way without written approval of Powell & Co of the form and context in which it may appear.

**16. Basis of Valuation**

**16.1 Market Value**

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

**16.2 Existing Use Value**

An opinion of the best price at which the sale of an interest in property would have been completed unconditionally for cash consideration on the date of valuation, assuming

- a) a willing seller
- b) that prior to the date of valuation there had been a reasonable period (having regard to the nature of the property and the state of the market) for the property marketing of the interest, for the agreement of the price and terms and for the completion of the sale;
- c) that the state of the market, level of values and other circumstances were, on any earlier assumed date of exchange of contracts, the same as on the date of valuation;
- d) that no account is taken of any additional bid by a prospective purchaser with a special interest;
- e) that both parties to the transaction had acted knowledgeably, prudently and without compulsion;
- f) the property can be used for the foreseeable future only for the existing use;
- g) that vacant possession is provided on completion of the sale of all parts of the property occupied by business (save that solely where the property is owned by a public or other non-profit making body, for the delivery of a service, it is assumed that the property will continue to be occupied or let for its existing use.

**16.3 Estimated Realisation Price**

An opinion as to the amount of cash consideration before deduction of costs of sale, which the Valuer considers on the date of valuation can reasonably be expected to be obtained on future completion of an unconditional sale of interest in the subject property assuming:

- a) a willing seller;
- b) that completion will take place on a future date specified by the Valuer to allow a reasonable period for proper marketing (having regard to the nature of the property and the state of the market);
- c) that no account is taken of any additional bid by a prospective purchaser with a special interest, and;
- d) that both parties to the transaction will act acknowledgeable, prudently and without compulsion.

**16.4 Estimated Restricted Realisation Price**

An opinion as to the amount of cash consideration before deduction of costs of sale, which the Valuer considers on the date of valuation can reasonably be expected to be obtained on future completion of an unconditional sale of interest in the subject property assuming:

- a) a willing seller;
- b) that completion will take place on a future date specified by the Client (and recorded in the Valuer's report) which does not allow a reasonable period for property marketing (having regard to the nature of the property and the state of the market);
- c) that no account is taken of any additional bid by a prospective purchaser with a special interest, and;
- d) that both parties to the transaction will act knowledgeably, prudently, and without compulsion.

**16.5 Depreciated Replacement Cost**

The aggregate amount of the value of the land for the existing use or a notional replacement site in the same locality and the gross replacement cost of the buildings and other site works from which appropriate deductions may then be made to allow for the age, condition, economic or functional obsolescence and environmental factors etc. All of these might result in the existing property being worth less to the undertaking in occupation than would a new replacement.

**16.6 Market Rent**

An opinion of the best rent at which a new letting of an interest in property would have been completed at the date of valuation assuming:

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

**16.7 Estimated Future Rental Value**

An opinion as to the extent which the Valuer considers, on the date of valuation can reasonably be expected to be obtained on future completion of a new letting of the subject assuming:

- a) a willing landlord;
- b) that completion of the letting will take place on a future date specified by the Valuer (and recorded in the Valuer's Report) to allow a reasonable period (having regard to the nature of the property and the state of the market) for proper marketing of the interest for agreement of the rent and other letting terms and for the completion of the letting;
- c) that no account is taken of any additional bid by a prospective tenant with a special interest;
- d) a stated length of term and stated principal conditions applying or assumed to apply to the letting and that other terms will not be exceptionally onerous or beneficial for a letting of the type and class of the subject property;
- e) that no premium will pass and any rent free period is in respect only of the time which would be needed by the incoming tenant to make the subject property fit for occupation, and;
- f) that both parties to the transaction will act knowledgeably, prudently and without compulsion.

N.B. This definition applies to the rental valuation of property on the assumption of a new Lease as distinct from a renewal.

**16.8 Fire Insurance Reinstatement Cost Assessment**

**Fire insurance Reinstatement Cost Assessment is our opinion of the likely cost of reinstating all the buildings on the following basis:**

That the accommodation provided will be similar in construction and design to the existing buildings.

Reinstatement will be in compliance with the conditions imposed by the Local Authorities in connection with the construction of the building.

In arriving at the fire insurance reinstatement cost assessment, an allowance has been made to cover the cost of necessary demolition prior to rebuilding.

The Reinstatement cost does not include any allowance for;

- any loss of rent incurred during rebuilding;
- planning restrictions that the planning Authority might impose;
- special foundations, drains and sewers, yard surfaces, private roadways, hard standing, boundary walls and fences.
- all plant, machinery, equipment, tanks, fixtures, and fittings, loose tools, office furniture and equipment;
- any effect of inflation on building costs occurring after the date of valuation.
- professional fees which would normally be incurred in connection with the rebuilding operations are included.

**In the event of a building being destroyed either wholly or partially, the reconstruction may attract a VAT charge. This liability has not been reflected in our valuation and you are advised to discuss this matter with your Insurance Brokers.**

#### 16.9 Rental Value for Lease Renewal

The rental value means the best rent under a lease of the property, which might be obtained at the date of valuation, assuming;

- a) vacant possession of the whole of the property;
- b) a willing lessor;
- c) a reasonable period in which to negotiate the rent, taking into account the nature of the property and the state of the market;
- d) that values will remain static throughout that period;
- e) that the property will be freely exposed on the open market;
- f) that no account will be taken of any additional bid by a lessee with a special interest:

but disregarding

- any effect on rent of the fact that the tenant has or his predecessor in title, have been in occupation of the premises;
- any goodwill attached to the premises by reason of the carrying out of the business of the tenant (whether by him or by a predecessor of his in that business);
- Any effect on rent of any improvements to which S.34 of the Landlord & tenant Act 1954 applies;
- in the case of licensed premises, any addition to their value attributable to the license, if it appears that the benefit of the license belongs to the tenant.

These terms are specified by the Landlord & Tenant 1954 part II as subsequently amended and such other assumptions as the Act requires are made.

No allowance has been made for the prospect of movement in rental value between the date of valuation and the date of renewal.

#### 16.10 Rental Value for Rent Review

It is assumed that standard working is used in the Lease. If so, the following assumptions are made. If not, then different assumptions may have to be made and we shall have to advise separately in each case. We advise that you consult a solicitor in each case.

The rental value, assuming a standard wording is in our opinion of and means the best rent which might reasonably be expected to be obtained at the date of valuation assuming:

- a) vacant possession of the whole property
- b) a reasonable period in which to negotiate a rent, taking into account the nature of the property and state of the market;
- c) that values will remain static during that period;
- c) that the property will be freely exposed to the open market;
- d) that no account will be taken of any additional bid by a lessee with a special interest.

These terms are normally specified by the rent review provisions in the current lease and such other assumptions as the current lease requires.

(If reporting prior to renewal):

No allowance will be made for the prospect of movement in rental values between the date of valuation and the date of review.(If reporting post review):The date of valuation will be the actual review date.