

CAPITAL VALUATION REPORT

52-60 DUKE STREET, LIVERPOOL,
MERSEYSIDE, L1 5AA

Prepared on Behalf of:

**Proplend Security Limited
20-22 Wenlock Road
London N1 7GU**

Prepared 13th July 2022

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Our ref: JCK/FD/T00197

Proplend Security Limited
20-22 Wenlock Road
London
N1 7GU

13th July 2022

Dear Sirs,

52-60 DUKE STREET, LIVERPOOL, MERSEYSIDE, L1 5AA

1.0 INTRODUCTION

Purpose of Valuation

In accordance with your valuation instructions of 13th June 2022, we have reinspected the Subject Property to advise you as to its Market Value for secured lending purposes.

You have informed us that your customer in respect of this instruction is H & A Properties(Liverpool) Ltd.

Date of Valuation

13th July 2022

Inspection

A reinspection of the Subject Property was undertaken on the 22nd June 2022 at which time the weather conditions were dry and bright.

Name and Status of Valuer & Professional Indemnity Insurance

The inspection was undertaken by Jonathan Kersh BSc (Hons) MRICS (Member Number 0085863) acting as an external valuer. Jonathan Kersh is also an RICS Registered Valuer and has the required knowledge and skills necessary to undertake the valuation competently. Jonathan Kersh holds adequate PI insurance for secured lending valuations up with Lloyds of London.

Nature of Property and Interest

The property comprises a former part two/part four storey office building, plus basement currently nearing the completion of a conversion into a 30 bedroom hotel/aparthotel. There are also three retail units to the ground floor.

The Property is situated fronting Duke Street at the corner of York Street in the Ropewalks district of Liverpool City Centre, L1 5AA.

We understand that the subject Property is held under freehold.

Basis of Valuation

The valuation set out within this report is made in accordance with the 2022 edition of the RICS Valuation – Professional Standards (incorporating the International Valuation Standards) – Global and UK Edition published by the Royal Institution of Chartered Surveyors. We would confirm that the valuation may be subject to monitoring under RICS conduct and disciplinary regulations. Our instructions are to provide an assessment of Market Value of the property, and these are defined by the Standards as set out below:

We have assessed Market Value in accordance with VPS4 & IVS Framework. Under these provisions, the term “Market Value” is defined as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion”.

We have assessed Market Rent in accordance VPS4 & IVS - Real Property Interests. Under these provisions, the term “Market Rent” is defined as “the estimated amount for which a property would be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm’s-length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

Conflicts of Interest/ Previous Involvement

We valued the property on your behalf in June 2021 and confirm that no conflict of interest exists.

Sources of Information

We have relied upon information supplied to us by the applicant in relation to the extent of the demise, nature of interest to be valued, the tenure and any tenancies. From our knowledge and investigations, we have accepted this information as being accurate and correct (unless where otherwise stated). Informal enquiries have also been made with the Local Authority in relation to planning and highway issues and via the internet in relation to rateable value/council tax and other issues. These informal enquiries should be verified formally by your solicitors.

2.0 EXECUTIVE SUMMARY

The property comprises a former part two/part four storey office building, plus basement currently nearing the completion of a conversion into a 30 bedroom hotel/aparthotel. There are also three retail units to the ground floor.

Floors 2 & 3 (12 rooms) were completed some time ago and have previously been operating as an apart hotel. The first floor which comprises 13 hotel rooms is now at virtually build complete, whereas the basement rooms (5 in total) is currently being refurbished. To the ground floor there are three retail units, two of which are let and income producing, and one let agreed pending signature of the lease.

Planning permission was granted on 10th September 2020 under application No:20F/0563 to vary condition 2 attached to 18F/2633 (To change use of part ground floor and upper floors of 52-60 Duke Street from Office use (Class B1) to 36 no. bedroom pod hotel (Class C1) together with ancillary restaurant area and external alterations) so as to relocate the proposed kitchen from basement to ground floor and vary the layouts of the floors to provide for a total of 30 hotel bedrooms.

The Property is situated fronting Duke Street at the corner of York Street in the Ropewalks district of Liverpool City Centre, L1 5AA.

We understand that the Subject Property is held freehold.

Strengths: Substantial freehold city centre building in an area that had seen significant development and improvement over the last 10 years. The ground floor retail premises are income producing.

Weaknesses: The conversion/refurbishment remains incomplete, and the hotel is non income producing at present.

Opportunities: Once the development is completed this commercial property should provide a sustainable rental income from the hotel/apart hotel and retail units.

Threats: The hotel rooms to the basement will not have any natural light. An annual planned maintenance programme for the building should be adopted.

This Valuation report is to be read in conjunction with our standard terms for valuation services & conditions as appended.

Valuation Date: 13th July 2022

Market Value of the freehold interest in the property in its part refurbished condition with the benefit of the current planning permission, with vacant possession as at the valuation date: **£2,000,000 (TWO MILLION POUNDS)**.

We have assumed a marketing period of 9 months.

Market Value of the freehold interest in the property in its part refurbished condition with the benefit of the current planning permission, with vacant possession as at the valuation date on the special assumption of a restricted sale period of **90 days** in which to exchange contracts: **£1,600,000 (ONE MILLION SIX HUNDRED THOUSAND POUNDS)**.

Market Value of the freehold interest in the property in its part refurbished condition with the benefit of the current planning permission, with vacant possession as at the

valuation date on the special assumption of a restricted sale period of **180 days** in which to exchange contracts: **£1,750,000 (ONE MILLION SEVEN HUNDRED AND FIFTY THOUSAND POUNDS)**.

Market Value of the freehold interest in the property assuming completion of the refurbishment and with the benefit of the current planning permission, with vacant possession as at the valuation date: **£2,250,000 (TWO MILLION TWO HUNDRED AND FIFTY THOUSAND POUNDS)**.

Market Rental Value: We are of the opinion that the market rental value of the hotel once build complete is £127,500 per annum. The retail units, £75,000 pa in line with the agreed lettings, which we consider reflect market rents.

Total combined rental value once build complete is £202,500 per annum.

Suitability for Loan Security Purposes: We consider that the property provides adequate and acceptable security for the proposed loan on condition that a full report on title is provided by your solicitors, together with full confirmation of building regulation approval, production of electrical test and gas certificates and asbestos test for the building. In addition, we would advise that the project is monitored by Vextrix Quantity Surveyors for the final part of the refurbishment.

3.0 LOCATION.

The Property is situated fronting Duke Street at the corner of York Street in the Ropewalks district within Liverpool City Centre, L1 5AA.

The whole area has enjoyed substantial redevelopment and regeneration over the last few years with many new private residential, student accommodation and commercial ventures including bars, restaurants, and apart hotels. The property is located approximately 5 minutes' walk from Liverpool One shopping Centre and 15 minutes' walk from Liverpool Lime Street Railway Station.

Duke Street is at the heart of Liverpool's creative Ropewalks area and close to Chinatown, hip shopping bohemia Bold Street and the city's two magnificent cathedrals. The Universities of Liverpool and John Moores, along with the Liverpool Institute for Performing Arts (LIPA) and FACT are all within a few minutes walk, as are numerous bars, restaurants and coffee shops catering for all tastes and budgets. Central Station is close. The BT Convention Centre, ECHO Arena and Albert Dock are within walking distance.

There are several large projects close by including Wolstenholme Square which is has recently been completed. The largest residential scheme was undertaken by The Elliot Group have rehabilitated an existing 3 storey warehouse, alongside further development that includes four new buildings with staggered heights varying from 1 to 10 storey mixed-use scheme comprising 447 private residential apartments. On the ground floor fronting onto a new and attractive Wolstenholme Square there will be large restaurant and leisure units, which are envisaged to be become a hub of life, both day and night for the whole area.

There are many other schemes proposed or in the process of being constructed in the area such as 14-18 Wolstenholme Square & 65 Duke Street which was the subject of 69 unit conversion, part new build residential apartment scheme.

The property is located within the Duke Street Conservation Area and the World Heritage Site. A location plan is attached to this report.

Liverpool has seen significant investment and will continue to do so for the foreseeable future. Liverpool is a city which has experienced huge renaissance. Spearheaded by the multi-billion-pound Liverpool ONE development, regeneration has continued on an unprecedented scale. Some of the most significant regeneration projects to have taken place in the city include new buildings in the Commercial District, the King's Dock area, the Mann Island area, the Lime Street Gateway, the Baltic Triangle area, the Ropewalks area and the Edge Lane Gateway. There is also the proposed Liverpool Waters scheme which if built will cost in the region of £5.5 billion and be one of the largest mega projects in the UK's history. Liverpool Waters is a mixed-use development which will contain one of Europe's largest skyscraper clusters.

It should be noted that over the last 10 years Liverpool has become a major tourist destination both domestically and globally. The demand for hotel, apart hotel and serviced apartments is currently at an all time high. All the major hotels have located in the City and a abundance of smaller operators have successfully followed the trend and invested in developments which has enhanced the offer and choice for tourists.

Liverpool region is served by four universities, with one of the largest student populations in the country. The city houses approximately 70,000 students with the popularity of the universities and the city increasing each year.

At the 2021 UK Census the recorded population of Liverpool was,486,100 a 4% increase on the figure of 466,400 recorded in the 2011 census. In common with many cities, Liverpool's population is younger than that of England as a whole, with 42.3 per cent of its population under the age of 30, compared to an English average of 37.4 per cent. 65.1 per cent of the population is of working age.

City living has flourished within Liverpool, with its high student population and high % of its population being under the age of 30, has led to spectacular demand for accommodation in the city with people wishing to take advantage of the vibrant cultural and social offering that the city offers. This movement of people in the buy to let market is set to increase over 100% in the next 10 years.

The property is ideally located for amenities found within the area. There is an excellent retail offering in the vicinity of the subject property with supermarkets, banks, doctors, schools and parks all within walking distance. Liverpool famous waterfront is close from the site which houses a variety of museums, galleries and restaurants.

Liverpool has the benefit of excellent transport links both to the rest of the country but also destinations throughout the world due to its airport links. The city is 2 hours away from London.

The site is approximately 1 mile from Liverpool Lime Street station which connects the city with the country's rail network. The M62 & M53 motorways are approximately 4 miles from the subject site. The area is serviced by the Paradise Street bus station, the main bus terminal in the city.

A location plan and OS extracts are included within the appendices attached to this report.

Liverpool Tourism

Over 13 years on from its triumphant year as the European Capital of Culture, Liverpool continues to astound the world with its reputation for staging some of the longest, most creative and engaging events in the UK. 2017 saw the city of Liverpool welcome over 1 million people, generating more than £18.2 million into the local economy as people came to enjoy events, visit attractions, engage in conferences, celebrate birthdays and weddings, and to shop in one of the country's top retail destinations. Liverpool has world-class tourist attractions, and more museums and galleries anywhere outside of London. The city is a designated UNESCO World Heritage Site and is known worldwide as the birthplace of The Beatles.

The premier league is the most competitive and watched league in the world with the Liverpool being the most successful footballing city in England home to Liverpool FC and Everton FC

The region is also home to England's Golf Coast, the finest stretch of championship golf in the world, with no fewer than three Royal Links courses that have hosted endless Open Championships and Ryder Cups. These include Royal Birkdale in Southport, Royal Liverpool at Hoylake and Wallasey Golf Club, Home of Stableford, in Wirral.

Horseracing is huge in the city; Aintree and Haydock racecourses offer top-quality racing including the world-famous Grand National Festival at Aintree each spring.

4.0 DESCRIPTION, CONSTRUCTION & CONDITION

The property comprises a former part two/part four storey office building, plus basement currently nearing the completion of a conversion into a 30 bedroom hotel/aparthotel. There are also three retail units to the ground floor.

Floors 2 & 3 (12 rooms) were completed some time ago and have previously been operating as an apart hotel. The first floor which comprises 13 hotel rooms is now at virtually build complete, whereas the basement rooms (5 in total) is currently being refurbished. To the ground floor there are three retail units, two of which are let and income producing, and one let agreed pending signature of the lease.

Planning permission was granted on 10th September 2020 under application No:20F/0563 to vary condition 2 attached to 18F/2633 (To change use of part ground floor and upper floors of 52-60 Duke Street from Office use (Class B1) to 36 no. bedroom pod hotel (Class C1) together with ancillary restaurant area and external alterations) so as to relocate the proposed kitchen from basement to ground floor and vary the layouts of the floors to provide for a total of 30 hotel bedrooms.

As part of the conversion/refurbishment, the whole property was brought back to bare brick and has been rewired, replumbed, new drainage installed, new gas

installations, new refurbished double glazed sash windows and significant reconfiguration and improvement to provide a high quality hotel development.

The first floor hotel rooms are virtually completed and will provide high quality en-suite accommodation as shown on the attached photos, plans and visuals. The second and third floors provide apart hotel style accommodation that was completed some time ago providing 6 double rooms in a claw and cluster style with shared kitchen/dining facilities together with three bathrooms/wc.s. At the time our inspection this space was undergoing a light makeover including redecoration.

Works to form the 5 basement rooms have commenced, and the area has been tanked out and waterproofed.

There is a lift to each floor and a roof terrace to the two storey section of the building.

The three commercial units have been formed to a shell specification ready for tenants to fit out.

We understand that your customer has expended £510,000 on the project to date, with a further £110,000 still to spend to complete the project. We have studied the costings relating to the refurbishment undertaken by Vextrix Quantity Surveyors. It should be noted that your customer has saved significant costs by project managing a significant part of the refurbishment himself with the aid of a professional team. He has not gone out to tender to deliver the project and therefore has saved significant costs in doing so. Tendering the project would in our estimate have cost at least 30% more. We attach an indicative residual appraisal to this report.

We would estimate a time period of 8-12 weeks for practical completion of the scheme.

We would also refer you to the Photographs within the appendices, together with proposed plans and visuals.

The Property is of brick masonry construction with flat roofs over. We estimate the buildings were originally constructed in the 1930's.

We consider the property to be structurally sound and currently nearing completion of a major conversion.

We must stress that we have not undertaken a full building survey of the subject premises and our inspection was limited to a brief one for valuation purposes only. No lines of sight were afforded to the roof void.

Our inspection was not in the form of a building or structural survey, and no warranty is given nor may be implied as to the structural condition, and our valuation assumes that the property is free from any serious defect.

We have not inspected the woodwork or other parts of the structure which were unexposed, inaccessible or covered, and are unable to report that any such part of the property is free from defect.

Neither have we tested the services or drains and are unable to advise as to the presence of dry rot, woodboring beetle or other defects. No inspection has been made of the roof void or sub floor areas unless otherwise stated.

We have not arranged for any investigation to be carried out to determine whether any deleterious materials or hazardous materials have been used in the construction of this property, such as high alumina cement concrete calcium chloride additive, blue asbestos, woodwool or any other potentially deleterious material, or has since been incorporated, and we are therefore unable to report that the property is free from risk in this respect. For the purpose of this valuation we have assumed that such an investigation would not disclose the presence of any such material to any significant extent.

5.0 ACCOMMODATION

Basement	257.1 m2	2,767 ft2
Ground	257.1 m2	2,767 ft2
First	257.1 m2	2,767 ft2
Second	160.0 m2	1,722 ft2
Third	160.0 m2	1,722 ft2

Total Gross internal area: 1,091.3 m2 11,745 ft2

All measurements are calculated in accordance with the RICS Property Measurement Statement (2nd Edition) on a gross internal basis.

6.0 SERVICES

We understand that all mains services are connected to/serve the subject property. We must stress that, unless otherwise specified, we have not tested any of these services, but have assumed that the property does require rewiring and replumbing. We have not made any enquiries of the respective service supply companies

7.0 TENURE & TENANCIES

We understand that the subject property is held freehold under two separate titles. 52-54 Duke Street is held under title number MS302413 and 56-60 Duke Street under title number MS302414. Both title deed plans are attached to this report. We have not inspected the title documents and have assumed for the purposes of this Valuation Report that good and marketable title can be shown, although we would stress that your solicitors fully check this in their formal report on Title.

For the purposes of this valuation, we have assumed that the title to the Subject Property is held by way of an unencumbered title which is free from any onerous or unusual restrictions, covenants, easements, outgoing or rights of way and furthermore that it is not affected by any Local Authority proposal. We consider it essential that your solicitors formally verify this position, and our comments should not be relied upon until confirmation is gained.

Leases are as follows :

Ground and part basement premises 52, Duke Street – 5 year FRI lease - £25,000 year 1 £27,500 year 2 £30,000 year 3,4 and 5 per annum payable monthly in advance. 3 months rent free – restaurant use.

Ground floor 60A, Duke Street – 5 year FRI lease at £25,000 per annum. 3 months rent free – hot food/restaurant use.

Ground floor 60B, Duke Street – 10 year FRI lease (rent review at yr5) at £22,500 per annum. Convenience store

8.0 SITE AND GROUND CONDITIONS

We have not carried out any site investigations to determine the suitability of ground, nor undertaken any condition, environmental, archaeological or geotechnical surveys. Our valuation is undertaken on the basis that these aspects are satisfactory and that there are no underground mineral or other workings beneath the site or in its vicinity.

9.0 ENVIRONMENTAL ISSUES

We were not instructed to undertake or commission an environmental assessment to establish whether contamination exists or may exist, nor are we aware of any such assessment having been prepared by a specialist adviser in respect of the subject property and its environment.

However, during our inspection of the property for valuation purposes and our usual subsequent enquiries, the possibility that the subject property may be contaminated has been considered by complying with the requirements of the Royal Institution of Chartered Surveyors.

Whilst we have not undertaken any detailed investigations into past and present uses of the subject property or any adjoining property, at the time of our inspection, we noted that the subject property provided a part completed hotel/apart hotel and retail premises.

We did not observe any evidence of any potential or actual contamination, either at the property itself or in its immediate vicinity, that we consider would be likely to affect our valuation.

Our subsequent enquiries have not revealed any evidence that there is a significant risk of contamination affecting the subject property or neighbouring properties which would affect our valuation.

Therefore, for the purposes of this Valuation Report, we have assumed that no contamination exists in relation to the property enough to affect value. However, should it be established subsequently that contamination, seepage or pollution exists at the property or any neighbouring land, or that the premises have been or are being put to a contaminative use, this might reduce the values now reported.

10.0 STATUTORY ENQUIRIES

We would confirm the following: -

1. The property is not Listed, but is within the Duke Street Conservation Area.
2. Planning permission was granted on 10th September 2020 under application No:20F/0563 to vary condition 2 attached to 18F/2633 (To change use of part ground floor and upper floors of 52-60 Duke Street from Office use (Class B1) to 36 no. bedroom pod hotel (Class C1) together with ancillary restaurant area and external alterations) so as to relocate the proposed kitchen from basement to ground floor and vary the layouts of the floors to provide for a total of 30 hotel bedrooms.
3. We confirm that Duke Street and York Street are made and adopted by the Local Authority are in good condition and provide suitable access to the property.
4. The property remains in the Rating list as a series of offices with various Rateable Values. The property will need to be separately assessed for Rates on completion of the redevelopment.
4. The EPC Rating for the building is D(91) recorded on the Non-Domestic property EPC Register. The certificate is dated 17/12/15 and therefore precedes the redevelopment. A new EPC/s will need to be undertaken upon practical completion of the project.

The Energy Performance of Buildings Regulations 2007 introduced Energy Performance Certificates (EPC). Under the legislation an EPC is mandatory for all new buildings constructed after 1 May 2007 and from 1 January 2009 all existing buildings must have an EPC when they are sold or let- this includes residential properties, public sector buildings and business premises. An EPC is valid for 10 years although a replacement can be commissioned during that period if it is felt that an improved assessment will be obtained. An EPC is not required for listed buildings that are due to be sold or let.

An EPC provides a measure of the energy efficiency of a building by awarding it a grade between A and G grade, A being the most efficient and grade G the least efficient. With effect from 1st April 2018 it is required that under the Minimum Energy Efficiency Standard (MEES) that buildings with a rating of F or G are brought up to a minimum E rating before they may be let this may have significant cost implications for owners of buildings which are energy inefficient.

6. The Regulatory Reform (Fire Safety) Order 2005 came into force in October 2006 It replaces all previous fire safety legislation including the former requirement for Fire Certificates which have now been abolished and cease to have legal status. The order requires that fire precautions be put in place where necessary and as far as reasonable and practicable in the circumstances of the case. A “responsible person” must carry out a reviewable Fire Risk Assessment- in a workplace this is

the employer and any other person who may have control of any part of the premises the occupier and/or owner. In other premises the person or people in control of the premises will be responsible.

This valuation assumes that the premises adequately comply (or will do once the upper floors are rehabilitated) with the requirements of the Regulatory Reform (Fire Safety) order of 2005, but we would stress that we have not carried on any formal inspection or assessment in this regard.

7. It is assumed for valuation purposes that Building regulation Approval, wherever needed, was properly obtained for all construction and alteration works, but we have made no specific enquiries or investigations of the local Authority in this regard. Appropriate checks should form part of the standard legal search and enquiry process undertaken by your solicitors.
8. Control of Asbestos regulations 2012 These Regulations require every 'duty holder' of non-domestic premises to assess whether one is, or is liable to be, present; to prepare and implement a plan for managing any risks arising; and to review and revise the plan as necessary. A 'duty holder' is any person with any extent of responsibility for the maintenance or control of the whole or part of the premises. We have made verbal enquiries on site during the course of the inspection regarding the assessment of the property in accordance with these Regulations. The applicant was not present at the time of inspection and we have been unable to confirm that an Asbestos Report or similar document is available, therefore, we recommend that the legal requirement to commission such a report in accordance with the Regulations from a suitably qualified and insured professional individual or company and the implementation of its recommendations should be drawn to the attention of the applicant.
9. Equality ACT 2010 (Disability Discrimination Acts 1995 and 2005) This legislation (which embraces the provisions of the Disability Discrimination Acts) imposes obligations on service providers and employers to make reasonable provision for disabled people. We have not carried out an access audit and therefore we do not speculate as to whether any alterations/adaptations would be required by a service provider or employer. This legislation particularly applies where fifteen or more people are employed or where customers or service users may require access to business premises. The applicant should consider the extent to which this is relevant to his business and, if in any doubt, should commission advice from a suitably qualified insured individual or company.

11.00 VALUATION & METHODOLOGY

We have formed and expressed our opinion of Market Value adopting the Comparable method of valuation, whereby we compare the property with recorded transactions and impending sales of similar properties throughout a relevant

geographical area and timeframe. We have also adopted the investment method of valuation, whereby the Market rent is capitalised at an appropriate multiplier which is derived from a market investment yield.

In addition, we have used the residual method of valuation to arrive at the current market value, after deducting the estimated costs of refurbishment.

We have, where necessary, made reasonable adjustments to the comparable evidence to account for differentials in terms of size, condition, location, amenities, and standard of fittings, as well as any attracting or detracting features.

Valuation Date: 13th July 2022

Market Value of the freehold interest in the property in its part refurbished condition with the benefit of the current planning permission, with vacant possession as at the valuation date: **£2,000,000 (TWO MILLION POUNDS)**.

We have assumed a marketing period of 9 months.

Market Value of the freehold interest in the property in its part refurbished condition with the benefit of the current planning permission, with vacant possession as at the valuation date on the special assumption of a restricted sale period of **90 days** in which to exchange contracts: **£1,600,000 (ONE MILLION SIX HUNDRED THOUSAND POUNDS)**.

Market Value of the freehold interest in the property in its part refurbished condition with the benefit of the current planning permission, with vacant possession as at the valuation date on the special assumption of a restricted sale period of **180 days** in which to exchange contracts: **£1,750,000 (ONE MILLION SEVEN HUNDRED AND FIFTY THOUSAND POUNDS)**.

Market Value of the freehold interest in the property assuming completion of the refurbishment and with the benefit of the current planning permission, with vacant possession as at the valuation date: **£2,250,000 (TWO MILLION TWO HUNDRED AND FIFTY THOUSAND POUNDS)**.

Market Rental Value: We are of the opinion that the market rental value of the hotel once build complete is £127,500 per annum. The retail units, £75,000 pa in line with the agreed lettings, which we consider reflect market rents.

Total combined rental value once build complete is £202,500 per annum.

Suitability for Loan Security Purposes: We consider that the property provides adequate and acceptable security for the proposed loan on condition that a full report on title is provided by your solicitors, together with full confirmation of building regulation approval, production of electrical test and gas certificates and asbestos test for the building. In addition, we would advise that the project is monitored by Vextrix Quantity Surveyors for the final part of the refurbishment.

In accordance with the RICS Appraisal and Valuation Manual (The Red Book) prepared by the Royal Institution of Chartered Surveyors, the following definition applies: -

Market Value

"The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction

after proper marketing wherein, the parties had each acted knowledgeably, prudently and without compulsion."

12.0 COMPARABLE EVIDENCE

In considering the valuation of the Subject Property we have had regard to market transactions within the area including the following:

Comparable rental evidence

19/21 Stanley Street Liverpool -converted aparthotel providing 52 rooms let on a 5 year lease from April 2019 at a rental of £400,000 p.a, equating to £7,692 p.a. per room.

North Western Hall Lime Street Liverpool-converted 4 star hotel providing 200 letting rooms let on a new 20 year lease at an initial rent of £925,000 p.a from January 2020 equating to £4,625 p.a.per room.

Travelodge Liverpool John Lennon Airport Liverpool -Purpose built budget hotel providing 100 rooms and car park Let to Travelodge Hotels Limited on a new 25 year lease from 2018 at rent of £400,000 p.a. £4,000 p.a per room.

Travelodge Liverpool Central Exchange Street Liverpool- Converted budget hotel providing 125 rooms Let to Travelodge Hotels Limited on a new 25 year lease from 2019 and at rent of £535,700 p.a. £4,285 p.a. per room.

In arriving at our assessment of market rent for the hotel section we have applied £4250 per room per annum, equating to £127,500 per annum assuming creation of a total of 30 rooms within the subject property. We have also had reference to your customers income projections which are attached, but these should not be confused with rental value.

In relation on the three ground floor lettings, we confirm that they have been concluded at £25,000 (rising to £27,500 in yr2 and £30,000 in yr3), £25,000 and £22,500pa respectively equating to circa £24.75 per sq ft which reflects market rent in this area.

Capital valuation

We have applied a market yield of 9.00% to the market rental value of £202,500 to produce our assessment of the capital value of the building on completion of the development.

We have provided our residual appraisal which is appended – this quantifies our estimate of the costs of works to complete the project based on market rates using BCIS cost indices, rather than the estimated costs of your customer, which we acknowledge as being very keen prices due to the “self-build” element. We have deducted professional fees and finance costs and developers profit to complete the project at 20%. To produce a residual valuation of the building in its current condition of £2,000,000.

Liverpool Hotel Market

Since Covid-19 Pandemic there has been a significant bounce back for the Liverpool hotel & Leisure market, and although there are no current statistics we consider it appropriate to show the strength of the market re-pandemic as an indication as follows:

The last Liverpool hotel market update published prior to the Covid-19 pandemic illustrates the strength of the local market which is demand led by Liverpool’s tourism and its football offering. Whilst there are risks anticipating the likelihood of demand returning to pre Covid-19 levels, there is every indication that once all restrictions are lifted (including international travel), then there is every chance that Liverpool’s hotel market will continue to thrive.

2019 at a glance (city-wide):

£43.5 million invested in hotels and serviced apartments over 10 months

4 new hotels opened, 1 existing hotel extended

90 hotel jobs created

191 new bedrooms created and 167 serviced apartments

1,486,726 rooms sold (Jan-Sep) (down from 1,560,223 = 4.9% less than Jan-Sep 2018)

% Average occupancy 78.0% (down from 81.7% in Jan-Sep 2018)

Weekend occupancy 83.6% (down from 89.6% in Jan-Sep 2018)

Weekday occupancy 77.6% (down from 80.8% in Jan-Sep 2018)

Average Room Rate £75.22 (up from £73.68 in Jan-Sep 2018)

Average RevPar £58.94 (down from £62.29 in Jan-Sep 2018)

■ Weekend Average RevPar £86.92 (down from £91.75 in Jan-Sep 2018)

13.0 REINSTATEMENT COST ASSESSMENT

We calculate the reinstatement cost for building insurance purposes once the redevelopment is completed to be £2,950,000 plus vat. This is a guide, and a full reinstatement cost assessment should be carried out prior to placing the property on cover. Once the conversion has been completed a further assessment will need to be undertaken.

The replacement cost for reinstatement purposes is given solely as a guide and should not therefore be regarded as formal valuation for insurance purposes. It is assumed that the policy is on an indemnity basis with a full operative reinstatement clause and no special conditions. We have assumed an instantaneous basis of value and have had no regard to any variation in building cost subsequent to the date of our estimate. No provision is included for Value Added Tax, nor for loss of rent or extra costs of working or other consequential loss, Local Authority requirements and party wall works, and no account of the effect of inflation over the policy period. The figure is inclusive of professional fees, demolition and site clearance. If a formal valuation for reinstatement purposes is required, then a suitable professional should be instructed to undertake this valuation on your behalf as a separate instruction.

14.0 LENDING RISK

City centre commercial freehold retail and hotel property is an asset class that remains in high demand, with very few refurbishment opportunities available/offered to the market. Despite Covid-19, this remains the case.

The lending risk in this instance is really a general macro-economic one of tourism and returning to normality post Covid-19. This initially was thought to be potentially slower than anticipated due to restrictions on foreign tourists, however now that travel bans have been lifted Liverpool presents an excellent and popular tourist destination for foreign travellers, day trips or weekends/weeks away.

Naturally, there is also the micro risk of your customer not completing the project, but risk here is minimised by the current high demand for freehold opportunities and we consider that there would be significant interest in the property if offered to the market.

Finally the fact that the project requires completing does create risk, although this is minimized due to the -near completion of the works and the fact that the ground floor retail units are income producing,

15.0 DECLARATION

We confirm that (other than any matters referred to above) we have had no previous involvement with the Subject Property or parties involved or have any financial interest in the Subject Property. This valuation has been carried out in accordance

with the provisions of the Practice Statements contained in the Valuation – Professional Standards published by the RICS.

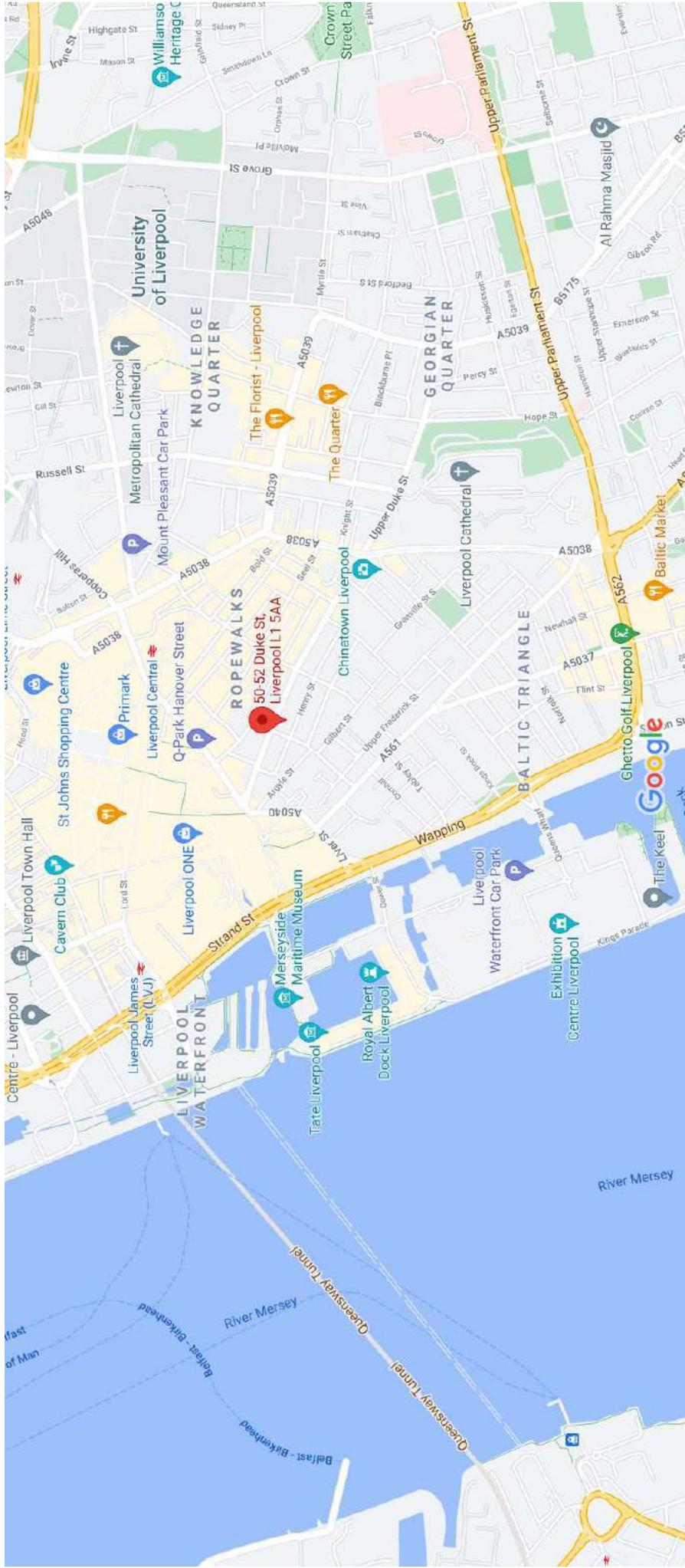
This report is confidential to the addresses and their financial and professional advisors, and no responsibility will be accepted to any third party for the whole or any part of it.

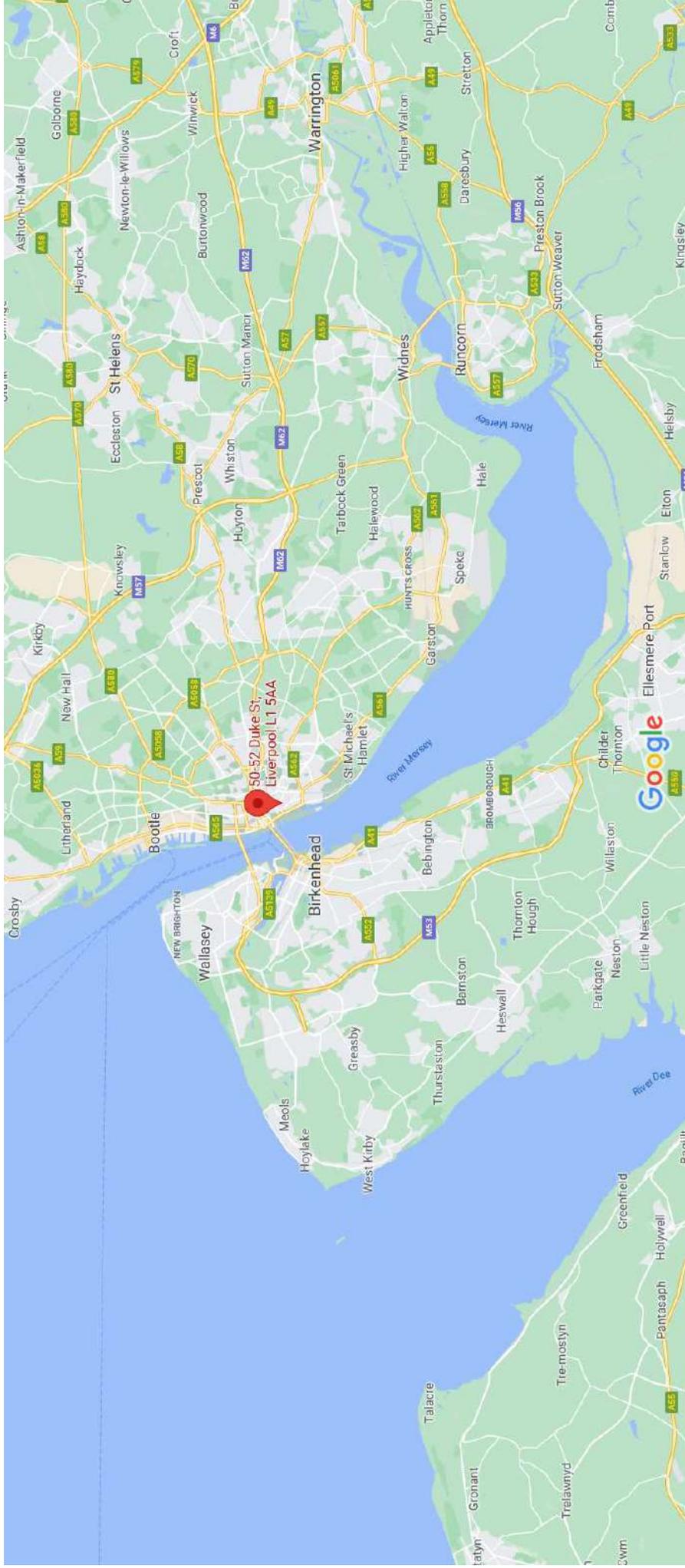
Neither the whole nor any part of this valuation report or any reference thereto may be included in any published document, circular or statement, or published in any way without our written approval of the form and context in which it may appear. Should you require any further information, please do not hesitate to contact the writer.

Yours faithfully

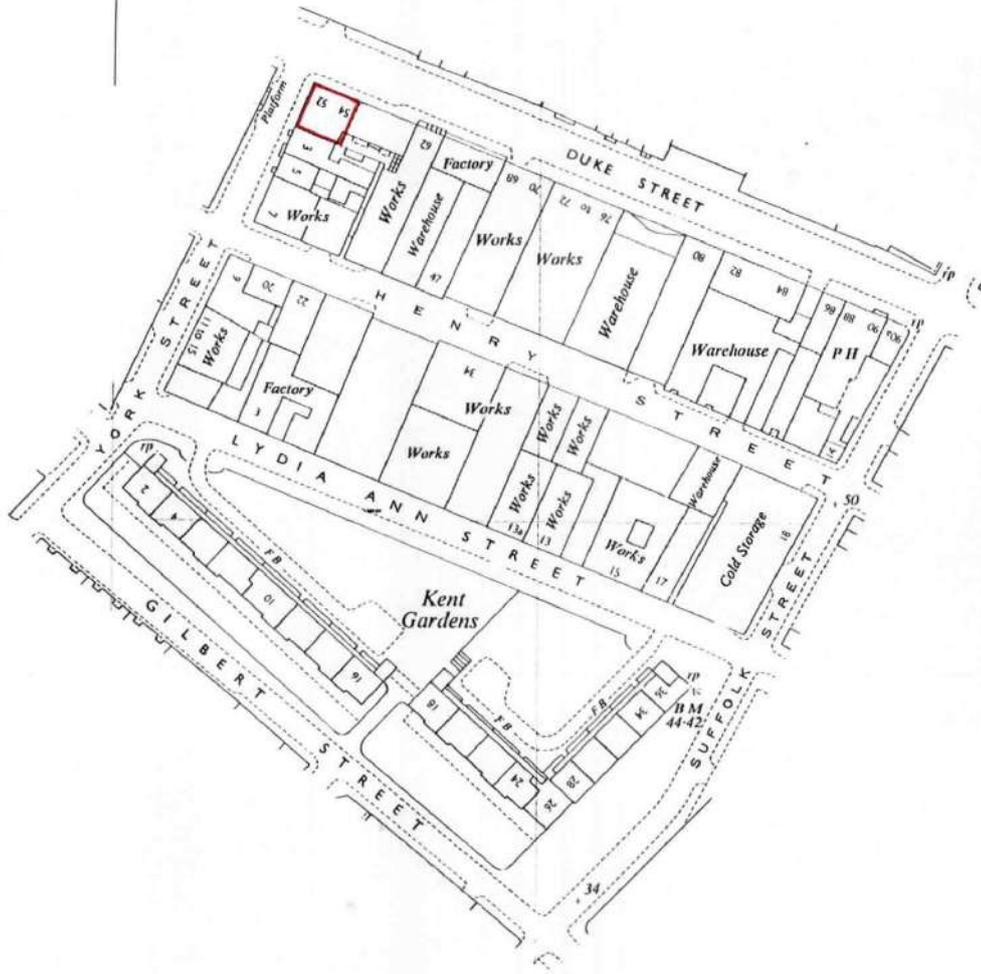
Jonathan Kersh

Jonathan Kersh BSc(Hons)MRICS & RICS Registered Valuer





H.M. LAND REGISTRY		TITLE NUMBER		
		MS302413		
ORDNANCE SURVEY PLAN REFERENCE	COUNTY	SHEET	NATIONAL GRID	SECTION
	MERSEYSIDE		SJ 3489	M
Scale: 1/1250	LIVERPOOL DISTRICT		(c) Crown Copyright 1967.	



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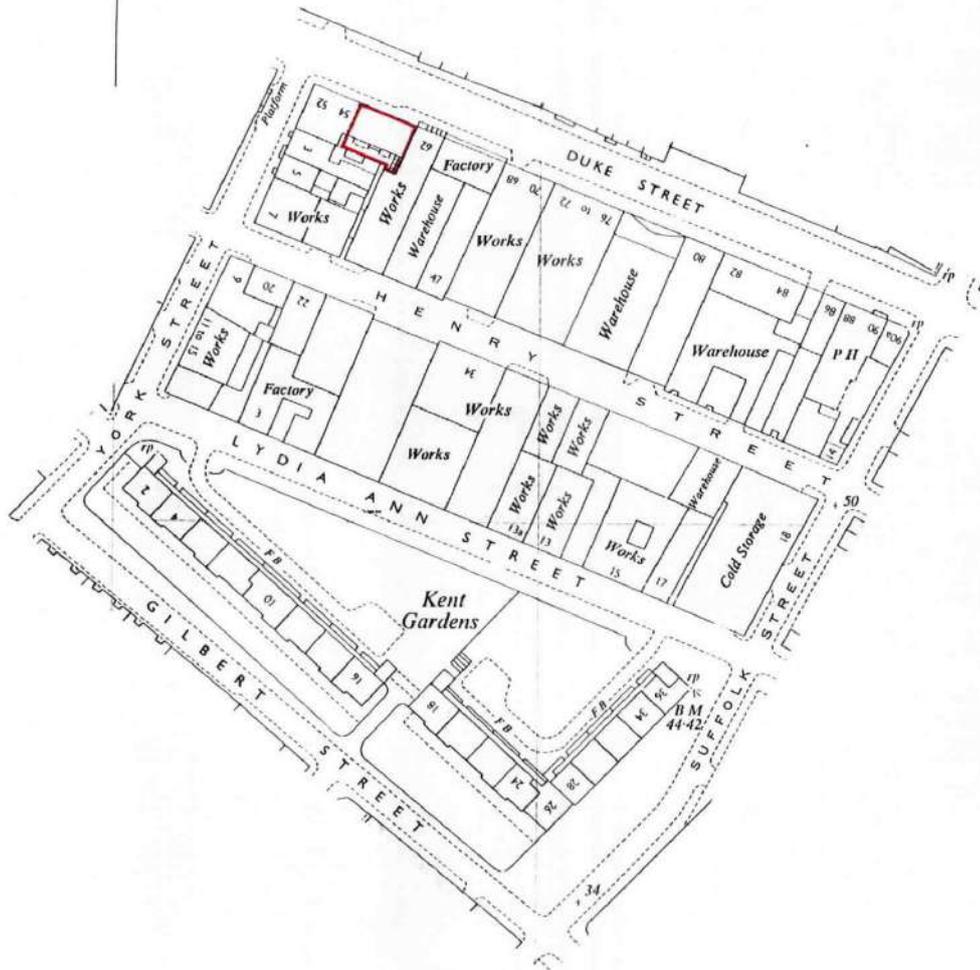
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H.M. LAND REGISTRY		TITLE NUMBER		
		MS302414		
ORDNANCE SURVEY PLAN REFERENCE	COUNTY	SHEET	NATIONAL GRID	SECTION
	MERSEYSIDE		SJ 3489	M
Scale: 1/1250	LIVERPOOL DISTRICT		(c) Crown Copyright 1967.	



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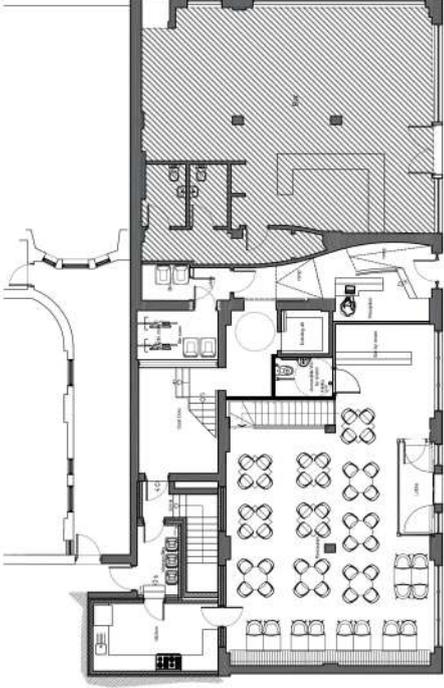








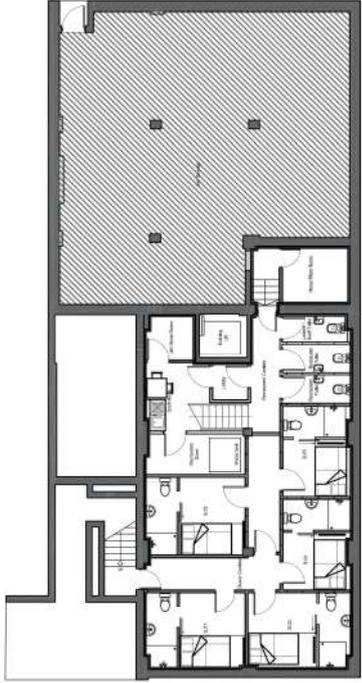




Proposed Ground Floor Plan
Scale 1:200



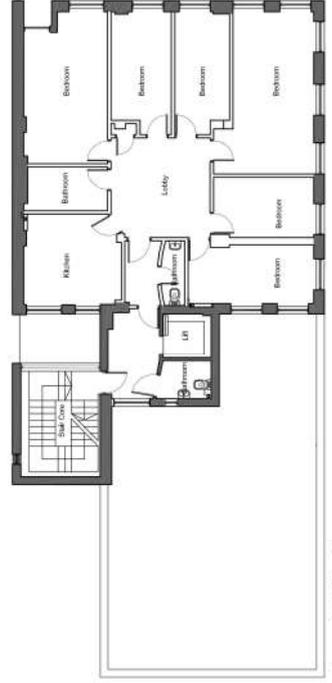
Proposed Second Floor Plan
Scale 1:200



Proposed Basement Floor Plan
Scale 1:200



Proposed First Floor Plan
Scale 1:200



Proposed Third Floor Plan
Scale 1:200



Certificate issued to:-

Application No:20F/0563

Date Issued: 10 September 2020

Domec Professional Services
Rodney Chambers
40 Rodney Street
Liverpool
L1 9AA
United Kingdom

PLD

**TOWN AND COUNTRY PLANNING ACT 1990
TOWN AND COUNTRY PLANNING (GENERAL DEVELOPMENT
PROCEDURE) ORDER 1995**

Location: **52-60 Duke Street, City Centre, Liverpool, L1 5AA**

Proposal: **To vary condition 2 attached to 18F/2633 (To change use of part ground floor and upper floors of 52-60 Duke Street from Office use (Class B1) to 36 no. bedroom pod hotel (Class C1) together with ancillary restaurant area and external alterations) so as to relocate the proposed kitchen from basement to ground floor and vary the layouts of the floors to provide for a total of 30 hotel bedrooms.**

Applicant: **Mr Hamid
52-60 Duke Street
City Centre
Liverpool
L1 5AA**

Date Valid: **18/02/2020**

In pursuance of its powers under the above-mentioned legislation, the Local Planning Authority on **10 September 2020 GRANTED** planning permission for the above-mentioned development in accordance with your application, subject to the compliance with the conditions specified on the attached schedule, for the reasons stated.

(see attached)

Samantha Campbell

Head of Planning

Liverpool City Council
Cunard Building, Water Street, Liverpool, L3 1AH
T: 0151 233 3021
E: planningandbuildingcontrol@liverpool.gov.uk
www.liverpool.gov.uk

SCHEDULE OF CONDITIONS AND REASONS

Condition No	Condition
1	<p>The development hereby permitted shall be commenced before the expiration of 3 years from the date of this permission.</p> <p>REASON: To comply with Section 91 (as amended) of the Town and Country Planning Act 1990.</p>
2	<p>The development hereby approved shall be carried out in accordance with the following drawings and documents unless otherwise agreed in writing by the local planning authority:</p> <p>(i) Drawing Numbers: PL200 Site Location Plan PL201 Rev A Proposed Plans PL203 Rev A Proposed Elevations</p> <p>REASON: To ensure that the development is carried out in accordance with the approved plans and within the parameters of the grant of planning permission.</p>
3	<p>Prior to their implementation, details of the following shall be submitted to and approved in writing by the local planning authority. The scheme shall be implemented in accordance with the approved details and completed to the satisfaction of the local planning authority before the development is occupied/brought into use.</p> <p>(i) full design/material/location details of the new external flue; (ii) full details of any external plant equipment; (iii) details of any boiler/ventilation flues in association with the C1 use hereby permitted; (iv) details of any external lighting.</p> <p>REASON: In order to ensure that these details are satisfactory in accordance with Policies HD10 and HD18 of the Liverpool Unitary Development Plan.</p>
4	<p>Prior to implementation, a sample of the new windows to be used in the external construction of this development shall be submitted to and approved in writing by the local planning authority. The scheme shall be implemented in accordance with the approved details to the satisfaction of the local planning authority before the development is occupied/brought into use.</p> <p>REASON: These details are not included in the application and the Council wishes to ensure that they are satisfactory in accordance with Policy HD10 of the Liverpool Unitary Development Plan.</p>
5	<p>Notwithstanding the indicative detail shown on the approved drawings, approval of the following details shall be obtained from the local planning authority and the works shall not commence until all the stated details have been approved:-</p> <p>(i) full design/materials details of all new windows (and secondary glazing) and external doors to be used, including cross sectional drawings at 1:2 scale (or similar), shall be submitted for approval in writing by the local planning authority prior to the commencement of works. This shall include all sill, lintel, jamb and reveal details.</p>

	<p>(ii) The works shall be carried out in accordance with the approved details;</p> <p>(iii) All windows and doors shall have a powdercoated/painted finish in a colour to be approved in writing by the local planning authority.</p> <p>REASON: In order to ensure that these details are satisfactory in accordance with Policies HD10 and HD18 of the Liverpool Unitary Development Plan.</p>
6	<p>Noise control measures shall be employed within the development such that sound generated within the ground floor commercial areas does not give rise to noise levels exceeding NR30 in any nearby residential accommodation (expressed in terms of the maximum sound pressure level in each octave band) as determined by the Council's Environmental Health Service.</p> <p>REASON: To safeguard the amenity of adjacent occupiers in accordance with Policy EP11 of Liverpool Unitary Development Plan.</p>
7	<p>(i) The scheme for bin/waste storage as shown on plan no. PL 201 Rev A shall be implemented in accordance with the approved details and completed to the satisfaction of the local planning authority before the development is occupied/brought into use.</p> <p>(ii) All waste materials generated by the development, whether to be discarded as refuse or recycled, shall be stored within the approved purpose built structure and, for the avoidance of doubt, no waste material shall at any time be stored outside the designated facility and all waste material shall be kept within the curtilage of the premises until collected.</p> <p>REASON: To safeguard amenity and maintain the quality of the street environment in accordance with Policy EP9 of the Liverpool Unitary Development Plan.</p>
8	<p>All brickwork repairs and re-pointing shall be carried out using an appropriate lime mortar mix without coloured additives, plasticizers or other additives. Any re-pointing shall be kept to the minimum that is structurally necessary and kept within the confines of the joint and slightly recessed from the face of the brickwork. All brickwork joints shall be finished neatly and cleanly with the mortar brushed slightly back from the arrases. There shall be no buttering-up of joints with mortar flush with the brickwork. The face of the mortar joint should be hammer stippled with a stiff bristled brush prior to the mortar going off to compact the face and slightly expose the aggregate. A sample of the mortar and proposed work (approximately 1 square metre) shall be prepared for inspection and agreed in writing by the local planning authority before the work is carried out.</p> <p>REASON: In order to ensure that these details are satisfactory in accordance with Policies HD10 and HD11 of the Liverpool Unitary Development Plan.</p>
9	<p>Details of the proposed external decorative finishes and colour scheme to all external joinery, exposed metal and steelwork etc. shall be submitted to and approved by the local planning authority before commencement of works. The development shall be carried out in accordance with the approved details.</p> <p>REASON: In order to ensure that these details are satisfactory in accordance with Policies HD10 and HD18 of the Liverpool Unitary Development Plan.</p>
10	<p>Full details of the fume extraction system to be installed to all areas where hot food is to be prepared shall be submitted to and approved in writing by the local planning</p>

	<p>authority. The fume extraction system shall be installed in accordance with the approved details and completed to the satisfaction of the local planning authority before the development is occupied/brought into use. Extract ducts shall be acoustically insulated and acoustically isolated from associated fans and the building structure. For the avoidance of doubt, any fume extraction system shall not be operated outside the hours of 06.30 to 23.00 hours, unless otherwise agreed in writing by the local planning authority.</p> <p>REASON: To safeguard the amenity of adjacent occupiers and in accordance with Policy EP11 of the Liverpool Unitary Development Plan.</p>
11	<p>No bottles or crates shall be stored outside of the building and no sorting of bottles shall take place outside of the building at any time.</p> <p>REASON: To safeguard the amenity of nearby occupiers in accordance with Policy EP11 of the Liverpool Unitary Development Plan.</p>
12	<p>In so far as this consent relates to the use of ground floor area shown as a restaurant area, the premises shall not be open for business to the general public outside the hours of 08.00 and 24.00. Outside of these hours the premises shall only be used by hotel residents.</p> <p>REASON: To ensure that nearby occupiers are not adversely affected by the development in accordance with Policies EP11, S14 and H3 of the Liverpool Unitary Development Plan.</p>
13	<p>No part of the development shall be occupied or brought into use until the areas indicated on the submitted plans to be set aside for cycle parking have been provided in accordance with the details and specifications shown in drawing number PL201 Rev A . The cycle parking shall be retained as such thereafter.</p> <p>REASON: To ensure that adequate provision is made for parking cycles on the site; and to establish measures to encourage non-car modes of transport.</p>
14	<p>(a) A Construction Method Statement comprehensively detailing the phasing and logistics of demolition/construction shall be submitted to and approved in writing by the local planning authority, prior to construction on-site.</p> <p>The method statement shall include, but not be limited to:</p> <ul style="list-style-type: none"> (i) Construction traffic routes, including provision for access to the site (ii) Entrance/exit from the site for visitors/contractors/deliveries (iii) Location of directional signage within the site (iv) Siting of temporary containers (v) Parking for contractors, site operatives and visitors (vi) Identification of working space and extent of areas to be temporarily enclosed and secured during each phase of demolition/construction (vii) Temporary roads/areas of hard standing (viii) Schedule for large vehicles delivering/exporting materials to and from site (ix) Storage of materials and large/heavy vehicles/machinery on site (x) Measures to control noise and dust (xi) Details of street sweeping/street cleansing/wheelwash facilities (xii) Details for the recycling/disposing of waste resulting from demolition

	<p>and construction works</p> <p>(xiii) Hours of working</p> <p>(xiv) Phasing of works including start/finish dates</p> <p>(b) The approved Construction Method Statement shall be adhered to throughout the construction period for the development.</p> <p>REASON: These details are needed prior to the commencement of development in order to ensure that adequate on-site provision is made for construction traffic, including allowance for the safe circulation, manoeuvring, loading and unloading of vehicles, as well as parking, and to reduce impact on residential amenity and the general amenity of surrounding occupiers during construction.</p>
15	<p>The rating level of the noise emitted from any plant shall not exceed the existing background noise level. The noise level shall be determined at the nearest noise sensitive premises. The measurements and assessments shall be made according to BS4142 2014. Method for Rating Industrial and Commercial Sound</p> <p>REASON: To safeguard the amenity of adjacent occupiers.</p>

INFORMATIVES

Reasons for Approval - Positive Planning

The decision to grant permission and impose any conditions has been taken having regard to the relevant policies and proposals in the Liverpool Unitary Development Plan 2002. The Local Planning Authority have worked with the applicant in a positive and proactive manner based on seeking solutions to problems arising in relation to dealing with a planning applications and have implemented the requirement in NPPF para 187.

If a street name and/or property numbering is required as part of this development, developers are required to contact Liverpool City Council who are the street naming and property numbering authority to arrange for addresses to be attributed to the development. Developers or property owners cannot attribute property numbers or addresses themselves, these can only be undertaken by the Council. Attributing addresses can take approximately 6 weeks to progress from application therefore applicants must give themselves sufficient time and are advised to make an early application to enable the process to be completed so that an address can be issued and used. In the first instance, the applicant is required to contact the Council's Highway Development Control Team on 0151 233 0324 or email HDC@Liverpool.gov.uk to be advised further on the processes and information requirements. Please note there is a fee for this process which shall be advised upon application.

During the site works the contractor shall pay full regard to the best practicable means available in respect of the control of noise and dust from the site. In addition, no operations which are audible at the site boundary shall be carried out:

- (i) outside the hours of 0800 to 1800 weekdays
- (ii) outside the hours of 0800 to 1300 Saturdays, and
- (iii) at any time on Sundays or Bank Holidays.

The grant of planning permission shall not be construed as authority to erect scaffolding, hoarding or any other device or apparatus for which a licence must be sought from the Highway Authority. Contact the Council's Highways Team on email lcchighwayskipsscaffold@liverpool.gov.uk for

further details. It should be noted that there is a fee associated with this process.

TOWN AND COUNTRY PLANNING ACT 1990
TOWN AND COUNTRY PLANNING (GENERAL DEVELOPMENT PROCEDURE) ORDER 1995

NOTES FOR PLANNING DECISION NOTICES

OTHER CONSENTS

This permission refers only to that required under the Town and Country Planning Acts and does not include any consent or approval under any other enactment, byelaw, order or regulation. In particular, if building alterations are involved these may also require consent under the Building Regulations and before commencing work this aspect should be discussed with Building Control (Email: building.control@liverpool.gov.uk Tel: 0151 233 4458/ 4467). Where a building regulations approval is obtained and this requires changes from your planning permission, revised drawings must be submitted to the Divisional Manager Planning.

COMPLIANCE WITH THE PERMISSION/CONSENT

It is important that this permission/consent is implemented strictly in accordance with the plans approved by the consent. Where a planning permission is granted subject to conditions it is important that these are fully complied with. Non-compliance with the conditions of the permission/consent may well result in a Breach of Condition Notice being served on you or any other appropriate enforcement action required to remedy the breach of planning control.

APPEALS TO THE PLANNING INSPECTORATE

If you are aggrieved by the decision of the city council as local planning authority then you can appeal to the Planning Inspectorate. *Please note, only the applicant possesses the right of appeal.*

If you want to appeal, then you must do so within **six months** of the date of issue of this notice.

The Planning Inspectorate have introduced an online appeals service which you can use to make your appeal online www.gov.uk/government/organisations/planning-inspectorate. The Inspectorate will publish details of your appeal on the internet (on the Appeals area of the Planning Portal). This may include a copy of the original planning application form and relevant supporting documents supplied to the local authority by you or your agent, together with the completed appeal form and information you submit to the Planning Inspectorate. Please ensure that you only provide information, including personal information belonging to you that you are happy will be made available to others in this way. If you supply personal information belonging to a third party please ensure you have their permission to do so. More detailed information about data protection and privacy matters is available on the Planning Portal.

If you do not have access to this service, forms can be obtained from Initial Appeals, The Planning Inspectorate, Temple Quay House, 2 The Square, Temple Quay Bristol, BS1 6PN. (Tel: 0303 444 5334 or e-mail: enquiries@pins.gsi.gov.uk). *You must use a Planning Appeal Form when making your appeal. If requesting forms from the Planning Inspectorate, please state the appeal form you require.*

PURCHASE NOTICES

If the local planning authority or the Office of the Deputy Prime Minister refuses to grant permission to develop land or grants it subject to conditions, the owner may claim in certain circumstances that the land has become incapable of development. In these circumstances, the owner may serve a Purchase Notice on the Council under Part VI of the Town and Country Planning Act 1990, requiring the Council to purchase the owners interest in the land.

COMPENSATION

In certain limited circumstances, a claim must be made against the local planning authority for compensation. The circumstances in which compensation is payable are set out in Parts VI and V of the Town and Country Planning Act 1990.

NEW RESIDENTIAL DEVELOPMENT

In order to ensure that minimum disruption occurs once a development is completed; developers are asked to contact all the public utilities to ensure that adequate services are provided at the outset. In particular developers are asked to contact the Cable TV provider

PUBLIC NOTICE – PARTY WALL ETC. ACT 1996

From the 1 July 1997 any person intending to carry out works affecting party walls or involving excavations for foundations adjacent to a party wall will be required to serve notice on all adjoining owners before work commences. You are advised to engage the services of a private surveyor to act on your behalf in any formal private procedures and agreements that you are now required, by The Party Wall etc. Act 1996, to enter into.

Failure to comply with the Act may result in civil action being taken against you.

Code		Quants	Unit	Rate	Total
1	Works to Part Basement Floor, Ground Floor and Rear Extension				
1.2	Basement tanking:				
1.2.1	PAM tanking system	131	m2	£ 129.08	£ 16,962.78
1.3	Basement Ceiling:				
1.3.1	Ceiling system comprising 22m Furring Channel fixed with Pliteq Genie Clip LB3, 1x 15mm Knauf Fire Board, 1x 15mm Siniat dB Board taped joint	104	m2	£ 44.41	£ 4,601.22
1.4	Stair and ramp structures				
1.4.1	Pre-cast concrete staircase Basement to Ground Floor	1	PS	£ 2,467.05	£ 2,467.05
1.4.2	Ramp to reception area	1	PS	£ 1,480.23	£ 1,480.23
1.5	Basement External Walls				
1.5.1	2x 12.5mm GTEC Standard Board	131	m2	£ 42.57	£ 5,594.61
1.5.2	GTEC IS60B Stud at 600mm centres	131	m2	£ 30.91	£ 4,061.73
1.6	Windows & Doors Building 1				
1.6.1	Windows Shop Front 10.9 m2	54	m2	£ 197.36	£ 10,754.35
1.6.2	Window 2 GF 1.56m2	5	m2	£ 197.36	£ 986.82
1.6.3	Window 3 GF 4.7 m2	7	m2	£ 197.36	£ 1,381.55
1.6.4	Sliding Door - Entrance	1	item	£ 5,427.50	£ 5,427.50
1.6.5	Alum Door to Building 2 - Entrance	1	item	£ 3,453.87	£ 3,453.87
1.7	Basement and Ground Floor				
1.7.1	FD30s - Single door 2.1mx0.9m	21	nr	£ 424.33	£ 8,910.98
1.7.2	Joinery	1		£ 4,800.00	£ 4,800.00
1.8	Extension and Bicycle Store				
1.8.1	New flat roof to bin store	26	m2	£ 118.42	£ 3,078.88
1.8.2	New flat roof to bicycle store	7	m2	£ 118.42	£ 828.93
1.8.3	Velux roof windows 2nr	1	PS	£ 1,480.23	£ 1,480.23
1.9	Pre-fabricated units				
1.9.1	Bicycle Rack	4	nr	£ 370.06	£ 1,480.23
1.10	External Works				
1.10.1	Duke St Pavement - allowance for making good- resurfacing	81	m2	£ 49.34	£ 3,996.62
1.11	Internal Finishes				
1.11.1	Décor + Tiling	250	m2	£ 40.20	£ 10,050
1.11.2	Furniture / Furnishings	1		£ 15,800	£ 15,800
1.12	M&E	1		£ 20,350	£ 20,350
				Total Covered Area	£ 110,024.83

Project: 60 Duke Street Hotel- Cost Summary

Code	Description	Total
1.0	Works to Part Basement Floor, Ground Floor and Rear Extension	
1.1	Total Covered Area	£ 110,024.83
2.0	Office Conversion to Apart Hotel: First Floor, Second Floor and Third Floor	
2.1	Total Office Conversion to Apart/Hotel: FF/SF/TF	£ 320,752.59
	Total measured works	£ 430,777.42
3.0	Main Contractors Preliminaries	
3.1	Prelims @ 20%	£ 59,540.03
4.0	Main Contractors OH & P	
4.1	OH & P @ 15%	£ 53,586.03
5.0	Other development/project costs	
5.1	Furniture	£ 27,462.91
6.0	Risk	
6.1	Contingency	£ 10,500.00
	Project Total	£ 581,866.39

Code		Quants	Unit	Rate		Total
2	Office Conversion to Apart Hotel: First Floor, Second Floor and Third Floor					
2.1	Acoustic floors to FF/SF/TF					
2.1.1	ScreedBoard 28	228	m2	£ 41.68	£	9,503.78
2.2	Ceilings to FF/SF/TF					
2.2.1	Ceiling system comprising 22m Furring Channel fixed with Pliteq Genie Clip LB3, 1x 15mm Knauf Fire Board, 1x 15mm Siniat dB Board taped joint	227	m2	£ 44.41	£	20,088.26
2.3	External Walls to FF/SF/TF					
2.3.1	2x 12.5mm GTEC Standard Board	126	m2	£ 42.57	£	25,375.30
2.3.2	GTEC IS60B Stud at 600mm centres	126	m2	£ 30.91	£	3,902.51
2.4	Internal Walls to FF/SF/TF					
2.4.1	Corridor walls (60min)					
2.4.1.1	15mm Siniat GTEC Fire Board to each side*	468	m2	£ 6.48	£	3,034.10
2.4.1.2	mm GTEC C Studs CS70/Rx at 600mm centres (400mm centres if to be tiled). Gauge 0.52mm.	234	m2	£ 14.43	£	3,375.84
2.4.1.3	Skim	468	m2	£ 5.16	£	2,415.28
2.4.2	Internal walls between bedrooms (30min/acoustic)					
2.4.2.1	2 x 12.5mm Siniat dB Board to one side (min. 800 kg/m3)	291	m2	£ 14.43	£	4,191.18
2.4.2.2	50mm glass mineral wool (approx. 50kg/m³)	145	m2	£ 11.18	£	1,624.01
2.4.2.3	70mm GTEC C Studs CS70/Rx at 600mm centres (400mm centres if to be tiled). Gauge 0.52mm.	145	m2	£ 6.48	£	941.73
2.4.2.4	Skim	291	m2	£ 5.16	£	1,499.31
2.4.3	Moisture resistant bathroom walls					
2.4.3.1	70mm GTEC C Studs CS70/Rx at 600mm centres (400mm centres if to be tiled). Gauge 0.52mm.	354	m2	£ 6.48	£	2,293.67
2.4.3.2	15mm Siniat GTEC dB Board to one side	354	m2	£ 14.43	£	5,104.02
2.4.3.3	15mm Siniat Aqua Board to one side	354	m2	£ 32.73	£	11,580.06
2.4.3.4	50mm mineral wool insulation (p≥60g/m3)	409	m2	£ 11.18	£	4,567.35
2.4.3.5	Skim	817	m2	£ 5.16	£	4,216.64
2.4.4	Genreal partition cupboard/plaster walls					
2.4.4.1	70mm GTEC C Studs CS70/Rx at 600mm centres (400mm centres if to be tiled). Gauge 0.52mm.	16	m2	£ 6.48	£	102.41
2.4.4.2	15mm Siniat GTEC dB Board to each side*	32	m2	£ 14.43	£	455.76
2.4.4.3	Skim	32	m2	£ 5.16	£	163.04
2.4.5	Service Riser					
2.4.5.1	Siniat GTEC CH1916/B CH-Studs at 600mm centres	7	m2	£ 131.93	£	986.82
2.4.5.2	25mm glass mineral wool (minimum 16kg/m3)	7	m2	£ 10.70	£	80.01
2.4.5.3	2 x 15mm Siniat GTEC Fire Board to one side to room / corridor side*1	15	m2	£ 13.49	£	201.81
2.4.5.4	19mm Fire Core Board to shaft side	7	m2	£ 18.54	£	138.70
2.4.5.5	Skim	30	m2	£ 5.16	£	154.42
2.5	Internal Doors to: FF/SF/TF					
2.5.1	FD30s - Single door 2.1mx0.9m	18	nr	£ 424.33	£	17,637.98
2.5.2	w.c. door	13	nr	£ 246.70	£	3,207.16
2.6	Internal Finishes: Paint and Vinyl Finish to: FF/SF/TF					
2.6.1	Walls: Mid range paint finish	733	m2	£ 27.63	£	20,253.96
2.6.2	Vinyl Flooring throughout	536	m2	£ 34.54	£	18,496.25
2.6.3	Ceilings: Mid range paint finish	536	m2	£ 13.82	£	7,398.50
2.7	Service to: FF/SF/TF					
2.7.1	Sanitary appliances and fittings	1	item	£ 11,993.06	£	1,993.06
2.7.2	Drainage above ground installation	1	item	£ 4,380.32	£	14,380.32
2.7.3	Water Installations	1	item	£ 17,446.55	£	17,446.55
2.7.4	Heat Source Installation	1	item	£ 2,623.48	£	2,623.48
2.7.5	Space Heating and Air Conditioning	1	item	£ 13,140.97	£	23,140.97
2.7.6	Ventilating Systems	1	item	£ 17,446.55	£	17,446.55
2.7.7	Electrical Installations	1	item	£ 26,870.80	£	26,870.80
2.7.8	Fire and Lightning protection Installations	1	item	£ 11,122.42	£	11,122.42
2.7.9	Management of the Commissioning of Services	1	item	£ 2,738.61	£	2,738.61
Total Office Conversion to Aprat/Hotel: FF/SF/TF						£ 320,752.59



**Section 47 of the Building Act 1984 (“The Act”)
The Building (Approved Inspectors etc.) Regulations 2010 (“The Regulations)**

To	Liverpool City Council, PO Box 88, Municipal Buildings, Dale Street, Liverpool, L2 2DH	Ref: 20-46215 Date: 13/07/2020
1	<p>This Notice relates to the following work:</p> <p>Description of work: Change use of part ground floor and upper floors from Office use (Class B1) to 15 no. bedroom pod (For Air B&B & hotel use) (Class C1) together with ancillary restaurant area and external alterations and basement rooms including any associated drainage works. (see exclusions**)</p> <p>Location: 52-60 Duke Street, Liverpool, Merseyside, L1 5AA</p> <p>Use of Building: Retail</p>	
2	The Approved Inspector in relation to the work is: Quadrant Building Control, 11 Red Lion Street, Stamford PE9 1PA	
3	<p>The person intending to carry out the work is:</p> <p>Name: Mr Abdul Hamid</p> <p>Address: Crown House, High Street, Manchester, M29 8AL</p>	
4	The work does /[does not] concern a new dwelling	
5	<p>With this Notice the following documents, which are those relevant to the work described in this notice:</p> <p>(a) [In the case of the erection or extension of a building, a plan to a scale of not less than 1:1250 showing the boundaries and location of the site and (where the work includes the construction of a new drain or private sewer) a statement –</p> <p style="margin-left: 20px;">(i) As to the approximate location of any proposed connection to be made to the sewer, or</p> <p style="margin-left: 20px;">(ii) If no connection is to be made to a sewer, as to the proposals for the discharge of the proposed drain or private sewer including the location of any septic tank and associated secondary treatment system, or any wastewater treatment system or any cesspool;]*</p> <p>(b) [in the case of a new dwelling-</p> <p style="margin-left: 20px;">(i) a statement whether or not one or more, and if so which, of the following optional requirements in the Building Regulations 2010 applies to the building work-</p> <p style="margin-left: 40px;">(aa) regulation 36(2)(b) (optional water efficiency requirement of 110 litres per person per day),</p> <p style="margin-left: 40px;">(bb) Schedule 1 Part M optional requirement M4(2) (category 2-accessible and adaptable dwellings),</p> <p style="margin-left: 40px;">(cc) Schedule 1 Part M optional requirement M4(3) (category 3-wheelchair user dwellings), or</p> <p style="margin-left: 20px;">(ii) a statement that planning permission has not yet been granted for the work, and that the information required by subparagraph (b)(i) will be supplied as soon as is reasonably practicable after that permission is granted;]</p> <p>(c) [a statement of any local enactment relevant to the work, and of the steps to be taken to comply with it.]</p>	

(*) With reference to 5 (a) we would point out that there will be no new connection to the main sewer as all drains are taken to existing manholes.



Quadrant Building Control hereby declares that:-

- 6 The work [is]/[is not] minor work 'Regulation 9(5) of the Regulations'
- 7 [We, Quadrant Building Control, do not and will not while the notice is in force, have any financial or professional interest in the work described*].
- 8 The approved inspector [will]/[will not] be obliged to consult the fire and rescue authority by regulation 12 of the Regulations.
- 9 [We, Quadrant Building Control, undertake to consult the fire and rescue authority before giving a plans certificate in accordance with section 50 of the Act or a final certificate in accordance with section 51 of the Act in respect of any of the work described above.]
- 10 The approved inspector [will]/[will not] be obliged to consult the sewerage undertaker by regulation 13 of the Regulations.
- 11 [~~We, Quadrant Building Control, undertake to consult the sewerage undertaker before giving a plans certificate in accordance with section 50 of the Act or a final certificate in accordance with section 51 of the Act in respect of any of the work described above.~~]
- 12 We, Quadrant Building Control, are aware of the obligations laid upon us by Part 2 of the Act and by regulation 8 of the Regulations.
- 13 We, Quadrant Building Control, are an approved inspector for the purposes of Part 2 of the Act and in respect of the work described in this notice.
- 14 Copies of the notice of the approval and of a declaration of insurance relevant to the work described in this notice are on the register kept by the body designated under regulation 3 of the Regulations.

(*) Financial or professional interest has the meaning given in Regulation 9 of the Regulations

Name: Joe Doyle
Signed:

Quadrant Building Control

Date: 13/07/2020

Name: Mr Abdul Hamid
Signed:

PP: Lauren Benson

For and on behalf of Mr Abdul Hamid as authorised agent for Person intending to carry out the works.

Date: 13/07/2020

**** Excluding any works carried out in accordance with the self-certified scheme. As defined in schedule 3 (competent person scheme) Building Regulation 2010 as amended.**

**** Excluding any works carried out under the Gas Safety (installation and use) Regulations 1998**



















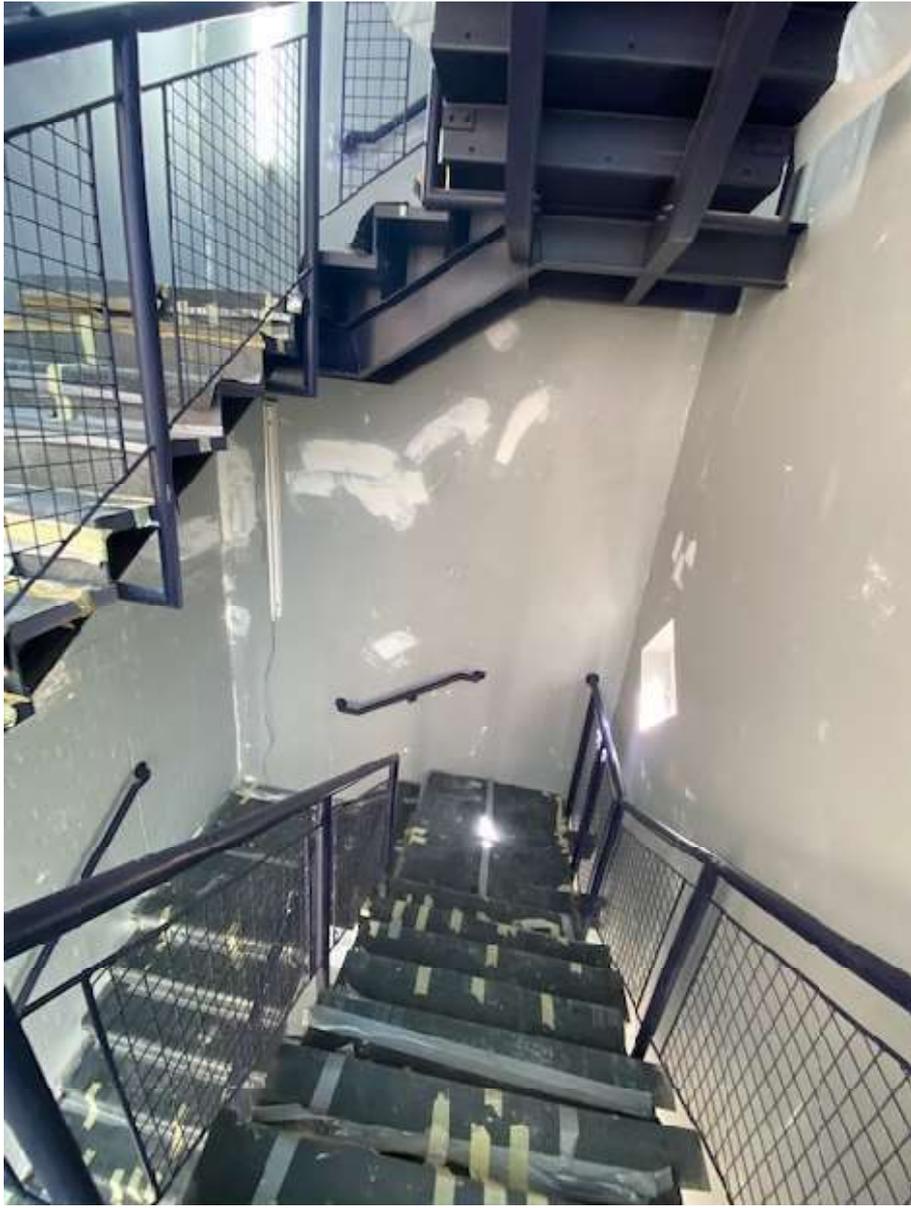










































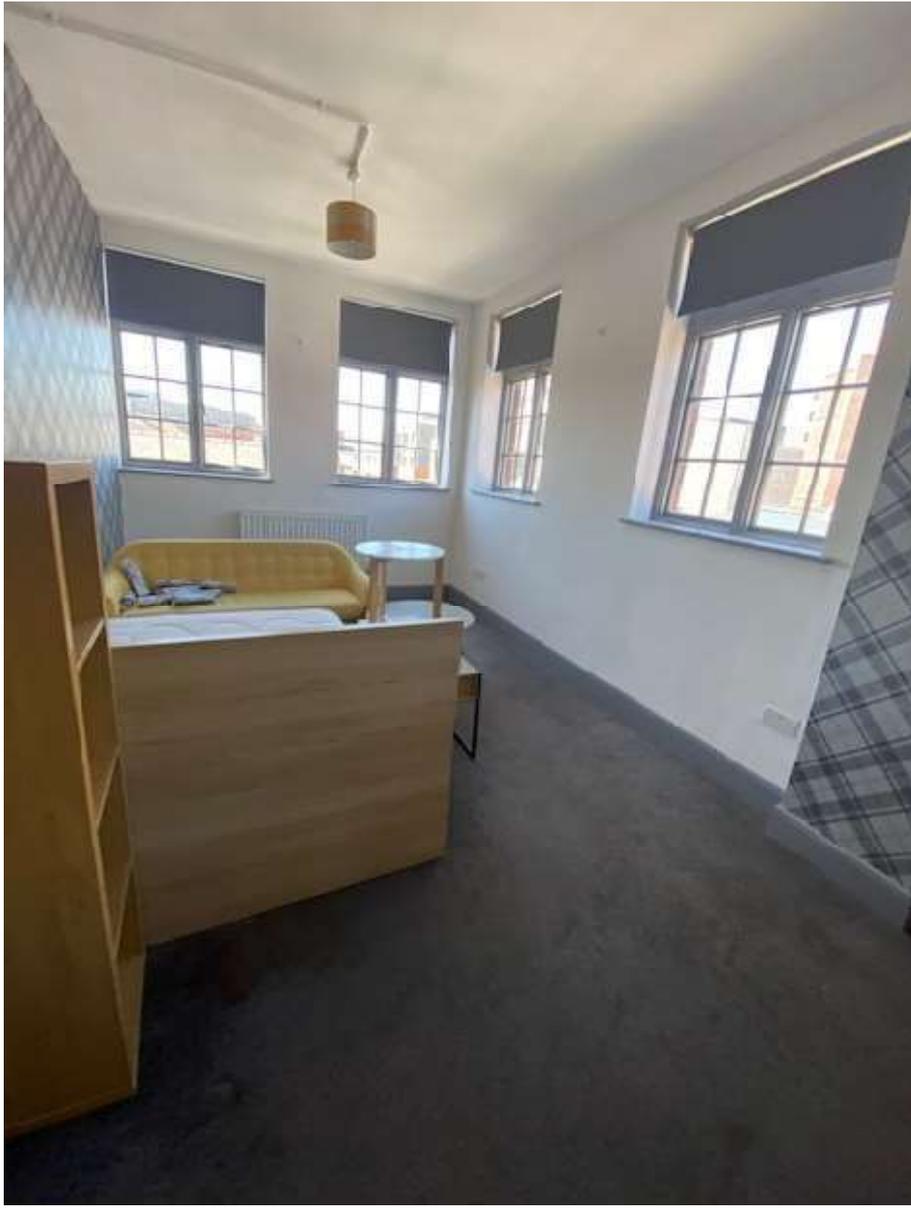


























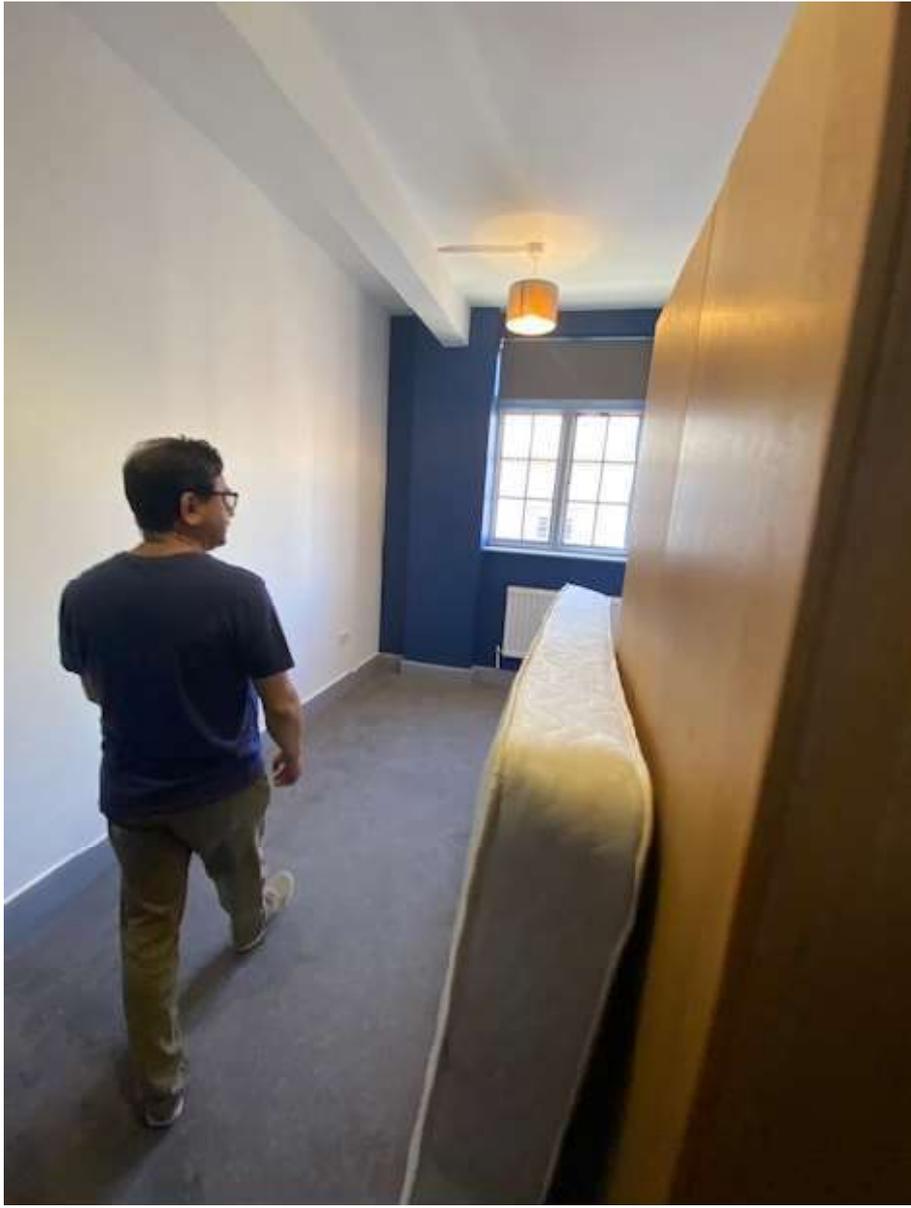




























JONATHAN KERSH COMMERCIAL TERMS OF BUSINESS

1. PRELIMINARY

1.1 Jonathan Kersh Commercial (JKC) undertakes all services only on the basis of these terms of business and on the terms of the letter of acceptance of instructions from JKC to the Client. These shall apply to the exclusion of any other terms and conditions which the Client may seek to impose.

1.2 No variation of these terms shall be binding unless agreed in writing between an authorised representative of JKC and the Client.

1.3 The purpose for which the Advice is required shall be as agreed between the Client and JKC.

1.4 JKC shall advise the Client in writing as to the opinion of value of the relevant interests specified by the Client in the subject of property.

2. CHARGES

2.1 Fees will be charged at the rate set out in the letter of acceptance of instructions and will be payable if the objectives of the Client are met by any means during the continuance of JKC's instructions. In the event of a material change in the scope of its instructions, JKC reserves the right to charge an additional fee.

2.2 In addition to such fees, the Client shall pay to JKC all reasonable out-of-pocket expenses incurred in the performance of its instructions.

2.3 JKC undertakes to provide up to two copies of its written Report and thereafter reserves the right to make a charge for additional copies.

2.4 JKC may receive and retain usual commissions and discounts on orders for goods and services placed on the Client's behalf.

2.5 VAT shall be payable, where applicable, in addition to all fees, disbursements and other amounts due from the Client to JKC.

2.6 In the event of JKC's instructions being terminated by either party for any reason, JKC shall be entitled to charge a fee on one of the following basis:-

2.6.1 a quantum meruit for the work undertaken or

2.6.2 time spent at JKC's standard hourly rate from time to time or

2.6.3 a fair and reasonable proportion of the fee to which JKC would have been entitled if the matter had been successfully completed on the terms agreed between JKC and the Client prior to such termination.

2.7 JKC reserves the right to charge you for photocopying at 20p per sheet.

3. PAYMENT

3.1 JKC will invoice the Client for fees due as set out in the letter of acceptance of instructions.

3.2 Accounts for disbursements and out-of-pocket expenses may be submitted at the time when such expenditure is incurred.

3.3 Invoices are due for payment upon presentation. JKC shall be entitled to charge the Client interest (both before and after any judgement) on any unpaid invoice at a rate of 8% per annum over the base rate for the time being of Barclays Bank plc from the date which is 30 days after the date of invoice until payment is made.

3.4 Without prejudice to any other rights it may have, in the event that any sum due from the Client to JKC remains unpaid for more than 30 days JKC shall be entitled to suspend all further work for the Client until such time as the relevant payment is made and JKC shall not be liable for any delays, losses, costs or expenses occasioned by such suspension.

3.5 In the event that payment is received in advance of completion of the service, the payment will not be treated as Client Money and will not therefore be subject to the protection of the RICS Client Money Protection Scheme unless separately agreed.

4. CLIENT'S WARRANTY AND INDEMNITY

4.1 The Client hereby represents and undertakes to JKC that all information provided by the Client and/or its professional advisers regarding the Property is complete and correct, that the Property and its use complies with all relevant statutory requirements and that there are no other material facts known to the Client relating to the Property which may be relevant to JKC in carrying out its instructions.

5. EXCLUSION CLAUSES

5.1 Any Report, Valuation or Advice provided by JKC in connection with the client's instructions may be subject to exclusions relevant to the particular Report, Valuation or recommendation in which such exclusions would be specified. The general principles adopted in the preparation of Valuations and Reports are printed overleaf.

6. DOCUMENTS

6.1 The copyright of all Reports, forecasts, drawings, accounts and other documents originating by JKC in relation to its instructions remain the property of JKC.

7. COMPLAINTS

Any dispute or complaint between the client and JKC relating to JKC's professional services, carried out on behalf of the client shall be dealt with in accordance with JKC's complaints handling procedure; a copy of JKC's procedure for complaints handling is available on request. JKC follows the RICS's arrangements for complaints or redress under the Designated Professional Body Scheme.

8. TERMINATION

8.1 The termination of JKC 's appointment shall not affect any rights accrued by either party prior to that date.

8.2 Either party may terminate JKC 's appointment immediately by giving written notice if the other party:

8.2.1 has a receiver, administrative receiver or administrator appointed over all or any part of its assets or undertaking or

8.2.2 passes a resolution to wind up or has a liquidator appointed or

8.2.3 ceases or threatens to cease trading.

8.3 JKC shall be entitled to terminate its appointment by the Client in the event that the Client:

8.3.1 fails to pay any sum due to JKC within 90 days of the due date or

8.3.2 in the reasonable opinion of JKC refuses or neglects to provide the co-operation necessary for JKC to carry out its instructions or the conduct of the Client otherwise renders the performance of JKC 's instructions impracticable.

9. GENERAL

9.1 These conditions are subject to English Law and the parties irrevocably submit to the exclusive jurisdiction of the English Courts for the resolution of all disputes arising between the parties save that as this clause is for the exclusive benefit of JKC, it shall retain the right to bring proceedings against the Client in any court which has jurisdiction under the 1968 Brussels Convention.

9.2 This Firm is not authorised by the Financial Conduct Authority. However, we are included on The Register maintained by the FCA so that we can carry out insurance Mediation activity which is broadly advising on, selling, and administration of insurance contracts. This part of our business, including arrangements for complaints or redress, if something goes wrong, is regulated by the Royal Institution of Chartered Surveyors (RICS). The Register can be accessed via the Financial Conduct Authority website. www.fca.gov.uk/register

9.3 JKC is regulated by RICS.

NOTES AND CONDITIONS OF ENGAGEMENT AND ASSUMPTIONS

For the assistance of clients, we list below the general principles upon which our Valuations and Reports are normally prepared and

they shall apply unless specifically mentioned otherwise in the body of the Report.

1) RICS Appraisal and Valuation Manual

All Valuations are carried out in accordance with the Appraisal and Valuation Manual published by the Royal Institution of Chartered Surveyors and are undertaken by appropriately qualified valuers as defined therein. JKC, and the appointed valuer, are registered with RICS Valuer Registration.

2) Valuation Basis

All Valuations are made on the appropriate basis as agreed with the client in accordance with the provisions and definitions of the Appraisal and Valuation Manual unless otherwise specifically agreed and stated.

The specific basis of valuation adopted in relation to a particular instruction and the definition thereof is detailed in the body of the report to which this document forms an Appendix.

No allowances are made in our valuations for any expenses of realisation, or to reflect the balance of any outstanding mortgages, either in respect of capital or interest accrued thereon.

Our valuations are based upon the facts and evidence available at the date of the valuation. It is therefore recommended that valuations be periodically reviewed.

3) Information Supplied

We accept as being complete and correct the information provided to us by the sources detailed in our report, relating to items such as tenure, tenancies, tenants' improvements and other relevant matters.

4) Documentation and Title

We do not normally read documents of title. Where title documentation or leases are provided to us, we recommend that reliance should not be placed on our interpretation thereof without prior verification by your legal advisors. Unless notified to the contrary, we assume that each property has a good and marketable title and is free from any pending litigation. We further assume that all documentation is satisfactorily drawn and that there are no unusual or onerous restrictions, easements, covenants or other outgoing which would adversely affect the value of the relevant interest(s).

5) Tenancies

It is assumed that, except where otherwise stated, all properties are subject to normal outgoing and that tenants are responsible for all repairs, the cost of insurance and payment of rates and other unusual outgoing, either directly or by means of service charge provisions.

Unless otherwise stated, it is further assumed that rent reviews are on an upward only basis and that neither the landlord nor the tenant may terminate the contract prematurely

6) Tenants' Covenant Strength

Unless specifically requested, we do not make detailed enquiries into the covenant strength of occupational tenants but rely on our judgement of the market's perception of them. Any comments on covenant strength should therefore be read in this context. Furthermore, we assume, unless otherwise advised, that the tenant is capable of meeting its financial obligations under the lease and that there are no arrears of rent or undisclosed breaches of covenant.

7) Inspections

We undertake such inspections and conduct investigations as are, in our opinion, correct in our professional judgement, appropriate and possible in the particular circumstances.

8) Measurements

All property measurement is carried out in accordance with the Code of Measuring Practice issued by the Royal Institution of Chartered Surveyors, unless we specifically state that we have relied upon another source of information or method.

Unless specifically requested, we do not undertake a measured site survey but calculate site areas by reference to the identified boundaries of the property and the appropriate Ordnance Survey Plan.

9) Town Planning and Other Statutory Regulations

Wherever possible, we undertake direct enquiries to obtain town planning and highway information from the relevant Local Authority. If specifically instructed we will undertake to obtain the verification of the position, as stated in our Report.

Our Valuations are prepared on the assumption that the premises comply with all relevant statutory enactments and Building Regulations and that a valid and up-to-date Fire Certificate has been issued. We also assume that all necessary consents and authorisations for the use of the property and the process carried out therein have been obtained and will continue to subsist and are not subject to any onerous conditions.

We further assume that there are no outstanding obligations or liabilities arising out of the provision of the Defective Premises Act 1972.

10) Building Surveys

Unless expressly instructed, we do not undertake building surveys, or test any of the electrical, heating, or other services. Any readily apparent defects or items of disrepair noted during our inspection will be reflected in our Valuations, but no assurance is given that any property is free from defect. We assume that those parts which have not been inspected would not reveal material defects which would cause us to alter our Report and Valuations.

11) Deleterious Materials

Unless expressly instructed, we do not carry out investigations to ascertain whether any building has been constructed or altered using deleterious materials or methods. Unless specifically notified, our valuations assume that no such materials or methods have been used. Common examples include

high alumina cement concrete, calcium chloride, asbestos and wood wool as permanent shuttering.

12) Site Conditions

Unless specifically requested, we do not carry out investigations on site in order to determine the suitability of ground conditions and services, nor do we undertake environmental, archaeological, or geotechnical surveys. Unless notified to the contrary, our Valuations are on the basis that these aspects are satisfactory and also that the site is clear of underground mineral or other workings, methane gas, or other noxious substances.

In the case of properties which may have redevelopment potential, we assume that the site has load bearing capacity suitable for the anticipated form of redevelopment without the need for additional and expensive foundations or drainage systems. Furthermore, we assume in such circumstances that no unusual costs will be incurred in the demolition and removal of any existing structure on the property.

13) Environmental Contamination

In preparing our Valuations we have assumed that no contamination or potentially contaminative use is, or has been, carried out at the property. Unless specifically instructed, we do not undertake any investigation into the past or present uses of either the property or any adjoining or nearby land, to establish whether there is any potential for contamination from these uses and assume that none exists.

Should it, however, be subsequently established that such contamination exists at any of the properties or on any adjoining land or that any premises have been or are being put to contaminative use, this may be found to have a detrimental effect on the value reported.

In preparing our Valuations, we have assumed that all necessary consents and authorisations for the use of the property and the processes carried out at the property are in existence, will continue to subsist and are not subject to any onerous conditions.

14) Plant and Machinery

Our Valuations include items usually regarded as forming part of the building and comprising landlord's fixtures, such as boilers, heating, lighting, sprinklers and ventilation systems but generally exclude operational plant and machinery and those fixtures and fittings normally considered to be the property of the tenant.

15) Taxation

In preparing our Valuations, no allowances are made for any liability which may arise for payment of Corporation Tax or Capital Gains Tax, or any other property related tax, whether existing or which may arise on development or disposal, deemed or otherwise. We also specifically draw your attention to the fact that our Valuations are exclusive of any VAT liability which may be incurred.

16) Government Grants

All Valuations are given without any adjustment for capital based Government grants received or potentially receivable at the date of the valuation.

17) Special Purchaser Value

Unless otherwise stated, our Valuations do not reflect any element of marriage value or special purchaser value which could possibly be realised by a merger of interests or by a sale to an owner or occupier of an adjoining property, other than in so far as this would be reflected in offers made in the open market by prospective purchasers apart from the purchaser with a special interest.

18) Aggregation

In the valuation of portfolios, each property is valued separately and not as part of the portfolio. Accordingly, no allowance, either positive or negative, is made in the aggregate value reported to reflect the possibility of the whole or part of the property being put on the market at any one time.

19) Overseas Properties

Our Valuations of overseas properties will be reported in the appropriate local currency and represent our opinion of the realisable value in the country of origin, computed in accordance with local practices with no allowance made for the transfer of funds to the UK.

20) Confidentiality

Our Valuations and Reports are strictly confidential to the party to whom they are addressed, or their other professional advisors, for the specific purpose to which they refer and no responsibility whatsoever is accepted to any third parties for the whole or part of their contents.

21) Publications

Neither the whole nor any part of our Reports, nor any reference thereto, maybe included in any published document, circular or statement, or published in any way or disclosed orally to a third party, without our written approval of the form and context of such publication or disclosure. Such approval is required whether or not Jonathan Kersh Commercial are referred to by name and whether or not the Reports are combined with others. Please note that JKC files may be subject to monitoring under RICS conduct and disciplinary regulations.

22) Special Assumptions

We would refer to any specific comments within the main body of the report.