

PROPERTY REPORT

XXXX

Islington

London. N1 XXX



FOR

Mr X

Prepared by:

XXXX

INDEPENDENT CHARTERED SURVEYORS

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INTRODUCTION

We have been instructed to inspect and prepare a Report and Schedule of Condition for XXXX Islington, London. N1 XXX

The Property Report gives you advice on what we see are the key property issues relating to the lease on the above property that you are proposing to open as a hairdresser's aimed at younger clientele. We have also prepared a Schedule of Condition in relation to the lease you are considering. We visited the property on XXXX

We assume the property is being let on a standard Full Repairing and Insuring Lease; your legal advisor to advise us if there are any unusual or onerous clauses.

The work has been carried out as per our standard Terms and Conditions of Contract which have been emailed to you as part of the confirmation of our instructions. If you would like further clarification please do not hesitate to contact us.

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SYNOPSIS

SITUATION AND DESCRIPTION

This is a mid terraced ground floor lock up shop set within an older style building. There is access to the front and rear with the shop front sitting directly onto the adjoining pavement (no limited access in the area for deliveries); to the rear there is pedestrian access only to this property and the flats above and a courtyard area.

We would term the interior of this property to be in a dilapidated state.

At the time of our inspection whilst most of the shops along this section of Essex Road were predominately occupied some of them were in a state of disrepair. We would term this location as being a secondary moving towards tertiary retail area.

Secondary retail sector defined

The secondary retail sector is out of the main shopping area where the national and branded shops tend to be located. This is taken up by one off or local shops of lesser brands and national companies.

Tertiary retail sector defined

The tertiary retail sector is the area which is a step away from the main and secondary shopping areas possibly on the outskirts of a secondary retail area or perhaps on the periphery of a shopping arcade or in a poor area with regard to passing traffic. These areas can be good for destination retail.

The original building we believe to be likely from the Victorian period but has been amended, extended and altered, as have many properties of this age. If the age of the property interests you your Legal Advisor may be able to find out more information from the Deeds.

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Location Plan and Maps



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SUMMARY OF CONSTRUCTION

External

Main Roof:	Pitched roof not visible.
Flat Roof:	Flat roof not visible at high level.
Single storey flat roofs:	Felt
Roof Structure:	Cut timber roof not viewed (assumed)
Gutters and Downpipes:	Cast Iron and Plastic
Soil and Vent Pipe:	Cast Iron and Plastic
Walls:	Brickwork with a mixture of styles and ages (assumed)
Fascias and Soffits:	Painted timber (assumed)
External Detailing:	Metal windows single glazed

Internal

Ceilings:	Polystyrene tiles likely to be lath and plaster underneath (all assumed)
Walls	Dry lined with a studwork wall dividing the area into two (assumed)
Floors: Ground Floor:	Part suspended part solid (assumed) part dilapidated

Services

There is a WC within the property and a broken hand basin so we therefore assume that the property has a mains water supply, drainage, electricity and gas although we have not checked this. As far as we could see there is no heating currently. There are electric sockets and lights.

The above terms are explained in full in the main body of the Report.

We have used the term 'assumed' as we have not opened up the structure.

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EXTERNAL PHOTOGRAPHS



Front Elevation



Street view



Rear courtyard area

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EXECUTIVE SUMMARY

Summaries are not ideal as they try to précis often quite complex subjects into a few paragraphs. This is particularly so in a summary about someone's future business when we are trying to second-guess what your priorities are, so it is important the Report is read in full.

When taking on a lease there are three key areas, these are:

The Business

Only you can decide upon the true potential of this property for your business and its value to you; although we do recommend taking independent advice on the market value and this identifies what the typical user would pay.

The Lease

The quality of the lease needs to be discussed with your Legal Advisor and understood. You need to understand your rights, responsibilities and liabilities when you sign for a lease of this nature. We ask that your Legal Advisor brings any onerous or unusual clauses to our attention immediately. We assume this is a standard full repairing and insuring Lease.

The Property

There are many aspects to look at property-wise, both from its condition at the moment, to its condition in relation to the lease.

You are currently reading the Property Report which is intended to advise you on the property element of the purchase. We will also provide you with a Schedule of Condition, which will enable you to agree with the Landlord the condition of the property when you start to lease it and should be signed and appended to the lease.

It is inevitable with a report on a building of this nature that some of the issues we have focussed in on you may dismiss as irrelevant and some of the areas that we have decided are part of the 'character' of this property you may think are very important. We have taken in the region of 150 photographs (a CD

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copy of all photographs is enclosed) during the course of this survey and many pages of notes, so if an issue has not been discussed that you are interested in or concerned about, please phone and talk to us before you purchase the lease (or indeed commit to purchasing the lease), as we will more than likely have noted it and be able to comment upon it. If we have not we will happily go back.

Having said all of that, here are our comments which we have divided into plus points, medium priority and high priority areas.

Plus Points

Survey reports often are full of only the faults and general 'doom and gloom', so we thought we would start with some positive comments on the property!

- 1.0) The retail shop is empty and ready for occupation.
- 2.0) You advised us that you know the area.
- 3.0) You have access to the front and rear which can be useful from an operational point of view.

We are sure you can think of other things to add to this list.

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Medium Priority

Problems / issues raised in the 'medium priority' section are usually solvable, but often need negotiation upon. However, a large number of them may sometimes put us off the property.

1.0) Work required before business can begin

As you are aware a fair amount of money is required to bring this shop unit into good order and indeed what we would term operational standard.



Retail unit

In the current market given the condition of the property we would expect an extended rent free period to; not only allow the work required but to recoup the cost of the work to establish your business.

ACTION REQUIRED: Negotiate rent free period, whilst we are not experts in rents in this area we are typically seeing one year free rent periods.

ANTICIPATED COST: The cost of the refurbishment very much depends upon your individual requirements and specifications; we would always recommend obtaining three quotations.

2.0) Rear flat roofs are leaking

The rear flat roofs are leaking and there are historic signs of water coming in. We believe that this is a combination of issues such as the poor detailing and the flat roof being flat.



Close up of rear flat roof over the shop with moss and signs of leak below

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There are three flat roofs:-

- 1) A rear flat roof over the shop
- 2) A rear flat roof over your toilets
- 3) A rear flat roof over the rear entrance.

ACTION REQUIRED: Make watertight. We would recommend that any debris is removed from the flat roofs; flashings are checked and replaced with lead flashings. However we feel that the biggest problem is that the rear flat roof is flat in many areas.

ANTICIPATED COST: £5,000 to £10,000 (five to ten thousand pounds) to reform the pitch of the roof, re-deck new felt and new detailing in lead; please obtain quotations.



Flat roof over the shop



Junction of toilet roof and roof over the shop. Water is discharging onto render which is part of the reason causing dampness below



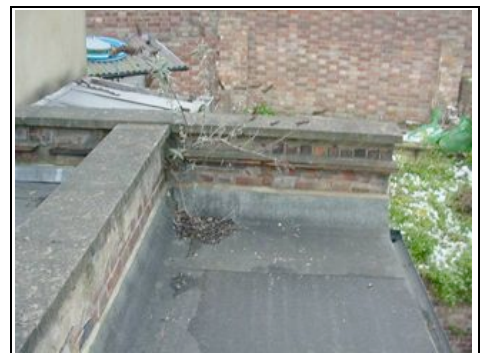
Roof over the entrance, patch repaired in Flashband

Flashings Defined

Flashings prevent dampness from entering the property, usually at junctions where materials change. Such a junction is the one between the chimney and the roof.

Flashband Defined

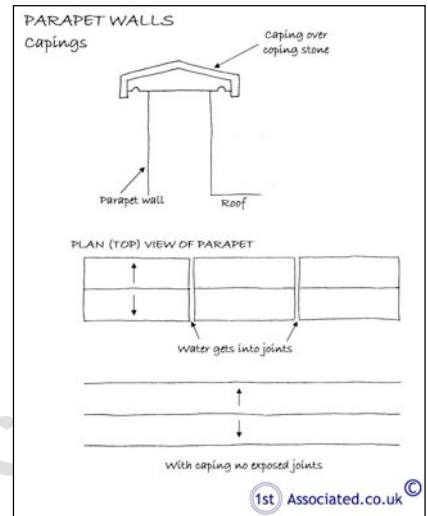
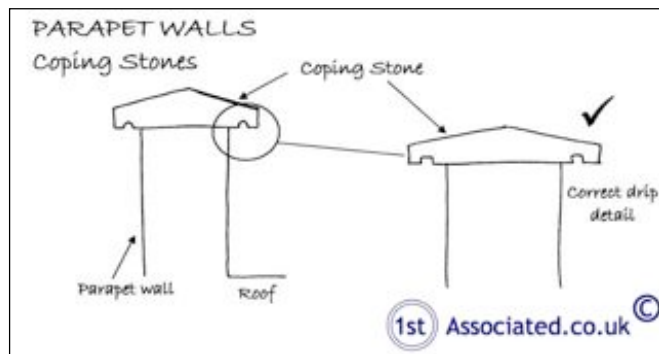
Flashband is a sticky backed felt which is best used for temporary repairs only.



Roof over toilet with tree growing out of parapet wall

Finally we note that the coping stones do not seem to be stopping the water from getting into the parapet walls; these require amendments. A damp proof course underneath and maybe larger coping stones to be installed.

The sketches show typical problems that we find with coping stones where they are not large enough.



3.0) Windows

The windows to the rear are metal windows (often referred to by one of the largest manufacturers Crittall windows). Typically these windows warped due to the lack of maintenance and this is what has happened in this case. The warping is so bad that the windows now replacing, repair and secondary glazing or double glazing added.



Metal windows

ACTION REQUIRED: Replace, repair and add secondary glazing.

ANTICIPATED COST: £3,000 to £5,000 (three to five thousand pounds) to replace all the windows and make good the plaster around; please obtain quotations.

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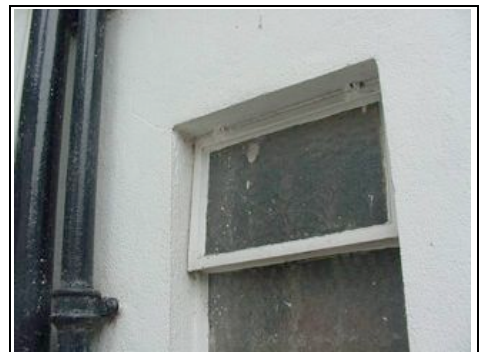
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Window not shutting



Broken glass in toilet window



Toilet window

4.0) **Floor**

The floor is a suspended timber floor with concrete sections.

We believe that the quickest way forward with the least problems would be to install a wood floor although this would have to be angled so that it did not increase the height of the floor so that you do not need to adjust the doors.



Wood flooring to side

Having said that, a concrete floor would be the best long term, as this would give a more solid firm floor onto which you could then, if you wished, add a wooden floor.

ACTION REQUIRED: You need to decide if you wish to have a long term solution or a quick solution to open the property. Most contractors would prefer the quick solution as there is no drying time for the concrete.



Concrete floor to centre

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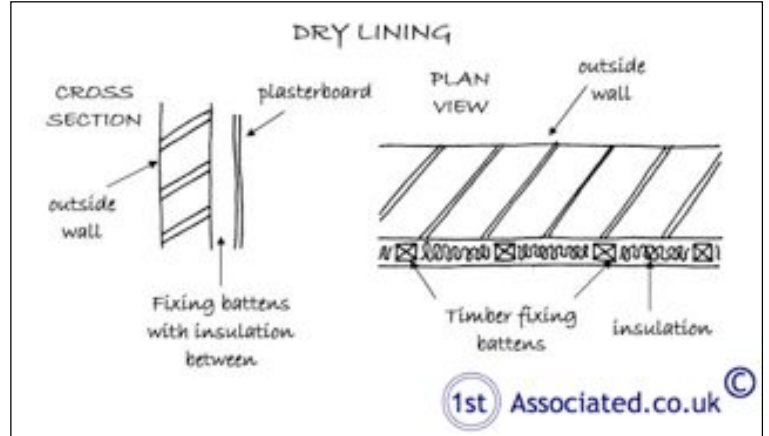
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ANTICIPATED COST: £4,000 to £7,000 (four to seven thousand pounds) for the floor but does depend upon what is found; please obtain quotations.

5.0) Walls

What needs to be understood here is that you have dry lined walls. We mentioned to you in our discussions that the contractors mentioned removal of the walls, we would never recommend this due to the mess and the extra work time.



We would always recommend over-cladding the existing walls, you now have insulation board which is also plasterboard which makes an excellent surface to apply the finish. You do need to ensure that the walls are suitably battened if you intend to hang things off the walls of any weight.

ACTION REQUIRED: Apply a finish to the walls rather than replace.

ANTICIPATED COST: This depends upon the finish, in the region of a few thousand pounds; please obtain quotations.

6.0) Ceilings

6.1) Polystyrene tiled Ceilings

The ceilings have a polystyrene tiles which are generally not used as they are a fire hazard. We recommend that these tiles need to be removed. It is likely that part of the ceiling will come down when the tiles are removed as



Ceiling is water damaged 15

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often they were stuck onto poor quality ceilings. This should not be a problem as you will then be adding a suspended ceiling which will give a much cleaner, modern look.

ACTION REQUIRED: Check with your insurers whether polystyrene tiled ceilings are acceptable. You will probably be insured via the owner so we would recommend you send your request in writing with regard to the ceiling finish requirements.

6.2) Category 2 Lighting

The lighting needs to be changed to a Category 2 lighting, as shown to you in the shop across the road.

ACTION REQUIRED: Install Cat 2 lighting. You are likely to require new wiring to Institute of Electrical Engineers (IEE) standards by an NICEIC electrician or equivalent which we believe should be at the current owners cost as the shop could not be opened with the present lighting system.

7.0) Signage

At present the signage is blank with a light box sign next door. Often Planning Permission is required for signage which can take some time via the Local Authority. You need to check to see if Local Authority Approval is necessary for signage.



Signage to front

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We did notice that the signage literally has a piece of plywood in place which means there is about 10-15mm between you and the outside world which means that you would be heating up much of London if you do not add insulation.



ACTION REQUIRED: Check Local Authority requirements. Improve signage but adding of insulation and more boarding

Signage to front literally a piece of plywood

ANTICIPATED COST: A few hundred pounds; please obtain quotations.

8.0) Services

8.1) Electrics

Please see our comments with regard to the lights.

ACTION REQUIRED: Institute of Electrical Engineers (IEE) test and report to NICEIC standards or equivalent.

ANTICIPATED COST: £500 plus (five hundred pounds); please obtain quotations.

9.0) Drains and water supply services

At the time of our inspection we were not able to turn the taps on or check the drains were working. We would assume as there are flats above that the drains are working but nevertheless drains can be a problem in older properties.

ACTION REQUIRED: You need to check if you are liable for the drains under your lease agreement, if you are then you need to get them cleaned and ideally a closed circuit TV camera report for future records.

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10.0) Heating and energy efficiency

Older properties do not tend to be as energy efficient as newer properties as you have areas where the heat will rise through for example the flat areas to the rear. The present system does not look to have any heating installed.

ACTION REQUIRED: Add suitable heating system. We spoke briefly about air conditioning, proper air conditioning is the top end of the heating systems and it is more likely an air cooling and heating system would be adequate (without a relative humidity controller you have on proper air conditioning units).

High Priority

We normally put here things that we feel will be difficult to resolve and will need serious consideration.

The main priority we see here is to check that the existing owners are prepared to negotiate rent free periods at an acceptable level for you to make an investment into the property.

Effectively they are requiring you to upgrade their property as well as pay rent which we do not think is a very common situation particularly in the present market.

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SUMMARY UPON REFLECTION

The Summary Upon Reflection is a second summary so to speak, which is carried out when we are doing the second or third draft a few days after the initial survey when we have had time to reflect upon our thoughts on the property. We would add the following in this instance:

You need to negotiate strongly with regard to this property as mentioned it is well worth looking to see what alternatives are available as in the current market properties are becoming empty all the time.

We would ask that you read this Property Report and the Schedule of Condition and contact us on any issues that you require further clarification on.

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REPORT FORMAT AND INFORMATION

To help you understand our Report we utilise various techniques and different styles and types of text, these are as follows:

ACTION REQUIRED AND RECOMMENDATIONS

We have used the term **ACTION REQUIRED** where we believe that there are items that you should carry out action upon or negotiate upon prior to purchasing the Lease.

Where a problem is identified, we will do our best to offer a solution. However, with most building issues, there are usually many ways to resolve them dependent upon cost, time available and the length of time you wish the repair/replacement to last.

EVERY BUSINESS TRANSACTION HAS A RISK

Every business transaction has a risk, only you can assess whether that risk is acceptable to you and your circumstances.

AGENT / BUSINESS DEVELOPMENT MANAGER – FRIEND OR FOE?

It is important to remember that the agents are acting for their client and not the purchaser. We, as your employed Independent Chartered Surveyor, represent your interests only.

SOLICITOR/LEGAL ADVISOR

To carry out your legal work you can use a solicitor or a legal advisor. We have used both terms within the report.

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TERMS OF ENGAGEMENT/LIMITATIONS

This report is being carried out under our terms of engagement, as agreed to and signed by you. If you have not seen and signed a copy of our terms of engagement please phone immediately.

OUR AIM IS ONE HUNDRED PERCENT SATISFACTION

Our aim is for you to be completely happy with the service we provide, and we will try and help you in whatever way possible - just phone us.

If you would like any further advice on any of the issues discussed (or indeed any that have not been discussed!) then please do not hesitate to contact us on

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APPENDICES

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FACILITIES

(All directions given as you face the property)

For the record we have included a list of the facilities that we have viewed. The following gives a general overview of the property.

- 1.0) Retail area
- 2.0) Toilet/washing area

Generally in a dilapidated condition.

Boundaries

1.0) Front:

We have viewed the front of the property which sits on the pavement which we assume is the boundary.

2.0) Rear:

We assume that the brick wall is the boundary, you may have a shared right to the courtyard which your legal advisor needs to check and confirm.

Note, we have not seen a copy of the Deeds and assume the boundary is to be as visually set out noted below. Your Legal Advisor to check and confirm this and to check and confirm what your legal rights are with regard to access and parking and permitted hours of work.

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LIMITATIONS

CONDITIONS OF ENGAGEMENT

The report has been prepared in accordance with our Conditions of Engagement dated XXXX and should be regarded as a comment on the overall condition of the property and the quality of its structure and not as an inventory of every single defect. It relates to those parts of the property that were reasonably and safely accessible at the time of the inspection, but you should be aware that defects can subsequently develop particularly if you do not follow the recommendations.

ENGLISH LAW

We would remind you that this report should not be published or reproduced in any way without the surveyor's expressed permission and is governed by English Law and any dispute arising there from shall be adjudicated upon only by the English Courts.

SOLE USE

This report is for the sole use of the named Client and is confidential to the Client and his professional advisors. Any other persons rely on the Report at their own risk.

ONLY HUMAN!

Although we are pointing out the obvious, our Surveyors obviously can't see through walls, floors, heavy furniture, fixed kitchen units etc. they have therefore made their best assumptions in these areas.

As this is a one off inspection, we cannot guarantee that there are no other defects than those mentioned in the report and also that defects can subsequently develop.

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WEATHER

It was a cold dry day at the time of the inspection. The weather did not hamper the survey.

NOT LOCAL

It should be noted that we are not local surveyors to this area and are carrying out the work without the benefits of local knowledge on such things as soil conditions, aeroplane flight paths, and common defects in materials used in the area etc.

EMPTY PROPERTY

The property was empty at the time of our survey, we were therefore not able to carry out our usual question and answer session or have our questionnaire filled out.

INSPECTION LIMITED

Unfortunately in this instance our inspection has been limited as we have not had access to the properties above and we have not seen the lease, plans or viewed the properties either side or spoken to the owner of the property.

BUILDING INSURANCE

We do not advise with regard to building insurance. You need to make your own enquiries. Some areas may have a premium, some buildings may have a premium and some insurers may be unwilling to insure at all in certain areas. You need to make your own enquires prior to committing to purchase the property. Please be aware the fact a building is currently insured does not mean it can be re insured.

We would comment that non-insurability of a building we feel will affect lease value.

ACTION REQUIRED: You need to ensure that the leaseholders have adequate insurance.

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TERMS AND CONDITIONS

Our computer system sends two copies of our Terms and Conditions to the email address given to us when booking the survey; one has the terms attached and the other has links to the Terms and Conditions on our website (for a limited time). If you have not received these please phone your contact immediately.

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