

PROPERTY REPORT

Of a Restaurant In Hertfordshire



FOR

Miss Q

Prepared by:

INDEPENDENT CHARTERED SURVEYORS

Marketing by:

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CONTENTS

Introduction	page 3
Synopsis	page 3
Summary of Construction	page 4
Accommodation and Facilities	page 7
Report Format and Information	page 8
Executive Summary	page 10
Summary Upon Reflection	page 18
Limitations	page 19

INTRODUCTION

We have been asked to inspect and prepare a Report and Schedule of Condition for a Restaurant in Hertfordshire.

This Report is to be read in conjunction with the Schedule of Condition.

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

SYNOPSIS

SITUATION AND DESCRIPTION

This is a two storey property with a basement, situated in a high street location which sits directly onto the pavement adjacent to a bus stop.

There is a shared access driveway to the right hand side (all directions given as you face the property) and there is a small loading bay and area for parking to the rear of the property.

If the age of the property interests you your Legal Advisor may be able to find out more information from the Deeds.

SUMMARY OF CONSTRUCTION

(All directions given as you face the property)

External

Chimneys:	Three chimneys, all brick built. There are also extract ducts from the kitchen to rear of the property
Main Roof:	Pitched and clad with tiles with box gutters to front and sides
Second Roof:	Flat asphalt roof surrounding pitched roof
Third Roof:	Single pitched profile metal sheet roof to box gutters
Gutters and Downpipes:	Cast Iron / Plastic
Soil and Vent Pipe:	Cast Iron / Plastic
Walls:	On a structural frame (steel or metal structure can be seen in basement) with a Stretcher Bond brick facing, with exception of right hand side which has a painted render finish
External Joinery:	Georgian style windows to front and left hand side with metal windows to right hand side

Internal

Ceilings:	Plasterboard (assumed)
Walls	Mixture of solid and studwork (assumed)
Floors: Ground Floor:	Pre-cast concrete floor (assumed)
First Floor:	Pre-cast concrete floor (assumed)

Services

We believe that the property has a mains water supply, drainage, electricity and gas. There is a floor mounted boiler located in the basement and two boilers on the first floor level in the kitchen; we cannot confirm any of them are working and you will need to obtain service records. The electrics are also located in the basement.

There is a goods lift and two dumb waiters. We are advised they are working but we have not tested them.

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

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

EXTERNAL PHOTOGRAPHS



Left hand side front elevation



Right hand side front elevation



Front of left hand side



Rear of left hand side



Right hand side view



Rear view ground floor



Rear first floor view



Blocked up windows to rear

Independent Chartered Surveyors

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ACCOMMODATION AND FACILITIES

Ground Floor – Trading Area

Front of House

- Buffet area
- Formal and informal dining area to left hand side
- Reception area on right hand side
- Less able/disabled toilet on right hand side
- Gents toilets on right hand side
- Ladies toilets on left hand side

Back of House

- Bar server area
- Prep area, with dumb waiters
- Single WC and wash hand basin

First Floor

Back of House

- Catering kitchen

Front of House

- Private living accommodation

Outside Areas

Fire escape to rear of property gives a balcony style area and a loading bay to rear of property.

REPORT FORMAT AND INFORMATION

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

PHOTOGRAPHS



We utilise photographs and sketches to illustrate issues or features. In some photographs a pencil has been used to highlight a specific area.

ACTION REQUIRED AND RECOMMENDATIONS

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

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

MARKET VALUE

We have not been asked to comment upon the market value in this instance. We have not seen copies of the trading figures or the accounts.

EVERY BUSINESS TRANSACTION HAS A RISK

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

AGENT / BUSINESS DEVELOPMENT MANAGER – FRIEND OR FOE?

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

SOLICITOR/LEGAL ADVISOR

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

TERMS OF ENGAGEMENT/LIMITATIONS

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

OUR AIM IS ONE HUNDRED PERCENT SATISFACTION

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

EXECUTIVE SUMMARY

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

It is inevitable with a report on a building of this nature that some of the issues we have focussed in on you may dismiss as irrelevant and some of the areas that we have decided are part of the 'character' of this property you may think are very important. We have taken in the region of 100 plus photographs during the course of this survey and many pages of notes, so if an issue has not been discussed that you are interested in or concerned about, please phone and talk to us before you purchase the lease (or indeed commit to purchasing the lease), as we will more than likely have noted it and be able to comment upon it. If we have not we will happily go back. Having said all of that, here are our comments:

When purchasing the lease on a restaurant we believe there are three elements you need to consider, these are:

The Business

Only you can decide upon the true potential of the business and its value to you; although we do recommend taking independent advice on the value of the business and property.

The Lease

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

The Property

There are many aspects to look at property-wise, both from its condition at the moment, to its condition in relation to the lease (or in this case a standard full repairing and insuring lease, as we have not seen the one specifically relating to this property).

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

Generally we found the front of house internal area to be average to above average, however there are fundamental wind and watertight issues here, which in turn may be affecting the structure. You will need to come to agreement on before we would recommend a lease is taken / which need to be resolved.

We have divided the Executive Summary into 'The Good', 'The Bad' and 'The Ugly', to allow you to clarify and focus on exactly what the issues are.

The Good

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

- 1) The sheer size of the front of house.
- 2) The size of the back of house, albeit that the kitchen is on the first floor.

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

The Bad

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

1) Pitched tiled roof in poor condition

Approximately 25% of the nibbed tiled is damaged in the areas that we can see; we could see only approximately half of the roof. We were unable to access the rest due to health and safety.



Damaged tiles

ACTION REQUIRED: We recommend the other half of the roof is

accessed using a cherry picker before the lease is completed. We would estimate a similar amount of damaged tiles.

ANTICIPATED COST: In the region of £10,000 to £20,000 as this is high level work. Please obtain quotations.

2) **Box guttering detail flawed**

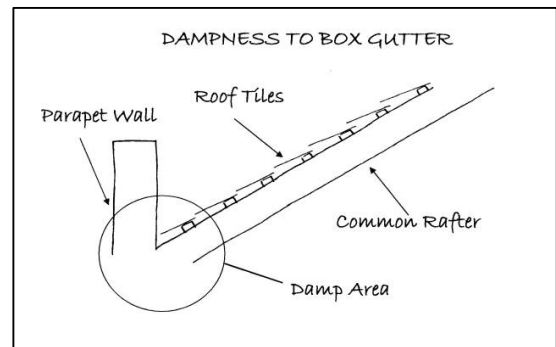
To the front of the property a Georgian style has been used, including the parapet wall, with, we believe, a hidden box gutter (we have not been able to see this). We can however see the dampness getting into the property internally within the rooms.



Hidden box gutter behind top of wall

ACTION REQUIRED: Repair box gutter.

ANTICIPATED COST: In the region of £5,000 to £10,000; please obtain quotations.



3) **Lateral dampness, particularly to right hand side**

Generally throughout the property there is lateral dampness. We believe this is a mixture of the failed box gutter and also deterioration to the render, which looks to have been painted over in some areas.

ACTION REQUIRED: Repair the rendered areas and redecorate. We are assuming the box guttering work is carried out.

ANTICIPATED COST: In the region of £5,000 to £10,000; please obtain quotes.

4) External Joinery

The property has a Georgian style sliding sash windows to the front and sides, metal style Crittle windows to the side of the property and rear, and casement timber windows. In most cases these are allowing in dampness. Some cases may relate to the box gutter above or to condensation caused by small inadequate shower areas. However, we also believe there is some deterioration to the windows and mastic around them.



Georgian style window to front



Metal style window



Timber casement windows
to rear

ACTION REQUIRED: General overhaul of all windows.

ANTICIPATED COST: In the region of £15,000 to £20,000. Please obtain quotes.

5) Bathrooms / Shower Rooms

There is extensive mould in all the staff bathrooms / shower rooms / WCs.

ACTION REQUIRED: Generally you need to add extract fans which are humidity controlled. Also ensure that any windows close by are openable (obviously not relevant in the internal shower areas).

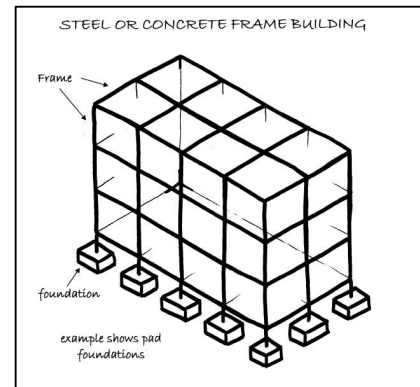


Mould and dampness around WC

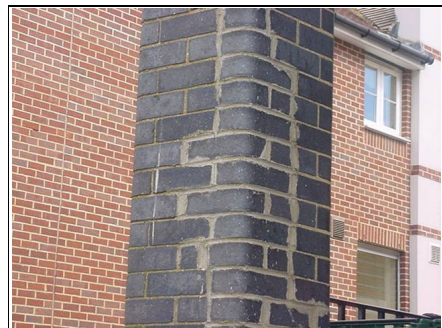
Then the whole areas need to be redecorated, including the walls, and made watertight. We recommend an altro style floor finish to the areas in general. A good clean of the sanitary ware is required and in some areas it would be better to replace it.

6) The property is an unusual construction

There is no other way to say it really! We believe this to be either a concrete or metal framed structure with pre-cast concrete floor. Our concern is that some of the pre-cast concrete floors are showing their reinforcement and there is cracking around the column to the rear of the property which may indicate the steel frame is rusting.



Repair and cracking around steel frame to the rear



Close up



Barrelled pre-cast floor



Looking at the rusting
exposed reinforcement

ACTION REQUIRED: We recommend the structure is opened up to examine the frame of the building to see its condition. We also recommend that any responsibility in relation to the structure and the floors is excluded from the lease, as this is very onerous, to the point that any problems may mean it is most cost effective to rebuild the property.

7) **Statutory Regulations**

We have not been given any record of Statutory Regulation compliances, such as:

- 7.1 electrical certificates to NICEIC standard or equivalent
- 7.2 gas certificates to Gas Safe standard or equivalent
- 7.3 asbestos certificates
- 7.4 maintenance on lifts
- 7.5 maintenance on dumb waiter
- 7.6 Disability Discrimination Act (DDA).

It is usual for these to be passed over by outgoing tenant or landlord.

8) **Property in need of redecoration**

It probably goes without saying that the property is in need of redecoration externally and also internally, particularly to the upstairs private living accommodation. We would advise that normally it is part of the end of a lease term that you carry out redecoration but that has not been carried out.

The Ugly

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

We feel that the potential problems with the structural frame and the floor are very high risk and should not form part of the lease. We would also recommend that there is a considerable liability from day one when you take this property on with regard to the repairs, redecoration and statutory covenants issues.

Other Items

Moving on to more general information.

Maintenance

This type of property is relatively modern (i.e., less than one hundred years old) but nevertheless still requires ongoing maintenance and repair. A budget for such work must be allowed to ensure it is maintained in a good condition. This will prevent undue and unnecessary deterioration.

Estimates of Costs

Where we have offered an estimate of building costs please remember we are not experts in this area. We always recommend you obtain quotations for the large jobs before purchasing the property (preferably three quotes). The cost of building work has many variables such as the cost of labour. For unskilled labour we currently use between £75 and £100 per day (the higher costs in the city areas) and for tradesmen we use between £100 and £200 per day for an accredited, qualified, skilled tradesman. Other variations include the quality of materials used and how the work is carried out, for example off ladders or from scaffold.

If you obtain builders estimates that vary widely, we would advise the work is probably difficult or open to various interpretations and we would recommend a specification is prepared. It would probably be best to supervise the work if it is complex, both of which we can do if so required.

SUMMARY UPON REFLECTION

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

Only you are able to estimate the potential this property has to you as a business proposition, however from a property point of view it is relatively high risk and we would recommend not proceeding without the issues that we have identified earlier being resolved.

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

LIMITATIONS

As per our original Terms of Engagement, we would remind you specifically that:

We have not inspected parts of the structure that were covered, unexposed or inaccessible during our inspection. We therefore cannot confirm that such parts are free from defect, structural or otherwise.

We have not determined whether any hazardous materials such as high alumina cement, calcium chloride, asbestos etc have been used in the construction.

Our report is for the use of the party to whom it is addressed above and no responsibility is accepted under the Third Parties Act or for any third parties who use this report in whole or in part.

We have not carried out a comprehensive test of any electrical, mechanical or drainage services. We therefore cannot confirm that they are operational and in good condition. If you wish us to arrange tests please advise us.

We have not carried out or arranged for specialists to undertake any reports, for example an environmental report or an audit report upon the property. We are therefore unable to advise whether any contaminated or other adverse environmental issues affect the site.

If you would like any further advice on any of the issues discussed (or indeed any that have not been discussed!) then please do not hesitate to contact us on **0800 298 5424**.