



BUILDING SURVEY REPORT

Former Mabey Bridge Facility, Newhouse Farm
Industrial Estate, Chepstow

ALUK

May 2016

ALUK[®]

CBRE

CONTENTS

| | | |
|-----------|---|-----------|
| 1. | Key Point Summary..... | 1 |
| 2. | 1.0.....The Property and Extent of Inspection | 4 |
| | 1.1 The Property..... | 4 |
| | 1.2 Development Team | 4 |
| | 1.3 Tenure | 4 |
| | 1.4 Basic Instructions | 4 |
| | 1.5 Limits on Inspection & Condition Definitions | 5 |
| | 1.6 Inspection Date | 5 |
| | 1.7 General Description | 5 |
| | 1.8 Property Status | 6 |
| 3. | 2.0.....Building Description & Assessment of Condition | 7 |
| | 2.1 Overview | 7 |
| | 2.2 Building Structure and External Fabric | 7 |
| | 2.3 Internal Areas..... | 14 |
| | 2.4 Engineering Services..... | 18 |
| | 2.5 External Areas | 25 |
| 4. | 3.0.....Statutory and Legal Compliance Issues | 30 |
| | 3.1 Town Planning | 30 |
| | 3.2 Building Regulations | 30 |
| | 3.3 Fire Safety..... | 30 |
| | 3.4 Building Accessibility..... | 30 |
| | 3.5 Deleterious & Hazardous Materials | 30 |
| | 3.6 Environmental Risk Assessment | 31 |
| | 3.7 Energy Conservation & Efficiency | 32 |
| | 3.8 Workplace Safety Legislation | 32 |
| | 3.9 Operating & Maintenance Manuals | 32 |
| | 3.10 Statutory & Insurance Test Certification..... | 32 |
| 5. | 4.0.....Site and Property Issues | 33 |
| | 4.1 Boundaries..... | 33 |
| | 4.2 Right of Way | 33 |
| | 4.3 Building Contract & Warranties..... | 33 |
| 6. | 5.0.....Energy and Sustainability Issues | 35 |

| | |
|--|----|
| SUSTAINABLE ENGINEERING SUMMARY | 35 |
| 5.1 Statutory Energy Matters | 35 |
| 5.2 BREEAM Rating..... | 36 |
| 5.3 Part “L” Building Regulations..... | 36 |
| 5.4 Capital Allowances..... | 36 |
| 5.5 Energy Efficiency..... | 36 |
| 5.6 Sustainability | 37 |





APPENDICES

| | |
|---|----------|
| A. Budget Cost for Repairs | 2 |
| B. Report Qualifications | 3 |

The contents of this Report may only be relied upon by:

- i. Addressees of the Report; or
- ii. Parties who have received prior written consent from CBRE in the form of a reliance letter.

This Report is to be read and construed in its entirety and reliance on this Report is strictly subject to the disclaimers and limitations on liability set out in our Report Qualifications at Appendix B. Please review this information prior to acting in reliance on the contents of this Report. If you do not understand this information, we recommend you seek independent legal counsel.

| | | | |
|--|---|---|-------------------------------------|
| <p>Prepared & Edited By:</p> <p></p> <p></p> | <p>Oliver Folkes Building Surveyor Director — Building Consultancy For and on Behalf of CBRE Limited</p> <p>Dan Read Building Services Engineer Associate Director — Building Consultancy For and on Behalf of CBRE Limited</p> | | |
| <p>Approved By:</p> <p></p> <p></p> | <p>James Widdowson Building Surveyor Director — Building Consultancy For and on Behalf of CBRE Limited</p> <p>Paul Muldoon Building Services Engineer Director — Building Consultancy For and on Behalf of CBRE Limited</p> | | |
| <p>Date Of Issue: May 2016</p> | <table> <tr> <td data-bbox="914 1211 1187 1328"> <p>File Name: Newhouse Farm I/E, Chepstow Document Ref: 0166891</p> </td><td data-bbox="1187 1211 1452 1328"> <p>Version: 1 Status: Final</p> </td></tr> </table> | <p>File Name: Newhouse Farm I/E, Chepstow Document Ref: 0166891</p> | <p>Version: 1 Status: Final</p> |
| <p>File Name: Newhouse Farm I/E, Chepstow Document Ref: 0166891</p> | <p>Version: 1 Status: Final</p> | | |

Key Point Summary

We set out below our key point summary which should be read and considered in conjunction with the body of this report and its appendices. For ease of reference, we have provided a colour-coded priority status for general guidance and to aid focus against each key point item. The colour coding is as follows:

Priority Status








| COLOUR KEY | DEFINITION |
|------------|--|
| | Critical Issues / Action — Resolution or clarification required prior to a legal commitment to transact |
| | Important Issues / Actions — To be considered within the proposed transaction and addressed when appropriate |
| | No Current Issues — No further action is presently considered necessary within the transaction |

In consideration of our inspections and information review, we would advise the following high level status. This status should be considered within the context of the overall report and the commentary it provides.

Building Key Point Status

| KEY POINT | COMMENT | PRIORITY STATUS |
|-----------------------------|---|-----------------|
| Building Structure & Fabric | <p>From a building structure and fabric perspective, the building is in good overall condition for its age. Cut edge corrosion to the roof of the original part of the building requires remedial treatment to prevent more costly work being needed in the future. The whole external envelope requires cleaning externally to ensure the long term performance of the factory finishes and a relatively small number of cladding panels require replacement as they are impact damaged. Concrete repairs are required to the external yard areas where some concrete slab edges have spalled. Once the vendor has removed its plant and equipment from inside the building a number of recesses in the floor slab will require infilling. A series of metal rails inset within the floor require removal.</p> <p>We have commented upon the floor loading capacity of the floor slab and the floor to eaves height in our report — you should satisfy yourselves that these standards/measurements are adequate for your needs.</p> | |
| Engineering Services | <p>The services installations date from the original build in 2008 and a subsequent extension in 2011. The services are generally in a fair and operational condition. The level of maintenance appears to have dropped since the occupier has begun to vacate the building. Previously maintenance was provided to a fair to good level. No maintenance or statutory test certification was available on site for review.</p> <p>We understand that the existing occupier is to strip out their equipment prior to vacation and we were informed this includes the busbar installation within the warehouse (excluding lighting) — this will leave various systems without power following the strip out. We believe this will include (but not limited to) the following; office VRF system, warehouse lighting control panels, emergency lighting to the warehouse, various local distribution boards to areas such as the LV switchrooms, large roller shutter, some external lighting and ground floor canteen mechanical services.</p> <p>We recommend a full survey is required on the electrical distribution to determine the full extent of the strip out on any retained systems. An initial budget allowance has been made in the cost schedule for providing new supplies to systems where required.</p> | |

Key Point Summary

| | | |
|--|--|---|
| Legal Matters | <p>Boundary positions observed during our inspection were not particularly clear and hence it is difficult to confirm whether these accurately correlate with the title plan, however we did not identify any major discrepancies.</p> <p>We have seen a number of warranties regarding the construction of the original building and these appear to be assignable to a future purchaser, however your solicitors should verify this. Your solicitors should check that a warranty will be available to you from the main contractor. We have not seen any warranties relating to the later extensions of the building and it is important that these are available given the size of these structures. We have suggested in this report that you could seek to enforce the warranty concerning the roof covering due to the presence of cut edge corrosion however given the roof covering has not been regularly cleaned/maintained the warranty may have been invalidated. We can comment on this if the warranty can be provided.</p> |  |
| Statutory Matters | <p>We have seen the planning permission and building regulations final certificate for the original building and a planning permission for one of the extensions. Planning permissions and building regulations approvals for all phases of the development should be obtained and reviewed. However given the buildings have been in existence for a few years now we would be surprised if there are any outstanding issues regarding planning permissions or building regulations approvals.</p> <p>No maintenance or statutory test certification was available on site for review.</p> |  |
| Geo-Environmental | <p>You have not commissioned the CBRE Geo Environmental Team to undertake a Phase I Environmental Assessment of the site. Our review of available environmental information did not reveal any significant concerns regarding ground contamination or any other environmental issues.</p> |  |
| Energy Conservation & Efficiency | <p>The energy efficiency of the systems meets standards for the time of installation. The building has energy saving features on the warehouse lighting to enable the lights to be dimmed as required and utilises PIR detection within the office and welfare block.</p> <p>A basic BMS is installed to control the heating and hot water plant. The gas fired boiler is a high efficiency condensing type.</p> |  |
| Energy Performance Certification | <p>The Energy Performance Certificate (EPC) available online for this property is rated as 97 - D. However the EPC is based on the original build and does not include the building extensions.</p> |  |
| Sustainable Construction & Engineering Matters | <p>There are no renewable technologies installed at this property. With the new government Feed In Tariff Scheme (FITs) this should be reviewed as part of any future building refurbishments.</p> |  |
| Deleterious & Hazardous Materials | <p>Composite cladding panels have been used in the construction of all of the roofs of the building. Whilst we cannot confirm the nature of the insulation core, given the age of the building it would be unlikely that the insulation type presents a significant fire risk. Irrespective of this the existence of composite panels can cause problems with obtaining building insurance - you should consult with your insurance provider and also ask the vendor if they have ever had any issues with obtaining building insurance for this site.</p> |  |

Key Point Summary

Additional
Investigation &
Testing

No additional investigations or testing is required.



BUDGET COST LIABILITIES

A breakdown of estimated budget cost liabilities, and the limitations to which they are subject, is provided in Appendix A. We understand that you plan to undertake some wholesale refurbishment works to the accommodation block and as such we have not allowed for any costs relating to this element of the building.

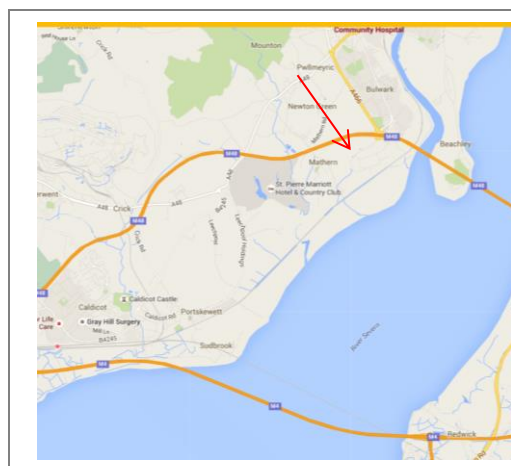
The summary budget costs are set out below:

| | |
|------------------------------|-------------------|
| Immediate (Within Year 1) | £723,000 |
| Short Term (Year 1-2) | £499,000 |
| Long Term (Year 3-5) | £55,000 |
| Total | £1,277,000 ex VAT |

1.0 The Property and Extent of Inspection



Aerial Photograph



Site Location

1.1 The Property

The property comprises a substantial warehouse facility located immediately south of Chepstow in Monmouthshire. We have not been provided with details of the floor areas.

1.2 Development Team

We understand that the building was developed over three phases and we have been able to obtain details of the development team for the first (main) phase of construction:

- Developer – Frontier Estates
- Main Contractor – Winvic Construction Limited
- Project Manager & Employers Agent – Goring Berry LLP
- Architect – Keith Hiley Associates
- Structural Engineer – TR Collier & Associates

1.3 Tenure

We understand from the vendors' Heads of Terms that the freehold interest in the site is being offered for sale.

1.4 Basic Instructions

ALUK instructed CBRE to carry out an inspection of the property known as The Former Mabey Bridge Facility, Newhouse Farm Industrial Estate, Chepstow and to report upon its general condition and state of repair prior to the proposed acquisition of the freehold interest in the property. The Scope of Service and Standard Terms of Business are confirmed in our emails dated 19 and 23 May 2016 issued under separate cover but we draw your attention to the report qualifications in Appendix B of this report.

Under the Scope of Services you have also appointed CBRE Engineering Services to consider the mechanical and electrical installations and their findings and recommendations have been incorporated in the main text of this report for ease of reference.

The Property and Extent of Inspection

1.5 Limits on Inspection & Condition Definitions

During our inspection we were unable to access the dense vegetation above the retaining wall to the north, south and west fringes of the site.

Furthermore we were unable to view parts of the retaining wall to the south and west parts of the site due to the presence of ivy growth on its surface.

Notwithstanding the above, we do not consider there is a need for further inspections.

For the avoidance of doubt we understand that you are not acquiring the undeveloped plot of land located directly to the east of the subject site, which also appears to be owned by the Vendor. Accordingly we have not inspected this land or included commentary upon it in our report.

For general reference, where summary condition descriptors are used, these are based on the following definitions:-

| DEFINITION | DESCRIPTION |
|---------------------|--|
| Good Condition | No fundamental or significant defects affecting the property/element from an investment viewpoint. May be subject to routine maintenance and repair activities arising through age and normal wear and tear. |
| Fair Condition | Defects or significant accruals of maintenance items to major elements which will require repair or substantial replacement in near future. |
| Poor Condition | Significant defects or unsatisfactory operational condition requiring major work or replacement in the immediate to near future. |
| Hazardous Condition | Significant life safety or hazard to health risk, immediate works required to comply with Health and Safety or other statutory obligations. |

1.6 Inspection Date

Our inspection was undertaken on Friday 20 May when the weather conditions were overcast but dry.

1.7 General Description

The building is located on the north western side of Newhouse Farm Industrial Estate which itself is situated about 1 mile south of Chepstow Town Centre and which is immediately adjacent to Junction 2 of the M48 motorway.

Both the site and the building are roughly rectangular shape on plan. The site is flat in nature although it slopes upwards very steeply near its northern, southern and western boundaries. The site is bounded by open fields to the south and west, by the M48 motorway to the north and by other commercial premises and undeveloped land to the east.

The premises comprise a very large modern warehouse which has until very recently been used as a manufacturing facility. A substantial accommodation block containing offices and other facilities is provided to the south eastern corner of the building and this is arranged over three floors.

According to the maintenance manager for the vendor the building was constructed in three phases. We understand that the first phase was completed in 2008, that a large extension was constructed to the north eastern end of the building in 2010 / 2011 and that another

The Property and Extent of Inspection

extension was constructed to the north western side of the aforementioned extension in 2012.

The building is provided with fairly extensive external areas and these comprise circulation space around the perimeter of the building (although not fully surfaced for vehicle use), large concrete hardstandings adjacent to the north east and south east elevations and a brick/tarmac surfaced car park adjacent to the accommodation block. We also understand from the maintenance manager that the substantial retaining wall that wraps around the southern, northern and western sides of the building together with generous soft landscaped areas to the perimeter of the site also fall within the ownership of the property.

1.8 Property Status

The building is not listed and is not located within a Conservation Area.

2.0 Building Description & Assessment of Condition

2.1 Overview

From a building structure and fabric perspective, the building is in good overall condition for its age. Cut edge corrosion to the roof of the original part of the building requires remedial treatment to prevent more costly work being needed in the future. The whole external envelope requires cleaning externally to ensure the long term performance of the factory finishes and a relatively small number of cladding panels require replacement as they are impact damaged. Concrete repairs are required to the external yard areas where some concrete slab edges have spalled. Once the vendor has removed its plant and equipment from inside the building fairly extensive repairs will be required to the floor slab.

The services are generally in a fair and operational condition. The level of maintenance appears to have dropped since the occupier has begun to vacate the building. Previously maintenance was provided to a fair to good level. No maintenance or statutory test certification was available on site for review.

We understand that the existing occupier is to strip out their equipment prior to vacation and we were informed this includes the busbar installation within the warehouse (excluding lighting) – this will leave various systems without power following the strip out. We believe this will include (but not limited to) the following; office VRF system, warehouse lighting control panels, emergency lighting to the warehouse, various local distribution boards to areas such as the LV switchrooms, large roller shutter, some external lighting and ground floor canteen mechanical services.

We recommend a full survey is required on the electrical distribution to determine the full extent of the strip out on any retained systems. An initial budget allowance has been made in the cost schedule for providing new supplies to systems where required.

We set out our more detailed observations and findings as follows.

2.2 Building Structure and External Fabric

Foundations

- The foundations to the building were concealed at the time of inspection and as such we are unable to confirm their type. We have reviewed limited record drawing information held onsite and this suggests that the foundations comprise concrete pads.

We did not observe any defects suggesting fundamental inadequacies to the foundations or supporting strata.

Main Structure

- The warehouse area is constructed with a steel portal frame and is arranged over three parallel bays (although reducing to two bays at the north eastern end). The floor slab is of in-situ concrete construction with a power float finish. A movement joint runs within the floor slab to the length and width of the original warehouse building.
- The structure to the accommodation block comprises a steel frame with a concrete floor slab at ground floor level and a precast concrete plank floor to the upper floors.

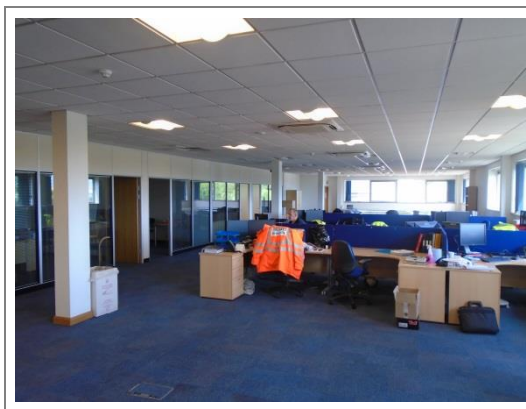
Building Description & Assessment of Condition

View of structural frame in warehouse



Source: CBRE

View of structural columns in accommodation block



Source: CBRE

We did not observe any defects suggesting fundamental inadequacies to the structure of the building.

Overall the floor slab in the warehouse area is in good condition. Whilst hairline cracks are present in isolated locations these are not considered to be of significance. Surface crazing was noted to the floor slab (tiny cracks in the surface) and this is probably a result of drying shrinkage that occurred at the time of construction – this is not a matter of concern and it has not affected the durability of the floor slab.

According to the Employers Requirements document for the construction of the original building the floor was to be designed to accommodate a Uniformly Distributed Load (UDL) of 50KN/m². This design load would have related to the specific requirements of the vendor's business and you will need to satisfy yourselves that this is suitable for your particular requirements. We would comment that many speculative warehouse developments are designed to provide a UDL of 37.5KN/m² hence this particular building is designed to support greater loadings. Information was not available on site regarding the UDL design criteria for the two extensions to the building and you should obtain this information and confirm that it satisfies your requirements.

During our inspection we measured the height from the surface of the floor slab to the underside of the haunch to the eaves in two locations (one adjacent to the south eastern facing external wall and one below a valley gutter located more centrally within the building) and both readings were 12m. You will need to satisfy yourselves that this height is sufficient for your particular requirements.

Roof Areas

- All roofs are clad in factory finished profiled metal sheet coverings laid to a shallow pitch.
- The roof sheets forming the roof covering are of 'composite type' whereby a rigid insulation core is sandwiched between and bonded to the external metal waterproof covering and the internal metal liner panel. Please see our comments on composite cladding panels under Section 3.5 'Deleterious & Hazardous Materials'.
- Glass reinforced plastic or similar roof lights are inset within the roof coverings to all areas (except to the roof of the accommodation block).

Building Description & Assessment of Condition

- Preformed metal gutters with sheet plastic linings are located at eaves and valley positions. The rainwater disposal systems are of syphonic UPVC type.
- Low level parapet walls are provided to the perimeter of the roofs and these are capped off with preformed factory finished metal copings.
- All roof areas are served by a lanyard system to permit safe access for maintenance operatives.

General view of roof coverings



Source: CBRE

View of a parapet gutter



Source: CBRE

Whilst the overall condition of the roof covering to the original (Phase 1) part of the building is fair to good the roof sheets to this part of the building are beginning to suffer from cut edge corrosion (a process whereby the coloured factory finish begins to peel away from the metal substrate at the bottom edge of the sheets, thus permitting corrosion to the metal substrate over time). Whilst this process is in its infancy we recommend that the cut edges are treated with a proprietary remedial paint system to ensure the longevity of the roof sheets themselves. Given that the roof covering is approximately 8 years of age and that industry standard warranties have a lifespan of 12 years, you may wish to approach the original building contractor and request that they arrange remedial works at their cost. Your solicitors must first check that you can take an assignment of the benefit of the warranty relating to the roof cladding upon purchase. Please note that roofing warranties usually contain wording that states that they will be invalidated if the roof coverings are not regularly cleaned and maintained – given that the roof coverings to this building are covered in a layer of environmental deposits (indicating that they have not been cleaned for a long time) we suspect the contractor will claim the warranty is invalidated and hence the cost of remedial works would devolve to you. We have included a cost for remedial treatment in Appendix A of this report.

Where inspected, the roof coverings to the later extensions to the building were found to be in good condition with no cut edge corrosion noted.

As mentioned above the roof coverings were noted to be soiled by environmental deposits. We strongly recommend that all roof coverings are cleaned in the short to medium term as this is likely to extend the life of the factory finish.

The maintenance manager confirmed that the roof has suffered from isolated minor leaks since construction but that these have been very few considering the size of the building.

Building Description & Assessment of Condition

The roof lights were found to be in good overall condition and provide a good level of natural daylight into the building.

The gutter linings to the parapet and valley gutters are in good overall condition with no significant defects noted. The gutters contain debris and this should be cleared in the short term to prevent potential blockages to the syphonic drainage system. The maintenance manager commented that the syphonic drainage system operates well and no problems have been experienced since the construction of the building.

The lanyard system was found to be functional and adequate for the roof areas it serves.

The preformed metal copings to the perimeter of the roof are in good overall condition although as per the roof coverings they would benefit from cleaning.

Elevations

- The elevations to the warehouse building are clad in factory finished profiled metal sheets. At low and medium height the profiles of the sheets are arranged vertically whereas at high level they are arranged horizontally. The cladding is finished in four different colours.
- Due to an area of impact damage noted to the south east facing elevation of the original part of the building it is evident that the elevations are insulated with a glass fibre quilt. 'As Built' drawings show that the same type of insulation is used within the elevations of one of the extensions to the building. We could not confirm the type of insulation used in the elevations of the other extension.
- The accommodation block is clad with factory finished profiled metal cladding panels although the profiles are very shallow (being commonly known as 'micro-rib'). We suspect these cladding panels are of composite type (please see our comments on composite cladding panels under Section 3.5 'Deleterious & Hazardous Materials'). A substantial projecting cornice is provided to the perimeter of the roof to the accommodation block and the soffit to this cornice comprises factory finished profiled metal cladding panels.

Cladding to south east elevation



Source: CBRE

Cladding to accommodation block



Source: CBRE

The cladding to the warehouse building is in good overall condition with no evidence of cut edge corrosion noted.

Building Description & Assessment of Condition

We did observe variations in the colour of the cladding (particularly the low level blue cladding) and this is due to alterations made to the building and the construction of two extensions.

The darker blue cladding panels appear to have lost their lustre / glossiness in places however this has not resulted in a deterioration in the paint material itself (either through a loss of adhesion to the metal substrate or a loss of colour pigment).

The cladding panels were noted to be quite heavily soiled and this is a result of the vendor's business activities as well as environmental deposits. We recommend that the cladding is cleaned in the short term as this will extend the longevity of the surface finishes.

A relatively small number of cladding panels (compared with the size of the building) were noted to be impact damaged at low level and we recommend that these are replaced to maintain the appearance of the building.

A gantry crane has been erected adjacent to the north west facing elevation and this cuts through the cladding and is attached to the structural frame of the building. The modifications required to the cladding system as a result of this work do not appear to have had a detrimental impact upon the cladding panels themselves (particularly in respect of cut edge corrosion).

The cladding system applied to the accommodation block is in fair overall condition. We noted that a mastic type compound that provides a weatherproof seal between the cladding panels and the vertical trims between panels is leaching out / bubbling. We recommend that the trims are removed and the mastic seals are replaced however we have made no cost allowances for this as we understand that you intend to replace the cladding system completely with a system manufactured by yourselves (which we understand would be undertaken for corporate reasons rather than the presence of disrepair).

We also noted that the cladding panels to the accommodation block appear to have been over-coated with a new paint finish since installation. The reasons for this are unclear, however this is irrelevant given than you plan to re-clad the accommodation block.

Windows & Curtain Walling

- Windows are provided at all levels of the accommodation block and these comprise top hung factory finished aluminium framed double glazed units.
- The reception area to the accommodation block is provided with full height curtain walling (to both the south east and south west facing elevations) and this is constructed from the same materials as the windows.

Building Description & Assessment of Condition

Curtain walling to accommodation block



Source: CBRE

Windows to accommodation block



Source: CBRE

The metal framing, glazing and rubber gaskets to the windows and curtain walling were found to be in good condition. The window frames are subject to light soiling and we recommend that these are cleaned to maintain appearance and ensure the longevity of the factory finishes. The windows were found to be stiff to operate and these require lubrication. We understand that you plan to replace the windows and curtain walling for corporate reasons (rather than as a result of defects) and as such we have not allowed costs for remedial works in our report.

Doors

- A number of goods delivery doors are inset within the elevations of the warehouse, in particular to the south east and north east facing elevations. These doors are principally formed of two types: factory finished insulated sectional 'up and over' doors and factory finished uninsulated roller shutter doors. Some of the roller shutter doors are of galvanised steel perforated type. A very large flexible plastic clad 'up and over' sectional door is recessed into the south east facing elevation (presumably used for the movement of very large manufactured items).
- Fire escape doors to the warehouse building are of factory finished flush faced metal type.
- The doors providing access to the accommodation block are of factory finished aluminium framed double glazed type.

Building Description & Assessment of Condition

Typical goods delivery door



Source: CBRE

Entrance doors to accommodation block



Source: CBRE

The goods delivery doors are generally in good condition although these are soiled and require cleaning in the short term. The base sections to a few of the doors were noted to be impact damaged and these should be replaced to ensure smooth operation of the doors.

The fire escape doors to the warehouse building were in good overall condition although the surface finish to some of the doors is fading and consideration should be given to renewing this finish in the medium term. The mastic seals to the perimeter of many of the fire escape doors have failed and these should be renewed in the short term.

The entrance doors to the accommodation block were noted to be in good overall condition although these require cleaning in the same way as the other doors.

Canopies

- A canopy is provided above 4no goods delivery doors to the south east facing elevation. The canopy comprises a structural steel frame cantilevered off the main structure of the building and is clad with factory finished profiled metal cladding panels.
- A canopy is provided over the entrance doors to the accommodation block. This comprises a standalone factory finished steel frame with a factory finished profiled metal sheet roof.

Canopy over goods doors



Source: CBRE

Canopy above entrance doors



Source: CBRE

Building Description & Assessment of Condition

The canopy above the goods delivery doors is in good overall condition although the structural frame is corroding and requires treating and re-decorating in the short term. The roof cladding is soiled and requires cleaning.

The steel structure to the canopy to the accommodation block is corroding and this requires treating and redecorating in the short term.

2.3 Internal Areas

Warehouse

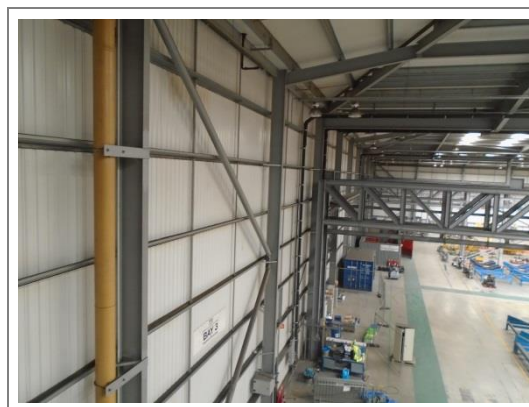
- Surface finishes within the warehouse area comprise factory finished profiled metal panels to the underside of the roof, factory finished profiled metal liner panels to the external walls and an undecorated insitu cast concrete floor slab. A metal staircase comprising a factory coated steel frame and galvanised metal handrails and steps provides access from floor level to an access hatch recessed into the roof.
- The wall surfaces of the accommodation block visible from within the warehouse comprise dense concrete blockwork at low level and laminate faced smooth cladding panels at high level.

General view of warehouse area



Source: CBRE

Example view of wall and roof finishes



Source: CBRE

The profiled metal liner panels to the underside of the roof and to the walls are in good overall condition. The panels are subject to relatively light soiling as a result of the activities of the previous business and cleaning is not considered essential (unless this is necessary for your specific manufacturing activities). We have not allowed for cleaning costs within our report. We have however included an allowance for replacing a small number of wall liner panels that have been subject to notable paint or other staining.

Given that the profiled metal liner panels to the walls extend down to floor slab level it is unsurprising that quite a number of these have been impact damaged. Consideration should be given to replacing these panels so as to maintain the overall condition and appearance of the warehouse area.

The paint finish to the steel portal frame is in good overall condition and we see no requirement to redecorate the structural frame for many years.

We have commented already upon the condition of the concrete floor under the heading 'Main Structure'. Small isolated areas of the floor slab have been painted by the vendor –

Building Description & Assessment of Condition

you may wish to remove this paint when you occupy however, this will be dependent upon your needs (we have not included costs to remove the paint finishes).

We noted during our inspection that the edges to certain concrete slabs within the warehouse area have eroded / become chipped as a result of the vendor's business activities. We do not consider that remedial works are required at this point in time however in the future the slab edges should be repaired to preserve the longevity of the floor. We have not included costs for repairs to the floor slab.

The floor slab has been subject to repairs in the past when elevations of the original building and indeed the first extension have been removed to allow for the building to be extended further. These repairs are fairly crude in nature although they should not impact upon your use of the space.

The vendor has installed a substantial amount of plant and machinery within the warehouse area and this includes a number of large gantry cranes and spray booths. We understand that these items have been sold to third parties and will be collected in the short term (hence we have not included cost estimates for their removal).

Certain items of the aforementioned plant and machinery are recessed into pits cut within the warehouse floor. Furthermore, the vendor has inset steel rails within the floor which allow items of heavy plant to be moved the length of the warehouse and into the external yard on tracked vehicles. We assume that the plant and machinery pits and metal rail systems are of no use to you and will therefore need to be infilled / removed respectively. The cost of this reinstatement work is very difficult to assess and will require a specialist contractor to view the space and provide a quotation, however we have provided an estimate of the cost of this work in Appendix A. Beyond the specific aforementioned items of reinstatement we have made no cost allowances for general making good that may be required to the building as a result of the removal of tenant plant and machinery.

The metal columns to the substantial gantry cranes are supported on their own pad foundations positioned within and below the floor slab of the warehouse. Whilst we understand that the cranes themselves will be removed and sold to third parties the foundations will no doubt remain. Given that the upper surface of the foundations is flush with the floor slab of the warehouse we consider it unlikely that the presence of the retained foundations will impact upon your use of the warehouse. If, of course, you intend to create a series of new pits for plant and machinery then the cost of forming these pits will be greater if their location coincides with the position of the disused gantry crane foundations.

2no substantial blockwork workshops are present towards the north east end of the building and these are used for spray painting and also house compressor equipment and an electrical substation. We understand from your advisors that you will retain these brickwork structures for reuse as part of your occupation.

The north western end of the warehouse area has been subdivided into fairly long but narrow corridors of space by walls clad in profiled metal panels. Subject to your business requirements you may wish to remove these walls to open up the space. We have not included for such costs within our report.

Accommodation Block – Office Space & Canteen

- Surface finishes to these areas generally comprise mineral fibre suspended ceilings, emulsion painted plasterboard wall linings and a combination of carpet and vinyl sheet floor finishes.

Building Description & Assessment of Condition

Second floor office accommodation



Source: CBRE

Ground floor canteen



Source: CBRE

The suspended ceilings are in fair condition only and we suspect these will require replacement within the next 5 years. Decorations are fairly tired and these would ideally be renewed within the next 1-2 years. Carpet floor finishes are in fairly poor condition in that they are worn and stained - these would ideally be replaced within the next year. Vinyl floor finishes are in fair condition and should continue to provide service for another 5 years. We understand that you propose to make significant alterations to the accommodation block upon purchase of the building which will include wholesale refurbishment. Accordingly, we have not included costs within our report for the cyclical decoration and renewal works we have mentioned in this paragraph.

The vendor has subdivided parts of the office accommodation into meeting rooms. We understand that you plan to remove these partitioned rooms as part of a comprehensive refurbishment of the accommodation block. We have not included costs for removing the partitioning.

Accommodation Block - WC Accommodation

- Surface finishes generally comprise mineral fibre suspended ceilings, ceramic tiles to walls and quarry type tiles to floors. Cubicles and vanity units are finished in plastic laminate. Sanitaryware is in vitreous china.

Ground floor Gents Toilet



Source: CBRE

Typical toilet to upper floors



Source: CBRE

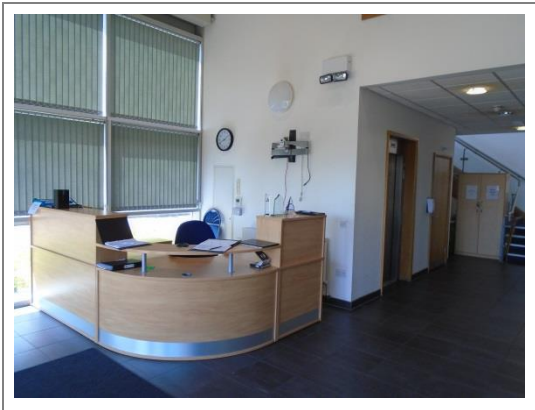
Building Description & Assessment of Condition

The toilet facilities are in fair overall condition and should continue to provide service for at least another 5 years. We understand however that you plan to extensively refurbish these rooms prior to your occupation. We have not included costs for refurbishment works.

Accommodation Block - Reception Area

- Surface finishes within the reception area comprise a mineral fibre suspended ceiling, a mix of emulsion painted plasterboard wall linings and the curtain walling system described earlier in this report and quarry tile floor finishes.

Ground floor reception area



Source: CBRE

First floor 'gallery' above reception



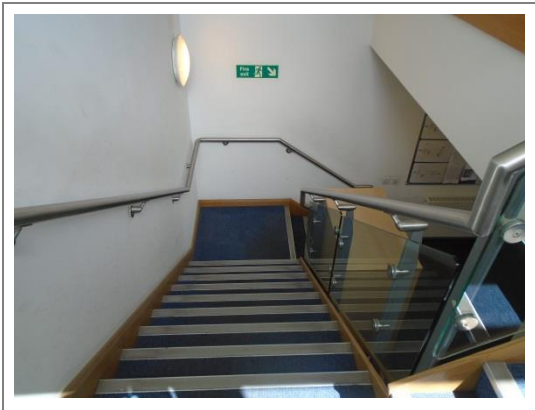
Source: CBRE

Surface finishes are in fair to good condition and should provide ongoing service for at least another 5 years. Notwithstanding this we understand that you plan to undertake comprehensive refurbishment works at the beginning of your occupation. We have therefore not included costs for this work.

Accommodation Block - Staircases

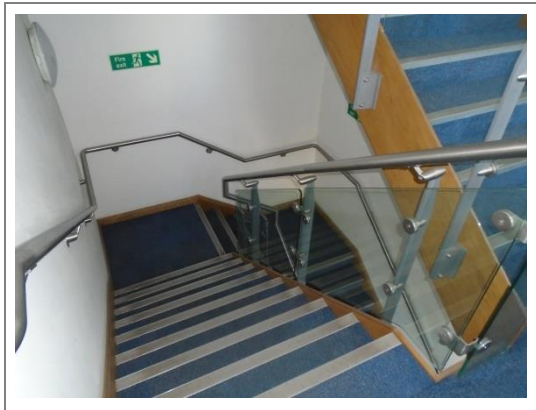
- Surface finishes within the staircases comprise mineral fibre suspended ceilings, emulsion painted plasterboard wall linings and carpet to flights and landings. The stair balustrading comprises factory finished metal uprights, a brushed steel handrail and glass infill panels. The open stringers are in varnished timber.

Main staircase



Source: CBRE

Fire escape staircase



Source: CBRE

Building Description & Assessment of Condition

The staircases are in fair overall condition and will require limited attention within the next 5 years. However, we understand that you plan to undertake comprehensive refurbishment works to the accommodation block which will include renewing finishes to the staircases when you occupy the premises. We have not included costs for any refurbishment works.

2.4 Engineering Services

Overview of Principal Systems

- The services installation dates from the original build in 2008 and a subsequent extension in 2011. The services are generally in a fair and operational condition. The Tenant installed cooling within the offices in 2013.
- Operational and maintenance manuals were available on site. No maintenance or statutory test certification was available on site for review. The level of maintenance appears to have dropped since the occupier has begun to vacate the building.
- Heating to the offices is via a gas fired boiler and cooling via refrigerant based Variable Refrigerant Flow (VRF) systems. Domestic hot water is via a gas fired water heater.
- The site has an incoming High Voltage (HV) supply which serves a private ring main to three transformers. The Tenant has an extensive Low Voltage (LV) distribution installation to suit their requirements.
- The building has a central fire alarm system and security systems to meet the Tenant's requirements.
- The existing occupier is to strip out their equipment prior to vacation and we were informed this includes the busbar installation within the warehouse (excluding lighting) which leaves various systems that will not be provided with power following the strip out. We believe this will include (but not limited to) the following; office VRF system, warehouse lighting control panels, emergency lighting to the warehouse, various local DBs to areas such as the LV switchrooms, large roller shutter, some external lighting and ground floor canteen mechanical services.
- We recommend a full survey is required on the electrical distribution to determine the full extent of the strip out on any retained systems. An initial budget allowance has been made in the cost schedule for providing new supplies to systems required.

Service Contract Status

- The existing occupier has a maintenance agreement with Axiom for the Mechanical and Electrical services. The High Voltage equipment is maintained by Western Power Distribution. No contract details have been provided.
- The level of maintenance has appeared to have heavily decreased since the existing occupier vacated the property with limited up to date statutory documentation available.

Mechanical Services

Heating

- The warehouse areas are not provided with heating.
- The office core areas are heated via a gas fired condensing boiler located on the plant deck above the Canteen at first floor level within the Warehouse. The boilers provide Low Temperature Hot Water (LTHW) to a primary circuit. The LTHW system has two

Building Description & Assessment of Condition

secondary heating circuits; a constant temperature circuit which serves the air handling units and a variable temperature circuit which serves steel panel radiators within the office areas. The secondary circuits are each provided with twin head pump-sets.

- The building has an incoming mains gas supply with meter located within an external housing. An old gas supply remains in situ. The gas supply into the warehouse serves various items of Tenant's plant which is being removed. The incoming gas is provided with a pneumatic solenoid valve.

Office Boiler Plant



Source: CBRE

Heating Control Panel



Source: CBRE

The heating systems are in a fair and operational condition. No maintenance documentation was available on site.

The gas solenoid valve is currently operated via the tenant's compressed air system which is being removed. An allowance should be made to install an electric gas solenoid valve to shut off the incoming gas upon fire alarm activation.

Ventilation

- Mechanical ventilation is provided to the office areas via a supply Air Handling Unit (AHU) located in the office plant deck within the warehouse. The AHU consists of filter sections, heat exchanger section and an LTHW heating coil. The AHU has ducted connections to an intake louvre and supply air is ducted within the offices via 4 way grilles.
- The ground floor toilet and canteen area are provided with local extract systems with fan generally in the ceiling void with ductwork connections to external louvres and ceiling grilles internally.
- The office toilet areas are provided with a dedicated extract system. The system has a twin extract fan located in the office plant deck with auto-changeover facility.

Building Description & Assessment of Condition

Office Supply AHU



Source: CBRE

Toilet Extract Fan



Source: CBRE

The ventilation systems were installed circa 2008 and 2010. The systems are in a fair operational condition.

Air-conditioning

- Comfort cooling is provided to the office areas via a Variable Refrigerant Flow (VRF) comfort cooling system. The system consists of condenser units located externally at ground floor level which have pipework connections to internal ceiling cassette type fan coil units. The VRF system is provided with local controllers on each floor and within cellular offices.
- The comms rooms in the office and warehouse are provided with local cooling via Direct Expansion (DX) split systems. The systems consist of external condenser units and internal wall mounted fan coil units.

Office VRF Plant



Source: CBRE

Typical Internal Cassette Unit



Source: CBRE

The VRF comfort cooling systems were installed circa 2013 and are in a fair operational condition.

The DX split systems were installed from 2010 and appear to be in a fair and operational condition.

Building Description & Assessment of Condition

No maintenance information was available on the comfort cooling systems. We recommend an allowance is made for provision of a full F-Gas logbook, an Air Conditioning Inspection (ACI) report, full system service and filter changes throughout.

Electrical Services

Main incoming supply

- The incoming supply to the building is rated at High Voltage which serves a private site owned ring main to serve three oil filled transformers.
- The transformers are rated at 200kVA and two at 1500kVA respectively and are housed within dedicated rooms across the building. Each transformer feeds a Low Voltage (LV) switchpanel located within the adjacent room. The switchpanels incorporate a main switch via an Air Circuit Breaker (ACB), Moulded Case Circuit Breakers (MCCB) and sub-meters on all outgoing circuits.

Site HV Switches



Source: CBRE

Typical Transformer



Source: CBRE

The incoming electrical supply and infrastructure appears to be in a good operational condition.

It was noted that there is standing water within the trenches housing the cabling due to the close proximity to the River Severn and high water table within the local area.

No HV maintenance documentation was available on site however we were informed that Western Power Distribution are retained by the existing occupier for the maintenance of HV installation.

Low Voltage Electrical Systems

- The main panelboard serves the Warehouse area via various panelboards, distribution boards and multiple high level busbars for power/lighting.
- The office area is provided with a main distribution board at ground floor level fed from the Spitfire Transformer. Local distribution boards at each level within the service riser.
- The LV distribution is wired predominantly in Steel Wire Armoured cabling installed on a combination of ladder rack and cable tray.
- The office is provided with separate lighting and power distribution boards. Small power is provided to the offices via floor boxes.

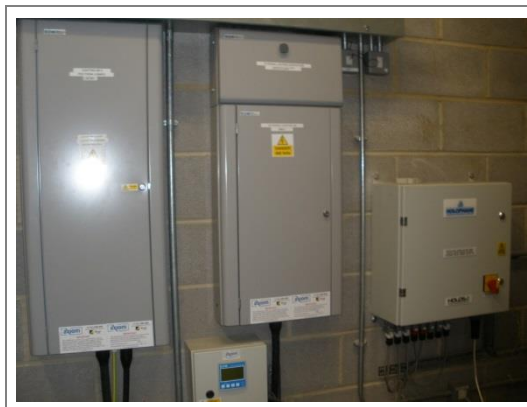
Building Description & Assessment of Condition

Typical Switchpanel



Source: CBRE

Typical Distribution Boards



Source: CBRE

The LV distribution appears to be in a good operational condition. No LV maintenance documentation or fixed wire test was available on site for review. An allowance should be made for a full test and inspection report following the Tenant's vacation.

The existing occupier is to strip out their equipment prior to vacation and we were informed this includes the busbar installation within the warehouse (excluding lighting) which leaves various systems that will not be provided with power following the strip out. We believe this will include (but not limited to) the following; office VRF system, warehouse lighting control panels, emergency lighting to the warehouse, various local DBs to areas such as the LV switchrooms, large roller shutter, some external lighting and ground floor canteen mechanical services.

We recommend a full survey is required on the electrical distribution to determine the full extent of the strip out on any retained systems. An initial budget allowance has been made in the cost schedule for providing new supplies to systems required.

Emergency Generator

There is no generator installation or site Uninterrupted Power Supply (UPS) installed within the building.

Lightning Protection

- The building is provided with a lightning protection system which utilises the metal framework of the building and terminates to earth electrodes contained in earthing pits.

No maintenance information was available for the lightning protection system. We recommend an allowance is made to provision of an annual test.

Lighting and Emergency Lighting

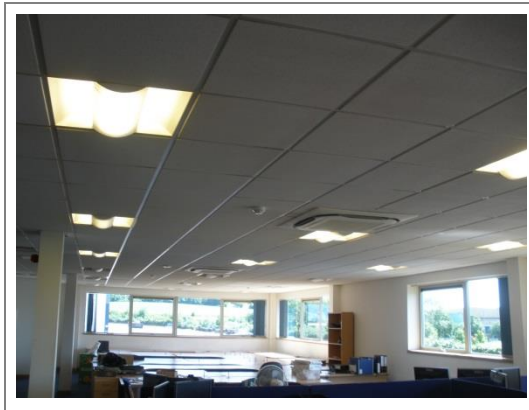
- The warehouse areas are provided with lighting via high bay fittings which have a dimmable ballast low energy system. The system provides daylight harvesting when the designed level of illuminance has been exceeded. These are controlled via intelligent control panels located within the three switchrooms. Emergency lighting is via twin spotlight fittings which have control panels within the switchrooms.
- The office areas are provided with recessed 600 x 600 fluorescent LG3 style fittings. Core, welfare and circulation area lighting is via a combination of circular recessed and surface mounted linear light fittings. Emergency lighting is via integrated fittings with

Building Description & Assessment of Condition

battery pack fitted and supplementary maintained/non-maintained fittings for escape routes.

- The office, core and welfare area lighting is generally switched via Passive Infra-Red (PIR) detectors except for plantrooms which have manual switches.
- External lighting is provided on lighting columns or on the building perimeter via floodlights which are a combination of 70W, 250W and 400W SON units controlled via a photocell.

Office Lighting



Source: CBRE

Warehouse Lighting



Source: CBRE

The lighting installation appears to be in a fair and operational condition.

The lighting and emergency controls are fed from the Tenant installed busbars which are due for removal. The warehouse emergency lighting will also be partially removed as part of the Tenants vacation as the fittings are either powered or hung from plant being removed. An allowance should be made for reinstating the emergency lighting within the building.

Security System / CCTV

- The building is provided with an access control system which covers the main entrance and doors to the office/warehouse area. There is also an intercom system at the main entrance.
- The office and welfare block is provided with an intruder alarm system via PIR sensors. The intruder panel is located within the building reception.
- The Tenant has installed a basic CCTV system onto a PC within the first floor which has four cameras, three covering the external front elevation and one within reception. It is assumed this system will be disconnected when the existing occupier vacates.

The security systems were installed to meet the current occupier's requirements and appear to be in a fair and operational condition.

Public Health Services

Plumbing/Sanitary Installations

- A metered Mains Cold Water (MCW) supply is provided to the building with main meter located externally. The MCW serves all cold water outlets and hot water plant.

Building Description & Assessment of Condition

- Domestic Hot Water (DHW) is provided via a gas fired water heater located within the office plant deck. The hot water circuit is distributed to outlets via a single head pump. Hot water is provided to some kitchenettes via local electric water heaters.

Gas Fired Water Heater



Source: CBRE

Local Oversink Water Heater



Source: CBRE

The domestic water installations are in a good operational condition. The gas fired heater was installed in 2016.

Above Ground Drainage

- Waste water drainage from the building is via internal stacks with local gravity feed branched connections. The main stacks then connect into the below ground drainage system via a gravity arrangement.
- Rain water is collected from the warehouse roofs into and is discharged to the below ground drainage system via a symphonic drainage system.
- Surface water drainage to the external areas has a pumped waste system connected to three lagoons around the perimeter of the site. The pumps have a control panel within the Warehouse.

The above ground drainage systems appear to be in a good operational condition.

Life Safety

Fire Alarm & Emergency Evacuation

- The building is provided with a fire alarm system with a multi loop addressable panel located within the main entrance. The system consists of automatic detection within the welfare and office block only, manual call points to all exit routes, electronic sounders, flashing beacons and interfaces to plant to suit the current usage. The fire alarm system is wired in FP200 cabling.

Building Description & Assessment of Condition

Main Fire Alarm Panel



Source: CBRE

The fire alarm system appears to be in fair and operational condition. No maintenance documentation was available on site for review. There were two faults on the panel at the time of the survey which should be picked up as part of on-going maintenance. It is assumed any interfaces to plant being removed will also be removed as part of the strip out.

Fire Extinguishers and Fire Hydrant

- Fire extinguishers are located at strategic locations throughout the building. These are owned by the existing occupier and it is assumed will be removed upon vacation.
- The site is provided with a fire hydrant system which has an external Glass Reinforced Plastic (GRP) external tank with underground pipework connections to floor level hydrants around the building perimeter.

The hydrant system appears to be in a fair condition with no issues noted by the on site team.

Vertical Transportation

- The office is provided with a passenger lift which serves ground to second floor. The lift is hydraulic type and rated at 10 person/630kg.

The lift was in a fair operational condition. No maintenance documentation was available on site. The lift has a life expectancy of 20 years subject to adequate on-going maintenance.

2.5 External Areas

Boundaries

- A robust factory finished metal post and chain link security fence is provided around the full perimeter of the site. Beyond this fence lies an area of soft landscaping and then a low level timber fence. It appears likely that the site ownership coincides with the position of this timber fence (or at least some parts of the timber fence). Tall factory finished metal gates are located at the entrance to the goods delivery yard and the car park.

Building Description & Assessment of Condition

Low level perimeter timber fence



Source: CBRE

Metal gates to car park



Source: CBRE

The timber fences are in fair condition although these require treatment with a wood preservative within the next 1-2 years.

The tall metal fence and entrance gates are in good condition and no maintenance work is anticipated over the next 5 year period.

External Yard Areas & Car Park

- Substantial insitu concrete hardstandings are provided adjacent to the south east and north east facing elevations.
- Some external areas, particularly adjacent to the north west facing elevation and to the south east of the building, are finished in compacted hard core.
- The car parking area comprises a combination of brick paving to the car parking spaces and tarmacadam to the circulation road.
- Rainwater is discharged from hard surfaced areas to a combination of recessed linear channels, perforated kerbstones and traditional slatted inspection chambers.
- A substantial gantry crane is provided adjacent to the north west elevation of the building (although we understand this is being sold by the vendor and will be collected in the short term).

Building Description & Assessment of Condition

Concrete yard adjacent to south east elevation



Source: CBRE

Car parking area



Source: CBRE

The in-situ concrete yard areas are in good overall condition although some slab edges to the yard area to the south east of the building are spalling/breaking up and concrete repairs are required. These repairs should extend along the site entrance for goods vehicles as this area is suffering from the same issue.

Metal tracks are recessed into the yard area to the north east of the building and these serve vehicles that move heavy objects to and from the building. We assume that you will not require these tracks and will wish to remove them to maximise the usability of the yard.

The areas of compacted hardcore are in good overall condition although some potholes require filling.

The car parking area is in good overall condition although it requires jet washing in the short term. The white lines to the car parking spaces are likely to require renewal within the next 5 years.

It is clear from historic record information that a series of roller shutter doors with dock levelling facilities had been installed within the south east facing elevation when the building was first constructed. This included the formation of a concrete ramp down to doors to create the height difference needed between the interior and exterior of the building. This arrangement has since been removed (with the loading bay door openings having been infilled and the concrete ramp having been removed and the void infilled with compacted hardcore).

There was not obvious evidence to suggest that the surface water drainage provision is inadequate for this site.

Retaining Wall

- A very substantial retaining wall runs near to the north, south and west boundaries. This is faced in what appears to be reconstituted stone blocks.

Building Description & Assessment of Condition

Retaining wall to north west of building



Source: CBRE

Retaining wall to south west of building



Source: CBRE

The retaining wall appears to be in good overall condition with no obvious movement or failure noted.

Some surveying/engineering markers were found to be attached to the retaining wall at regular intervals. The maintenance manager has advised that these predate the building and were used as fixed reference points for surveying and levelling the site (in preparation for construction). For the avoidance of doubt the maintenance manager advised that the wall has not been monitored for movement during his 5 ½ years at the site.

The block facing to the wall is in good condition with no obvious failure or spalling noted. However please note that a fairly significant portion of the retaining wall is concealed by ivy growth and we could not establish for certain that these areas of wall are free of defects.

We understand from the maintenance manager that ivy has been grown up the retaining wall as it was a condition of the planning consent. Assuming this is correct then the ivy cannot be removed. With this aside, from the point of view of the long term condition of the wall we would recommend that the ivy is removed – the presence of vegetation will result in the wall being wetter than it would otherwise be and this may ultimately accelerate deterioration of the reconstructed stone facing and hence shorten its lifespan. (We have not included a cost to remove the ivy growth).

Soft Landscaping

- Soft landscaped areas are provided beyond the robust metal fencing that encloses the hard surfaced areas to the site. This landscaping includes dense bushes, trees and two ponds.

Building Description & Assessment of Condition

Soft landscaping to north east of site



Source: CBRE

Soft landscaping to south east of site



Source: CBRE

The soft landscaping appeared to be well maintained and no significant issues were noted.

Other Items of Note

- A cycle store with factory finished structural frame and profiled metal sheet roof is provided within the car park area.
- A series of metal clad buildings are located adjacent to the elevations of the main building and these appear to relate to the vendor’s business activities.

Cycle Shelter



Source: CBRE

One of vendor’s ancillary buildings



Source: CBRE

The cycle shelter is in good condition with no significant defects identified

The metal clad buildings adjacent to the main building appear to be in good overall condition. We are not aware of your intentions for these buildings and have made no cost allowances to remove them.

3.0 Statutory and Legal Compliance Issues

3.1 Town Planning

Planning Permission

We have seen the Planning Permission for the original building dated 24th April 2007 and for an extension to the original building dated 25th March 2010. We have not seen the Planning Permission for the other extension that has been constructed and this should be obtained and reviewed by your solicitors.

Given the building and its extensions have been in existence for a few years now it is unlikely that any planning conditions attached to the planning consents remain outstanding. Your solicitors should however verify this.

Listed Building / Conservation Area

The building is not listed or located within a Conservation Area.

3.2 Building Regulations

We have seen a copy of the Building Regulations 'Final Certificate' for the construction of the original building dated 09 September 2008. This effectively confirms that the completed building has been constructed in accordance with Building Regulations.

We have not seen a copy of the Building Regulations 'Final Certificate' for the two later extensions – these certificates should be obtained and reviewed. We would however be surprised if there are any outstanding issues.

3.3 Fire Safety

The Regulatory Reform (Fire Safety) Order 2005 (the RRFSO) came into force in October 2006. The RRFSO requires that the 'responsible person' for each of the premises is required to carry out an assessment of the risks of fire and take reasonable steps to reduce or remove the risk.

We have not seen the existing assessment that the vendor will have put in place however we did not identify any obvious fire safety concerns during our inspection of the building.

3.4 Building Accessibility

The building is considered to provide good provision for disabled persons in terms of facilities and features. Whilst we have not undertaken a disabled access audit, we noted the following:-

- Level access is provided from the car park to the reception area
- The reception desk is designed to suit wheel chair users
- A passenger lift provides access to the upper floors and this contains features to assist disabled users
- A disabled toilet is provided at each floor level and a shower room suitable for disabled users is provided at ground floor level

3.5 Deleterious & Hazardous Materials

Given the age and type of construction, we are of the opinion that recognised deleterious materials such as asbestos, High Alumina Cement, woodwool slabs used as permanent

Statutory and Legal Compliance Issues

formwork and calcium chloride admixtures are not likely to have been used in the construction of the building.

The following observations have however been made:

Composite Cladding Panels

Composite cladding panels have been used in the construction of all of the roofs of the building. Whilst we cannot confirm the nature of the insulation core, given the age of the buildings it would be unlikely that the insulation type presents a significant fire risk. Irrespective of this the existence of composite panels can cause problems with obtaining building insurance - you should consult with your insurance provider and also ask the vendor if they have ever had any issues with obtaining building insurance for this site.

Ozone Depleting Substances

The cooling systems all utilise refrigerant R410a which complies with current legislation.

PCB's (Poly-chlorinated Biphenols)

The building supply was constructed in 2008/2010 so it is unlikely that PCB's would be present on site.

We would also note the qualifications on these matters set out in Appendix B & E.

3.6 Environmental Risk Assessment

You have not commissioned the CBRE Geo Environmental Team to undertake a Phase I Environmental Assessment of the site.

We have briefly reviewed a Ground Investigation report dated October 2002 prepared by WS Atkins Consultants Ltd & Structural Soils Ltd, a Geo technical Report prepared by JSA Consulting Engineers dated 17 June 2005 and an Environmental Assessment prepared by Environ dated 30 March 2006. Elements of these reports are very technical in nature and the findings would need to be interpreted by a structural or civil engineer. The main findings that we were able to ascertain were as follows:

- Prior to construction of the development the site was used as farmland (or at least from 1880 until commencement of the development).
- Limited testing identified that the likelihood of ground contamination existing on the site is low.
- The ground is generally suitable for the building to be constructed on pad foundations (although the report only seemed to focus on the land that is occupied by the original part of the building).
- Newhouse Farm Industrial Estate is at moderate risk of flooding (the chance of flooding each year is greater than 1.3% (1 in 75) taking into account the effect of any flood defences in the area).

With regard to the last point on flooding, we have sought informal comment on this from our in house Flood Risk Consultant. He looked at the 'Risk of Flooding from Rivers and Sea Map' presented online by Natural Resources Wales and found that the site has a 'very low' likelihood of flooding in the present day, with an annual chance of flooding of less than 1 in 1,000 (0.1%). Climate change is expected to lead to rising sea levels over the next century and may increase the risk of flooding in the future (although this may be addressed by the ongoing Severn Estuary Flood Risk Management Strategy).

Statutory and Legal Compliance Issues

3.7 Energy Conservation & Efficiency

In accordance with your instructions, we have not commissioned CBRE Energy Management and Engineering to produce an Energy Performance Certificate for the subject property.

3.8 Workplace Safety Legislation

Whilst it is beyond the scope of our instructions and this report to carry out workplace risk assessments or detailed reviews of those available, we noted the following;

- Sanitary Facilities – the level of provision appeared appropriate to the size and use of the building
- Protection against falling – adequate provision is present to prevent occupiers and visitors from falling from high level (such as from staircases, balconies and the roof)

3.9 Operating & Maintenance Manuals

Operation and Maintenance Manuals (O&M) for the property are available for review on site with some provided in pdf format.

3.10 Statutory & Insurance Test Certification

No statutory or insurance test certification was available on site for review.

We recommend all historic maintenance documentation is retained on site when the existing occupiers vacates.

An allowance has been made within the cost schedule for statutory maintenance documentation.

We were informed by the site team that Western Power Distribution are due on site for the HV maintenance and a purchase order has already been provided by the existing occupier for this.

4.0 Site and Property Issues

4.1 Boundaries

A robust metal post and chain link security fence is provided around the full perimeter of the site. Beyond this fence lies an area of soft landscaping and then a low level timber fence.

Boundary positions observed during our inspection were not particularly clear and hence it is difficult to confirm whether these accurately correlate with the title plan (CYM291320, however we did not identify any major discrepancies.

4.2 Right of Way

We did not observe any obvious public footpaths across the site during our inspection. A footpath does skirt around the north and western fringes of the site although we suspect that part or the whole of the path is outside of the site boundary – your solicitors should however verify this.

Your solicitors should undertake a full review of the title deeds and comment upon any other rights of way that may exist over the site (for example rights granted to Statutory/Utility authorities).

4.3 Building Contract & Warranties

We note that the building contract for the original part of the building is dated 07 January 2008 and is for the sum of £17,248,786. We have seen a copy of the Practical Completion Certificate under this contract and this is dated 04 June 2008. We have also seen a copy of the Certificate of Making Good Defects which is dated 24th September 2009 – this certificate effectively confirms that there are no outstanding snagging issues to address concerning the completed development.

It is worthy of note that the aforementioned building contract was for the construction of 3 detached warehouse buildings, although only one of these buildings was actually constructed.

We have not seen any contract documents relating to the two substantial extensions that have been built since the original building was constructed and ideally this information should be sought and reviewed.

We have seen a comprehensive pack of warranties regarding the construction of the original building. Importantly these include warranties from the architect, structural engineer and the designer for the external retaining wall and also from key sub-contractors including the contractors who constructed the structural frame and who installed the external cladding.

It appears that the warranties can be assigned by the Client (the developer) or any entity that acquires the development on two occasions without the consent of the assignor (although the warranty from the designer of the retaining wall can only be assigned once). The warranties have a liability period of 12 years from Practical Completion of the building contract and hence they should still be valid.

We have not seen any details confirming that a warranty will be available to you from the main contractor. It is important that such a warranty exists as it should provide an additional layer of protection in the event that defects are discovered with the building.

We have seen a warranty relating to pre-cast concrete components but none relating to the in-situ cast concrete floor in the warehouse. We suspect that the warranty from Stanford

Site and Property Issues

Industrial Concrete Flooring is for the in-situ cast concrete floor in the warehouse however the warranty states that this is for a precast concrete floor slab. It is important that a warranty for the warehouse floor is available and your solicitors should check this.

Please refer to our comments under the heading 'Roof Coverings' within section 2.2 of this report. In that section we make comment on the possibility of you making a claim against the cladding contractor relating to cut edge corrosion that is occurring to the roof cladding.

We have not seen design and construction warranties for the two substantial extensions that have been added to the warehouse area – it is very important that warranties are available to you for these extensions as these extensions are very large.

Your solicitors should undertake a full review of all warranties that would be available to you upon purchase.

5.0 Energy and Sustainability Issues

SUSTAINABLE ENGINEERING SUMMARY

| KEY POINT ITEM | STATUS COMMENT | "RAG" STATUS |
|--|--|--------------|
| Building Structure & Fabric | The building was constructed to comply with Building Regulations standards that were in force at that time and would not satisfy the higher energy efficiency and sustainability requirements that exist for new warehouse buildings. We did not observe that any notable improvements have been made to the building structure and fabric in terms of sustainable technologies. | Orange |
| Engineering Services | The engineering systems at this property are considered to be in line with current design standards and in accordance with energy conservation standards at the time of construction. | Green |
| EPC | The Energy Performance Certificate (EPC) available online for this property is rated as 97 - D. However the EPC is based on the original build and does not include the building extension. | Orange |
| ACI | There is no Air Conditioning Inspection (ACI) in place for this property. The VRF installation dates from 2013 so would be due in 2018. The comms room DX split systems date from 2010 so were due in 2015. | Orange |
| Operational Energy Conservation & Efficiency | The energy efficiency of the systems meets standards for the time of installation. The building has energy saving features on the warehouse lighting to enable the lights to be dimmed as required and utilises PIR detection within the office and welfare block. A basic BMS is installed to control the heating and hot water plant. | Green |
| Metering/Monitoring | The building benefits from the installation of sub-meters on the LV distribution. | Green |
| Environmental Ratings | We have seen documentation that confirms that the original part of the building was awarded a BREEAM 'Good' Environmental Assessment Award under BREEAM Industrial 2006. However the award seems to have been issued at the design stage of the development and we have not seen a post construction certificate. | Green |
| Water Efficiency | There are no water saving installations within the building however the general water usage in this type of building is low. | Green |
| CRC Impact | The Carbon Reduction Commitment (CRC) is based on a building owner's usage across a portfolio or as a business. The purchase of this property will add to the CRC impact although, in terms of property type, this building is considered of low impact when compared to similar buildings. | Green |
| Renewable Technology | There are no renewable technologies installed at this property. With the new government Feed In Tariff Scheme (FITs) this should be reviewed as part of any future building refurbishments. | Orange |

5.1 Statutory Energy Matters

The CRC Energy Efficiency Scheme (formerly referred to as the Carbon Reduction Commitment) is a mandatory scheme aimed at improving energy efficiency and cutting emissions in large public and private sector organisations. These organisations are responsible for around 10% of the UK's emissions. The scheme features a range of

Energy and Sustainability Issues

reputational, behavioural and financial drivers, which aim to encourage organisations to develop energy management strategies that promote a better understanding of energy usage.

This has an impact on all organisations that consume over 6,000MWh per year through settled half hourly meters.

As part of this report, we have made commentary on items of engineering services equipment that are deemed to be inefficient when compared to modern alternatives. We have also commented on the thermal efficiency of the building fabric which, directly impacts on the energy used by the engineering equipment.

Continued use and operation of this equipment will impact on the savings that could be achieved and hence performance in the carbon market. Whilst our report highlights the inefficient items of equipment and allocates cost for replacement with up to date models, it does not incorporate the revenues or savings that are potentially due under the CRC. The reason for this is there is considerable uncertainty surrounding the carbon market, not least the price of carbon that will be determined by the market over the coming years. The value of carbon credits cannot therefore be simply factored in to net present value calculations.

Energy Performance Certificate (EPC)

The Energy Performance Certificate (EPC) available online for this property is rated as 97 – D compared to 107 for existing stock. However the EPC is based on the original build and does not include the building extension.

5.2 BREEAM Rating

We have seen documentation that confirms that the original part of the building was awarded a BREEAM 'Good' Environmental Assessment Award under BREEAM Industrial 2006. However the award seems to have been issued at the design stage of the development and we have not seen a post construction certificate.

5.3 Part "L" Building Regulations

The building would have been constructed in accordance with Part L of the Building Regulations.

5.4 Capital Allowances

You have not instructed the CBRE Capital Allowances team to consider where capital allowances would be available to you upon purchase. Our in-house specialist team would be pleased to discuss this with you further.

5.5 Energy Efficiency

The energy efficiency of the systems meets standards for the time of installation. The building has energy saving feature on the warehouse lighting to enable the lights to be dimmed as required and utilises PIR detection within the office and welfare block.

A basic BMS is installed to control the heating and hot water plant.

The building benefits from the installation of sub-meters on the LV distribution.

Energy and Sustainability Issues

5.6 Sustainability

There are no renewable technologies installed at this property. With the new government Feed In Tariff Scheme (FITs) this should be reviewed as part of any future building refurbishments.

APPENDICES

| APPENDIX A - BUDGET COSTINGS FOR REPAIR & MAINTENANCE | | | PRIORITY CODE | | |
|--|---|---------------|--|------------------------------|-------------------------------|
| Former Maybey Bridge Facility, Newhouse Farm Industrial Estate, Chepstow | | | A = Health & Safety, Essential Repairs B = Programmable Repairs& Maintenance C = Major Capital Expenditure | | |
| Item Number | Item | Priority Code | Immediate Works Year 1 | Short Term Works Years 1 - 2 | Medium Term Works Years 3 - 5 |
| 1.0 | Building Structure & Fabric | | | | |
| 1.1 | Roof | | | | |
| 1.1.1 | Clean all roof coverings. | B | | £20,000 | |
| 1.1.2 | Clear out gutters and clean gutter walls | B | £5,000 | | £5,000 |
| 1.1.3 | Undertake remedial works to address cut edge corrosion to original (Phase 1) roof. | C | | £325,000 | |
| | | | | | |
| 1.2 | Elevations | | | | |
| 1.2.1 | Clean all cladding panels to elevations | B | | £16,000 | |
| 1.2.2 | Replace impact damaged cladding panels to elevations | B | | £34,000 | |
| 1.2.3 | Clean goods delivery doors and replace impact damaged sections | B | | £14,000 | |
| 1.2.4 | Re-finish faded fire escape doors and replace failed mastic seals to all fire doors. | B | | £4,800 | |
| 1.2.5 | Treat corrosion to structure of canopy over goods doors and then redecorate. Clean caonpy cladding. | A | £2,500 | | |
| 1.2.6 | Treat corrosion to structure of canopy over entrance doors to accommodation block and then redecorate. | A | £1,000 | | |
| | | | | | |
| 1.3 | Internally | | | | |
| 1.3.1 | Replace all liner panels damaged by paint/other staining | B | | | £10,000 |
| 1.3.2 | Replace impact damaged wall liner panels | B | | | £40,000 |
| 1.3.3 | Infill plant pits recessed within warehouse floor | A | £75,000 | | |
| 1.3.4 | Remove metal rail track recessed in warehoues floor and make good. | A | £410,000 | | |
| | | | | | |
| | Sub-total | | £493,500 | £413,800 | £55,000 |
| 2.0 | M&E Engineering Services | | | | |
| 2.1 | Reinstate emergency lighting following strip out works | A | £75,000 | | |
| 2.2 | Re-feed electrical supplies to plant following strip out works | A | £30,000 | | |
| 2.3 | Allowance for GasSafe, ACl and F-Gas certification. Clean ductwork/replace filters. | A | £10,000 | | |
| 2.4 | Allowance for Electrical test and inspection report | A | £5,000 | | |
| 2.5 | Allowance for statutory emergency lighting, fire alarm and lightning protection certification | A | £3,000 | | |
| 2.6 | Allowance for lift maintenance inspection | A | £1,000 | | |
| | | | | | |
| | Sub-total | | £124,000 | £0 | £0 |
| 3.0 | External Areas | | | | |
| 3.1 | Redecorate timber boundary fences | B | £6,000 | | |
| 3.2 | Undertake concrete repairs to concrete yard surfaces where slab edges have spalled/broken up | B | | £80,000 | |
| 3.3 | Remove metal rail track recessed in concrete yard and make good. | A | £97,000 | | |
| 3.4 | Infill potholes in compacted hardcore | B | | £3,000 | |
| 3.5 | Jet wash car parking area | B | £2,000 | | |
| 3.6 | Renew white lininig to car parking spaces | B | | £2,000 | |
| | | | | | |
| | Sub-total | | £105,000 | £85,000 | £0 |
| 5.00 | Cost Summary | | | | |
| | | | | | |
| 5.1 | Building Structure & Fabric | | £598,500 | £498,800 | £55,000 |
| 5.2 | Building Services Installations | | £124,000 | £0 | £0 |
| | Summary Cost by Priority | Priority Code | Immediate Landlord | Short Term Landlord | Medium Landlord |
| | Health & Safety, Essential Repairs / Defect Rectification | A | £709,500 | £0 | £0 |
| | Programmable Repairs and Maintenance | B | £13,000 | £173,800 | £55,000 |
| | Major Capital Expenditure | C | £0 | £325,000 | £0 |
| | Totals are rounded up to the nearest £1,000. Please note the exclusions which apply to the budget costs stated | | £723,000 | £499,000 | £55,000 |

Budget Cost for Repairs

BASIS OF COSTINGS AND EXCLUSIONS

- The budget figures are based on estimated prices prevailing as at May 2016.
- It is taken that the works will be undertaken as a single contract. If undertaken on a piecemeal basis, the costs are likely to be higher.
- No allowance has been made for the following:
 - i. Future inflation of building materials and labour prices.
 - ii. Statutory fees including Planning and Building Regulations applications that may be necessary.
 - iii. Building insurance.
 - iv. Interest on expenditure.
 - v. Any professional fees (eg. Legal, project management etc. except where and to the extent stated).
 - vi. Contingencies.
 - vii. VAT
- It is assumed that the works will be undertaken during normal working hours.
- Guide prices have been derived from a visual inspection and are of an indicative nature only. They are not based on any detailed measurement or specification.
- Where costs relate to an item requiring further investigation, the costs provided relate to the cost of the investigation only and not, unless specifically stated and allowed for otherwise, for works that may be recommended following investigation.

Report Qualifications

REPORT QUALIFICATIONS

1. This report has been prepared in consideration of the Royal Institution of Chartered Surveyors Practice Standards, UK for Building Surveys and Technical Due Diligence of Commercial Property 4th Edition (GN63/2010).
2. This report is based upon a visual inspection of the property and describes its basic construction and state of repair, highlighting any principal defects or significant shortcomings that have been found. We have not prepared an exhaustive list of those minor defects or imperfections thought not to have a material bearing upon the proposed interest.
3. We have not inspected those parts of the building or its services which are built in, covered up or otherwise made inaccessible in the normal course of construction or occupation and we are, therefore, unable to state that such parts are free from rot, beetle, pseudomonas, corrosion or any other defect whatsoever. We have inspected the areas of the building which were safely accessible at the time of inspection and to the extent noted in the report.
4. We have not, except to the extent mentioned in this report, carried out any tests, intrusive examination, or made any enquiries concerning particular materials nor have we calculated any floor areas or reappraised original design criteria.
5. For reasons of safety we did not raise the drainage access covers. We have not therefore undertaken any inspection of the below ground drainage services and cannot comment on the condition thereof.
6. Except to the extent noted in this report, we have not made enquiries of any statutory authorities concerning the present arrangements within the building or the likely effect of any proposed occupation. We should advise that the complexity of the Building Regulations and other statutory enactments can have a material effect on the way in which building may be planned and used and upon the cost on consequential work. It is assumed that professional advice will be sought at the appropriate stage to determine any works which may be necessary due to any planned occupation.
7. In cases where contractors or consultants are instructed to carry out tests or prepare reports, you will appreciate that, whilst we will take every care in instructing these contractors or consultants, we cannot accept responsibility for their report and shall not be liable for error or omission therein. In appointing such contractors or consultants we act only as an agent on behalf of the client, and the contractual rights and obligations lie directly between the client and the relevant contractors or consultants.
8. The Equality Act 2010 provides legislation to prevent discrimination against disabled people and also provides rights for people not to be discriminated against because they have an association with Disabled People. Where we have made comments in the report on access matters, this is to be considered as an overview. Unless specifically stated to the contrary, we have not undertaken an audit of access issues. It should be noted that the requirements under the Act and associated legislation, are based on the principal of reasonableness, the meaning of "reasonable adjustment" may be open to interpretation by the Courts and our advice and comments represent our interpretation of the Act as it presently stands.
9. We have not undertaken a specific Asbestos survey of the property and do not give advice on asbestos related matters, but we have included recommendations within the

text of this report with regard to the need for specialist inspections and testing as appropriate.

10. Within this report, unless otherwise stated, we have commented on the condition of the property at the time of our inspection only, and we cannot guarantee that future changes in groundwater levels will not have an adverse effect on the property.
11. Within the text of this report we provide comment on the likelihood of the presence of composite panels, and provide recommendations for intrusive/destructive testing to ascertain the exact nature of the panel construction where necessary. We cannot, however, provide any comments or indication as to how individual insurance companies may treat properties which incorporate composite cladding panels. Where such have been identified, it is extremely important that you seek the advice of your building insurers before proceeding with any property transaction to clarify whether insurance can be obtained, and if so, at what cost. There have been instances where insurers have refused insurance even where the cladding has been approved by the Loss Prevention Council (LPC).
12. CBRE Limited cannot be held responsible for property insurance issues or property blight where we have highlighted the presence of composite cladding panels within our survey report.
13. There are several materials which institutional investors currently consider to be 'deleterious'; these are described in British Council for Offices 'Good Practice in the Selection of Construction Materials 2011'. During the course of a visual inspection it is extremely difficult, if not impossible, to identify and confirm the inherent properties of these materials, and we cannot therefore confirm their presence or otherwise.
14. This report (the "Report") has been prepared by CBRE Limited ("CBRE") exclusively for ALUK (the "Client") in accordance with the terms of our fee quotation dated 23 May 2016 ("the Instruction"). The Report is confidential and must not be disclosed to any person other than the Client without CBRE's prior written consent. CBRE has provided this report on the understanding that it will only be seen and used by the Client and no other person is entitled to rely upon it, unless CBRE has expressly agreed in writing. Where CBRE has expressly agreed that a person other than the Client can rely upon the report then CBRE shall have no greater liability to any party relying on this report than it would have had if such party had been named as a joint client under the Instruction.
15. CBRE's maximum aggregate liability to all parties, howsoever arising under, in connection with or pursuant to the Report, and whether in contract, tort, negligence or otherwise shall not exceed £20m; and
16. CBRE shall not be liable for any indirect, special or consequential loss or damage howsoever caused, whether in contract, tort, negligence or otherwise, arising from or in connection with this Report. Nothing in this Report shall exclude liability which cannot be excluded by law.