

MARKET VALUATION

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- for -

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1.00 INSTRUCTIONS

1.10 Scope of Instructions

In accordance with the attached letter of instruction and conditions of engagement dated xxxxxxxxxxxx to xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx to inspect the above premises and prepare a Report and Valuation advising on the Market Valuation of the Freehold Interest, with Vacant Possession, in connection with a proposed sale of the building to xxxxxxxxxxxxxxxxxxxxxxxxxxxx.

This Report & Valuation has been carried out, where appropriate, in accordance with the RICS Valuation – Global Standards (2017).

The Market Value is defined in these Global Standards 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 arms lengths’ transaction after proper marketing and where the parties had acted knowledgably, prudently and without compulsion*’. In addition, the premises have been valued on the assumption that there is no contamination.

The Valuation Date to be assumed is as at the date of our inspection on xxxxxxxxxxxxxxxxxxxxxxxx.

1.20 Scope of Inspection

The premises were inspected on xxxxxxxxxxxxxxxxxxxxxxxx and, at the time of the inspection, were occupied by xxxxxxxxxxxx for their Estate Agency and Letting Business.

2.00 TENURE

We have been advised that the premises are Freehold and have assumed that Vacant Possession will be available to the Purchaser on Completion of a sale to the Purchaser.

There was no evidence of any tenancies and these have not been considered when arriving at the Market Valuation below.

3.00 DESCRIPTION

3.10 Construction History and Situation

The premises a two storey and part single storey building which is believed to have been originally constructed in the mid-Victorian period as a domestic house and has been altered and adapted during the 20th Century and more recently in the last 30 years for commercial use. The original construction is mainly of solid brick walls and there is part timber framing and the walls are finished externally with coloured cement rendering mostly under natural Welsh type slate pitched roofs. There are a mixture of uPVC double glazed and timber glazed windows and doors.

The premises are situated on the north-west side of xxxxxx Street to the rear of No.xx xxxxxx Street and vehicular access is gained over a private road which serves the adjacent properties fronting xxxxxx Street and xxxxxxxxxxxxxxxx. In arriving at the Market Valuation below, we have assumed xxxxxxxxxxxx has unrestricted vehicular access rights over the road from xxxxxx Street. The premises are at the south-western end of xxxxxx Street, in a part residential and part secondary commercial location, about 100m north-east from the Market Hill where the main shopping centre of the large town of xxxxxx is located where there are all usual facilities.

3.20 Accommodation

The accommodation is shown as shown on the attached colour photographs and comprises the following:-

3.21 Ground Floor

Entrance Foyer (front)	2.35m x 2.64m with door and window into Reception Office.
Reception Office (front)	3.21m x 3.91m with door to Office 1.

Office 1 (front) 4.45m x 3.92m with staircase to first floor off and doors off to Bathroom, Kitchen and Entrance Lobby.

Bathroom (rear) with modern coloured suite comprising bath, basin and W.C. suite with Airing Cupboard having hot water cylinder and immersion heater.

Entrance Lobby (front) with door to front exit.

Kitchen (rear) 3.45m x 3.85m (plus 2.37m x .89m) with door off to Office 2 and range of modern fitted Kitchen units.

Office 2 (front) 1.48m x 4.48m with door off to Office 3.

Office 3 2.71m (max.) x 4.53m with triple fitted storage cupboards.

3.22 First Floor

Landing (rear) with door to Office 4.

Office 4 (over Office 1) 3.77m x 3.89m with door and side windows to Office 5 and access to further Store area with vanity basin and separate Cloakroom with W.C. and basin.

Office 5 (over Reception Office) 3.1m x 3.98m.

The Gross Internal Floor Areas measured in accordance with the R.I.C.S. Property Measurement 1st Edition (May 2015) amount to the following:-

Ground Floor Foyer	6.20 m.sq.	66.74 (ft.sq.)
Ground Floor Offices (4 No.)	47.63 m.sq.	512.69 (ft.sq.)
Ground Floor Kitchen	15.39 m.sq.	165.66(ft.sq.)
First Floor Offices (2 No.)	27.01 m.sq.	290.74 (ft.sq.)
External Office/Store	16.16 m.sq.	173.95 (ft.sq.)
Total	112.39 m.sq	1209.78 (ft.sq)

3.23 Outside

There are 2 no. car parking spaces to the tarmac apron to the front of the premises and a ramp from the tarmac car park leads to the Foyer to the main entrance. Attached to the front of the Reception Office is a further converted Garage building which is currently used for file storage and could be a potential further office (4.04m x 4m).

3.24 Services

We understand that the main services of electricity, gas, water and drainage are connected to the premises.

The gas-fired boiler to the Kitchen supplies domestic hot water and central heating by radiators to most rooms, whilst back-up domestic hot water is provided by the immersion heater.

3.25 Outgoings

From an online enquiry to the Valuation Office Agency we note that the premises have a Rateable Value of £5,600 (2017 Revaluation) and are described in the Valuation List as Office and Premises.

4.00 CONDITION

We have not carried out a Building Survey nor have we inspected those parts of the premises which are covered, unexposed or inaccessible and such parts are assumed to be in good repair and condition.

This Report does not purport to express an opinion about or advise upon the condition of uninspected parts and should not be taken as making any implied representation or statement about such parts.

The property has been improved and is generally presented in good internal decorative order. There is an ample range of modern roll-edged laminated worktops and drawers to the Kitchen and average modern coloured Bathroom and Cloakroom suites which are generally satisfactory. The exterior is generally satisfactorily maintained, although there are some possible concerns over slipping slates to the original dual pitched two storey roofs and the perpendicular single storey pitched roof slopes. In addition, there are the usual typical very slight shrinkage and differential movement cracks to the cement rendered finishes over the timber framework which need minor attention to repairs and the patio door/sill and threshold to the ground floor office (Office 3) requires repairs where there is minor decay.

5.00 PLANNING

For the purposes of this Valuation we have assumed that the premises have an established use falling within Class A2 (Financial and Professional Services) under the Town & Country Planning (Use Classes) Order 1987 (as amended).

6.00 VALUATION

We are of the opinion that the Market Value of the Freehold Interest, with Vacant Possession, and in its present condition, is in the region of **£165,000/£175,000 (one hundred and sixty five thousand pounds/ one hundred and seventy five thousand pounds)**.

There has been a decline in commercial capital values over the last seven years due to uncertainty in the commercial (and residential) property market, due to lower levels of activity and volumes of transactions resulting from the 'credit crunch' in 2008. In addition, the availability of loan finance from Banks and Finance Companies has become more restricted as a result of more rigorous lending criteria. Despite low Bank base rates, the uncertain economic outlook for both the national and local commercial property market is still continuing, particularly following the Brexit vote in June 2016 and the impact of the UK leaving the European Union on the 31st October 2019. Whilst there have been positive signs within the last two years that the commercial market is improving, both the national and local markets are still very cautious and increases in market capital or rental values have been slow to materialise. However, the demand for good size, well maintained Freehold investments has improved and this has been taken into consideration when arriving at the Market Value above.

In arriving at the Valuation figure above, the investment and comparable methods of Valuation have been used to assess capital values. However, our enquiries and knowledge of the local market have revealed a lack of directly comparable open market transactions for commercial Freehold premises of this type and age and, accordingly, the indirect market evidence available has been adjusted accordingly.

In arriving at the Valuation above, no allowance has been made for Value Added Tax or Capital Gains Tax arising on the disposal of all or part of the premises.

7.00 CONTAMINATION

We are not aware of the content of any environmental audit or other environmental investigation or soil survey which may have been carried out on the property and which may draw attention to any contamination or the possibility of such contamination. In undertaking our work, we have been instructed to assume that no contaminative or potentially contaminative uses have ever been carried out in the property. We have not carried out any investigation into past or present uses, either of the property or of any neighbouring land, to establish whether there is any contamination or potential for contamination to the subject property from these uses or sites, and have therefore assumed that none exists. However, should it be established subsequently that contamination, seepage or pollution exists at the property or on any neighbouring land, or that the premises have been put or are being put to a contaminative use, this may greatly reduce the Value now reported.

We have not seen the Health & Safety Management Plan for any possible asbestos containing materials in the premises. We have assumed that you have prepared a Plan to comply with the Control of Asbestos at Work Regulations 2002 and Personal Health & Safety legislation.

8.00 FIRE SAFETY

We have not been made aware of a Fire Risk Assessment for the premises and, in arriving at the Market Valuation above, have assumed that the premises will comply with relevant regulations and legislation.

9.00 ACCESS

We have not been made aware of an Access Audit for the premises and, in arriving at the Market Valuation above, have assumed that any adaptations required for the premises to comply with the Access provisions of the Disability Discrimination Act 1995 will not be onerous and affect the Market Value of the property. If no Access Audit is available, you are advised to consider access requirements and any 'reasonable adjustments' which may need to be made for the premises to comply with the Act.

10.00 GENERAL

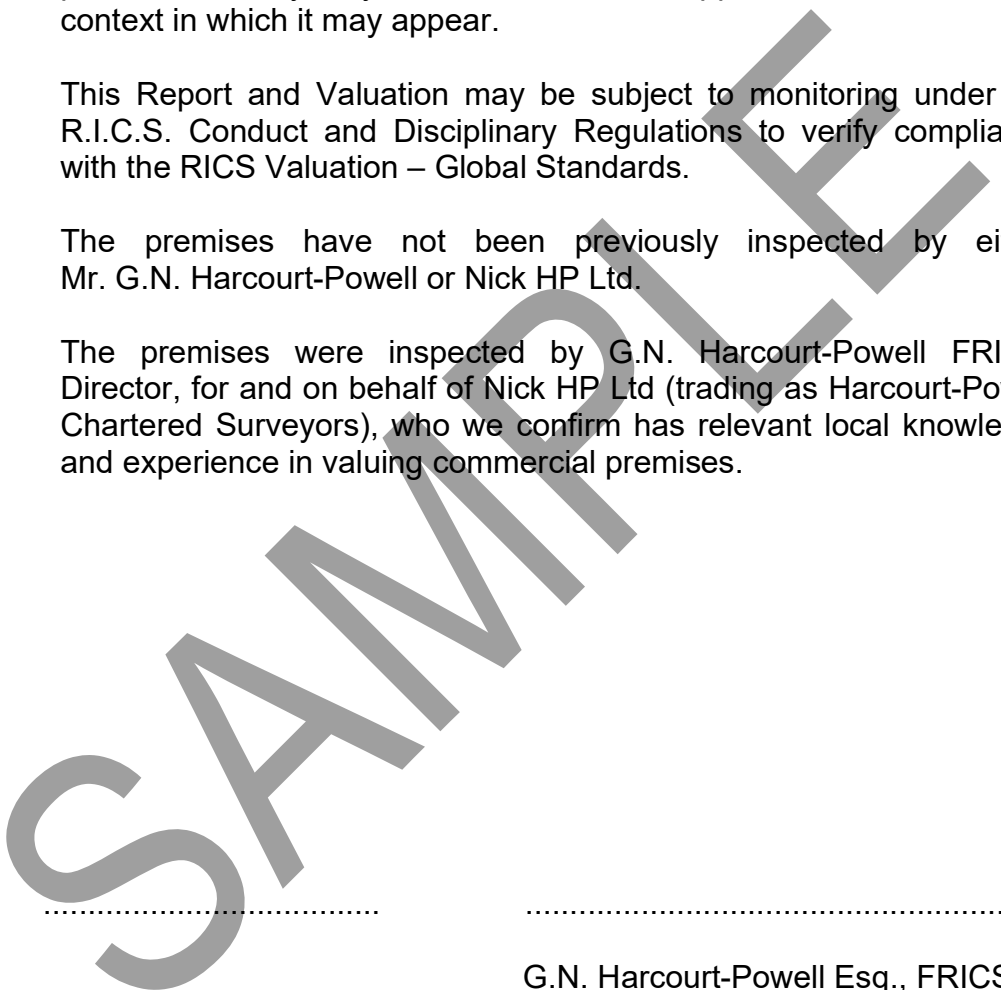
This Report is prepared for your sole use as set out under Paragraph 1.10 above and is confidential to you and your Professional Advisers. We accept no responsibility whatsoever to any other parties. Any such parties that rely on the Report do so at their own risk.

Neither the whole nor any part of this Report or reference to it may be included in any published document, circular or statement, nor published in any way without our written approval of the form and context in which it may appear.

This Report and Valuation may be subject to monitoring under the R.I.C.S. Conduct and Disciplinary Regulations to verify compliance with the RICS Valuation – Global Standards.

The premises have not been previously inspected by either Mr. G.N. Harcourt-Powell or Nick HP Ltd.

The premises were inspected by G.N. Harcourt-Powell FRICS, Director, for and on behalf of Nick HP Ltd (trading as Harcourt-Powell Chartered Surveyors), who we confirm has relevant local knowledge and experience in valuing commercial premises.



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G.N. Harcourt-Powell Esq., FRICS
Director
For and on behalf of Nick HP Ltd
(t/a Harcourt-Powell Chartered Surveyors)
Chartered Surveyors & Valuers
SUDBURY : SUFFOLK

(Acting as External Valuers as defined in the RICS Valuation – Global Standards (2017)).