VALUATION REPORT



BRIGHTON YOUTH CENTRE, 64 EDWARD STREET, BRIGHTON, BN2 OJR



Prepared for:

Brighton & Hove City Council

5 June 2023





Property: Brighton Youth Centre, 64 Edward Street, Brighton, BN2 0JR

Executive summary		
Property		
Туре	Youth centre, workshop, residential flat, and ancillary office building.	
Location	Brighton city centre	
Description	Multi-storey mixed use building of 16,316 sq ft (1,516 sq m)	
Approximate age	1970	
Condition	Poor	
Tenure	Freehold	
Tenancies	N/A	
Gross rental income	N/A	
Demand	Reasonable	
Valuation		
Purpose of valuation	Valuation to support cover for grant funding	
Date of valuation	9 May 2023	
Issues affecting valuation	Poor condition, youth centre and ancillary uses, potential for redevelopment.	
Market Rent	£165,000 pa in existing layout	
Market Value (subject to vacant possession)	£1,600,000	
Market Value (post-refurbishment)	£4,500,000	
Valuation certainty	Higher level of valuation uncertainty due to the effects of the Coronavirus pandemic which has had an adverse effect on both global and UK economies; rising inflation and recent interest rate increases; conflict in Ukraine.	

Note: The above is a brief summary of the valuation and forms a constituent part of the valuation which should not be read in isolation.

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Our ref: **HM/va/22687**

Your ref:

For the attention of Vanessa Williams MRICS – Senior Estates Surveyor

Brighton & Hove City Council Estates Team Property and Design Hove Town Hall Church Road Hove BN3 4AH

Date: 5 June 2023

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Dear Madam,

Brighton Youth Centre, 64 Edward Street, Brighton, BN2 OJR

Further to your recent instructions confirmed by email on 25 April 2023 to value the freehold interest in the above property in relation to grant funding matching purposes, where the refurbishment, improvement and extensions of the buildings on site are intended. The property was inspected on Tuesday 9 May 2023 by Hugh McShane BSc MRICS who is an RICS Registered Valuer and has the relevant knowledge, skills, and understanding to undertake this valuation competently. This valuation has been undertaken in accordance with the RICS Valuation - Global Standards (incorporating the IVSC International Valuation Standards) together with RICS Valuation – Global Standards 2017 UK national supplement collectively known as the RICS Red Book Global.

We have not had any previous involvement with the property and consider we have no conflict of interest in undertaking this valuation.

All advice given in this report is given for and on behalf of Crickmay Chartered Surveyors and is not provided in an individual capacity. None of our employees, directors or consultants individually has a contract with you or any other users of the report and does not owe either you or them a duty of care or personal responsibility. In using and relying on the contents of this valuation report you and any other user agree that you/they will not bring any claim against such individuals personally.

Having now made all our necessary enquiries we have pleasure to report:

1. Location

1.1. The property is situated just east of the centre of Brighton on the norther side of Edward Street at its junction with Grosvenor Street. Edward Street links the town centre to the Kemp Town district to the east, where Edward Street continues into Eastern Road, leading to the City's main hospital. Edward Street contains a number of commercial buildings and more recently developed mixed residential and office buildings. The Law Courts and police station are also nearby.





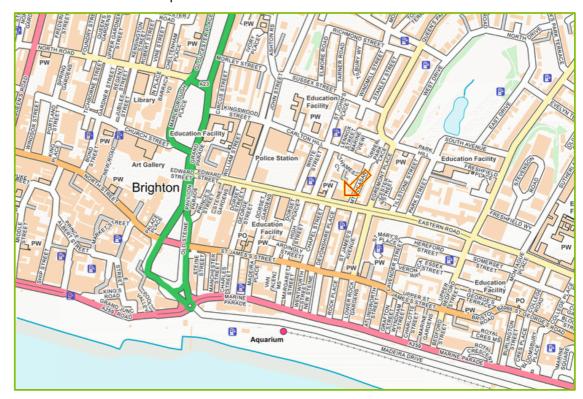
- 1.2. Immediately adjacent are two large Local Authority 14-storey blocks of flats with other older private and Local Authority housing nearby to the north.
- 1.3. We enclose an extract from the street map and a more detailed site plan showing the property and its boundaries, as we understand them, edged in red.

Extract from the road map





Extract from the street map









2. Description

- 2.1. The property comprises a multi-storey concrete framed block to the east of the site interconnecting with lower single-storey and two-storey elements to the eastern side of the site. The original buildings appear to date from around 1970 with the larger multi-storey building having probably been extended with a profile metal sheet roof in more recent times.
- 2.2. The main multi-storey building is of concrete frame construction with infill cavity brickwork walls, under what appears to be a steel frame extension and a pitched and hipped profile metal clad roof. The other lower parts of the building are of apparently brick face cavity construction with flat asphalt and mineral felt roofing.
- 2.3. Many of the windows are metal framed, single glazed units with most of the first floor windows having been replaced with more modern PVC double-glazed units (see planning history). There is a small courtyard parking area to the rear via a shared accessway and to the west of the site, off Grosvenor Street, which in total accommodate approximately seven cars.
- 2.4. From our computer mapping software, we calculate that the property sits in a site area of approximately 0.11 hectare (0.27 acres).



External photographs





Main Edward Street frontage

Rear and east elevation

2.5. Additional photographs are included as an appendix to this report.

3. Accommodation

3.1. From measurements taken on site and in accordance with the RICS Property Measurement 2nd Edition (January 2018), we calculate that the building has the following floor areas measured on the basis of gross internal area (GIA).

Description	Metric (sq m)	Imperial (sq ft)
Ground Floor		
Entrance lobby		
Entrance hall		
Main stairwell and corridor		
Staff room	26.7	
Caretaker's room	4.8	
Changing room	20.4	
Shower room	7.8	
Karate gym	75.4	
Small hall	110	
Large hall	246	
Builders' workshop (not inspected)	62.4	672



TOTAL	553.5	5,958
Basement		
Stores and rehearsal rooms	66.7	718
Staff and public WCs		
First Floor/Middle Floor		
Woodwork and art room	70.8	
Room 4	23	
Room 5	34.8	
Sub-Total	128.6	1,384
Three bedroom flat over builder's workshop (not inspected) comprising lounge, kitchen, three bedrooms, bathroom (bath, basin, WC), separated WC and wash hand basin	73.3	790
SUB-TOTAL FIRST FLOOR	2,892	
Second Floor		
Games room, computer room, office, kitchen, TV room, live lounge,	333.8	3,593
Separate WCs		
Third Floor		
Skate park area	359.7	3,872
TOTAL BUILDING EXCLUDING BASEMENT	1,516	16,315
Externally		
Small flank and rear car parking areas.		

3.2. Measurements carried out on site have been taken using a laser measuring device. The measurements have been taken in metres and where applicable conversion factors of 3.281 for converting metres to feet and 10.764 for converting square metres to square feet adopted.



Internal photographs





Ground floor music stage

Top floor skate board area

3.3. Additional photographs are included as an appendix to this report.

4. Condition

- 4.1. The property is in need of modernisation and upgrading, having been neglected from a maintenance point of view for some time.
 - The flat roofing to the property is poor, with ponding noted to several areas.
 - The brickwork to many areas including the pointing, is in poor order, having been the subject of frost attack.
 - The windows, apart from the modern replacements, are in need of repair and replacement.
 - The whole of the interior and exterior could bear redecoration.
 - The service media to the property is of some age and requires wholesale upgrading or replacement.
- 4.2. In the preparation of this Report we have inspected the property for the purpose of our valuation only and did not carry out a Building Survey, nor test the services as this was outside the scope of our instruction. It must therefore not be assumed that if defects are not mentioned in this Report that all parts of the building are free from defects.

5. Services

- 5.1. Mains electricity, gas, water, and drainage are connected to the subject property. There is no complete centralised central heating system. There is a fire alarm system installed at the property.
- 5.2. At the time of inspection none of the services were tested. Some of the services appear dated and service media will require upgrading.



6. Statutory Enquiries

6.1. Rating

According to the Valuation Office Agency website the property has the following description and Rateable Value within the current 2023 Rating List:

Description: Youth Centre and premises

Rateable Value: £45,500

6.2. Council Tax

According to the Valuation Office Agency website the property is assessed in Council Tax Band A.

6.3. Planning

We have researched the online planning records provided by Brighton & Hove City Council which cover the period from April 1997 to date. These are summarised herewith:

Reference	Description	Status
BH2007/03098	Replace 16 windows at first floor.	Approved
92/0384FP	Amendments to 1991 application.	
91/0123/FP	New rear access platform hoist disabled toilet block and wheelchair ramp from Grosvenor Street. CON/APP	

The property is used as a youth club and youth centre with some ancillary space including a three bedroom flat and builder's workshop. This indicates the permitted uses are within Business Class E and part C3 residential.

The property is not listed nor is it in a conservation area.

We will discuss the proposals in relation to the property below.

6.4. Highways

Edward Street and Grosvenor Street are adopted highways and maintainable at public expense. There is a shared piece of access to the rear car park, which we assume is equitably dealt with legally.

7. Legislation

- 7.1. The Regulatory Reform (Fire Safety) Order 2005 requires a responsible person (usually the employer, owner or occupier) to carry out a fire safety risk assessment, implement appropriate fire precautionary and protection measures, and maintain a fire management plan. We have not been advised whether this legislation has been complied with and, if not, then you are advised that you will need to undertake a specialist survey to assess risks and implement appropriate measures and maintain a fire management plan. We assume for the purpose of our Report that any fire risk assessment would not contain anything that would deter potential tenants or purchasers of the property.
- 7.2. The building has a mains wired fire alarm system installed.



- 7.3. The Equality Act 2010 which came into force in October 2010 consolidates earlier legislation that places a duty on employers or businesses which provide a service to the public to make reasonable changes to practices and procedures to remove or alter any physical feature, allow disabled employees to do their jobs, and allow disabled members of the public to make use of the services provided. We have not been provided with a copy of any Access Audit and, for the purpose of our Report, have assumed that compliance with this Act could be readily achieved with minimal effect on the property.
- 7.4. Wheelchair access to part of the property only is available. There is no DDA compliant WC or lift currently in situ.

8. Environmental Issues

8.1. Contamination

We are not aware of any environmental issues surrounding this property and have not been provided with copies of any specific report on contamination that may or may not exist. From our limited enquiries and general knowledge of the area we have no reason to believe that contamination should be an issue on this property.

Our valuation is based on the assumption that there is no contamination at the property. However, should it be established subsequently that contamination does exist at the subject property, or on any neighbouring land, or that the premises have been or are being put to a contaminative use, then this might alter the values now reported.

8.2. **Flood**

The Government flood risk website indicates the subject property is in a very low risk area of flooding from rivers/sea and from surface water. To understand in greater detail the risks from flooding on the property, you or your solicitors can obtain a more comprehensive report from specialist providers that will provide information on the risks.

Our valuation is made on the assumption that insurance is available for both property damage and business interruption in the event of flooding at reasonable cost.

8.3. Asbestos

The property is of an age where asbestos containing materials may have been used in construction or any subsequent alteration, repair, or improvement works. We have not been provided with any copies of an Asbestos Survey Report for the property which we believe would be required under the Control of Asbestos Regulations 2012. We assume, for the purpose of our Report, that any Asbestos Survey Report would not contain anything that would deter potential tenants or purchasers of the property.

8.4. Radon

The map on the Radon reference website of the Health Protection Agency shows that the maximum radon potential is 3-5%. The Health Protection Agency recommends that Radon levels should be reduced in homes where the average is more than 200 Becquerels per cubic metre, and this recommendation is endorsed by the Government. The action level refers to the annual average concentration of Radon in a home. A Radon Risk Report can be purchased from the Health Protection Agency on any address in the UK with a valid postcode and the Report will state the estimated probability of the particular address being above the action level for Radon.



8.5. **Energy Performance Certificate**

We have not been provided with an up to date EPC rating for this property and, as such, our valuation is based on the assumption that the subject property will meet the minimum requirements laid down by the legislation and that there will be no adverse impact on value and marketability. It is advisable to obtain an EPC assessor's opinion to advise whether an EPC should be commissioned and if the building is likely to meet with the legislative requirements. The matter should be referred back to us for further consideration should it subsequently transpire that the property fails to meet the minimum acceptable energy performance standard for the purposes of this Act as this may well affect the values reported.

9. Site and Ground Conditions

- 9.1. The building occupies most of the site, which slopes northwards from Edward Street. There are limited external areas to the property. These are hard paved and used for parking.
- 9.2. We have not been provided with or undertaken any site investigation, geographical, or geophysical survey to establish the ground conditions, and have assumed for the purpose of our report that the ground has sufficient load-bearing strength to support the existing structures and/or any structure which may be erected in the future.
- 9.3. During the course of our inspection we have only undertaken a cursory inspection of any grounds or gardens and have not undertaken any form of survey to establish whether there exist on the subject property any invasive plants such as Japanese Knotweed. Invasive plants have the ability to spread causing damage to the environment, the economy, and health. Where found, landowners have specific legal responsibilities to prevent it spreading into the wild or causing a nuisance.
- 9.4. No evidence of Japanese Knotweed was noted within the curtilage of the property.

10. Tenure

10.1. We understand that the property is held freehold and assume that there are no unusual onerous or restrictive covenants with the freehold title which could detract from value.

11. Occupational Leases and Other Agreements

11.1. We understand that you wish us to consider the value of the property with vacant possession and as such, we have not had sight nor taken into consideration any sub-lettings, such as the builder's workshop, flat or other charitable lettings within the building. Our valuations assume vacant possession.

12. Development Considerations

- 12.1. We understand that the Youth Centre are applying for grant funding to redevelop the site to substantially refurbish and extend the buildings in order to create a state-of-the-art youth facility for the City. A copy of the existing and proposed floor plans are attached to the rear of our report at Appendix 2.
- 12.2. The plan is to completely re-use and extend the existing buildings. The new building will have four floors and be fully accessible, with a design to enable multiple occupiers to operate within the building separately. The design significantly increased the usable space in the building, enabling multiple groups and activities to use the building at the same time.



- 12.3. The architect's vision document also shows the finished design to be a large, cuboidal structure with a green roof above the third floor and east and south facing green roof above first floor, a west facing garden balcony and large main south face entrance lobby space. A copy of these proposals and designs are attached to the rear of our report in Appendix 3.
- 12.4. We understand from the architect's drawings that on a net internal basis, following completion of the works, that the new building will offer the following accommodation and increase the size of the property by over 1,000 sq m (11,000 sq ft). We understand the floor areas will be as follows:

Description	Metric (sq m)	Imperial (sq ft)
Ground Floor		
Main hall	853	9,182
First Floor		
Ancillary areas	316	3,402
Second Floor		
Ancillary areas	643	6,921
Third Floor		
	707	7,610
TOTAL	2,519	27,115

- 12.5. The property, a short distance to the west of the Edward Street Quarter development, is approximately 15 minutes' walk to Brighton's mainline railway station. This and some nearby sites have been redeveloped for mostly mixed use developments but with a high percentage of residential space.
- 12.6. The nearby Edward Street Quarter development, The Merchant, has been completed and is operational, comprising 168 units with one, two and three bedroomed apartments available, with a private gym and shared work space, with rentals starting from £1,495 per calendar month. The development is pet friendly with a concierge service, social events and shared spaces such as a dining room, well-being studio, lounge, etc.
- 12.7. The larger, 2.4 acre Circus Street site to the north, was home to the municipal fruit and vegetable market and university annex building and now has been transformed into a newly developed innovation quarter with new office, residential and creative spaces, with construction finishing in July 2022. The development produced 142 new homes, 450 student bedrooms, 3,000 sq ft of office accommodation and a new state-of-the-art dance space.



- 12.8. The subject property, though much smaller in scale, could produce, subject to planning, a scheme such as that presented by the current owner's architects or the current owner's architects plans for a large sub-class E (D), which covers indoor sport recreation and fitness, not involving motorised vehicles or firearms, principally to visiting members of the public to a much larger development, which would result in a significant level of hope value being paid for the site over and above its existing use value.
- 12.9. Simply with its E Class planning use, if an alternative use within that Class were allowed, the potential development at the site would appeal to a variety of owner occupiers including community uses, religious uses and other office or storage users, especially where developers are looking to acquire such properties for comprehensive redevelopment.
- 12.10. We consider the existing use value and the value around the proposal to increase the floor space for a similar existing use within, say, Class E, that the site would engender a potentially higher level of value as a significant development opportunity if offered in the open market without any restrictions on use.
- 12.11. Certainly, this would open the interest to significant developers to re-purpose the site to include residential apartment development, student housing, social rental or retirement block or perhaps a mixed-use, bearing in mind its location. We understand that Brighton shows an 18% increase in the 75+ population over the next 10 years, alongside a strong wealth profile in the City. Other demographics include a strong wealth profile in the age bracket 45-64, which would support the viability of a senior living scheme close to the town centre and seafront.
- 12.12. The site falls within the tall building zone and is situated in a good accessible location, close to the City centre and local amenities. Nearby blocks, as can be seen in photographic schedule, are up to 14 storeys. A review of City Plan Part 1 2016 is due to take place and targeted for 2025. Over recent years the Council have fallen short of their housing delivery targets.

13. Market Trends and General Comments

- 13.1. The property provides dated youth centre space, with a workshop and flat.
- 13.2. Although close to the City centre, the use is somewhat out of character with the mostly residential use in the locality, with a high percentage of purpose-built Local Authority flats and housing and with some other institutional and commercial users to the west. On street parking in the locality is heavily restricted and there is limited parking available with the property.
- 13.3. The property is valued on the assumption of vacant possession. It is most likely to appeal, with its existing use, to an owner occupier, even with the benefit of planning for the extension or refurbishment. Rental evidence for Use Class E (D) or the old D1/D2 Leisure and Assembly Uses are usually lower than that for alternative office users where rents are in the range of £20/£30 per sq ft with a former D1 and D2 uses securing lower rents around £15/£17.50 per sq ft, with poorer quality space at lower levels again of circa £10/£15 per sq ft, or even below, depending on size, quality and location.
- 13.4. The RICS Q4 2022 Commercial Property Market Survey shows further deterioration in overall market conditions in the quarter. 83% of respondents consider the market to be in a downturn phase. Occupier demand is down in all sectors, particularly offices. Leasable space for office and retail continues to increase, but has fallen slightly for industrial. Investor demand is diminished. It is becoming clear that interest rate rises are having a significant impact on capital values.



- 13.5. The latest Market Surveys produced by the RICS or other sources are of course historic, based on data from previous months and therefore may not be a completely true reflection of current market conditions.
- 13.6. The Bank of England has successively increased interest rates in an attempt to control inflation. Economic uncertainty and increased costs of borrowing are factors that can result in volatility in the property market, making the use of historic transactions to support values less reliable.

14. Market Rent

- 14.1. On the assumption of a 5 year effectively fully repairing and insuring lease, we assess the market rent to be £165,000 per annum.
- 14.2. Market Rent is the estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and 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.

15. Market Rent Analysis and Comparable Evidence

- 15.1. Our advised rent of £165,000 per annum equates to an overall rate of £10 per sq ft to try to take into account the range of available space at the property. Tenant demand would be limited and a longer than average marketing period should be anticipated to secure and tenant or tenancies for all or part of the property.
- 15.2. We are aware of the following comparables:

Address	Description	Transaction
1 Marlborough Place Brighton	City centre office occupied by language school. 6,191 sq ft over basement, ground and four upper floors. No parking. Older building.	October 2022 rent review agreed at £92,000 per annum equating to £14.86 per sq ft.
47 Cromwell Road Hove	Large, converted Period property of 7,315 sq ft over four floors. No parking. Considerable refurbishment works required.	10 year lease from May 2022 with rent rising from £66,000 to £128,000 per annum averaging £109,800 per annum to the end of year 5 analysing to approximately £14.17 per sq ft or towards £10 per sq ft taking account of the Landlord's contribution to refurbishment works.
2 Frederick Terrace Brighton	Terraced, purpose-built 1980s office building. 2,054 sq ft. City centre location, close to station.	Terms agreed for new 5 year FRI lease in the region of £41,000 per annum, equating to £20 per sq ft.



Address	Description	Transaction
Kemp Town House 72 Carlton Hill Brighton	Recently built ground floor office suite in Kemp Town district. Much smaller space.	Let to therapist under 10 year FRI lease from June 2019 at £15,000 per annum. £21.43 per sq ft. Slightly historic but close to subject property.
Princes House Queens Road Brighton	Purpose-built ground and first floor offices. 5,331 sq ft and 5,665 sq ft. Lift, raised floors, nine parking spaces.	Rent review agreed June 2020. Both parties represented. Agreed at £27.25 per sq ft.
93/94 Queens Road Brighton	Purpose-built first floor offices. Good specification. 1,868 sq ft. Two parking spaces.	June 2020 rent review agreed at £24.13 per sq ft.
69 Middle Street Brighton	Converted office suite let February 2021, five years with tenant break end of year 3 circa 2,500 sq ft.	Rental £60,000 per annum with three months' rent review, close to £24 per sq ft.
Brighton Table Tennis Club Upper Bedford Street Brighton	Former diocesan halls, kitchen, and WC in Upper Bedford Street. With 4 car parking spaces.	RPI-indexed 12 year lease on stepped rental. Rent currently passing equates to circa £5.00 per sq ft. This allows for tenant's improvements. Property in poor condition when let.
Lower Ground Floor The Friars 40 – 42 Friars Walk Lewes	Lower ground floor gym facility. Under converted modern flat building in centre of county town.	Open market letting September 2019, equating to £10.00 per sq ft on 3,750 sq ft space.
Chapel Royal Vaults 164 North Street Brighton	Basement gym in town centre location forming part of period church building.	Open market letting 10 year lease from April 2019, reflecting £14.70 per sq ft.
Unit 4D Burrell Road Haywards Heath	Freehold gym fitness studio of 3,707 sq ft in industrial location.	Gym let at £45,000 pa, equating to £12.14 per sq ft overall in 2021.
Unit 11 Mid Sussex Business Park Ditchling Common	Gym and converted industrial premises.	Open market letting October 2020. 5 year FRI lease. Rent equates to £9.32 per sq ft.



Address	Description	Transaction
South Road Haywards Heath	New gym letting on 15 year FRI lease on former Woolworths on ground and first floors, with capped service charge, schedule of landlord's works, and 6 months rent-free. 10 months then at half rent. Total floor area 13,553 sq ft.	rent but with analysis of all incentives rent equates to just

16. Market Value

16.1. Taking into consideration all the above factors, we are of the opinion that the freehold interest described above, and assessed in accordance with the RICS Red Book Global, including the International Valuation Standards, subject to vacant possession and subject to its existing use, has a market value as at 9 May 2023 that can be fairly stated to be in the sum of:

£1,600,000 (one million, six hundred thousand pounds)

16.2. Subject to the special assumption of the market value of the freehold interest subject to vacant possession following its extension and refurbishment as per the plans provided of the existing buildings, would be fairly represented in the sum of:

£4,500,000 (four million, five hundred thousand pounds)

16.3. Market Value is 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 and where the parties had each acted knowledgeably, prudently and without compulsion.

17. Market Value Analysis

- 17.1. In reaching our valuation figure we have adopted both the income and comparable approaches to valuation, using both the investment method which requires the capitalisation of the market rent at an appropriate yield to produce the resultant capital value and comparable sales making allowances for such factors as condition, size, accommodation, location, etc.
- 17.2. We assess the existing use value market value at £1,650,000 equating to £100 per sq ft or a gross yield of 9% deferred for a longer than average marketing period, with allowances for costs.
- 17.3. We assess the market value post refurbishment with a more open potential Class E use to be £4,500,000, which equates to £167 per sq ft on the much larger floor area of just over 27,000 sq ft.

18. Market Value Comparable Evidence

18.1. We are aware of the following comparables:

Address	Description	Transaction
HCS Building Wellington Road Portslade	Large, multi-storey, poor condition storage building.	Sold. Two stage sale end 2022 at £3,000,000. 27,000 sq ft equates to £111 per sq ft.



Address	Description	Transaction
British Engineerium Hove	Large, historic waterworks facility comprising 18,000 sq ft historic building and 15,000 sq ft of vacant space with potential uses within Class E.	Sold 2022 for £4.125 million freehold, reflecting £125 per sq ft.
Former St Agnes Church New Town Road Hove	Former church building acquired as gymnasium and consulting rooms. Similar Use Class category as subject.	Sold late 2022 for £1,300,000 reflecting circa £200 per sq ft.
Oakley Motor Unit Edward Street Brighton	Long leasehold 4 storey split level showroom workshop building just east of subject. 5,773 sq ft.	Long leasehold surrendered with 53 years remaining to freeholder late 2019 at £550,000 reflecting £95 per sq ft.
Lower Ground Floor The Friars 40 – 42 Friars Walk Lewes	Basement fitted gymnasium on 10 year lease at a rental of £37,500 per annum.	Long leasehold investment available currently at £425,000, reflecting a gross yield of 8.8%.
3 George Street Hove	Small restaurant and ancillary accommodation investment in central Hove on FRI lease at £22,000 per annum.	Sold April 2023, reflecting a gross yield of 7.92%. Much smaller lot size.
59 – 61 George Street Hove	Freehold Boots Pharmacy investment let on 10 year lease from September 2019. Income £98,500 per annum.	Sold 6 April 2022 for £1.54 million, reflecting a gross yield of 6.4%.
Industrial investment Unit A Rudford Industrial Estate Ford	Long let freehold industrial investment with index-linked reviews.	Under offer currently at circa £4.7 million, reflecting a reversionary yield of 8%.

19. Valuation Certainty

- 19.1. A valuation is not a statement of fact but is an estimate based on our professional opinion on a stated basis, together with appropriate assumptions and/or special assumptions. As such, the degree of certainty (that being the probability that our opinion of market value will match the price achieved were there to be an actual sale of the property at the date of valuation) is inevitably dependent upon a wide range of differing circumstances that exist at the time of valuation.
- 19.2. The UK economy is suffering a slowdown in growth and economists are predicting further contractions this year. Sterling has been on a downward trend against the US Dollar and the cost of living crisis is yet to reach its peak. The war in Ukraine and subsequent supply chain problems and energy price spikes have compounded inflation, which is running at a multi-decade high.



19.3. The outbreak at the beginning of 2020 of the Novel Coronavirus (COVID-19) was declared by the World Health Organisation as a "Pandemic" on 11 March 2020 and impacted global financial markets. International and national travel restrictions were implemented by many countries but were gradually lifted and subsequently suspended in the UK.

20. Conditions, Assumptions, and Extent of Investigations

- 20.1. The content of this report is to be confidential to the party to whom it is addressed. Unless provided otherwise by law or regulation, we owe no duty of care and have no liability to any third party for the whole or any part of our valuation. The report is for the use of the party to whom it is addressed and should only be used within the context of the instructions under which it is prepared. It may be disclosed to other professional advisers assisting in respect of that purpose.
- 20.2. In the making of our report, unless commented separately above, we have made the following assumptions:
 - (a) that except for any defects specifically noted in our report, the property is in good condition.
 - (b) that the property complies with all planning and building regulations and that there are no local authority planning or highway proposals that might involve the use of compulsory purchase powers or otherwise directly affect the property.
 - (c) that no construction materials have been used that are deleterious, or likely to give rise to structural defects.
 - (d) that no hazardous materials are present.
 - (e) that all relevant statutory requirements relating to use or construction have been complied with.
 - (f) that any services, together with any associated computer hardware and software, are fully operational and free from impending breakdown or malfunction.
 - (g) that the inspection of those parts which have not been inspected would reveal neither material defects nor cause a surveyor to alter the valuation materially.
 - (h) that the site is physically capable of development or redevelopment, when appropriate, and that no special or unusual costs will be incurred in providing foundations and infrastructure.
 - (i) that there are no archaeological remains on or under the land which could adversely impact on value.
 - (j) that the property is not adversely affected by any form of pollution or contamination.
 - (k) that there is no abnormal risk of flooding.
 - (I) that if the property is in an area liable to flooding, insurance is available for property damage and, in the case of commercial premises business interruption, in the event of flooding at reasonable cost.
 - (m) that the freeholder has not elected to register the property for VAT, and therefore the rental and capital figures stated do not include VAT.
 - (n) that there has been no deterioration or alteration of the property between the date of inspection and the date of the report.
 - (o) that in the case of new build/converted properties we assume that there exists the necessary certification in order for them to be easily mortgaged/sold in the open market.



- (p) that those items of plant and equipment normally considered to be part of the service installations to a building will pass with the property.
- (q) that all items of process plant and machinery and equipment, together with their special foundations and supports, furniture and furnishings, vehicles, stock and loose tools, and tenants' fixtures and fittings will not pass with the property.
- (r) that the property and its value is unaffected by any matters which would be revealed by a local search or replies to the usual enquiries or by statutory notice including fire precautions and Health and Safety at Work and Disability Discrimination or other appropriate acts, and that neither the property nor its condition nor its use nor its intended use is or will be unlawful.
- 20.3. In the making of our report we will generally have undertaken the following enquiries and investigations:
 - (a) We shall rely upon information provided by you, your customer or your solicitor relating to title, boundaries and related matters. We will not commission a formal legal search and will assume the information provided to be accurate, up-to-date and complete.
 - (b) Where subject to a letting we will reflect our general understanding of a tenant's status in our valuation. However, we will make no detailed enquiries about the financial status of tenant(s) and will assume that appropriate enquiries were made when leases were originally exchanged, or when consent was granted to any assignment or underletting.
 - (c) We shall make enquiries of the websites of local planning and highway authorities and also rely on information that is publicly published or available free of charge. Any information obtained will be assumed to be correct. No local searches will be instigated. Except where stated to the contrary, we shall assume that there are no local authority planning or highway proposals that might involve the use of compulsory purchase powers or otherwise directly affect the property.
 - (d) Energy Performance Certificate (EPC) We will make enquiries of the website of the Domestic & Non-domestic EPC Registers and undertake a postcode search and report whether the property has an EPC and if so its asset rating.
 - (e) Flood We will make enquiries of the flood maps on the website of the Environmental Agency website and report whether the property is in an area liable to flooding from River or Sea.
 - (f) Contamination We will not make any enquiries into environmental issues affecting the property.
 - (g) Asbestos We will not undertake any investigations to identify if any asbestos containing materials are present, although will comment on whether the property is considered to be of an age where asbestos containing materials may have been used in construction and also on the contents of any Asbestos Survey Report that we are supplied with.



20.4. We trust that this report and valuation covers all matters upon which you wish to be advised, but should you have any queries please do not hesitate to contact us.

Yours faithfully,

Signed for and on behalf of Crickmay Chartered Surveyors:

......Counter-signed by

Hugh McShane BSc MRICS RICS Registered Valuer RICS No: 0081150 Director

Crickmay Chartered Surveyors

D: 01273 427650 **E:** hm@crickmay.co.uk

Simon Browne MRICS RICS Registered Valuer RICS No: 1126834 Surveyor Crickmay Chartered Surveyors T: 01273 413420

E: scb@crickmay.co.uk



APPENDIX 1 - Additional Photographs





Rear and eastern elevations



West elevations



Flank parking and workshop



Poor flat roofing over flat and builder's workshop



Small rear car park



Rear and adjacent multi-storey flat block





Street views looking east



Street viewed looking west



Basement rehearsal room 1



Basement rehearsal room 2



Art room



Dance studio

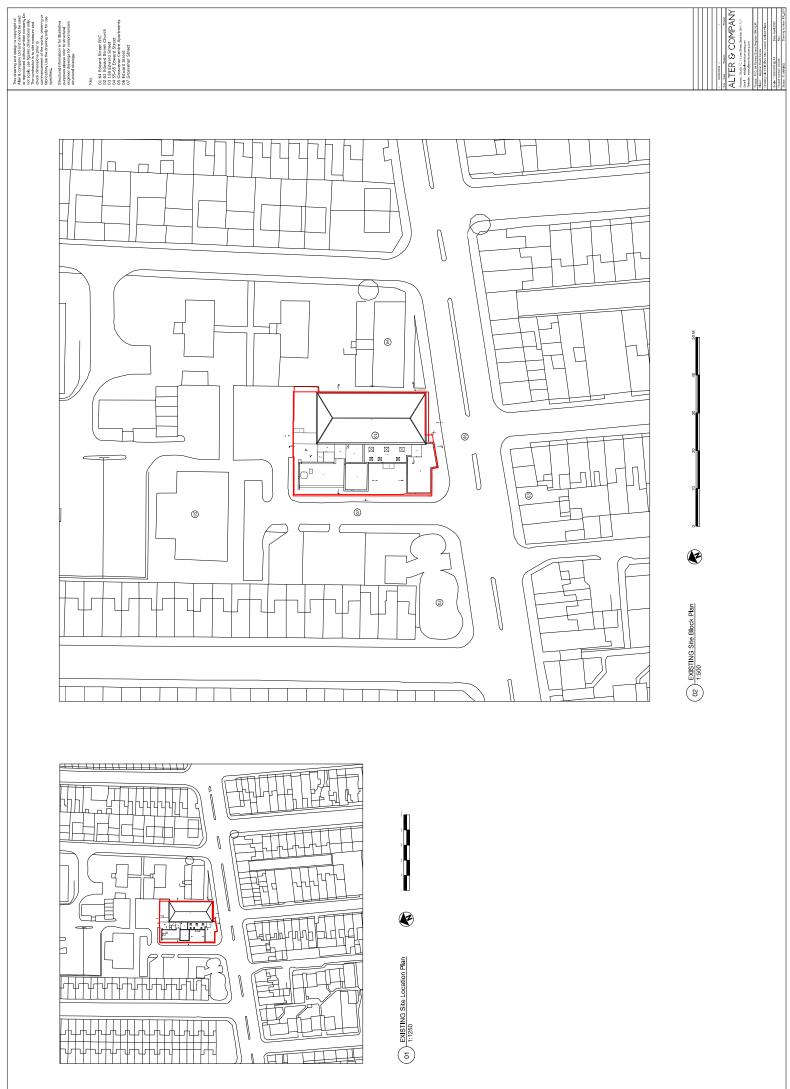


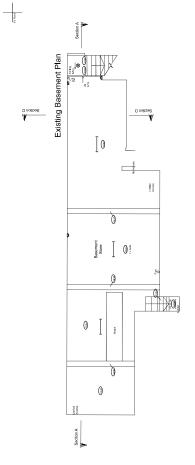


Top floor skate park changing area



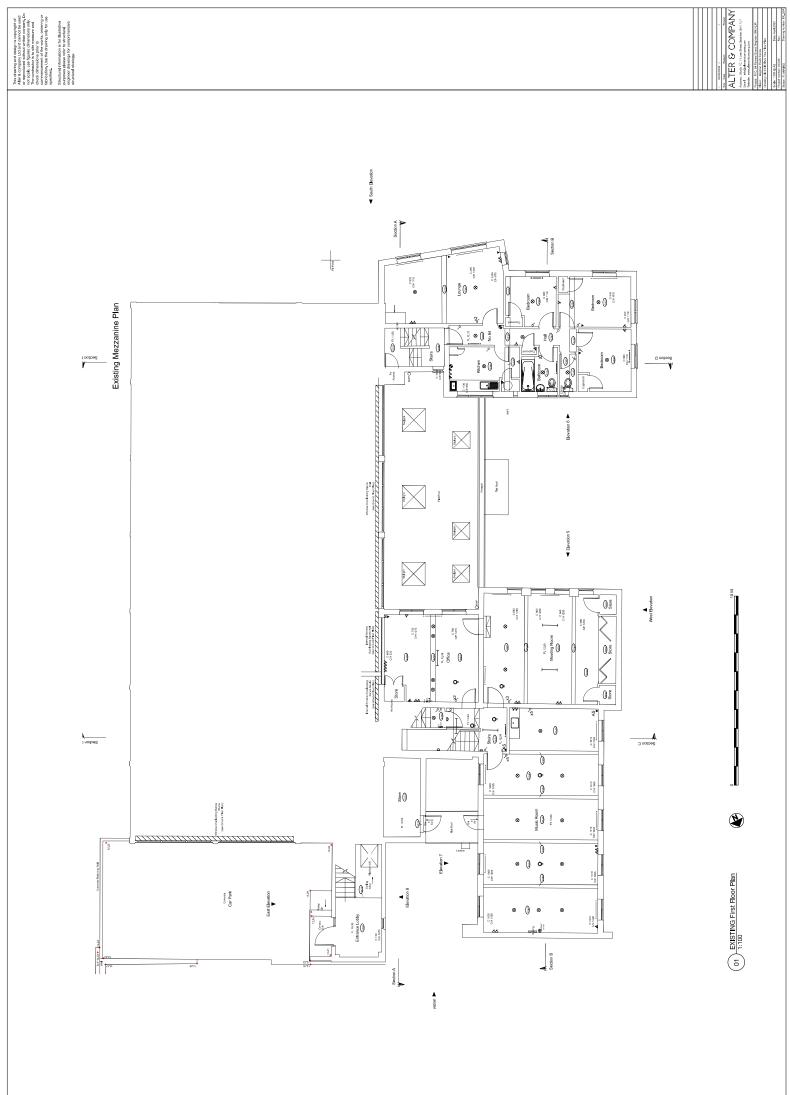
APPENDIX 2 - Existing and Proposed floor plans

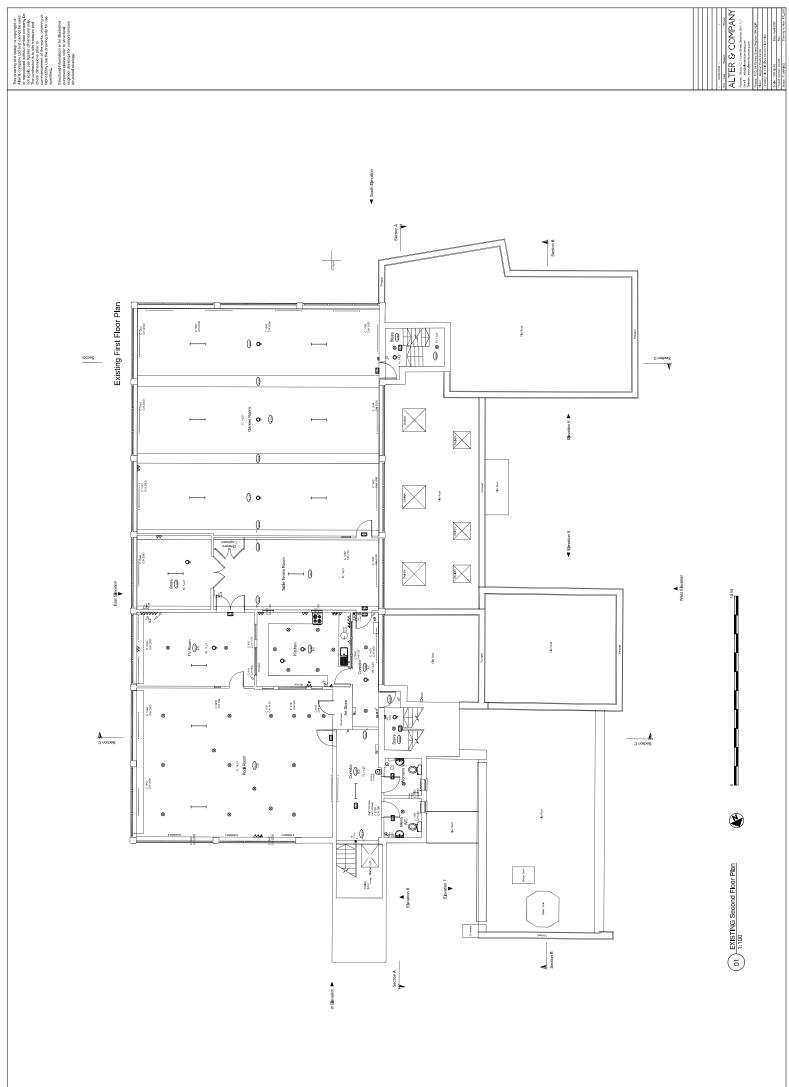


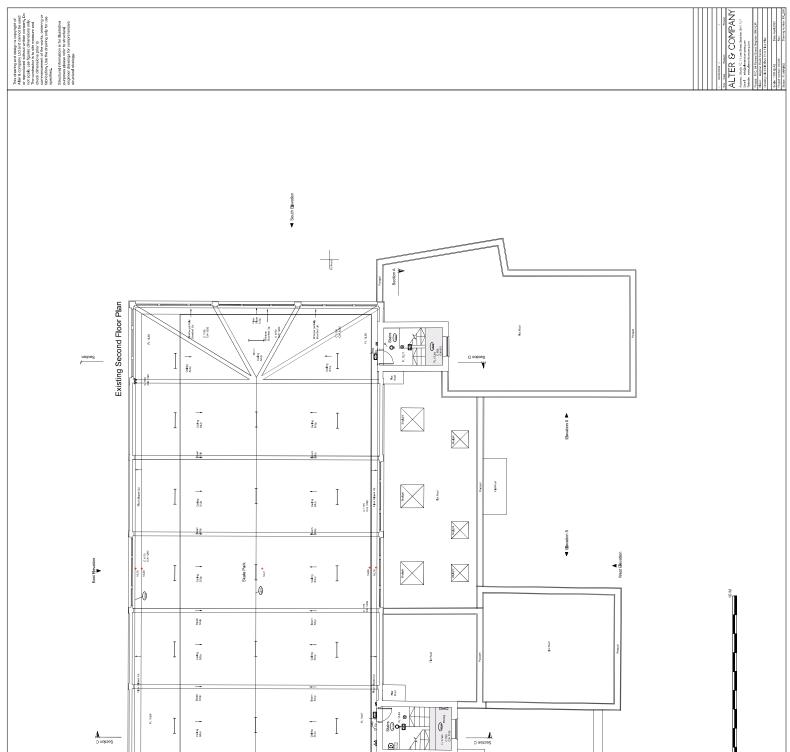


01 EXISTING Basement Floor Plan

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Section C

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The Book

Flat Roof

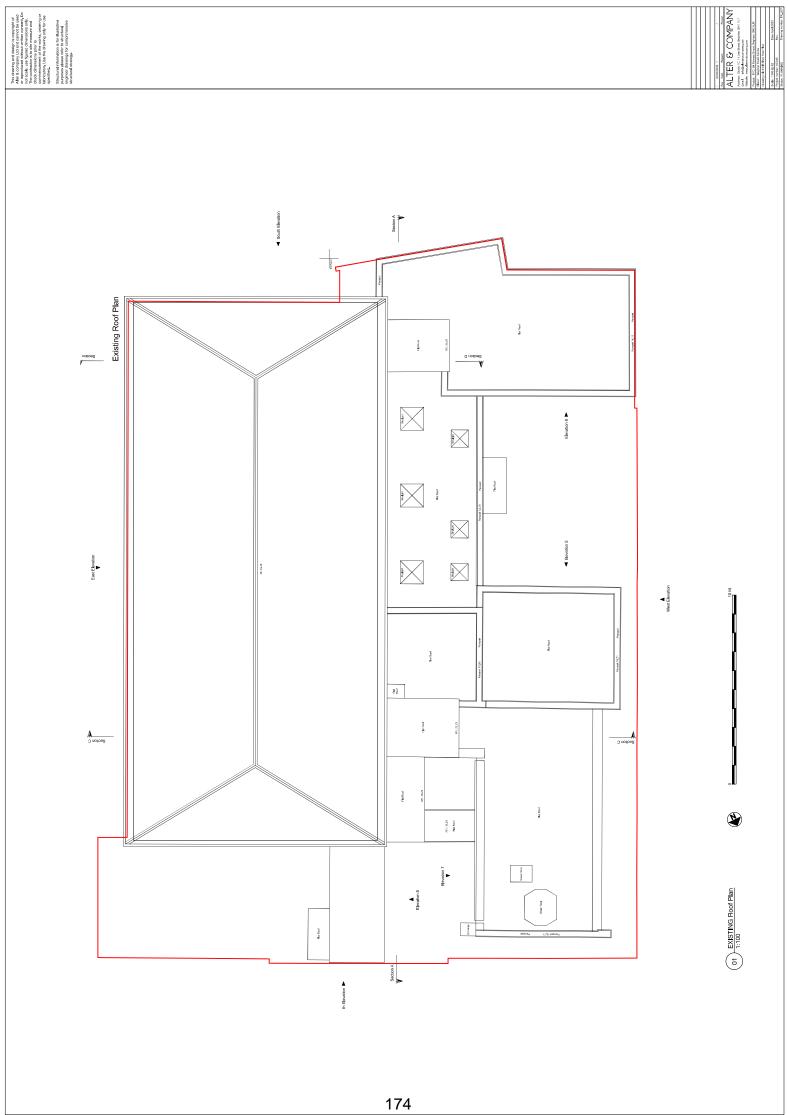
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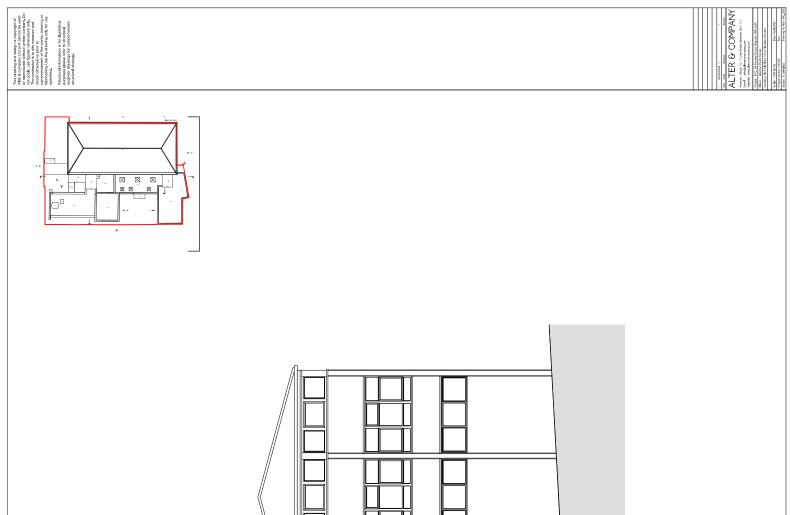
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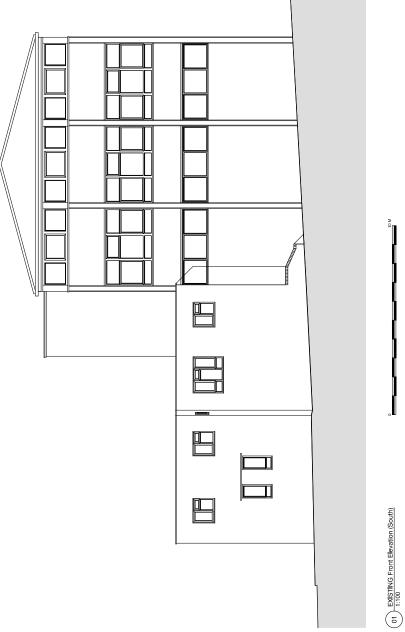
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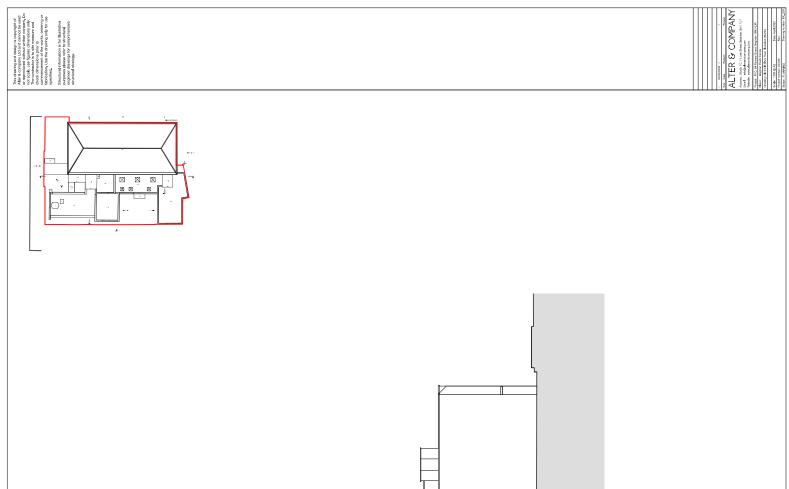
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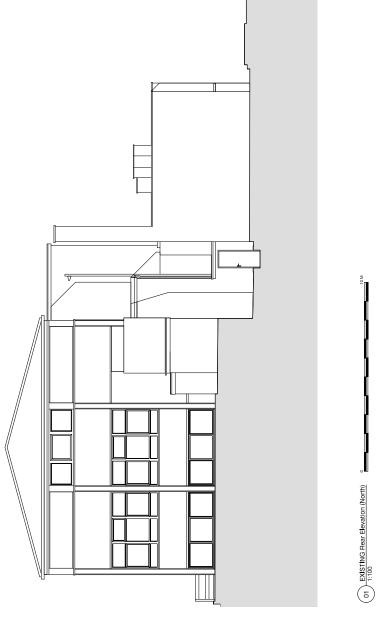
Roof Stepes Up

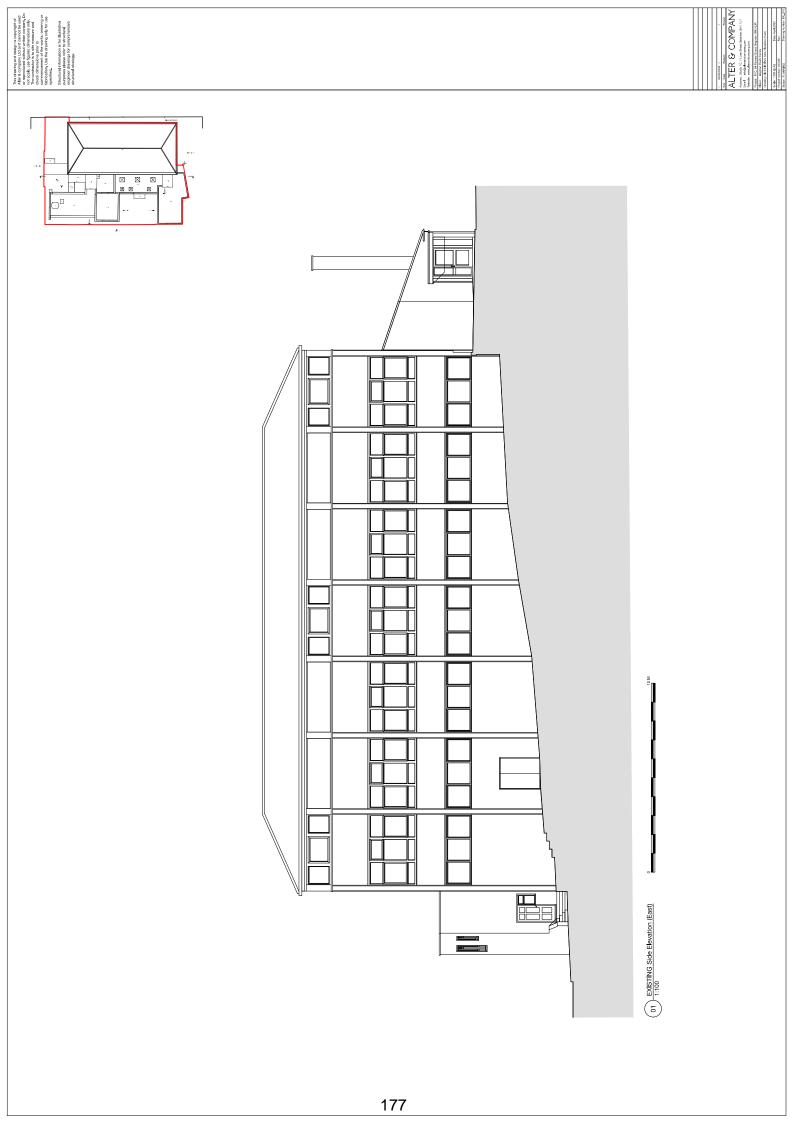




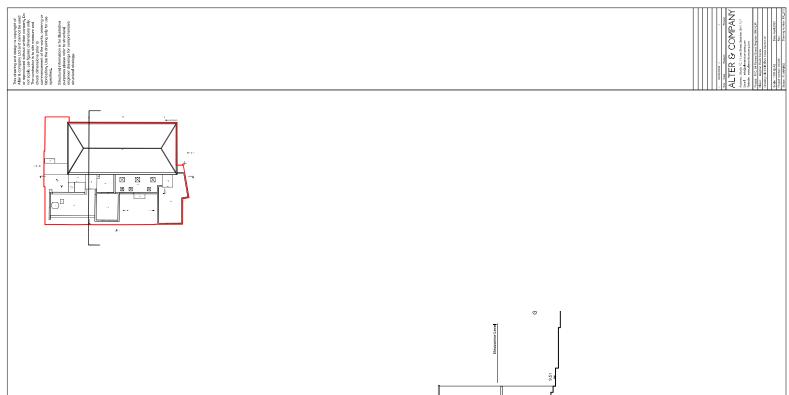


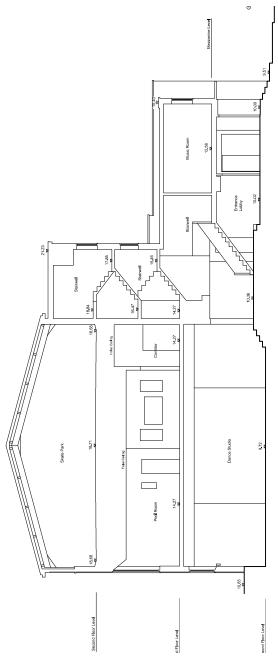


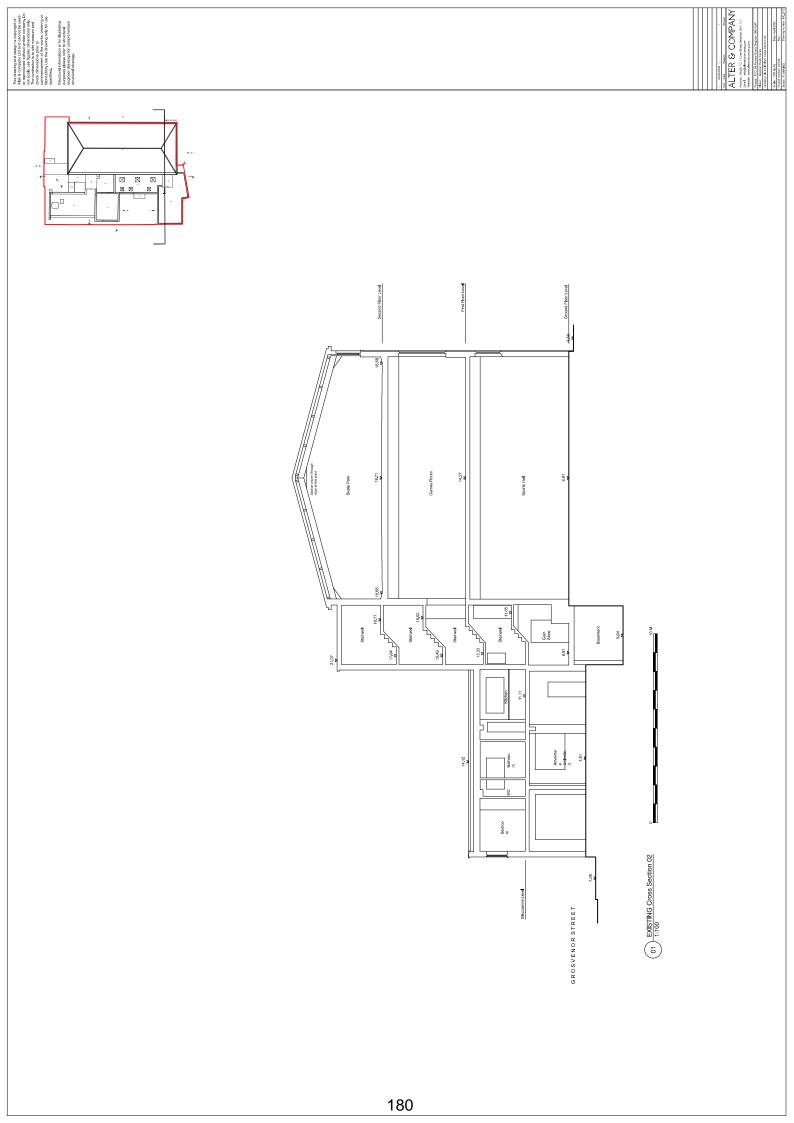


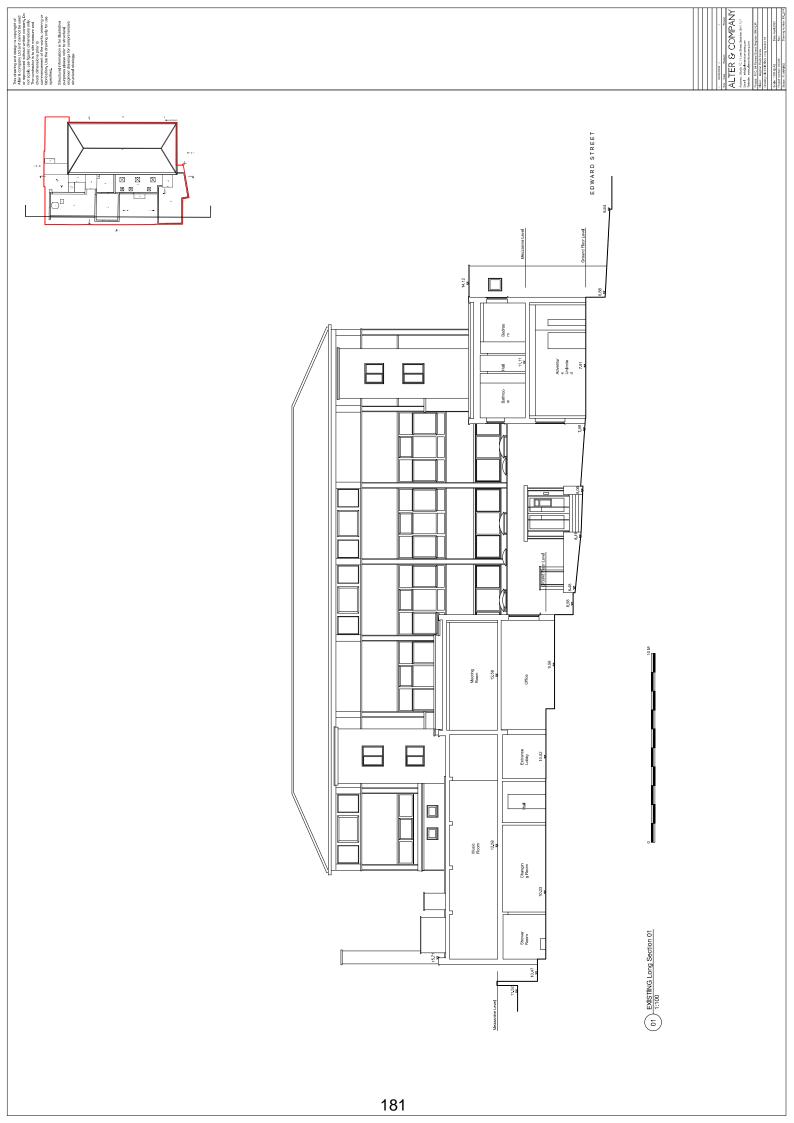


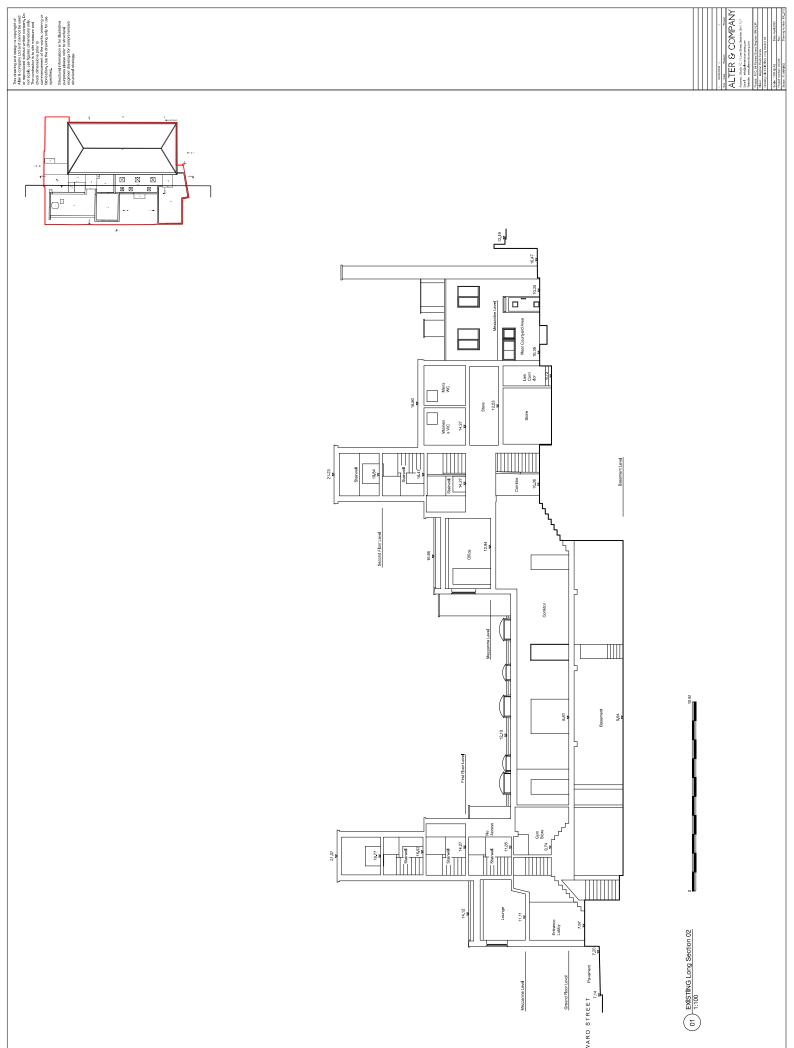




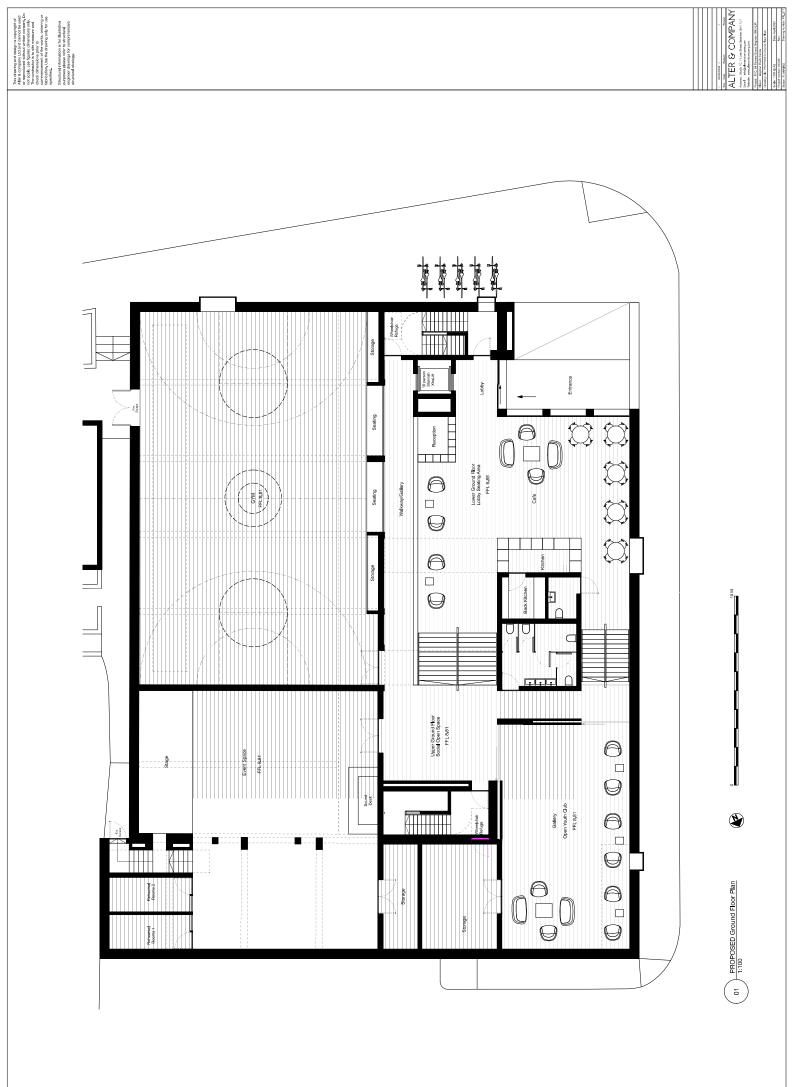


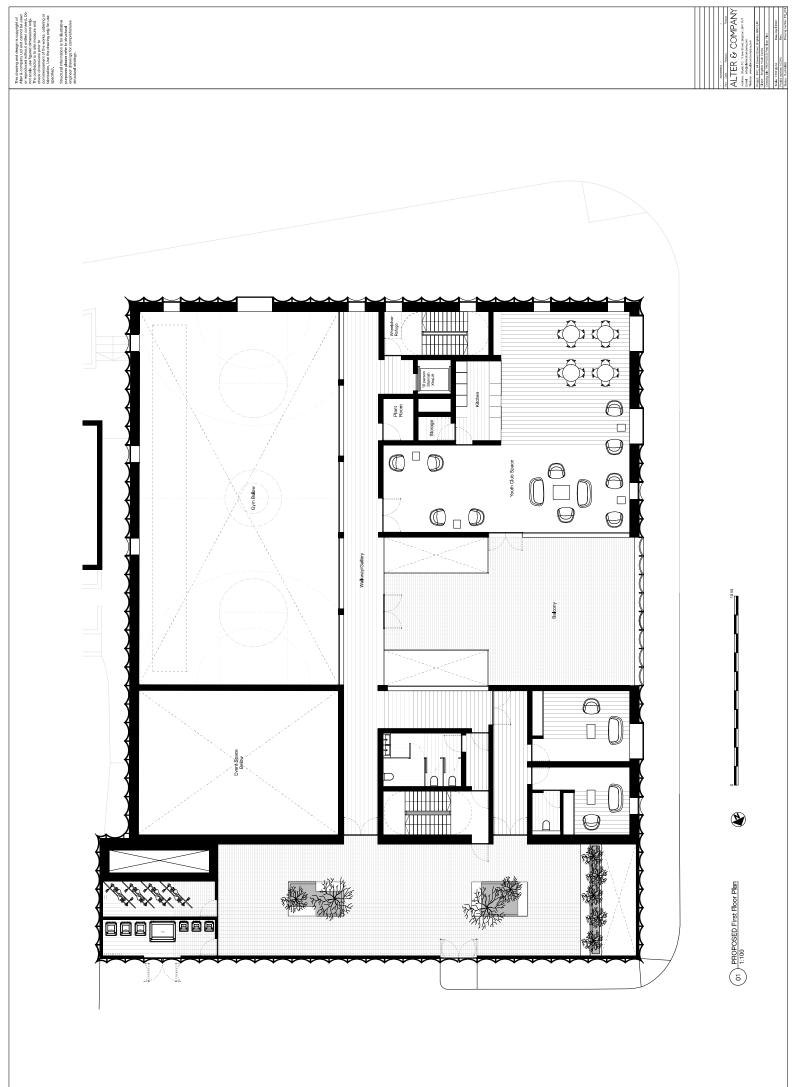


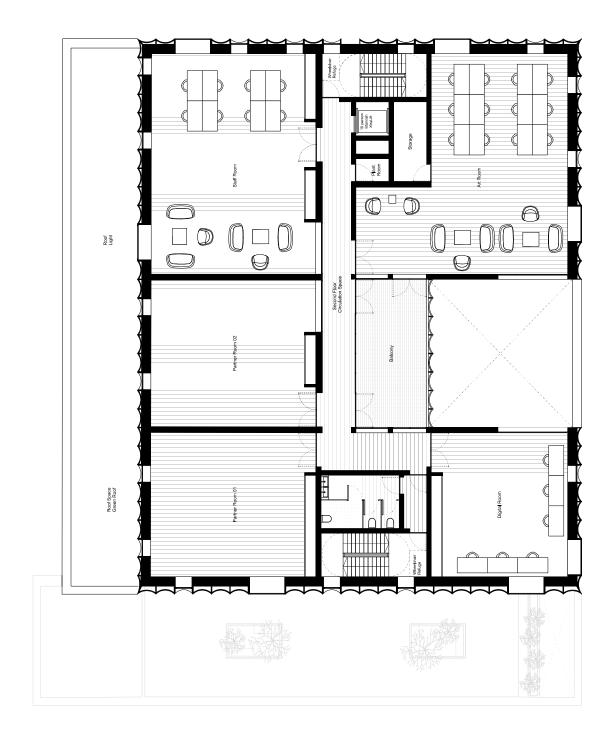


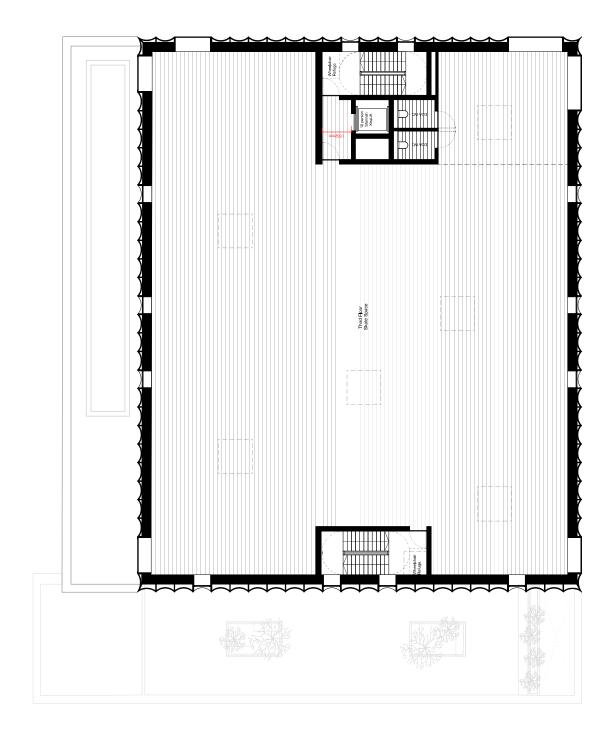


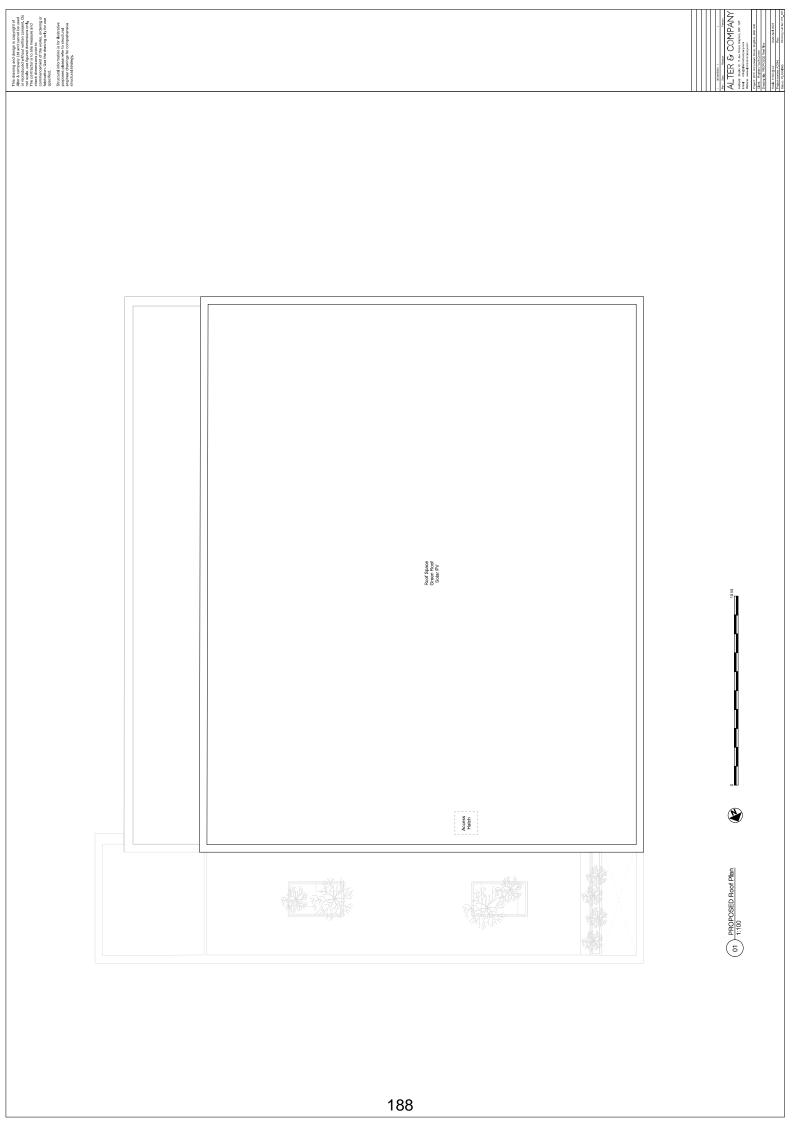


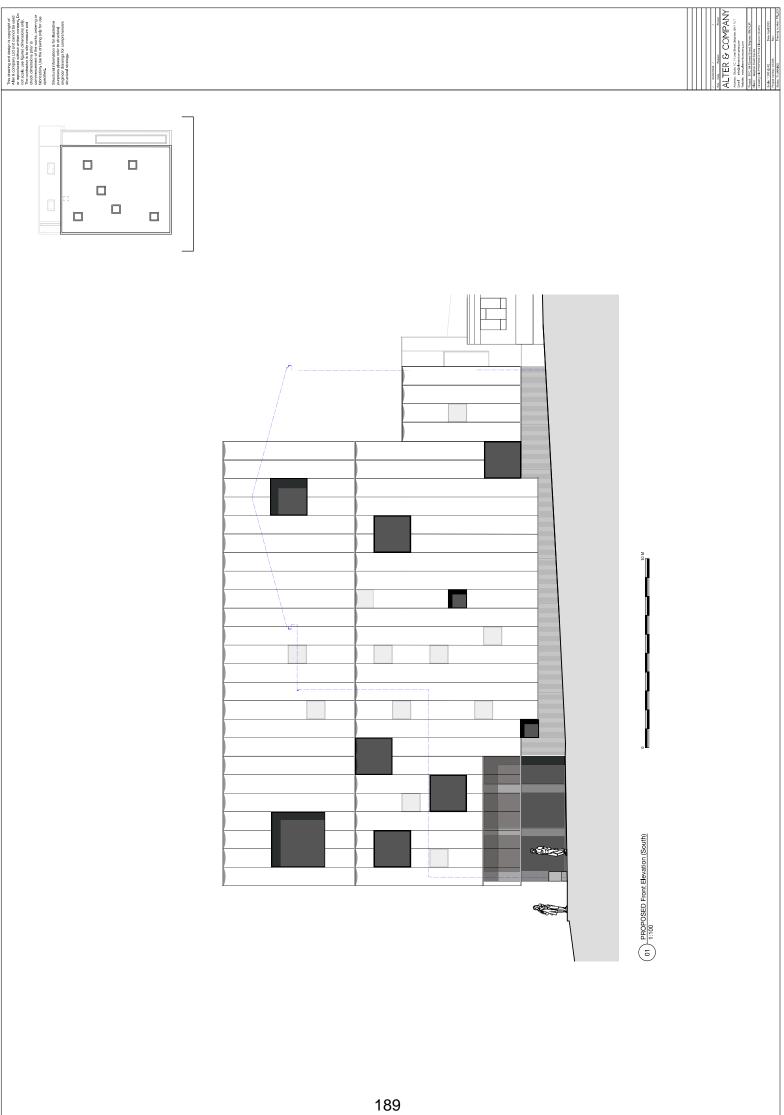


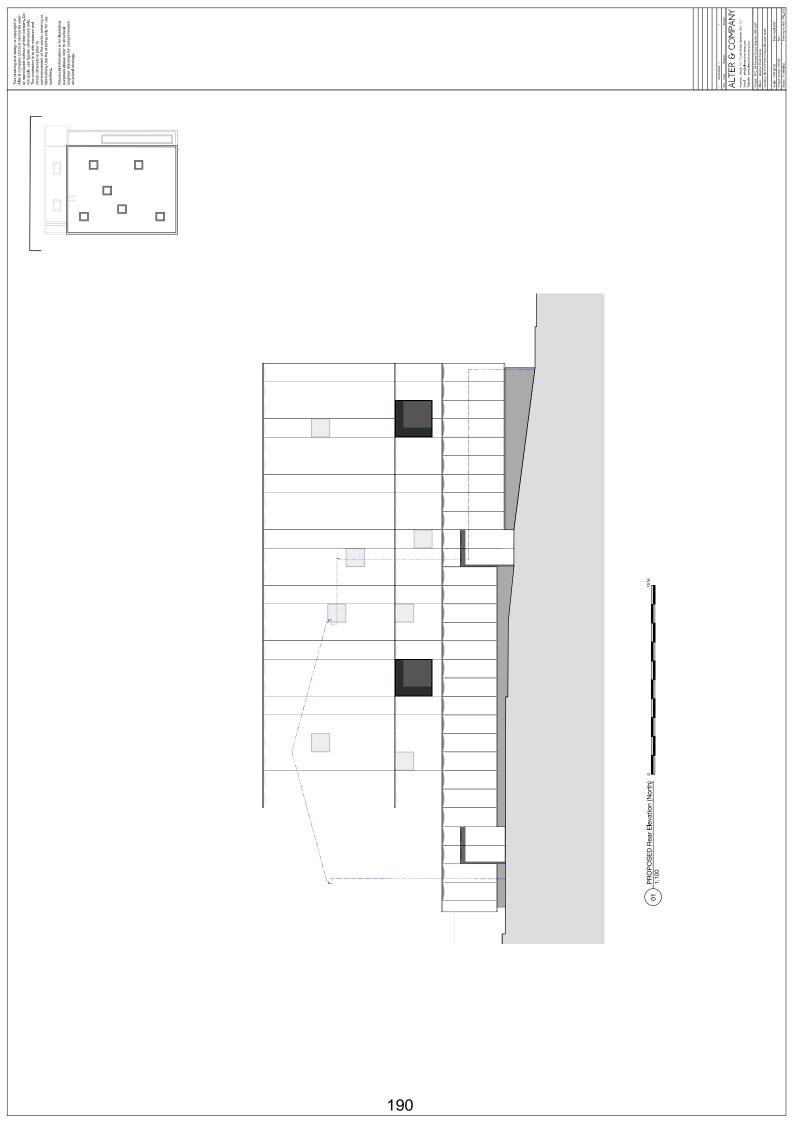


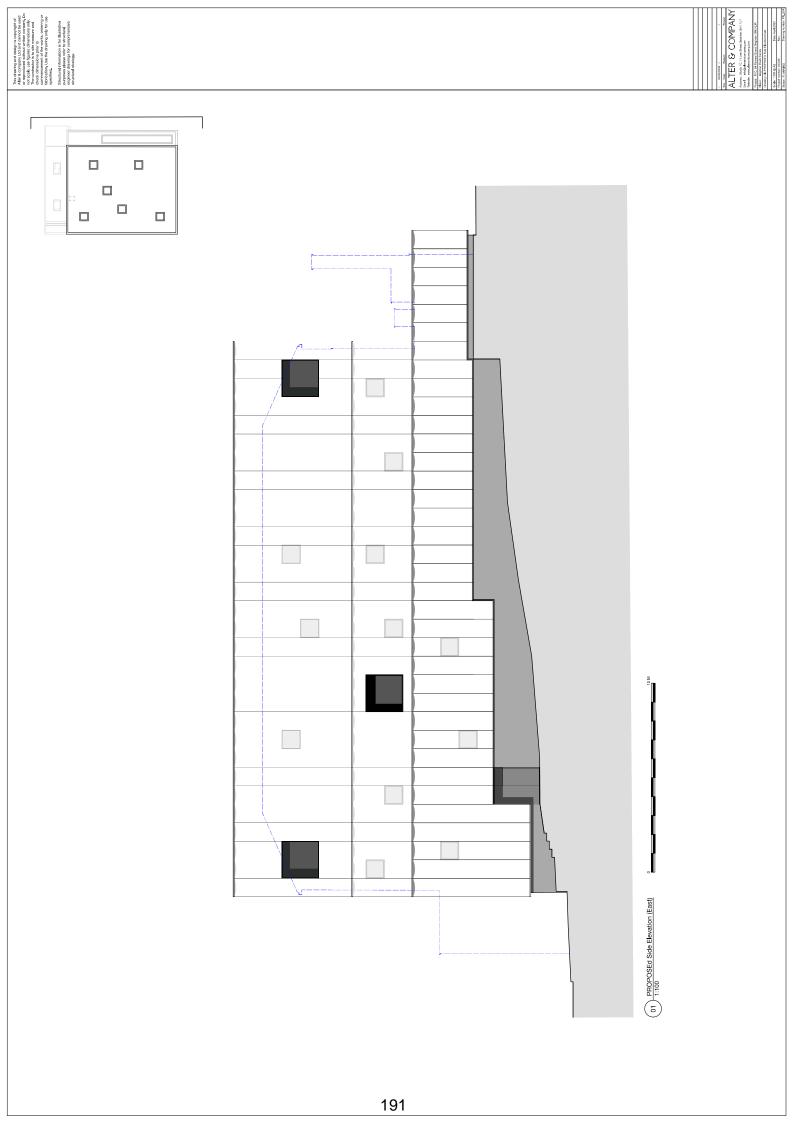


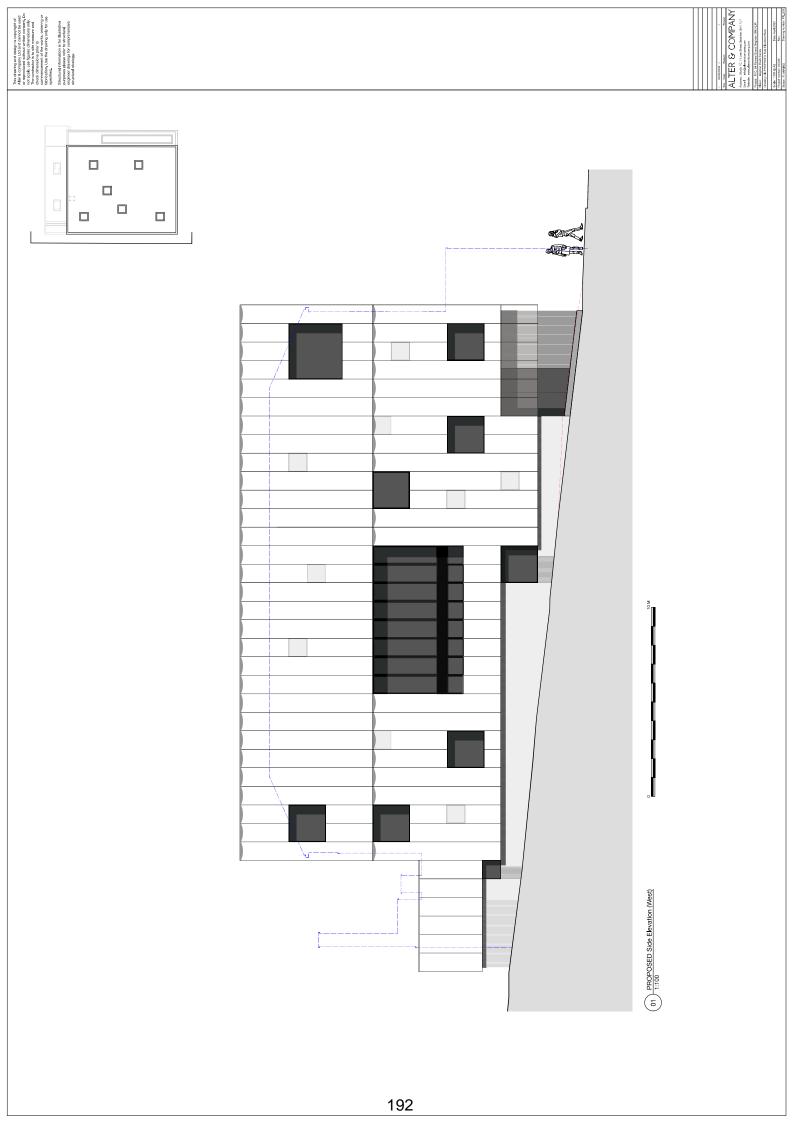


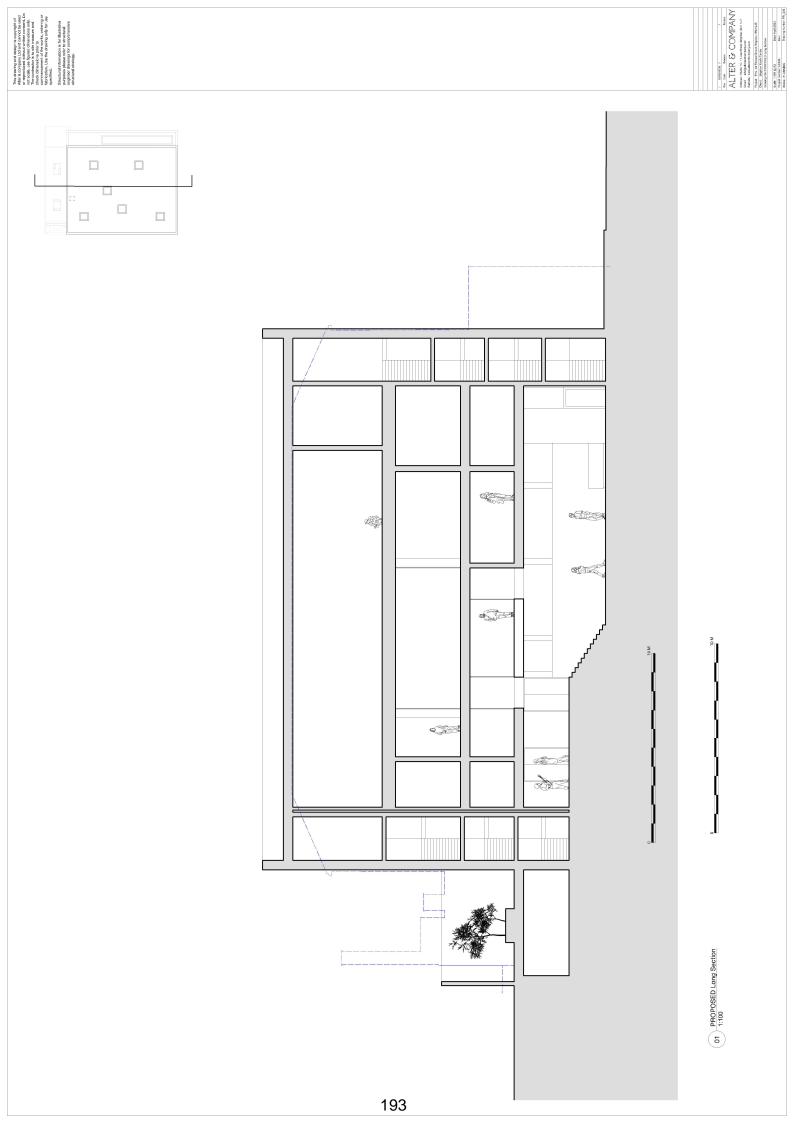


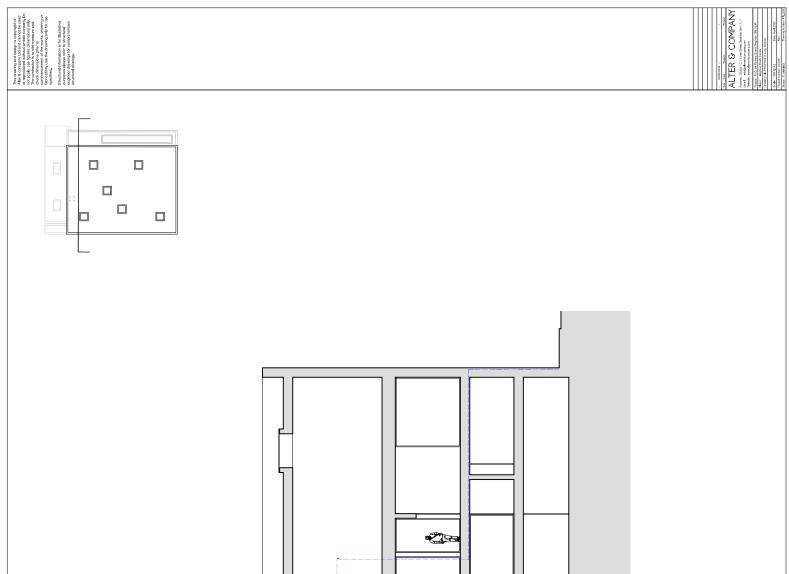


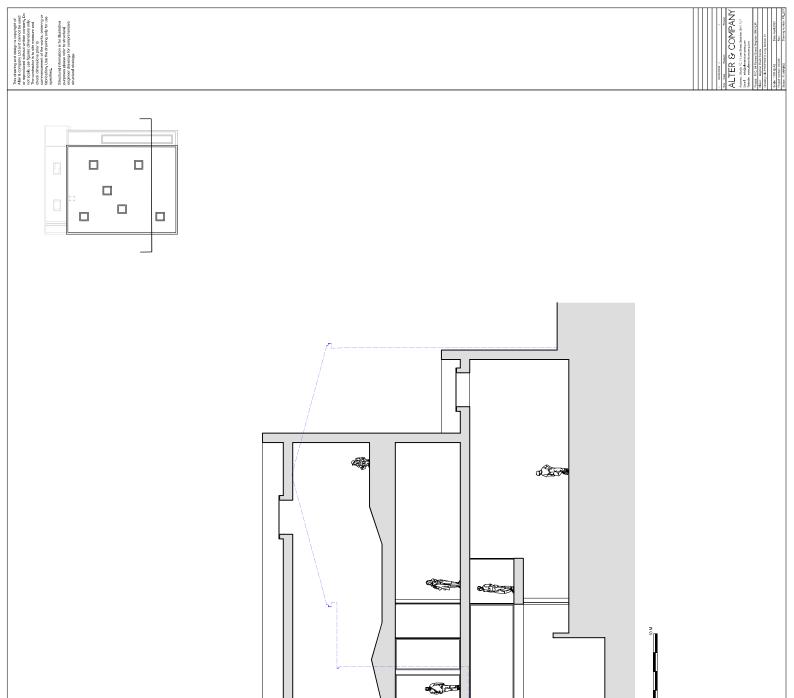






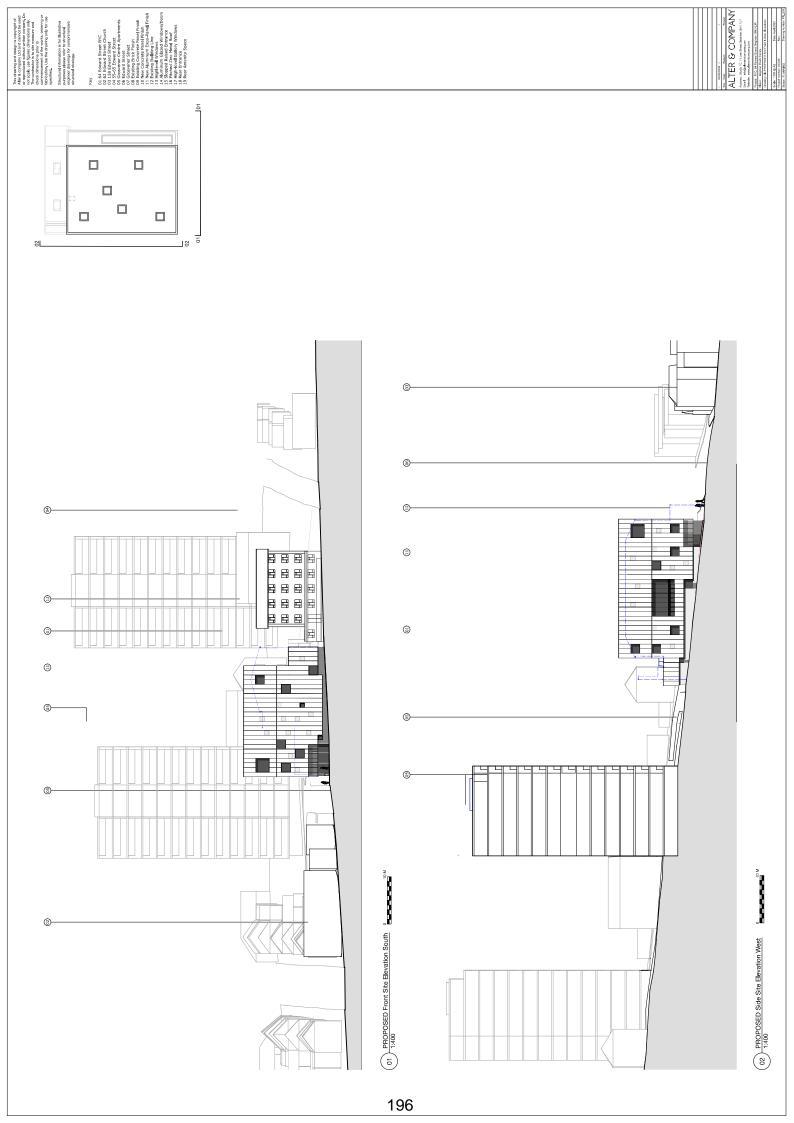






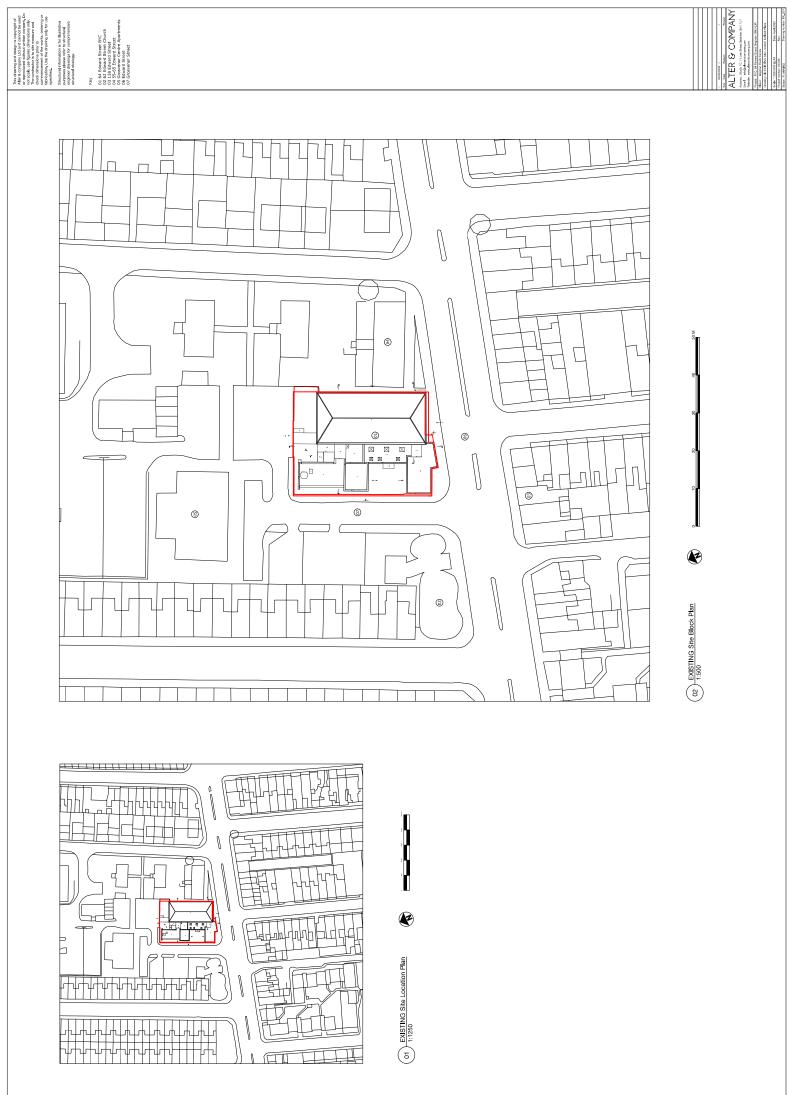
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(01) EXISTING Cross Section 02





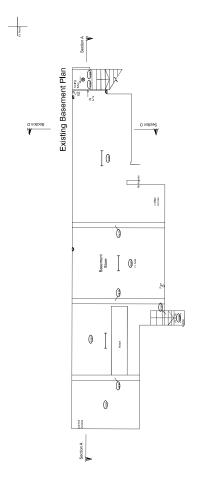
APPENDIX 3 - Architect's Proposals

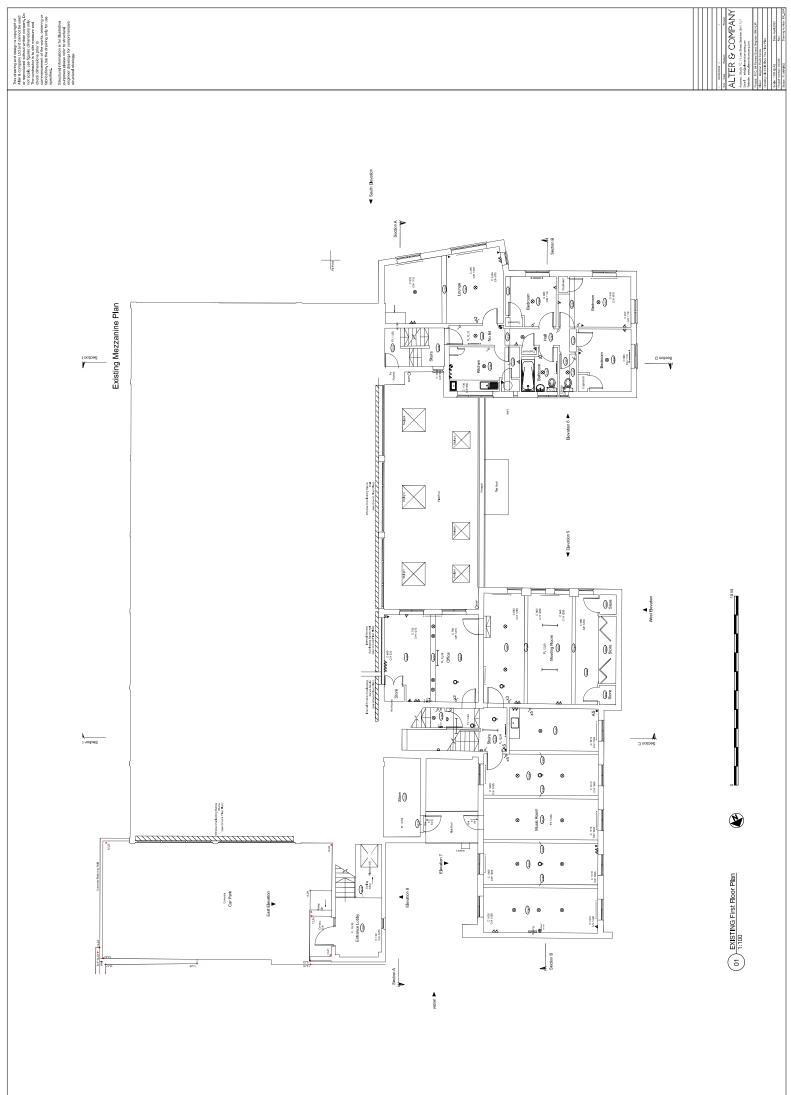


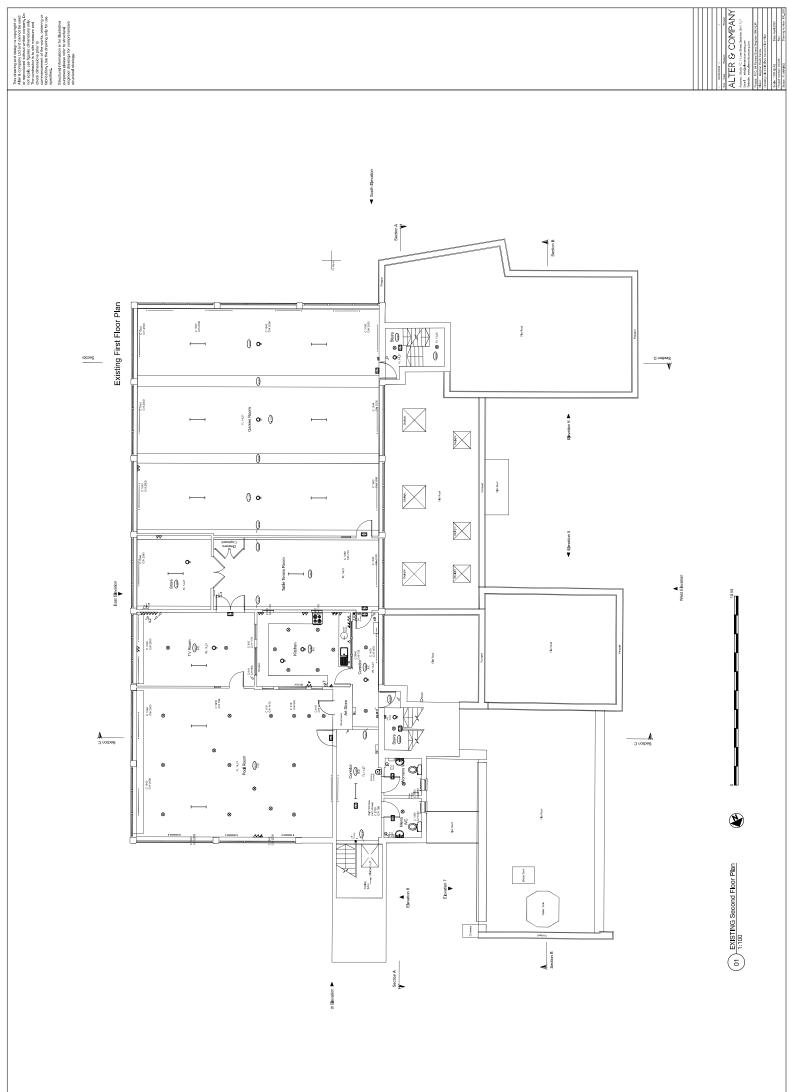
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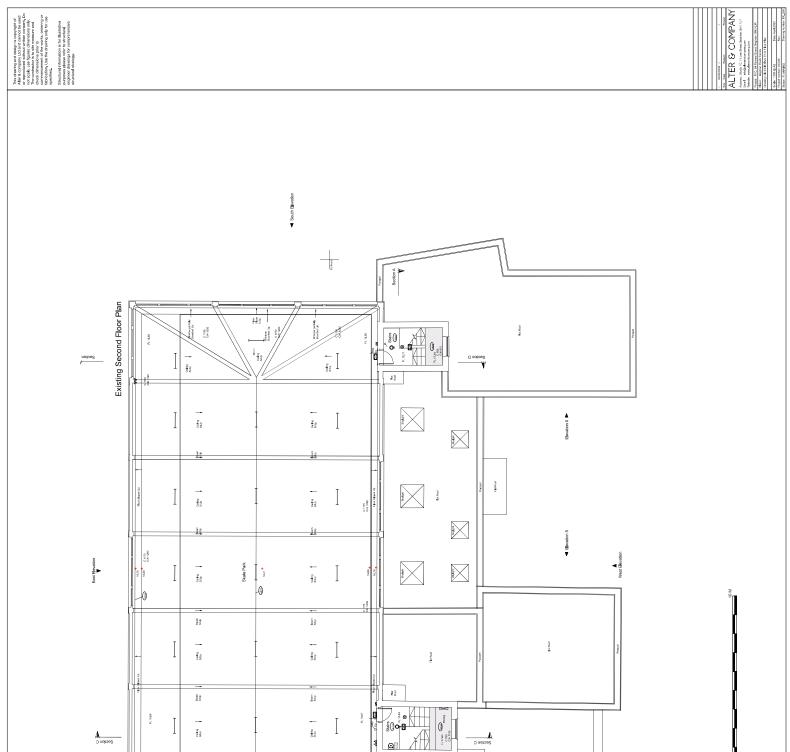


01 EXISTING Basement Floor Plan











01 EXISTING Third Floor Plan

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