

Technical Due Diligence Report

2810 BAILDON MILLS, BRADFORD BD17 6JY JUNE 2016 FOR KMRE GROUP LIMITED

Prepared by
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TECHNICAL DUE DILIGENCE REPORT



Property: 2810 BAILDON MILLS,

NORTHGATE, BAILDON, SHIPLEY, WEST YORKSHIRE

BD17 6JY

Client: KMRE GROUP LIMITED

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1. EXECUTIVE SUMMARY & SUITABILITY FOR ACQUISITION

Provided that you take into consideration the issues raised within this report and on the basis of the terms of our brief and limitations, from a technical perspective there is nothing to prevent you from proceeding with your freehold acquisition. This assessment has been determined from the risks identified in the table below and the following risk rating definitions which have been colour coded for ease of reference.

RISK RATING	DEFINITION
•	Material / Critical Issue - Clarification or resolution required prior to proceeding with acquisition
	Important Issue – To be considered as part of decision to proceed and resolved post acquisition
•	No Current or Minor Issue – Informative with no further action considered necessary prior to proceeding with acquisition

ITEM	COMMENTARY		
Building Structure & Fabric	The property was found in fair condition overall.		
	A number of the external fabric elements are reaching the end of their useful life and the following major repairs or renewal works are required:		
	 Replacement of Asbestos sheet roof covering to the four storey building that fronts Northgate (Block A). 		
	 General roof repairs associated with damaged and slipped Yorkshire stone roof tiles across all tiled roof areas. Once completed associated internal decorations will be required to make 		



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	 good areas previously damaged by isolated areas of water ingress. Major overhaul of all rainwater goods across the site. Stone repairs and repointing works to failed areas of strap pointing – works should be undertaken using a lime based mortar Structural Engineer investigation works associated with numerous areas of stepped cracking within the main building structures Render repairs to Block C (if this element of the building is to be retained) Joinery repairs to timber doors and windows General boundary wall repairs across the site 		
Mechanical & Electrical Services	A specific M&E inspection has been excluded from this report. We did however undertake a cursory building surveyors inspection of the Mechanical and Electrical Services. The M&E services were generally found to be in fair condition overall. On the principle that the retaining mill buildings are to be converted into residential units the following works will be required: • Provisions of new Fire Detection Systems • General electrical upgrades • Provision of individual heating systems. The existing commercial units have a combination of gas fired boilers and electrical heaters • Testing or removal of the sprinkler system dependent upon the end use.		
Environmental	Not instructed		
Deleterious Materials	There are suspected deleterious materials contained in the property. A full refurbishment and demolition asbestos survey will be required prior to undertaking any intrusive or disruptive works. In addition a specialist lead survey may also be required as part of the proposed redevelopment works.		
Statutory Matters	The majority of the original single glazed timber windows have been replaced with modern PVCu double glazed casements, it is anticipated these works would have required Listed Building consent. Clarification should be sought to establish whether these works were granted Listed Building consent. The main roof covering to Block C has been covered with plastisol coated profiled metal roof sheeting. Similar to the above, clarification should be sought to establish whether these works were granted Listed Building consent.		
Sustainability Matters	We have not been provided with a copy of any Energy Performance Certificates.		
Tenant Matters	It is understood that all existing tenants occupy their accommodation on 6 month licences. We have not been provided with any leasehold documentation and we recommend that your legal team establish the existing lease arrangements.		
Construction Documentation	It is understood that the main roof to Block B was renewed with plastisol		



Legal Issues / Queries	 Material legal issues are as follows and need to be clarified: Establish the extent of rights of way to the rear car park area. This area is currently access via adjoining land. The extent of ownership and maintenance liabilities associated with the concrete retaining wall along the South East boundary. Ownership and liabilities associated with substation that is located on site 	
Recommended Further Investigations	At this stage we recommend that a structural engineer is instructed to further investigate the structural cracking noted across the various buildings	



2. INSTRUCTIONS AND INSPECTION

2.1. Instructions

In accordance with your instructions we have undertaken a visual building survey of the above property pursuant to your intention to acquire a freehold interest in the property. Following the acquisition of the site, and subject to the necessary statutory approvals, it is understood that you propose to convert the original mill buildings into residential units. It is also understood that it is your intention to demolish the more recently constructed buildings found toward the rear of the site, as identified on the plan shown within Appendix B

The basis of our instructions is set out in our email 18th May 2016.

2.2. As stipulated for the purposes of this report we have not therefore inspected the buildings that are to be demolished.

2.3. Inspection Details

Our inspection was completed on 24th May 2016 and Friday 3rd June when weather conditions were dry and bright in the morning and overcast in the afternoon.

All references to direction in this report are taken as viewing the property from Northgate. For the purposes of this report the buildings that are to be retained have been referenced as Blocks A, B and C. The front elevation for Block A is arranged North, East. The front elevation for Block B faces South, East and the front elevation for Block C is facing North, East.

2.4. Limitations

We were able to inspect all areas of the property with the exception of:

- Locked & tenanted rooms (where access was not permitted by the tenants)
- The Electrical Substation
- All lower floor ceilings and floor voids
- The pond area adjacent to the North, West elevation of Building B.

We have only considered in this report major issues likely to affect the proposed acquisition. Minor defects or issues have not been reported upon.

Please note that this report is subject to the standard Limitations included at Appendix A

2.5. Condition Definitions

Where condition is referred to in this report, the description used is based on the following definitions:

DEFINITION	DESCRIPTION
Good	No significant defects. Not damaged or deteriorated and able to perform the function for which it was installed. Will require routine maintenance arising through normal wear and tear.
Fair	Subject to several years wear, but still serviceable and functioning adequately. Will require repair or substantial replacement in the medium term (approximately 2-5 years)



Poor	Subject to hard or long term wear with repairs and / or renovation generally necessary. Will require repair or substantial replacement in the short term (approximately $1-2$ years)
Hazardous	Significant life safety or hazard to health risk requiring immediate rectification to comply with Statutory Regulations.

3. GENERAL DESCRIPTION

3.1. The Property

The subject site is located in the northern region of Baildon and falls within the district of Bradford City Council.

A series of original 19th century mill buildings are positioned to the fronting parts of the site with more recent 20th century additions provided to the rear of the site. The later additions comprise of a three storey, framed office building along with a low rise portal framed industrial unit. Both additional buildings are interlinked with the original mill buildings within Blocks B and C. It is understood that the office and industrial buildings are to be demolished with the original mill buildings retained as part of the proposed redevelopment of the site.

The original millpond is positioned to the north side of the site.

Internally Blocks A - C have been adapted to form self-contained commercial units and are occupied on a multi-occupant basis. We have not been provided with any leasehold documentation but understand that the various tenants occupy under short term lets. We understand from information obtained from the planning portal that there are circa 70 commercial units across the site.





3.2. Site Topography

The buildings are constructed upon a sloping site with ground levels to the North East approximately 2m lower than the South, West.



3.3. Building(s) Age

It is understood that the original mill buildings were built circa 1823 by F.W Holmes, a local industrialist. The site was extended around the middle of the 19th century and again towards the end of the 20th Century with the addition of the three storey office building and low rise industrial building to the rear of the site.

3.4. Heritage Status

The property is Grade II listed and is also situated within a conservation area. The date of listing is 18th October 1985, the English Heritage ID number is 337 874.

3.5. Construction and Accommodation

The building foundations could not be inspected however it is likely that the mill buildings are formed over a combination of random rubble and flagstone foundations.

The series of buildings within Block A are constructed from hammer dressed sandstone walls. Internally, suspend timber floors are provided supported by a combination of timber joists and cast iron framework. Ground bearing concrete slabs are provided at ground floor levels. Basement areas are provided to isolated areas along the fronting parts of the building. Limited access was available.



The upper dual pitched roof to Block A is finished with profiled asbestos sheet roofing. Rainwater discharges to timber gutters with half round channels and a series of cast iron downpipes.



The roof structure to the upper roof of Block A comprises symmetrical metal trusses, fabricated from angle sections and bolted connections. A single mid slope GRP roolfight is provided to the right side slope. The asbestos roof sheeting is underdrawn with a roof liner panel system. A 600 X 600 grid suspended ceiling system is provided to the underside of the roof structure with a single layer of glass fibre insulation positioned above. Numerous loose data and electrical cables remain across the surface of the suspended ceiling and insulation. The roof void is served by a series of sprinklers across both slopes.



The lower dual pitched roofs to Block A are covered with Yorkshire stone tiles discharging to a series of lead valleys, timber gutters and cast iron downpipes. Historic chimney breasts are capped off externally with stone copings.





The roof structures to the Yorkshire stone covered roofs are formed from a series of traditional queen post trusses. Gable end windows are provided two of the four gables, 1nr is over boarded externally. The original arched window to the front gable has been renewed with a modern styled PVCu double glazed unit. Loose laid insulation is provided between the ceiling joists of one of the roofs, the remaining roof is not insulated. All roofs have been underdrawn with sarking felt. The roof voids are served by a series of sprinklers across both slopes.



The original internal layout to Block A has been adapted over the years to create self-contained commercial units across all floors. The ground floor units are accessed directly by independent external entrances. The upper floors are access by numerous staircases. The central, four storey, mill building is predominantly open plan at each storey height. Internal finishes comprise, boarded and suspended ceiling types, exposed and decorated stonework. Isolated areas of Artex type plaster finishes were noted within the left hand buildings. Floor coverings are predominantly carpeted.



Block B is constructed from sandstone walls with suspend concrete upper floors supported by a combination cast iron framework with riveted joints. A ground bearing concrete slab is provided at ground floor level.



The main roofs to Block B are dual pitched and have been recovered with plastisol coated, profiled metal roof sheets. Associated pressed metal ridge and verge cappings are provided along with box metal gutters. Note: The historic asbestos roof coverings have been retained and over sheeted by the profiled metal roofs sheets.



The roof structures to the upper roofs of Block B comprise symmetrical metal trusses, fabricated from angle sections and bolted connections. A single layer of loose laid mineral wool insulation is provided at ceiling levels. A single gable window is provided to each of the gable ends. The roof voids are served by a series of sprinklers across both slopes.



The roof covering to the annex building of Block B is finished with natural slate tiles, with PVCu half round gutters and downpipes.





The lower dual pitched roof to Block B is finished with a traditional Yorkshire stone roof tiles, draining to solid timber gutters, with half round channels and discharge to cast iron downpipes. Two velux style rooflights are provided to the front slope.



The roof structure to the lower dual pitched roof of Block B comprise of a series of traditional Queen post trusses. Internally the accommodation is occupied and fitted out as office accommodation and accessed from the lower floor of Unit 65. The rear slope abuts the multi-storey building which is proposed to be demolished.



The principle elevations to Blocks A-C are constructed from hammer dressed Sandstone. All elevations have historically been repointed using a strap pointing technique. A combination of stone surrounds and quoin detailing is incorporated to principle door and window openings across all of the mill buildings.



The elevations to the first floor of the annex building, located to the right side of Block B, are clad with ship lapped timber boarding. The cladding is gloss painted, green in colour.



The left side elevation to Block C is cement rendered with stone quoin detailing provided to the corners of the elevations and door openings.



The majority of the original single glazed, timber framed windows have been replaced with modern PVCu double glazed units across all buildings. A single glazed timber framed window remains to the right side elevation of Block B serving the stairwell. Similar to the windows, the majority of the original timber doors have been replaced with PVCu doors. Stepped thresholds are provided to all but two ground level door openings across the site.



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Across the site a number of the original door and window openings have been removed and infilled with matching hammer dressed sandstone. As per the adjacent photograph, one the original segmented arches above a former cart entrance to Block C remains. The principle locations of the infilled windows are as follows, 1nr. to Block A1 South, West elevation, 1nr. to Block B1 South, East elevation and 1nr. to B1 North. West elevation.



As with Block A the original layout of the Internal accommodation to Block B has been adapted over the years to create self-contained commercial units across all floors. The ground floor units are accessed directly by independent external entrance doors. The upper floors are accessed by a concrete staircase positioned towards the front left corner of the building with a secondary staircase to the rear. A central, full height blockwork corridor is provided at each of the upper floor levels with cellular accommodation provided either side. Note: This building is interlinked, at every floor, with the three storey office building located to the rear of the site.



Similar to the surrounding buildings, Block C is constructed from sandstone walls with suspend timber floors supported by a combination of timber joists and cast iron framework. Ground bearing concrete slabs are provided at ground floor level. Timber framed mezzanine floors are provided to the majority of the units, accessed by timber staircases.

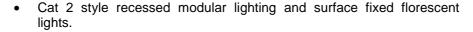


All roofs to Block C have been recovered with profiled plastisol coated metal roof sheets. Rainwater discharges to a series of metal box gutters and downpipes terminating to open gulleys. The underside of all roofs were underlined and concealed.



A specific mechanical and electrical inspection has been excluded from this report. We did however note the presence of the following:

- A sprinkler system throughout the buildings, served via mains water
- A fire alarm detection system throughout all buildings
- Various independent gas fired central heating systems provided to the tenanted areas



Numerous tenant alterations to electrical distribution sub-boards





The site is accessed via three entrances, the primary entrance is from Providence Row, which is accessed from the main road of Kirkgate. This entrance in not gated and is open. The secondary entrance, providing access to the rear of the site is via the Straits access road which is accessed from The Grove.



A third vehicular access is provided to the left side of Block A, access directly from Kirkgate. This access road terminates at the fronting elevations of Block C and does not provide vehicular access to any of the other areas of the site. Pedestrian access is however provided from this area along the south east boundary towards the rear car park area.



The fronting parts of the site appear to be bound by the elevations of the Block A along with a small section of low level stone walling to the left side of the front boundary. Boundaries along the Providence Row side of the site are a combination of stone walls at varying heights. Mature trees are provided along the full extent of the boundary between the wall and millpond.



A concrete retaining wall, with an upper stone constructed wall is provided along the South East Boundary of the site. The extent of ownership should be established.



A low level outbuilding is provided towards the South West corner of the site. The site appears to be bound by the rear elevation of this structure. The extent of ownership should be established.



A central concrete yard area is provided between Blocks A, B and C. All surface water drains to perimeter rainwater gulleys.





A gabion retaining wall system is provided to the rear of the site, along the front edge of the car park area.



To the North, East elevation of Block C is a single storey, flat roofed electrical substation. The accommodation is accessed via a set of metal louvered doors with the addition of a single timber, part glazed door to the right hand side. The elevations are finished with cement render. Access was not provided within the accommodation.





4. TENURE

4.1. Leases and Maintenance Responsibilities

We understand that the various self-contained units are occupied on a short term (6 months tenancy) basis, with limited internal repairing obligations. We have not been provided with any leasehold documentation and recommend your legal team familiarise themselves with the existing leasehold arrangements.

4.2. Title and Boundaries

The physical boundaries of the property appear to be defined by the footprint of the building to the front with various boundary treatments to the remaining aspects. We recommend your legal advisers obtain a title plan to establish the extent of ownership. Particular attention should be made to the side and rear boundaries where the extent of ownership is not clearly defined. The extent of rights of way should be established both to and through the site. In addition the extent of repairing liabilities should also be established to any shared and or un-adopted roads that are used to access the site.

CONDITION AND DEFECTS

5.1. Sub-Structure

During the course of our visual inspection of the property we did not carry out any intrusive investigations to determine the form of foundations or the nature of the sub-surface ground bearing strata and as such we are unable to verify the condition of the foundations. However, there was no evidence of any significant movement or deflection in the above ground structural elements of the building to indicate any significant deficiency in the performance of the building foundations.

5.2. Main Structure

We saw no significant sign of distortion or displacement which would be symptomatic of any failure of the main structural or the structural floors of the premises.

5.3. Roofs and Rainwater Goods

The roofs were generally found to be in **poor** condition overall. Please note the following detailed points:

Various signs of water ingress were noted to the underside of the asbestos sheet roof provided to the main building of Block A, with a high proportion of the roof liner sheets soiled and sagging from water damage. Taking into account the proposed change of use of the site to residential it is recommended that this roof covering is stripped and renewed with a more traditional roof covering that would be in keeping with the surrounding area. As part of these works it is inevitable that you will be required to comply with Building Regulations in order to satisfy Part L. Such works will also require Listed Building Consent prior to commencement.





Rainwater goods to the asbestos sheet roof are generally in poor condition. Timber gutters were wet rot and decayed in part and misaligned. The associated cast iron downpipes were generally in poor decorative condition and corroding. Sections of downpipe were split and cracked at gutter level causing penetrating damp to the upper floor areas of the building. All rainwater goods to this building should be renewed to prevent further disrepair. Note statutory consents will be required in respect of these works.



The general condition of all Yorkshire stone covered roofs to Block A were generally in fair condition. Numerous Yorkshire stone tiles have however slipped and or are damaged causing isolated areas of water ingress internally. Safe access should be provided to the roof voids in order to establish the condition of the roof structure. All damaged slates should be renewed to prevent further disrepair to the internal aspects of the property. All rainwater goods and valleys should be cleared through to ensure left free flowing. Isolated repairs are required to defective rainwater goods.



The main roof timbers to Block A have been effected by insect attack. The size and appearance of the flight holes is consistent with the common furniture beetle (woodworm). Based on the limited roof inspection no recent signs of activity were apparent and all flight holes appeared historic. In addition, roofing timbers were generally soiled from areas of water ingress, with isolated areas of sarking felt damaged or missing. Further investigation works are recommended by a timber specialist in order to ascertain the extent of damage caused by ingress and insect attack.



Approximately 20% of the Yorkshire stone tiles to the left hand roof of Block B are cracked, missing or slipped. Based on the age of the construction it is unlikely that this roof will be underdrawn with suitable sarking felt. Isolated areas of water ingress were noted to the underside of the roof covering internally suggesting the damaged tiles are causing water ingress. To prevent further disrepair to the internal elements of the building all slipped and damaged tiles should be renewed. Note that it is anticipated that various thermal upgrading works will be required in conjunction with the proposed change of use to residential. It may be beneficial to complete the necessary roofing works during the time.



The general condition of the profiled metal roof sheets associated with Block B is good. If the building is to be converted into residential however it may become necessary to improve the existing thermal performance of the roof covering in order to satisfy Part L of the Building Regulations. NOTE: your solicitors should establish whether the existing profiled metal sheet roofs have been approved from a Listed Building/Planning and Building Control perspective. Such works would ordinarily require formal consent. In addition the previous Asbestos roof sheets have been over-sheeted and remain.



Extensive weed growth was noted at roof level to the capped off chimney to the right side elevation of Block B. To prevent further deterioration to the mortar joints and surrounding stonework, all vegetation should be removed.





Profiled metal sheet roofs to Block C were generally in reasonable condition. Isolated areas of cut edge corrosion were noted to the end laps of the roof sheets. If these roof coverings are to be retained all cut edges should be treated with a proprietary cut edge corrosion system, similar to Delcote's Seamsil system. If these roof areas are to be stripped as part of the proposed redevelopment works prior written consent will be required in respect of Planning/Listing building and Building Control.



5.4. Elevations

The elevations were found to be in fair condition overall. Please note the following detailed points:

The stonework to all the elevations is generally weathered and spalling, particularly around defective rainwater goods and at ground level. The extent of weathering is generally consistent with the age and character of the buildings, but it is anticipated the extent of damage to the sandstone surfaces has been accelerated by the repointing technique employed. The majority of the elevations have been unsympathetically repointed using a cement based strap pointing method. Localised areas of pointing are loose and could readily be removed. To prevent further deterioration to stonework and allow the building fabric to breath, all failed areas of strap pointing should be raked out and repointed with a traditional lime based mortar. To prolong the condition of remaining areas of stonework consideration should also be given to repointing all remaining areas of the buildings using a lime based mortar.



Three areas of stepped cracking were noted to the North, East elevation (front gable) of Block A. The stepped cracking noted in the adjacent photograph extends from head of the upper taking-in door towards the verge line of the roof. The extent of the cracking is concealed externally by the verge capping. Where exposed the stepped crack is circa 5mm in width and stretches through four courses of stonework. A smaller scale sister crack was noted to the opposite, circa 2mm in width. Mismatching mortar along the line of cracking suggests that the open joints have historically been repointed. The cracks have subsequently reopened, suggesting the movement is on-going. The extent of movement and cracking was mirrored internally within the roof space. The cause of movement may be associated with a lack of lateral restraint within the roof structure. We recommend that further investigation work is undertaken by a structural engineer to establish the cause of failure and possible remedial works.



Minor stepped vertical cracking was also noted to the underside of the 2^{nd} floor left hand side window cill. The crack extended through 2 courses of stonework, circa 400mm in length and 2mm in width. The extent of cracking at this stage is not considered to be significant. We recommend that this is repointed to prevent water ingress and further disrepair to the surrounding stone and mortar joints. These works should be undertaken in conjunction with the element of works reported in the above item.





Vertical stepped cracking was noted to the North, East elevation of Block B1. The crack appears to originate from head of the sandstone lintel and stretches up through three courses of stonework. The size of the crack is Circa. 300mm in length and Circa. 2-3mm in width. The extent of cracking is not considered to be significant. We suggest that this is repointed to prevent water ingress and further disrepair.



Vertical stepped cracking was noted in 3 nr. locations to the South, East elevation of Block B1. As illustrated in the adjacent photographs the extent of the stepped cracking is Circa. 500mm length and 2mm in width. The extent of cracking is not considered to be significant. We recommend that this is repointed to prevent water ingress and further disrepair. The cracking to this elevation appears to be historic.



The timber cladding to the annex of Block B is generally wet rot decayed and in a poor condition. Decorations are generally overdue and timber treatments will be required if this element of the building is to be retained as part of the proposed development of the site.



The pointing and the stonework to the North, East elevation of Block C is generally heavily weathered. A number of individual stones are loose and dislodged. We recommend that individual stone repairs are undertaken. Where needed any replacement stone should match the existing in durability and texture to prevent accelerated erosion to the surrounding stonework. Any repointing works undertaken should be completed using a lime based mortar



Multiple hairline cracks were noted to the cement based render associated with the South, East elevation of Block C. To prevent water ingress to the fabric of the building all failed areas of render should be hacked off and renewed.





5.5. **Windows and Doors**

The windows and doors were found to be in fair condition overall. Please note the following detailed points:

The timber taking-in doors are generally in fair condition with localised areas of wet rot decay noted at lower levels. Decorations are overdue. Timber treatments will be required prior to undertaking redecoration works. To prevent further deterioration of the doors it is recommend that these works are undertaken in the short term.



Where timber sash windows remain decorations are generally overdue. Localised areas of wet rot decay had taken hold to mullion and transom details. Timber repairs are recommended to all affected areas in the short term to prevent further failure.



All of the double glazed PVCu windows were generally in fair condition. Three double glazed units have failed with condensation evident. Note trickle vents are not provided to the majority of the windows. To aid background ventilation and reduce humidity levels to the internal aspects of the buildings trickle vents should be installed.

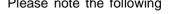


The sandstone window cills to the South, East elevation of Block B1 are generally in a poor condition. The cills are heavily weathered causing cracking to the bedding planes. 11 nr. were noted to be in a condition similar to the one in the adjacent photo. We recommend that stonework repair is carried out to prevent further deterioration and cracking.



Internal Fabric 5.6.

The internal fabric of the premises were found to be in fair condition overall. Please note the following detailed points:



As stated within this report, isolated areas of water ingress were noted across all buildings, particularly to the upper floors. Once the necessarily roofing and rainwater goods repair works have been undertaken it will become suitable to redecorate the internal surfaces. NOTE: as part of the redevelopment works it is anticipated that the external surfaces of the buildings will need to be thermally and acoustically upgraded in order to satisfy the relevant sections of the Building Regulations.





The majority of the floor surfaces were covered with carpet within the buildings of Block A. All suspended timber floors were noted to be undulating across the upper floor areas of Block A. Where exposed no significant signs of distress were noted to the floor or surrounding surfaces. Uneven and undulating floor surfaces are typical for a building of this age and form of construction. Prior to redevelopment works it is recommended that floor voids are opened up and examined by a structural engineer to establish the condition of the floor structures with specific regard to proposed floor loadings.



Where exposed concrete surfaces were generally in fair condition. Isolated surface cracking was noted to the majority of concrete surfaces across all upper floors. The cracking noted was not considered to be significant and is consistent with initial shrinkage and differential movement. Once all floor coverings are removed the floor surfaces should be reinspected for further signs of wear and distress. All concrete upper floors were generally level an even. It is recommended that all floors are inspected by a structural engineer to establish their loading capabilities from a redevelopment perspective.



Existing staircases to all buildings are generally noncompliant with Building Regulations. Low level windows within the stairwell are generally not fitted with safety glass. Handrails are not continuous and safety nosings are not provided the stairs. Improvement works are likely to be required to all staircases in order to satisfy Building Regulations.



5.7. External Areas

The external areas were found to be in **fair** condition overall. Please note the following detailed points:

Hardstandings to the front carp park areas of the site were generally in fair condition. Numerous slab edges have cracked and split and localised repairs are required to prevent the penetration of excessive surface rainwater and resultant accelerated wear of the concrete. All surface water drainage should be inspected to establish the condition of the site drainage.



Asphalt surfaces to the rear of site are trafficked and worn. General condition fair. Surface water drains freely to surrounding surfaces and is not collected via drainage channels or gulleys. Additional surface water drainage may be required as part of the sites redevelopment if additional hard surfacing is to be provided.



The gabion retaining wall to the rear of the site is bulging and generally out of alignment. If this retaining wall system is to be incorporated into the proposed redevelopment plan it is recommended that a structural engineer inspects the length of wall to comment on its integrity and suitability for reuse.





Neighbouring trees are generally overgrown and require maintenance works to remove excessive growth and over sailing.



Localised repairs and pointing works are required to all stone walls around the site within the medium to short term. Extensive tree growth was noted to have affected the stability of the stone wall along the South East boundary. All trees and surrounding vegetation should be cut back and removed where necessary to enable isolated repair works to be undertaken to the upper boundary wall.



There appears to be a shared access road along Providence Row. The road is covered with loose gravel and earth. The extent of ownership and liability should be established.



The original millpond remains along the North West boundary of the site positioned parallel to the Providence Row boundary. Due to access and safety restrictions we were unable to inspect the local vicinity of the millpond. It is anticipated that there will be various ecological requirements that will need to be satisfied and monitored during the planning process of the proposed redevelopment.



5.8. Outbuildings

The outbuildings were generally found to be in **poor** condition overall. Please note the following detailed points:

The substation housing was generally in poor condition. The flat roof covering has been over sheeted and asphalted historically with numerous splits within the roof covering. Rendered surfaces to the external elevations were also in poor condition with the majority of the rendered surfaces cracked and weathered. The extent of ownership should be established prior to commencing any remedial works.



5.9. Mechanical and Electrical Services

The mechanical and electrical services have not been inspected or tested on the basis that it is proposed that the entire site is to be substantially redeveloped to create various residential units.



6. DELETERIOUS MATERIALS

We saw isolated areas of those materials commonly considered to be deleterious (materials hazardous to health or the integrity of the property as listed in our limitations) and would note the following:

6.1. Asbestos and other Hazardous Materials

We have not been provided with a copy of an Asbestos survey report and would recommend that this obtained. As part of the proposed redevelopment works a full Refurbishment and Demolition Asbestos survey report will be required in accordance with the Control of Asbestos Regulations 2012 prior to commencing any intrusive works.

6.2. In addition prior to undertaking any refurbishment works it is likely that a lead survey may be required in order to establish the presence and extent of lead based paints found on site. Working on or disturbing lead based paints is a considered to be health risk, especially when lead dust is released into the air. Lead was used in the manufacturing process of many paints until the late 1960's and in isolated countries until the 1980s.

As part of the CDM Regulations 2015 there is a responsibility for duty holders to assess the likelihood of lead based paints being identified on site. Given the age of the buildings it is likely that lead based paint and products may have been used during historic refurbishment schemes. Specific remedial and protective measure may be required dependent upon the findings of the specialist survey.

STATUTORY COMPLIANCE

7.1. Fire Matters

We have not undertaken a detailed fire audit but have the following general comments from our inspection of the property:

Travel distances and fire compartmentation requirements along with all other relevant sections of building regulations will need to be complied with should the site be redeveloped for a residential use.

7.2. Equality Act / Building Accessibility

We have not undertaken a detailed access audit but have the following general comments:

The majority of the ground floor thresholds are stepped and do not provide allowance for wheelchair users. It is anticipated that as part of the redevelopment and planning process level thresholds will be required at principle and fire exits.



Current parking arrangements do not allow for designated accessible parking bays. It is recommended that accessible parking should be incorporated into the existing and proposed scheme.





7.3. Workplace Health, Safety and Welfare Legislation

We have not undertaken a workplace health, safety and welfare audit but have the following general comments:

The following potential risk hazards were identified during the course of our inspection:

Glazing in critical locations such as the full height glazing within the main stairwell of Block B should be safety glass to prevent someone from falling through the glass. It is recommended all glass in critical locations should be renewed with safety glass.



Limited signs of recent fixed wire testing were noted across the site. All electrical services should be inspected and tested to ensure they are safe and compliant.



8. SUSTAINABILITY

We have not undertaken an Energy Audit however based on our inspection, and from a Building Surveyor's perspective, we have the following general comments:

8.1. Energy Performance Certificate

As the buildings to retained are listed it is understood that they will be expect from requiring an Energy Performance Certificate (EPC).

8.2. **Building Fabric**

The energy performance design requirements that prevailed at the time of construction were less onerous than a current equivalent building and overall, the building is considered to be reasonably inefficient by modern standards.

- The external fabric to the mill buildings are solid stone construction and are un-insulated.
- Windows have been largely replaced with double glazed uPVC casements.
- Safe access to the roof voids is yet to be provided once access has been established we will
 update this section of the report in respect of possible insulation levels within the various ceiling
 voids.
- Floors are a combination of ground bearing and suspend concrete and timber floors. These primarily original and therefore unlikely to have any form of insulation provided.



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9. LEGAL CONSIDERATIONS AND QUERIES

We understand that your legal advisers are reporting to you on legal matters including but not limited to title, leases, licences, warranties, neighbourly matters, rights of way and standard searches. From a Building Surveyor's perspective, we suggest that as part of your due diligence process, the following investigations or enquiries should be undertaken by your legal advisors as part of their search process:

- Establish the extent of rights of way to the rear car park area. This area is currently access via adjoining land.
- The extent of ownership and maintenance liabilities associated with the concrete retaining wall along the South East boundary.
- Ownership and liabilities associated with substation that is located on site

10. TECHNICAL QUERIES FOR THE VENDOR

We suggest that as part of your due diligence process, the following enquiries should be raised with the vendor or the vendors technical representatives:

- The vendor should confirm the availability of an Asbestos Management Plan
- The roof covering has been recently refurbished and the vendor should be requested to provide any guarantee documentation associated with this work.

11. FURTHER RECOMMENDED PRE-ACQUISTION INVESTIGATIONS

INVESTIGATION	Yes/No	COMMENTS
Asbestos survey	Yes	There is not an existing asbestos management plan available and based on the age of the property, the risk of asbestos being present is high.
Concrete test	No	Not required
Floor loading investigation	Yes	Based on the proposed change of use to residential it is recommended that a structural engineer is instructed.
Electrical test	Yes	No documentation was available on site.
Specialist timber / damp survey	Yes	Insect attack and water ingress issues noted within Queen trussed roofs.
CCTV drainage survey	Yes	Given the age of the site and proposed redevelopment this is recommended.

APPENDICES

A COLLIERS INTERNATIONAL LIMITATIONS

BUILDING CONSULTANCY



LIMITATIONS

We are obliged by our insurers to place certain limitations upon the advice we may give you in respect of work the Building Consultancy department undertakes. They are as follows:

SITE INSPECTIONS

The property and site will be inspected, taking reasonable care. We will not inspect woodwork nor any other parts of the structure, which are covered, unexposed or inaccessible. We will not take any samples or materials or components for analysis. Accordingly, we will be unable to report that such parts are entirely free from rot, beetle, knotweed or other defects.

Whilst our reports include comment upon the principal elements of the fabric of the building or the demised premises, especially floors, walls and roof as appropriate, together with general remarks on the finishes and services, it does not extend to a list of minor items that are not relevant to the main advice. Similarly we may examine major outbuildings but will not make detailed comment about light or temporary structures unless specified to the contrary.

External roof surfaces, chimneys, gutters, eaves, boards and other features at high level will be viewed from the ground or from the upper storey windows, unless access to the roof was readily, and safely, obtainable during our inspection. Flat roofs up to 4m in height will be accessed via ladders.

SERVICE INSTALLATIONS

Services, including the drainage installations, will be inspected visually where reasonably accessible but we will not test them. We will recommend such tests if thought appropriate following our inspection.

UNDERGROUND DRAINAGE

Underground drainage will not be inspected (nor tested) but if reasonably possible we will lift a representative number of manhole covers. CCTV examination and pressure testing, will be recommended at the earliest opportunity.

EMBEDDED SOFTWARE

Whilst the year 2000 issues associated with embedded software received great publicity, residual risks still exist and will do so for a considerable period. In all cases computer controlled building management or service installations, data and telecoms systems should be independently tested in order to assess future cost and liabilities.

RISK ANALYSIS/COMMENTS UPON RIGHTS OF WAY, SUPPORT OR RIGHT

In certain cases we may comment upon any major risk hazards or rights of way, support or light issues, we might have seen during the course of our site inspection where requested by the client and confirmed by us as being part of our brief.

Our comments will not be exhaustive nor result from a detailed investigation, but rather from what might reasonably be seen during the duration of our inspection and in view of the weather conditions at the time.

Our comments are not a full risk assessment survey of premises, nor are they a substitute to your solicitors searching and advising upon the existence of easements and rights. We would be happy to arrange an inspection by specialists, if required by you.

EQUALITY ACT ISSUES

We will comment in brief terms upon any Equality Act 2010 issues seen, and relating to disabled access, during the course of our survey. This should not be thought of as a substitute for commissioning a full specialist audit.

ENVIRONMENTAL ISSUES

We will not carry out nor commission formal enquiries or tests relating to potential soil or ground contamination of the site or neighbouring land. We will be happy to arrange audits, reports or tests on your behalf, by specialist sub-consultants, if required. You should ensure that your solicitors obtain as much information as possible about the prior use of the land. Such information should be revealed to us as soon as possible as it may materially affect our/or our sub-consultants advice to you. Such advice may include recommendations for testing or obtaining a warranty.

Low frequency electronic fields, electro-magnetic radiation, toxic mould, or similar currently controversial environmental issues will not be commented upon by us within our report. We will however note in our report the presence of overhead pylons, radio masts or telecommunications masts where readily visible and in close proximity to the property inspected. Similarly we will note the presence of mould growth for investigation by others as appropriate.

ENERGY EFFICIENCY ISSUES

Energy Performance Certificates (EPC's are required (with certain exceptions) for new buildings or when a building is rented or sold. The seller or landlord must commission an EPC for the property (unless a valid EPC is already in place). We would be happy to arrange for the provision of an EPC if required by you but can take no responsibility where this is not done nor for delays whilst it is undertaken.

In addition it is likely from 2018 that buildings rated F or G will mandatorily require to be uprated at possible significant cost before the property can be sold or let. It is critical therefore that EPC's are commissioned from reputable suppliers who can provide professionally robust certification. We can take no responsibility where this does not occur.

DELETERIOUS MATERIALS

We will comment upon the presence or absence of materials commonly considered deleterious and as elaborated upon with the British Property Federation and British Council of Offices sponsored report "Good Practice in the Selection of Construction Materials".

Our advice will be confined to consideration of the following materials where likely to be found in a property of a similar age and nature to that inspected:

Asbestos, lead, urea formaldehyde foam, calcium silicate brickwork (where not utilised in accordance with modern day recommended practice), high alumina cement, sea dredged aggregate (not complying with BS 882), wood wool slabs (used as permanent shuttering) mundic blocks, Iberian slates and brick slips, nickel sulphide inclusions in glass and composite panels (where not complying with Loss Prevention Council requirements).

We will not test for the presence of such materials, but will advise you where we consider such tests to be necessary. Please note the determination of whether a material is deleterious is dependant on many factors, including its precise location, use, design and quality. A material appearing in the above list should not imply it is inherently deleterious.

In particular, the Control of Asbestos at Work Regulations (CAWR 2012) has criminal, civil and contractual implications for employers, landlords, tenants and building managers. We always advise any party acquiring a property to ensure a specialist survey and risk assessment is undertaken. We would be happy to arrange such an inspection on your behalf.

LIMITATIONS UPON BUDGET ESTIMATES

Where we provide budget estimates they are subject to the following limitations:

All estimates will be based upon current prices and no adjustment will be made for future inflation.

We will not investigate whether the cost of carrying out all necessary works immediately, will be different in cost to carrying them out individually, as and when required.

Estimates are not to be thought of as a substitute for obtaining competitive quotations from reputable contractors.

No costs will be included, regarding above and below ground drainage or either services within the building, including heating, ventilation, mechanical and electrical plant or equipment unless otherwise noted.

Where commenting upon dilapidation's liabilities, we will not include for any loss of rent, service charge, interest, or other heads of claims, unless otherwise noted. Please refer to our specific limitations on dilapidations claims for more detail.

No allowance will be made for any loss and/or damage to the works as a direct result of a bomb blast or any other malicious act.

We will not include costs associated with the discovery of deleterious materials and consequential delays.

Estimates do not include VAT nor professional fees, unless otherwise noted.

No costs have been included for any investigative works required unless otherwise noted.

No allowance will be made for out of hours working, nor any associated charges likely to be incurred on the part of the landlord's security and maintenance staff.

When providing costs for European instructions these will be given in \pounds sterling unless otherwise agreed.

GROSS INTERNAL AREAS

In certain circumstances (i.e. Development Monitoring or Employer's Agent instructions) we may carry out check measurements to ascertain that the gross internal areas stipulated within the contract documentation have been complied with.

Such measurements are very much intended to highlight the potential for errors at an early stage, but are no substitute for a detailed measurement by a professional experienced in, and familiar with, the Royal Institution of Chartered Surveyors Code of Measuring Practice. We can accept no liability where such a detailed measurement does not occur within a reasonable period of our check measurement.

DRAWDOWNS

Where we certify drawdowns, these are based upon our appraisal of the developers' professional team valuation. We can accept no liability where hidden errors in the valuation are not reasonably apparent.

LIABILITY AND CONFIDENTIALITY

No responsibility whatsoever is accepted for the content of our report or other information other than the addressee. Any other party relies upon it at their own risk.

The whole or any part of our report may not be published in any way, nor included in any published document, circular or statement without our prior written approval.

STATUTORY COMPLIANCE

We report both compliance with UK institutional standards and local expected standards. In the case of the latter these are assessed via the evidence seen on site, within our knowledge gained from similar instructions together with local authorities and consultants. This is not a substitute for your legal team reviewing and advising upon statutory compliance.

SPECIFIC LIMITATIONS UPON THE ASSESSMENT, PREPARATION AND NEGOTIATION OF DILAPIDATION CLAIMS

GENERALLY

Reviews

Our assessments provide an informed opinion of liability or claim. They depend upon many factors, such as market conditions at the time of the preparation and negotiation of the schedule, the experience and knowledge of the recipient's agents, information provided to us at the time of its compilation and the precise lease terms and then current case law. Accordingly, we strongly recommend that you engage us to review our assessment at regular intervals prior to the lease expiry.

Statutory Defences

Settlements can be limited to the diminution in the value of the landlord's reversion and the services of a Consultant Valuer maybe required to establish this. We will advise you if we believe a formal valuation is warranted.

Reinstatement

Works of reinstatement, redecoration, repair and statutory compliance are separately identified within our assessments. Where no definitive information exists we will use our professional judgement to determine what reinstatement works might be necessary including deciding what comprises Landlord's and Tenant's fixtures and fittings.

HEADS OF CLAIM

VAT

VAT recovery is subject to the parties VAT status. Our assessment of dilapidation's claims will always show VAT upon all elements unless otherwise agreed. In practice, professional fees are usually subject to VAT, irrespective of the instructing parties VAT status.

Customs and Excise treat monetary settlement as a settlement of damages and therefore not subject to VAT. Invoices are usually not issued by landlords to tenants for this reason. In some circumstances, VAT on the cost of the works may not be forthcoming from tenants to landlords until the remedial works have been completed.

Fees

No fees incurred on the part of the legal profession are included in our assessment and claims other than for service of the schedule.

Where forecasting tenants liabilities, the fees shown for preparation and negotiation of a schedule on the part of others are based upon our experience gained when acting for landlords and tenants.

The fees shown incurred in negotiating a settlement do not extend to being calculated on any loss of rent or other heads of claim – some professionals will seek to include these within the amount of settlement upon which their fees are calculated.

Our assessments do not include those incurred on the part of other professionals such as Valuers, Environmental Consultants, Service Engineers or Structural Engineers, unless otherwise noted.

Other Heads of Claim

The heads of claim may be extended in certain circumstances to include finance charges, loss of rates etc. Unless specifically agreed our assessments and claims agreed do not deal with these or similar issues.

Only where previously agreed, our assessment includes loss of rent and service charge for the period of work on site and also whilst specifications are drawn up, tenders received, reported upon and contractor lead in times. We do not allow for any period for marketing of the premises within the assessment concerned.

General

When making a recommendation to settle, we do so on the best information available to us at the time, using appropriate cost data. Although this industry data is established and used widely, it should not be considered a substitute for obtaining contractor's tenders and carrying out the works to establish full and accurate costs.

QUESTIONS FOR YOUR SOLICITORS

In some cases, we provide a list of questions for the attention of the client's solicitor. These are issues which we feel will need resolution to facilitate effective negotiations. They are not an exhaustive list of such issues but rather are given so as to secure the best possible settlement.

The accuracy and effectiveness of such a list will be dependent upon the information given to us at the time of the assessment. We can take no responsibility where such information is deficient or inaccurate.

LEGAL ISSUES

We always undertake to keep Client's informed and discuss with them all the options available during the course of negotiations such that they can make a commercial decision about settlement rather than allow the matter to go to law, as far as this is possible.

Unfortunately, whilst it is our philosophy to always avoid a court action to negate Client's incurring substantial costs, there are occasions where it is not possible for us to negotiate a resolution that is acceptable to the other side or to our Client. Alternatively, a Writ may have been issued at the outset, which requires us to liaise with Lawyers.

Where a dilapidations case can only be resolved in a court of law, the amount of time likely to be spent by us in assisting lawyers in preparing the case and subsequently giving evidence is likely to be considerable and not reflected in our negotiation fees. Where solicitors are instructed in contemplation of litigation, we would charge the further time spent on an hourly basis according to the appropriate grade of staff. Such rates will be agreed with the Client at the appropriate time.

Accordingly, the Client will incur two sets of fees, being those incurred in negotiating a settlement and those incurred in supporting Lawyers in litigation.

In this event full detailed time sheets will be available to all parties, including the court, detailing our time spent.

In all cases we assume we are instructed to act in an advisory capacity under the Practice Direction for Experts (Civil Procedure Rules 1999). We accord with the Guidance Notes issued by the Royal Institution of Chartered Surveyors, both where acting as Expert Witness and in respect of Dilapidations.

INTENTIONS AND STATUTORY STANDARDS

When being instructed to prepare a Schedule of Dilapidations we do so on the understanding that you intend to carry out the scheduled works in full and at the earliest opportunity, with no wider refurbishment or redevelopment planned. Should your intentions differ from this then it is vital that we are advised of this as soon as practical as it may have an implication on our advice.

We can take no responsibility for any alleged shortfall in value, expenditure or settlement where our instructing client intends works of improvement over and above the statutory standards which existed at the time of the lease expiry.

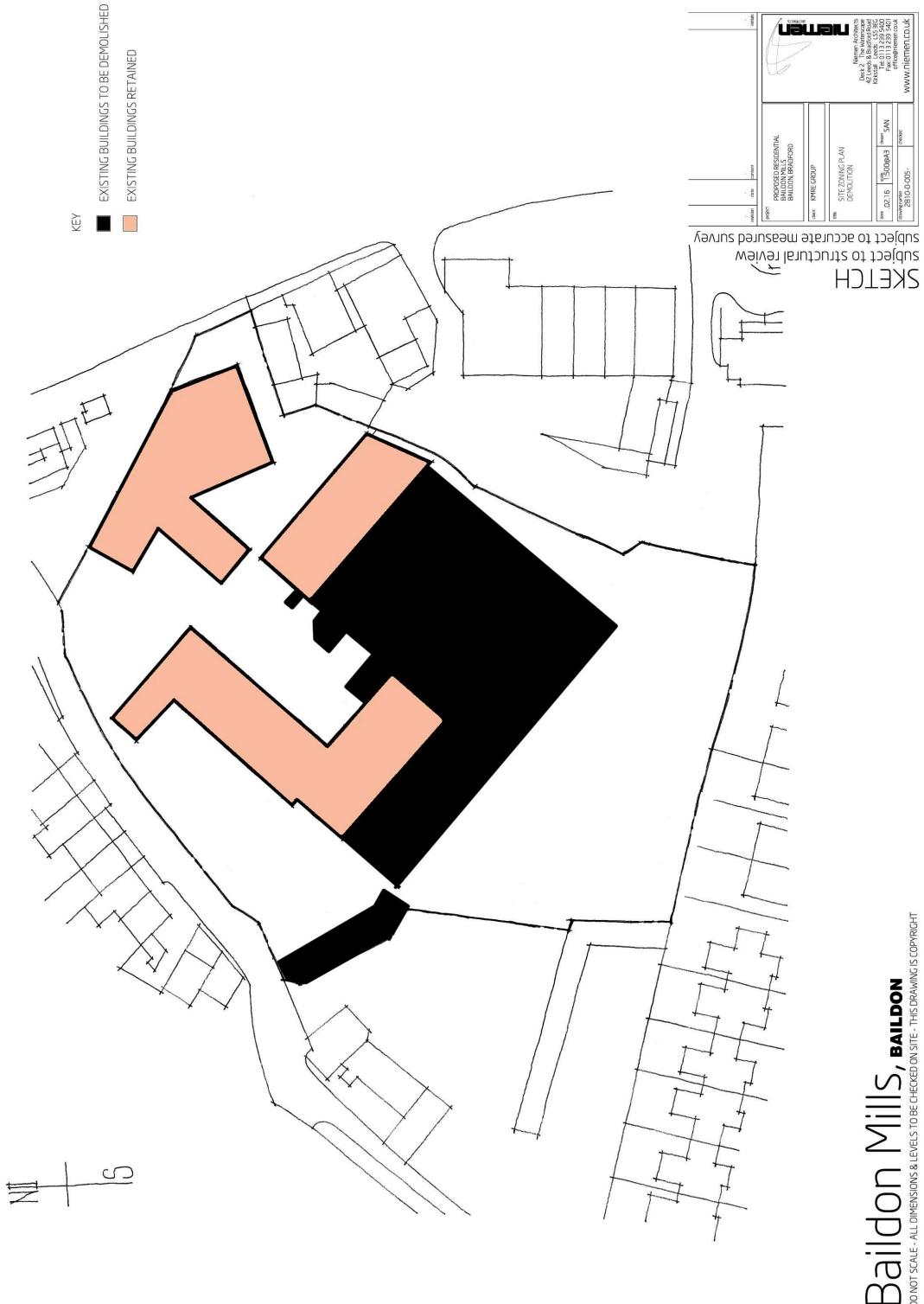
TESTING

Subject to the precise provisions of the lease in question, the cost of testing components, structural elements or service installations to establish their condition will normally only be borne by the Tenant where disrepair is proven.

The cost of testing will be set against the likelihood of disrepair or non-conformance of statutory standards applying at the lease event concerned and reported to you together with our recommendations on whether to proceed or not with the testing. We cannot accept any liability where our advice and recommendations are not followed.

Such testing would not be the Tenant's responsibility where the work is intended to establish compliance with more modern statutory requirements then existed at the time of the lease expiry.

B SITE LOCATION PLAN



Baildon Mills, baildon do not scale - all dimensions & levels to be checked on site - this drawing is copyright

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